

# THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

May 18, 2000

The Regents of the University of California met on the above date at Covell Commons, Los Angeles Campus.

Present: Regents Atkinson, Bagley, Bustamante, Connerly, Davies, Hopkinson, Khachigian, Kozberg, Lansing, Montoya, Moores, Pannor, Parsky, Preuss, Sayles, and Taylor (16)

In attendance: Regents-designate Fong, Kohn and Miura, Faculty Representatives Coleman and Cowan, Secretary Trivette, General Counsel Holst, Senior Vice President Darling, Vice Presidents Gomes and Gurtner, Chancellors Carnesale, Cicerone, Dynes, Greenwood, and Yang, and Recording Secretary Nietfeld

The meeting convened at 1:00 p.m. with Chairman Davies presiding.

## 1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion of Regent Bagley, duly seconded, the minutes of the meeting of March 16, 2000 were approved.

## 2. REPORT OF THE PRESIDENT

Due to the lateness of the hour, President Atkinson dispensed with the formal presentation of the Report of the President.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

Upon motion of Regent Khachigian, duly 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.

At President Atkinson's request, Faculty Representative Coleman presented his report on issues currently of importance to the Academic Senate, including the tremendous growth in enrollment which is projected to occur over the coming decade. The faculty wish to ensure that the graduate population is not overshadowed by the undergraduate enrollment. The hiring of the best faculty over the next ten years is also of importance because these faculty will constitute the faculty of the University of California in the 21st century. They should represent the diversity of the state and the nation. The faculty have become increasingly concerned about the effects of reduced funding on the University's teaching hospitals. The

faculty continue to work in collaboration with Chancellor Tomlinson-Keasey on creating a research university in Merced.

At the President's invitation, Ms. Katherine Day-Huh, Chair of the Council of UC Staff Assemblies (CUCSA), presented the annual report. She introduced the CUCSA chair for 2000-01, Ms. Ginger Birkholm. Ms. Day-Huh recalled that CUCSA is an advisory committee to the Office of the President comprised of volunteer employees that meets on a quarterly basis to discuss issues of concern. Because this year represents the organization's 25th anniversary, she presented some highlights of CUCSA's achievements over the past quarter century. The most recent effort has been the Faculty-Staff Partnership Task Force, which sought to foster a more positive working environment for both groups. Among their achievements locally, the assemblies have provided scholarships to enable employees to continue their education and have developed staff appreciation activities.

Ms. Day-Huh expressed CUCSA's concerns about enrollment pressures over the coming decade. Attention has been drawn to the need for additional faculty and infrastructure, but the need for additional staff is recognized rarely. It is becoming more difficult to recruit new employees due to low unemployment rates throughout the state, and as a result it is also becoming difficult to provide the same high standards of service to faculty and students. The University needs to market itself to attract young employees, including its own graduates.

3. **RESOLUTION IN APPRECIATION BKARL S. PISTER**

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

WHEREAS, Karl S. Pister has devoted his superb talents to the University of California for a half a century as faculty member, dean, chancellor, and vice president; and

WHEREAS, he has exemplified throughout his career a deep commitment to the principle and the practice of shared governance, reflected especially in his outstanding contributions as chair of the Universitywide Task Force on Faculty Rewards, vice chair and chair of the Academic Council, and faculty representative to the Board of Regents; and

WHEREAS, as chancellor of UC Santa Cruz he guided the campus to new heights of excellence and demonstrated strong leadership in establishing such innovative endeavors as the Monterey Bay Educational Consortium and the Leadership Opportunity Awards, a scholarship program now named in his honor that enables talented community college students to transfer to the Santa Cruz campus and realize their dreams of a UC education; and

WHEREAS, following his retirement from UC on July 1, 1996, he returned to serve as Senior Associate to the President and subsequently as Vice President for Educational Outreach, where he has overseen the development of an ambitious and unprecedented

partnership between the University of California and the K-12 public schools that is intended to open the doors of opportunity to California students of every background; and

