

# THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

September 17, 1999

The Regents of the University of California met on the above date at UCSF - Laurel Heights, San Francisco.

Present: Regents Atkinson, Bagley, O. Johnson, Khachigian, Kozberg, Leach, Montoya, Nakashima, Pannor, Preuss, Sayles, Taylor, and Vining (13)

In attendance: Regent-designate Kohn, Faculty Representatives Coleman and Cowan, Secretary Trivette, General Counsel Holst, Provost King, Senior Vice President Kennedy, Vice Presidents Darling, Hershman, and Hopper, Chancellors Tomlinson-Keasey and Yang, and Recording Secretary Bryan

The meeting convened at 11:10 a.m. with Vice Chairman Preuss presiding.

## 1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion of Regent Bagley, duly seconded, the minutes of the meeting of July 16, 1999 were approved.

## 2. REPORT OF THE PRESIDENT

President Atkinson presented the report concerning University activities and individuals. Upon motion of Regent Khachigian, duly made and seconded, the President's report was accepted, and it was directed that notes of thanks be sent to the donors of the gifts mentioned in the report, that congratulations be extended to those faculty and staff members who have been awarded honors, and that notes of sympathy and regret be sent to the families of those whose deaths were reported.

[The Report was mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

Faculty Representative Coleman commented that the Academic Senate is reviewing the ways in which faculty collaboration can smooth the transition for students transferring from the State university system to the University of California. The Senate is also working with the UC staff association on issues of importance to staff. Lastly, a task force on UC Merced has been appointed to review faculty appointments to the tenth campus and to develop its academic structure, undergraduate education program, and core research platform.

## 3. REPORT OF THE COMMITTEE ON FINANCE

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program***

The Committee reported its concurrence with the recommendation of the Committee on Grounds and Buildings that the 1999-2000 Budget for Capital Improvements and the 1999-2002 Capital Improvement Program be amended to include Irvine: A. Parking and Transportation Improvements Program, Step 5 and Los Angeles: A. The Orthopaedic Hospital - J. Vernon Luck, Sr., M.D. Research Center.

B. ***Establishment of Student-Sponsored Undergraduate Athletics and Campus Spirit Programs Fee, Irvine Campus***

The Committee recommended that effective fall 2000, a mandatory Athletics and Campus Spirit Programs Fee of \$33 per undergraduate student per quarter be assessed all undergraduate students at the Irvine campus.

C. ***Increase in Undergraduate Students Association Fee, Los Angeles Campus***

The Committee recommended that effective fall 1999, the Undergraduate Students Association Fee at the Los Angeles campus be increased from \$18 per undergraduate student per quarter to \$23 per undergraduate student per quarter.

D. ***External Financing for Prepayment of Service Contract with Pacific Bell, Berkeley Campus***

The Committee recommended that:

- (1) The Treasurer be authorized to obtain external financing not to exceed \$9,118,700 to fund the prepayment of a service contract with Pacific Bell at the Berkeley campus, subject to the following conditions:
  - a. Repayment of the debt shall be pledged from the Berkeley campus' share of the University Opportunity Fund.
  - b. The general credit of The Regents shall not be pledged.
- (2) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is exempt from federal income taxation under existing law.
- (3) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

E. ***External Financing for Center for Adaptive Optics, Santa Cruz Campus***

The Committee recommended that:

- (1) Funding for the Center for Adaptive Optics, Santa Cruz campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External financing	\$ 2,970,000

- (2) The Treasurer be authorized to obtain external financing not to exceed \$2,970,000 to finance the Center for Adaptive Optics, Santa Cruz campus, subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - b. Repayment of the debt shall be from the Santa Cruz campus' share of the University Opportunity Fund.
  - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is exempt from federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

F. ***Amendment of External Financing for Core West Parking Structure, Santa Cruz Campus***

The Committee recommended that the financing actions approved by The Regents in May 1999 with respect to the Core West Parking Structure, Santa Cruz campus, be amended as shown below, with the understanding that all other financing actions by The Regents regarding said project remain unchanged:

**deletions shown by strikeout; additions by shading**

- (1) Funding for Core West Parking Structure, Santa Cruz campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>	
External financing	<del>\$11,078,000</del>	\$12,105,000
Parking reserves	<u>250,000</u>	
Total:	<del>\$11,328,000</del>	\$12,355,000

- (2) The Treasurer be authorized to obtain external financing not to exceed ~~\$11,078,000~~ \$12,105,000 to finance a portion of the construction of the Core West Parking Structure, Santa Cruz campus, subject to the following conditions:

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G. ***Authorization to Enter into a Limited Liability Company to Operate an Internet Medical Reference System, Davis and San Francisco Campuses***

The Committee recommended that the President, in consultation with the General Counsel, be authorized to:

- (1) Execute documents, including an Operating Agreement, to enable the University of California to join a Limited Liability Company with co-members Creighton University, Stanford University, University of Iowa, and University of Southern California, to be capitalized up to \$250,000 by each member for the purpose of acquiring a license to use software, hiring medical experts to author the medical reference material, and operating an internet-based medical reference system.
- (2) With the concurrence of the General Counsel, the Chancellors of the Davis and San Francisco campuses be authorized to execute any amendments and modifications to the Operating Agreement and to execute related documents, provided that such amendments do not further obligate University funds or increase University liability.