WHEREAS, he has brought distinction to the University through his many professional and educational accomplishments, achievements that have earned him election to the National Academy of Engineering, the American Academy of Arts and Sciences, the American Association for the Advancement of Science, and the American Society of Mechanical Engineers, as well as numerous awards from universities and academic organizations, among them the Berkeley Medal, bestowed on individuals whose intellectual leadership and service to the public exemplify the highest ideals of the University;

NOW, THEREFORE, BE IT RESOLVED that the Regents extend to Karl S. Pister their gratitude and appreciation for his long and faithful service to the University of California and their thanks for his steady presence, his wise counsel, and his unflinching good humor;

AND BE IT FURTHER RESOLVED that a suitably inscribed copy of this resolution be presented to Karl and Rita Pister as an expression of the Board's warm regard and affection and its best wishes for their future.

4. **RESOLUTION IN APPRECIATION OF KENT M. VINING**

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

WHEREAS, Kent M. Vining, a loyal alumnus of UC Santa Barbara, will complete his tenure on the Board of Regents on June 30, 2000, having served with notable energy, distinction, and skill as Regent-designate and Alumni Regent during the past two years; and

WHEREAS, his experience in investments and financial management as a successful member of the business community and his leadership in civic organizations dedicated to promoting art, community involvement, and youth activities have made him a valued and knowledgeable counselor to the Regents, not only on business and fiscal matters but on a wide variety of educational and public policy issues as well; and

WHEREAS, as chair of the Committee on Audit, his strong guidance in improving the University's audit procedures has been crucial in maintaining the University's fiscal health and integrity, while as a member of the Committees on Health Services and Oversight of the Department of Energy Laboratories he has worked vigorously to ensure the quality of the University and the excellence of its research during the coming decade of dramatic growth; and

WHEREAS, under his leadership as President of the Alumni Associations of the University of California, the AAUC has contributed magnificently to UC and greatly expanded its important services to the University's ten campuses and one million alumni; and

WHEREAS, he has given richly of his time and talent to promoting physical fitness and student athletics at UCSB and in the Santa Barbara community, from youth soccer programs to women's basketball, contributions that will benefit young Californians now and in the future;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California convey to Kent M. Vining their heartfelt appreciation for his generous service, their admiration for his accomplishments, and their gratitude for the thoughtful perspective he has brought to the deliberations of the Board;

AND BE IT FURTHER RESOLVED that a suitably inscribed copy of this resolution be presented to Julie Ann Mock and Kent Vining as an expression of the Board's warmest affection and regard.

Secretary Trivette indicated that Regent Vining and Vice President Pister had left the meeting and therefore would not be able to offer their remarks.

5. **RESOLUTION IN APPRECIATION MICHELLE K. PANNOR**

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

WHEREAS, Michelle K. Pannor, whose term as the twenty-fifth Student Regent ends on June 30, 2000, has ably, conscientiously, and enthusiastically carried out her responsibilities to this Board and to the people of California; and

WHEREAS, she quickly grasps the intricacies and subtleties of the many complex issues facing the University, addressing with knowledge and skill concerns such as affordable housing for students, increased diversity on the campuses, expanded K-12 outreach programs, funding for student services, improved use of new technologies and resources, and the importance of voter registration among students; and

WHEREAS, she has brought to the Board's deliberations a valuable and fresh perspective on a variety of issues, all the while contributing thoughtful insight and reasoned analysis to the discussions of the Committees on Educational Policy, Finance, and Grounds and Buildings; and

WHEREAS, an undergraduate with a double major in Mass Communications and Conservation and Resource Studies, she has accumulated an impressive record of participation on various campus boards and committees, demonstrating strong leadership and undertaking each assignment with diligence and a determination to improve the entire UC community; and

WHEREAS, she has been an admirable representative of the University and the Regents throughout the State of California, and her energetic commitment to the University coupled with her thoughtful advocacy on major issues of public policy have earned her the Board's respect and appreciation;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California commend and thank Michelle K. Pannor for her loyal and committed service as a member of this Board and offer her their heartiest congratulations on her upcoming graduation;

AND BE IT FURTHER RESOLVED that the Regents direct that a suitably inscribed copy of this resolution be transmitted to Michelle as an expression of their warm regard and affection, along with their best wishes for success in the years ahead.

Regent Pannor observed that the University of California is often seen to be ahead of its time in many ways, including the important research that the faculty perform. She noted that the action taken by the Board of Regents to eliminate affirmative action was ahead of its time because there still is not a level playing field in terms of access to higher education. The rapid increase in student fees has led to a marked increase in the level of student indebtedness, which has had negative consequences for the student body. The University is expected to be ahead of its time in terms of growth; it faces a challenge in terms of environmental issues as it seeks to construct a new campus in Merced. Regent Pannor stressed the need for the University to provide affordable housing for the entire UC community. She suggested that developments at the national laboratories could lead to improved processes on the campuses. In closing, she asked that the University pay close attention to the increased reliance on private support in order not to lose potential public funding.

6. **RESOLUTION IN APPRECIATIONBPETER J. TAYLOR**

WHEREAS, on June 30, 2000, Peter J. Taylor will complete his term on the Board of Regents having enthusiastically fulfilled his responsibilities as a Regent-designate and Alumni Regent with unswerving loyalty and dedication; and

WHEREAS, a proud second-generation graduate of UCLA, he has exemplified the highest ideals of public service and has served with honor and distinction as President of the UCLA alumni association, as a member of the board of the UCLA Foundation, and as a contributor to a wide variety of UCLA and alumni association committees and activities; and

WHEREAS, throughout his association with the Board of Regents, he employed outstanding skills acquired as an investment banker and executive director of the CORO Foundation to offer wise counsel and sound judgment to the Board and to its Committees on Audit, Educational Policy, and Investments; and

WHEREAS, his special interests in the enrollment of students from underserved and low-income communities and the expanded role of the University's K-12 outreach programs have been invaluable in enhancing the University's commitment to student access and diversity, and he has been an ardent and articulate spokesperson for expanding affordable housing for students, staff, and faculty; and

WHEREAS, an energetic and articulate representative of the alumni, his efforts as Vice President of the Alumni Associations of the University of California have been indispensable to the success of the AAUC's many activities, and he is an eloquent spokesman for the University, determined to help the University maintain the quality of its teaching and research for which it is known worldwide;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California convey to Peter J. Taylor their deep appreciation for his numerous contributions to the Board and for his continuing loyalty and devotion to the University as an esteemed alumnus;

AND BE IT FURTHER RESOLVED that the Regents extend to Coralyn and Peter Taylor their good wishes for a full and happy life and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's continuing friendship and esteem.

Regent Taylor commented on how the members of the Board come together with different backgrounds and political points of view to act in support of the greatest public university in the world. He reported that he would continue his involvement with the Los Angeles campus as the co-chair of a Campaign UCLA committee focused on alumni giving. While progress has been made in soliciting donations from alumni, the goal is to increase the percentage to 18 percent. Regent Taylor stressed the strong connection between a positive student experience and a willingness to give back to one's alma mater. He then introduced Mr. Jeffrey Seymour, the incoming Regent-designate from the Los Angeles campus.

## 7. **REPORT OF THE COMMITTEE ON FINANCE**

### A. ***Proposed Increase in Nonresident Tuition for 2000-01***

The Committee recommended that, effective with the fall term 2000, the Nonresident Tuition Fee be increased by \$440 (4.5 percent), from \$9,804 per nonresident student per year to \$10,244 per nonresident student per year, with the understanding that the nonresident tuition policy will be reviewed during the next year.