H. *External Financing for Parking and Transportation Improvements Program, Step 5, Irvine Campus*

The Committee recommended that:

- (1) Funding for the Parking and Transportation Improvements Program, Step 5, Irvine campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External financing	\$25,920,000

- (2) The Treasurer be authorized to obtain external financing not to exceed \$25,920,000 for Parking and Transportation Improvements Program, Step 5, subject to the following conditions:

- a. Interest only, based on the amount actually drawn down for the construction, shall be paid on the outstanding balance during the construction period.
- b. As long as this debt is outstanding, parking fees for the Irvine campus shall be established at levels which, together with other user and related parking fees, will be sufficient to provide excess net revenues sufficient to pay the debt service on, and to meet related requirements of, the proposed financing.
- c. The general credit of The Regents shall not be pledged.

- (3) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is excluded from gross income tax for the purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute documents necessary in connection with the above.

I. *Approval of Expanded Use of Student Seismic Fee Revenue, Los Angeles Campus*

The Committee recommended that revenue remaining at the end of each fiscal year collected from the mandatory Student Seismic Fee of \$113 per student per year at the Los Angeles campus beyond that required for debt service for Ackerman Union and Kerckhoff Hall may be used for other needed life safety improvements in student services facilities.

J. ***Adoption of Negative Declaration and Acquisition of Facility for the UC Davis/McClellan Research Initiative in Sacramento, Davis Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Initial Study, the Committee recommended that:

- (1) The Regents approve the Initial Study/Negative Declaration and adopt the Findings.
- (2) The Regents approve a Lease in Furtherance of Conveyance (“Lease”) with the Secretary of the Air Force, on behalf of the United States of America, as lessor, and The Regents, as lessee, for real property consisting of the McClellan Nuclear Radiation Center (MNRC), located on the McClellan Air Force Base, Sacramento County, California and the surrounding 2.35 acres (“Leased Premises”) on the following terms and conditions:
  - a. The term shall be fifty years.
  - b. Lessee shall assume sole operating responsibility for the Leased Premises.
  - c. The Regents shall not be held liable for any claim or action arising from past contamination of any kind on or under the Leased Premises, whether known to exist or discovered in the future, to the extent such claim or action arises out of or relates to the use of or release of any contamination on or from any part of McClellan AFB, including the Leased Premises, prior to the date The Regents takes possession of the Leased Premises.
  - d. The Regents shall have received the benefit of an \$8 million appropriation from DOE to fund research and operating costs of MNRC.
  - e. Pursuant to the terms of the Lease referenced above, The Regents shall, upon execution of the lease, accept \$17.593 million from the United States, from which the campus will have financial responsibility to fund the eventual decommissioning of the MNRC facility. The campus will exercise (a) all due diligence in regularly reevaluating the likely cost of decommissioning the facility, and (b) all due stewardship of campus financial resources to ensure that sufficient funds can be made available to address decommissioning.

- (3) The Regents authorize the acquisition of ownership of the Leased Premises described in (2) above from the Air Force on behalf of the United States of America, at no cost to The Regents, pursuant to a Conveyance Agreement which is contingent on the occurrence of each of the following:
- a. The Air Force's completion of all of its obligations under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended (42#U.S.C.Section 9620).
  - b. The Air Force shall obtain from Sacramento County a recordable easement benefiting the Leased Premises which shall comply with all applicable rules or regulations of the Nuclear Regulatory Commission regarding occupation and use of space immediately adjacent to the Leased Premises.
  - c. Enactment of federal legislation authorizing direct transfer of the McClellan Nuclear Radiation Center from the Secretary of the Air Force to The Regents.
- (4) The Regents accept title to the Leased Premises to be conveyed by quitclaim deed.
- (5) The President be authorized after consultation with the General Counsel to execute the Lease and Conveyance Agreement in connection with the above.

[The Initial Study/Negative Declaration and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

**K. *Reversion of Property to the State, Bay Area Research and Extension Center, Santa Clara County***

The item was withdrawn by President Atkinson.

Upon motion of Regent Khachigian, duly seconded, the recommendations of the Committee on Finance were approved.