### B. ***External Financing for the 2000-01 Universitywide Deferred Maintenance and Facilities Renewal Program***

The Committee recommended that:

- (1) Funding for the 2000-01 Universitywide Deferred Maintenance and Facilities Renewal Program be approved in an amount not to exceed \$66 million from external financing.
- (2) The Treasurer be authorized to obtain external financing in an amount not to exceed \$66 million to finance the Universitywide Deferred Maintenance and Facilities Renewal Program, subject to the following conditions:
  - a. Average annual debt service shall not exceed \$6 million (this limitation is intended solely as a limit on the amount of scheduled debt service and not as a limitation on the extent of the pledge on nonresident tuition income):
  - b. Repayment of the debt shall be from Nonresident Tuition income; and
  - 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 for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents in connection with the above.

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

## 8. **REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS**

### A. *Certification of Environmental Impact Report and Approval of Design, Physics and Astronomy Building, Los Angeles Campus*

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Final Environmental Impact Report, the Committee reports its:

- (1) Certification of the Final Environmental Impact Report.
- (2) Adoption of the Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program.

- (3) Approval of the design of the Physics and Astronomy Building, Los Angeles campus.

[The Final Environmental Impact Report, Findings, Statement of Overriding Considerations, and Mitigation Monitoring program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary of The Regents.]

**B. *Certification of Environmental Impact Report and Approval of Design, Health Sciences Seismic Replacement Building 2 and Orthopaedic Hospital, J. Vernon Luck, Sr. M.D. Center, Los Angeles Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Environmental Impact Report, the Committee reports its:

- (1) Certification of the Final Environmental Impact Report.
- (2) Adoption of the Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program.
- (3) Approval of the design of the Health Sciences Seismic Replacement Building 2 and the design of the Orthopaedic Hospital, J. Vernon Luck, Sr. M.D. Center, Los Angeles campus.

[The Final Environmental Impact Report, Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary of The Regents.]

**C. *Certification of Addendum to Environmental Impact Report and Approval of Design, Mission Bay Developmental Biology and Genetics Building (19B), San Francisco Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Addendum to the 1996 Long Range Development Plan Environmental Impact Report, the Committee reports its:

- (1) Certification of the Addendum to the 1996 LRDP Environmental Impact Report.
- (2) Adoption of the Findings.
- (3) Approval of the design of the Mission Bay Developmental Biology and Genetics Building, San Francisco campus.



[The Addendum to the 1996 LRDP Environmental Impact Report and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary of The Regents.]

**D. *Certification of Addendum to Environmental Impact Report and Approval of Design, Mission Bay Campus Community Center Building (21B), San Francisco Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Addendum to the 1996 Long Range Development Plan Environmental Impact Report, the Committee reports its:

- (1) Certification of the Addendum to the 1996 LRDP Environmental Impact Report.
- (2) Adoption of the Findings.
- (3) Approval of the design of the Campus Community Center Building (21B), Mission Bay, San Francisco campus.

[The Addendum to the 1996 LRDP Environmental Impact Report and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary of The Regents.]

**E. *Certification of Environmental Impact Report, Approval of Site, and Amendment of Long Range Development Plan, Relocation of the Modular Student Housing, Santa Cruz Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Environmental Impact Report, the Committee recommended:

- (1) Certification of the Environmental Impact Report.
- (2) Adoption of the Findings, Statement of Overriding Consideration, and Mitigation Monitoring Program.
- (3) Amendment of the Long Range Development Plan, Santa Cruz campus, to modify the description of uses permissible in areas designated *Site-Specific Research*.
- (4) Approval of the site of the Relocation Modular Student Housing project, Santa Cruz campus.

[The Environmental Impact Report, Findings, Statement of Overriding Consideration, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary of The Regents.]

G. *Designation of Real Property, Scripps Coastal Reserve, San Diego County, Natural Reserve System*

The Committee recommended that the University-owned portion of the Scripps Coastal Reserve and, with the consent of its owner, Sumner Canyon continue to be designated as a component of the Natural Reserve System and to be used for teaching, research, and public outreach purposes.

Upon motion of Regent Connerly, duly seconded, the reports and recommendations of the Committee on Grounds and Buildings were approved.

9. **REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY**

*Amendment of Affiliation Agreement with Ludwig Institute for Cancer Research, San Diego Campus*

The Committee recommended that the President be authorized to approve and the Secretary be authorized to execute an amendment to the affiliation agreement with the Ludwig Institute for Cancer Research (ALudwig®) for the purpose of conducting research by Ludwig, cooperatively with the School of Medicine, San Diego campus, and the Medical Center, San Diego campus, said amendment to include the following changes to the affiliation agreement:

- A. As to research funding received from sources other than the Institute itself and only to the extent conducted solely in Ludwig premises, Ludwig can elect to accept and administer its research contracts and grants, assuming these other sources accept Ludwig as the responsible administrator.
- B. If Ludwig elects to administer its own research funds as provided above, it will be entitled to use UCSD programs and services such as animal and human subject compliance administration and shall reimburse UCSD for such use.
- C. To facilitate Ludwig's recruitment of 12 new researchers to the UCSD campus, UCSD will make available to Ludwig a total of 15 UCSD faculty positions, including 3 existing Ludwig researchers already holding such positions, to academically qualified and recognized individuals. UCSD will be obligated to employ such individuals only if they cease to be employed by Ludwig and make a timely election to be employed by UCSD. UCSD employment will be at a level commensurate with

each individual's qualifications as determined by the University at the time of employment.

- D. The President, after consultation with the General Counsel, be authorized to approve and execute any other amendments or ancillary documents which do not substantially modify the terms of the affiliation agreement.

Upon motion of Regent Connerly, duly seconded, the recommendation of the Committee on Educational Policy was approved.

10. **REPORT OF THE COMMITTEE ON INVESTMENTS**

***Proposed One-year Agreement with Wilshire Associates, Inc. for General Consultant Services***

The Committee recommended that the Officers of The Regents be authorized to execute an agreement with Wilshire Associates Incorporated for general consultant services in connection with implementation of the March 2000 Regents' action, *Adoption of Asset Allocation Plan*, for a term of one year at a fee of \$350,000.

Upon motion of Regent Parsky, duly seconded, the recommendation of the Committee on Investments was approved, Regents Bustamante and Connerly voting Avo.®

11. **REPORT OF THE 1999-2000 NOMINATING COMMITTEE**

A. ***Membership of the Investment Advisory Committee***

The Nominating Committee recommended the following appointments:

- (1) Mr. Robert G. Kirby: Senior partner of The Capital Group Partners, L.P. and formerly Chairman of the Board of Capital Guardian Trust Company of Los Angeles. The Capital Group is a holding company for a number of investment management subsidiaries operating on a global basis.
- (2) Mr. William R. Hambrecht: Founder and Chairman of WR Hambrecht & Company, an online investment bank focusing on emerging growth sectors, including technology and the Internet, and former co-founder of Hambrecht and Quist, an investment banking firm specializing in emerging high-growth technology companies.

Each appointee will serve a four-year term, effective immediately.

- (3) Regent Gerald Parsky, who serves as the current Chair of the Committee on Investments.

Regent Parsky's four-year term will commence on July 1, 2000 when his service as Chair of the Committee on Investments ends.

**B. *Chairman of the Investment Advisory Committee***

The Nominating Committee recommended that Regent Gerald Parsky be appointed as Chair of the Investment Advisory Committee, effective immediately.

Upon motion of Regent Khachigian, duly seconded, the recommendations of the 1999-2000 Nominating Committee were approved.

**12. REPORT OF THE 2000-2001 NOMINATING COMMITTEE**

The 2000-2001 Nominating Committee recommended as follows:

**A. *Chairman of the Board***

That Regent S. Johnson be elected Chairman of The Regents of the University of California for the year commencing July 1, 2000.