**4. REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS****A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program***

The Committee recommended that, subject to the concurrence of the Committee on Finance, the 1999-2000 Budget for Capital Improvements and the 1999-2002 Capital Improvement Program be amended to include the following projects:

- (1) Irvine: A. Parking and Transportation Improvements Program, Step 5 – preliminary plans, working drawings, and construction – \$25,920,000 total project cost to be funded from external financing.
- (2) Los Angeles: A. The Orthopaedic Hospital - J. Vernon Luck, Sr., M.D. Research Center – preliminary plans – \$1.6 million to be funded from gift funds.

Upon motion of Regent Lee, duly seconded, the recommendation of the Committee on Grounds and Buildings was approved.

**5. REPORT OF THE COMMITTEE ON AUDIT*****Authorization to Seek Proposals for External Audit Services***

The Committee recommended that the President be authorized to seek proposals from national independent accounting firms for conducting the annual examination of the financial statements of the University of California for a three-year period beginning with the fiscal year ending June 30, 2000.

Upon motion of Regent Vining, duly seconded, the recommendation of the Committee on Audit was approved.

**6. SUPPLEMENTAL REPORT ON EXECUTIVE COMPENSATION*****Recommended 1999-2000 Salary Increases for Certain Officers of the University and Officers of The Regents as Required by Bylaws and Standing Orders***

The Committee on Finance recommended that, pursuant to Standing Order 100.3(a), the 1999-2000 salary rate be approved for the President of the University as shown below, effective October 1, 1999, including merit and an equity increase comparable to those of senior administrators:



A.	<u>Name and Title</u>	<u>Current Salary Rate</u>	<u>October 1, 1999 Salary Rate</u>
	Richard C. Atkinson President of the University	\$310,900	\$337,300 <sup>1</sup>

and that:

- B. Salary rates be approved for certain Officers of the University and Officers of The Regents, pursuant to Bylaw 12.3(m)(1) and Standing Order 100.3(b), as shown on the Attachment, effective October 1, 1999.

Upon motion of Regent Preuss, duly seconded, the recommendations of the Committee on Finance were approved, Regents Montoya, Pannor, and Taylor voting “no.”

## 7. **REPORT OF INTERIM ACTIONS**

Secretary Trivette reported that, in accordance with authority previously delegated by The Regents, interim action was taken on routine or emergency matters as follows:

The Chairman of the Board and the President of the University approved the following recommendations:

A. ***Proposed Student-Sponsored HIV Testing Fee, Santa Cruz Campus***

That effective fall 1999, a mandatory HIV Testing Fee of \$0.75 per quarter be approved for undergraduate and graduate students at the Santa Cruz campus.

B. ***Exception to Regents' Policy Not to Accept Third Party Liability, Berkeley Campus***

That The Regents approve, pursuant to the requirements of Standing Order 100(d)(9), the assumption of the risk of third party liability in a lease agreement in order to allow the Berkeley campus School of Education, Policy Analysis for California Education to occupy office space in Sacramento for the purpose of writing a four-year California Vocational Education Plan.

C. ***Authorization to Grant President Emeritus David P. Gardner Access to Closed Session Minutes and Items***

That the President be authorized to grant President Emeritus David P. Gardner access to meeting records of The Regents for those sessions he attended as

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<sup>1</sup> Includes merit and equity increase.

President during the period September 1983 through September 1992. The records made available to Dr. Gardner will include closed (including Regents Only) session minutes of the Board of Regents and its Committees and the associated Regents' items submitted for The Regents' consideration.

8. **REPORT OF PERSONNEL ACTIONS**

In accordance with Bylaw 14.7(b), Secretary Trivette reported a personnel action taken at the July 1999 meeting of The Regents. There was no roll call vote on this action.

Appointment of Carol Tomlinson-Keasey as Chancellor, Merced campus.

9. **REPORT OF COMMUNICATIONS RECEIVED**

Secretary Trivette presented summaries of communications received subsequent to the July meeting. The residency appeals were referred to the General Counsel, and the remaining communications were referred to the President for review and response as appropriate.

[A copy of the Report of Communications Received is on file in the Office of the Secretary.]

10. **REPORT OF THE PRESIDENT OF THE UNIVERSITY**

President Atkinson reported that on the dates indicated, the following informational reports were mailed to The Regents or to Committees:

**To Members of the Committee on Educational Policy**

- A. Report on Matters Relating to the California Postsecondary Education Commission. August 17, 1999. (Schedule of Reports)

**To Members of the Committee on Health Services**

- B. Unaudited Activity and Financial Status Report on Hospitals and Clinics for the fiscal year ended June 30, 1999. August 5, 1999. (Schedule of Reports)
- C. UCSF Stanford Health Care Activity and Financial Status Report for June 1999. August 12, 1999. (Schedule of Reports)
- D. Activity and Financial Status Report on Hospitals and Clinics as of July 31, 1999. September 1, 1999. (Schedule of Reports)
- E. UCSF Stanford Health Care Activity and Financial Status Report as of July 31, 1999. September 8, 1999.