**B. *Vice Chairman of the Board***

That Regent Lansing be elected Vice Chairman of The Regents of the University of California for the year commencing July 1, 2000.

**C. *Standing Committee Assignments***

That the following Standing Committee assignments for the year commencing July 1, 2000 be approved:

Committee on Audit

Regent Connerly, Chair  
Regent Moores, Vice Chair  
Regent Leach  
Regent Lee  
Regent Sayles  
Regent Parsky  
Regent Kohn

Committee on Educational Policy

Regent Montoya, Chair  
Regent Sayles, Vice Chair  
Regent Bagley  
Regent Nakashima  
Regent Connerly  
Regent Bustamante  
Regent Lansing  
Regent Hertzberg  
Regent Fong  
Regent-designate Morrison (Advisory)  
Regent-designate Seymour (Advisory)

Committee on Finance

Regent Preuss, Chair  
Regent Connerly, Vice Chair  
Regent Bagley  
Regent Lee  
Regent Parsky  
Regent Kozberg  
Regent Hopkinson  
Regent Miura  
Regent Hertzberg  
Regent Fong  
Regent-designate Morrison (Advisory)

Committee on Grounds and Buildings

Regent Kozberg, Chair  
Regent Khachigian, Vice Chair  
Regent Connerly  
Regent Eastin  
Regent Hopkinson  
Regent Johnson, O.  
Regent Hertzberg  
Regent Fong  
Regent Kohn  
Regent-designate Morrison (Advisory)  
Regent-designate Seymour (Advisory)

Committee on Health Services

Regent Kohn, Chair  
Regent Lee, Vice Chair  
Regent Khachigian  
Regent Sayles  
Regent Preuss  
Regent Bustamante  
Regent Kozberg  
Regent Lansing  
Regent Johnson, O.  
Regent-designate Seymour (Advisory)

Committee on Investments

Regent Hopkinson, Chair  
Regent Parsky, Vice Chair  
Regent Bagley  
Regent Nakashima  
Regent Leach  
Regent Moores  
Regent Miura

Committee on Oversight of the  
Department of Energy Laboratories

Regent Leach, Chair  
Regent Miura, Vice Chair  
Regent Khachigian  
Regent Montoya  
Regent Eastin  
Regent Preuss  
Regent Bustamante  
Regent Moores

Except for the Chairman and the Vice Chairman, committee members are listed in order of seniority on the Board.

The President of the Board, the Chairman of the Board, or in the Chairman's absence the Vice Chairman of the Board, the immediate past Chairman of the Board, and the President of the University are ex officio members of all Standing Committees, except that the President of the University is not a member of the Committee on Audit.

The Regents' representative to the California Postsecondary Education Commission and the Superintendent of Public Instruction are ex officio members of the Committee on Educational Policy.

D. *California Postsecondary Education Commission*

That Regent O. Johnson be appointed as The Regents' representative to the California Postsecondary Education Commission and that Regent Montoya be appointed as the Regents' alternate representative, each for a two-year term beginning July 1, 2000.

Upon motion of Regent Preuss, duly seconded, the recommendations of the 2000-2001 Nominating Committee were approved.

13. **REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS AND THE COMMITTEE ON FINANCE**

A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Activities and Recreation Center, Davis Campus*

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 1999-2000 Budget for Capital Improvements and the 1999-2002 Capital Improvement Program be amended to include the following project:

Davis: B. Activities and Recreation Center B preliminary plans, working drawings, construction, and equipment B \$46.5 million to be funded from external financing.

- (2) The Committee on Finance recommended that:

- a. The Treasurer be authorized to obtain financing not to exceed \$46.5 million to finance the Activities and Recreation Center project, subject to the following conditions:
- i. interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - ii. repayment of the debt shall be from the Activities and Recreation Center portion of the Facilities and Campus Enhancement Student Fees approved by student vote in February 1999 and by The Regents in May 1999, the

Activities and Recreation Center portion of the Legal Education Enhancement and Access Program Fee approved by student vote in April 1999 and by The Regents in May 1999, facility user fees and a portion of the Davis campus Registration Fee, which shall generate net revenues sufficient to pay debt service and to meet all related financing requirements; and

- iii. the general credit of The Regents shall not be pledged.
- b. The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- c. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

**B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Amendment of External Financing for Colleges Nine and Ten Residence Halls, Santa Cruz Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the appropriate Budgets for Capital Improvement and Capital Improvement Programs be amended to reflect the following changes:

From: Santa Cruz: A. Colleges Nine and Ten Residence Halls B preliminary plans, working drawings, construction, and equipment B \$63,831,000 to be funded from external financing (\$57,889,000), University of California Housing System net revenue funds (\$4,423,000), University Center reserves (\$1,012,000), gift funds (\$400,000) and Student Facilities Fee reserves (\$107,000).

To: Santa Cruz: A. Colleges Nine and Ten Residence Halls B preliminary plans, working drawings, construction, and equipment B \$73,122,000 to be funded from external financing (\$67,180,000), University of California Housing System net revenue funds (\$4,423,000), University Center reserves (\$1,012,000), gift funds (\$400,000) and Student Facilities Fee reserves (\$107,000).



- (2) The Committee on Finance recommended that the financing actions approved by The Regents in September 1991 and amended in March 1999 with respect to Colleges Nine and Ten Residence Halls, Santa Cruz campus, be amended as shown, with the understanding that all other financing actions by The Regents regarding said project remain unchanged:

**Deletions shown by strikeout, additions by shading**

The Treasurer be authorized to obtain financing not to exceed ~~\$57,889,000~~ \$67,180,000 to finance a portion of the construction and related costs of Colleges Nine and Ten Residence Halls, Santa Cruz campus, subject to the following conditions:

- i. interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
- ii. as long as the housing portion of the debt ~~(\$56,508,000)~~ (\$65,542,000) is outstanding, UC Housing System (UCHS) fees for the Santa Cruz campus shall be established at levels sufficient to meet all requirements of the UC Housing System Revenue Bond Indenture and to provide excess net revenues sufficient to pay the debt service and related requirements on the proposed financing;
- iii. as long as the student facilities portion of the debt ~~(\$1,381,000)~~ (\$1,638,000) is outstanding, the Student Facilities Fee shall be established at a level sufficient to meet all debt service and related requirements on this proposed financing; and

\* \* \*

Upon motion of Regent Preuss, duly seconded, the recommendations of the Committee on Grounds and Buildings and the Committee on Finance were approved.

14. **REPORT OF THE SPECIAL COMMITTEE ON REGENTS-PROCEDURES**

*Delegation for Signature Authority for the Secretary to Appoint Acting Assistant Secretaries of the Regents*

The Special Committee recommended that the Secretary of The Regents shall have authority to appoint individuals holding the title University Counsel to serve as Acting Assistant Secretaries as needed, effective immediately.

Upon motion of Regent Preuss, duly seconded, the recommendation of the Special Committee on Regents-Procedures was approved.

15. **REPORT OF THE COMMITTEE ON FINANCE AND THE COMMITTEE ON INVESTMENTS**

*Amendment of Bylaws to Change the Reporting Relationship of the Treasurer*

The Committees recommended that, following service of appropriate notice, Bylaws 20.1 and 20.4 be amended as follows, effective July 1, 2000:

**deletions shown by strike-out, additions by shading**

BYLAW 20.