**To Regents of the University of California**

- F. UC Police Department's 1998 Annual Report. July 20, 1999.
- G. Annual summary of University-operated housing fees to be charged in fiscal year 1999-2000. August 12, 1999.
- H. Summary of the faculty peer review process. August 20, 1999.
- I. Executive summary and full report of the California Bureau of State Audits on the operational changes that have occurred as a result of the merger of the UCSF Medical Center and Stanford Medical Center. August 31, 1999.

**11. RESOLUTION IN APPRECIATION OF CORNELIUS L. HOPPER, M.D.**

Upon motion duly made and seconded, the following resolution was approved:

WHEREAS, Cornelius L. Hopper, M.D., will retire in October, after sixteen years as Vice President for Health Affairs, during which time he performed brilliantly in guiding long-range planning and policy development for the nation's largest health-sciences instructional program, serving as liaison between the University and the State legislature on a wide range of issues involving research and clinical training, and leading, with consummate skill, the University's health sciences enterprise; and

WHEREAS, after earning a medical degree from the University of Cincinnati College of Medicine in 1960, he began his career in higher education at the University of Wisconsin and honed his exceptional talents during his eight-year tenure as Vice President for Health Affairs and Medical Director at the renowned Tuskegee Institute; and

WHEREAS, he joined the Office of the President in 1979 as Special Assistant to the President for Health Affairs, earning widespread admiration for the wisdom, humanity, and integrity that he brought to the increasingly complex array of health education and policy issues facing the state and the nation, contributions that led to his appointment in 1983 as Vice President--Health Affairs; and

WHEREAS, he led with skill and sensitivity the reorganization of the Board of Regents' governance of its five medical centers, winning the respect of all those concerned with that complex process; and

WHEREAS, he presided over the establishment of an educational program in geriatrics and statewide research programs on AIDS, tobacco-related diseases, and breast cancer that resulted in the awarding of more than \$300 million in grants to California scientists, all of which is testimony to his abiding

commitment to excellence in the research and education conducted under his leadership; and

WHEREAS, he has earned academic distinction as the author or co-author of numerous papers on neurology and AIDS, as the co-editor of a book on health-care workforce policy, and as a national leader in medical education whose outstanding achievements have won him numerous awards and honors throughout the country, among them The Ohio University Medal of Merit from his undergraduate alma mater and The Robert Wood Johnson Foundation Medallion;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California extend to Cornelius L. Hopper, M.D., their gratitude for his countless contributions to the students, faculty, and staff of 14 health professions schools and their admiration for his steadfast advocacy of academic medicine's loftiest ideals, his unwavering commitment to diversity, and his inspired leadership of the University's health sciences during one of the most challenging eras in the history of medical education;

AND BE IT FURTHER RESOLVED that The Regents direct that a suitably inscribed copy of this resolution be presented to Barbara and Con Hopper as a memento of the Regents' deep appreciation for their friendship and devotion to the University and as a remembrance through the years of the Regents' abiding esteem and affection.

Vice President Hopper made three observations about his 20-year tenure with the University. He noted that, by necessity, the Regents have become preoccupied with the big business of health care. He urged them to remember, as they discussed net gains, losses, mergers, acquisitions, and joint ventures, that the research conducted by University health sciences faculty, physicians, and other health professionals and health sciences academics should be a source of pride. He hoped that the Regents would take the time in the future to learn more about the work of these people – the changing nature of their education, their needs, their career trajectories, and the contributions that they make to health care in California and the nation. Second, he recalled his continuing belief that universities are the only societal institutions capable of serving as a staging ground for important competing ideas, while also serving as incubator and sanctuary for those enduring principles of social justice which define civilization. He believed that universities should be looked to for a deeper analysis of social dilemmas and for answers that heal, unite, and sustain people rather than tear them apart. Third, he recalled that during the Board's debate about affirmative action he was not reticent about voicing his opinion concerning its positive values. He was disappointed that affirmative action in the University was abolished, but he acknowledged that the current debate is framed by the question of what responsibility the University of California has to address the pernicious societal problems that affirmative action tried to address. He was optimistic that, with the development of extensive outreach programs, the University will once again be seen as an inclusive, receptive institution and that the

students, faculty, staff, and administration will be more reflective of the state and of society.

President Atkinson indicated his intention to distribute Vice President Hopper's farewell remarks to all Regents. He noted that Dr. Hopper has a long list of accomplishments and honors, and he thanked him for his wonderful contributions to the University.

The meeting adjourned at 11:50 a.m.

Attest:

Secretary