OFFICERS OF THE CORPORATION

20.1 Designation and Qualifications.

The Officers of the Corporation shall be President, Chairman, Vice Chairman, Secretary, Treasurer and Vice President for Investments (who also serves as an Officer of the University), General Counsel and Vice President for Legal Affairs (who also serves as an Officer of the University), and such associates and assistants of the foregoing Officers as the Board from time to time shall appoint. The President, Chairman, and Vice Chairman shall be members of the Board, but membership on the Board shall not be a necessary qualification for other Officers. Any Officer, other than the President, Chairman, and Vice Chairman, may hold as many offices as the Board shall determine.

BYLAW 21.

DUTIES AND RESPONSIBILITIES OF OFFICERS OF THE CORPORATION

\* \* \*

21.4 Treasurer

- (a) The Treasurer, who shall also be an Officer of the University, shall have general charge of all investment matters pertaining to the Corporation and the University; shall advise the Corporation, its Committees and Officers, the President of the University, and other University Officers on investment matters; and shall, subject to the direction of the President of

the University, oversee the provision of all investment services to the University.

~~(a)~~(b) ...

\* \* \*

~~(v)~~(w)

Upon motion of Regent Parsky, duly seconded, the recommendation of the Committee on Finance and the Committee on Investments was approved, and notice was served.

#### 16. **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. ***Amendment of Limited Liability Corporation Agreement, Mercy Hospital and Health System, Merced, School of Medicine and Medical Center, Davis Campus***

That an amendment be approved concerning the September 1998 Regents' item which created a limited liability corporation to operate the Mercy-Merced/UC Davis Health System Cancer Center in Merced, California. The amendment is proposed to increase the University's initial capitalization from \$3 million to \$3.3 million and to change Mercy's capitalization obligation from \$3 million to a contribution of the completed and approved cancer center facility with a cost of approximately \$3.5 million.

B. ***Authorization to Approve a Temporary Special Land Use Permit, Santa Barbara Campus***

That authorization be granted to the President to approve a temporary special land use permit to allow a Santa Barbara campus faculty member to enter federal property to conduct research.

#### 17. **REPORT OF PERSONNEL ACTIONS**

In accordance with Bylaw 14.7(b), Secretary Trivette reported the following personnel actions taken at the March 2000 meeting. There were no roll call votes on these actions.

- A. Appointment of Michael V. Drake as Vice PresidentBHealth Affairs, Office of the President, 100 percent, effective July 1, 2000.
- B. Appointment of Alex M. Saragoza as Vice PresidentBEducational Outreach, Office of the President, 100 percent, effective July 1, 2000.
- C. Appointment of Joseph P. Mullinix as Senior Vice PresidentBBusiness and Finance, Office of the President, 100 percent, effective July 1, 2000.

18. **REPORT OF COMMUNICATIONS**

Secretary Trivette reported summaries of communications received subsequent to the March 2000 meeting. The residency appeals were referred to the General Counsel, and the remaining communications were referred to the President for response as appropriate.

19. **REPORT OF THE PRESIDENT**

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

**To Members of the Committee on Audit**

- A. Summary report on annual audit of Campus Foundations. March 28, 2000. (Schedule of Reports)

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

- B. *Statistical Summary of Students and Staff for Fall 1999*. March 23, 2000. (Schedule of Reports)
- C. Report on Matters Relating to the California Postsecondary Education Commission. April 5, 2000. (Schedule of Reports)

**To Members of the Committee on Grounds and Buildings**

- D. Major Capital Projects Implementation Report. March 29, 2000. (Schedule of Reports)

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

- E. Activity and Financial Status Report on Hospitals and Clinics for the third quarter ended March 31, 2000. May 5, 2000. (Schedule of Reports)

**The Regents of the University of California**

- F. Report on research at the University of California campuses funded by the Department of Energy. April 11, 2000.
- G. Report entitled "The Feasibility of Year-Round Instruction Within the University of California." April 12, 2000.
- H. The most recent catalog from UC Press and a copy of *Imprints*, the newsletter of the Press= friends group, the Associates of the University of California Press. May 4, 2000.

The meeting adjourned at 1:40 p.m.

Attest:

Secretary