THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

September 23, 2004

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

Present: Regents Anderson, Blum, Bustamante, Dynes, Johnson, Kozberg, Lansing, Lee, Lozano, Marcus, Montoya, Moores, Novack, O'Connell, Ornellas, Parsky, Pattiz, Preuss, Ruiz, and Wachter (20)

In attendance: Regents-designate Juline, Rominger, and Rosenthal, Faculty Representatives Blumenthal and Brunk, Secretary Trivette, General Counsel Holst, Provost Greenwood, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Doby, Drake, and Gomes, and Recording Secretary Bryan

The meeting convened at 12:35 p.m. with Chairman Parsky presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Upon motion of Regent Blum, duly seconded, the minutes of the meetings of July 2004 were approved.

2. REPORT OF THE PRESIDENT

President Dynes presented the report concerning University activities and individuals. Upon motion 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 a copy is on file in the Office of the Secretary.]

At the President's invitation, Faculty Representative Blumenthal reported that on July 21, the Academic Council had passed a resolution regarding restrictions on research funding sources. The resolution precludes a unit of the University from collectively restricting a faculty member from obtaining research funds based solely on the source of the funds. It was motivated by votes on campuses as to whether to ban all research funding from the tobacco industry. It was observed that such bans might also be considered for industries selling firearms, contraceptives, or stem cells. The resolution states, in part, "The principles of academic freedom and the policies of the University of California require that individual faculty members be free to accept or refuse research support from any source consistent with their individual judgment and conscience and with University policy; therefore, no unit of the University should

direct by faculty vote or administrative decision to refuse to process, accept, or administer a research award based on the source of the funds, and no special encumbrances should be placed on a faculty member's ability to solicit or accept awards based on the source of the funds." Professor Blumenthal commented that it may at times be the case that certain industries wish to use the results of research they fund for their own purposes, but so long as a grant does not limit the intellectual freedom and ethical standards of a researcher, the University must respect the rights of faculty to seek and accept such funding.

3. **REGENTS' COMMENDATION, 2004 SUMMER OLYMPICS PARTICIPANTS**

Upon motion of Regent Lee, duly seconded, the following commendation was adopted:

> The Regents of the University of California hereby acknowledge with great pride the participation of 110 students, staff, faculty, and alumni of the University of California in the 2004 Summer Olympics in Athens, Greece. As representatives of the United States and over 20 other nations, these men and women have distinguished themselves and, by their performance and personal conduct, have brought credit to their country and to the University.
>
> The Regents take special note of the fact that UC Olympians were awarded 35 medals, a total exceeded by only eleven nations. We commend our talented athletes on their achievements in the individual and team events, and extend to each of them our sincere congratulations on their extraordinary accomplishments in the Games of the XXVII Olympiad.

4. **REPORT OF THE COMMITTEE ON FINANCE**

A. ***Approval of University of California 2004-05 Final Budget***

The Committee recommended that:

(1) The University of California 2004-05 budget plan for State and UC General Funds and student fee revenue be approved, consistent with the final Budget Act approved by the Legislature and the Governor and adjusted by priorities previously approved by The Regents.

(2) The expenditure plan for all other fund sources included in the *2004-05 Budget for Current Operations* be approved.

B. ***Amendments to the University of California Retirement System and Changes to Health and Welfare Benefits to Conform with the California Domestic Partner Rights and Responsibilities Act of 2003***

The Committee recommended that effective January 1, 2005, on a prospective basis:

(1) The University of California Retirement Plan (UCRP) be amended to provide Postretirement Survivor Continuance to an eligible Domestic Partner of a UCRP Member who retired before July 1, 2002, established the domestic partnership at least one year prior to retirement, and continued in the partnership to the date of death, provided appropriate documentation is submitted.

(2) UCRP be amended to permit a UCRP Member who retired before July 1, 2002 and who chose a reduced benefit amount in order to provide his or her eligible Domestic Partner with income continuation benefits at the Member's death, to elect a different monthly payment option to allow prospective treatment equivalent with that of married Members.

(3) UCRP's definition of Domestic Partner be amended to include an individual of the same sex as the Member whose legal union, other than marriage, was validly formed in another jurisdiction and is substantially equivalent to a state-registered domestic partnership.

(4) UCRP, the University of California Tax Deferred 403(b) Plan, the University of California Defined Contribution Plan, and the University of California 457(b) Deferred Compensation Plan be amended to permit compliance with a court order assigning plan benefits issued in connection with a termination of a domestic partnership to the extent required by California law.

(5) These provisions apply prospectively from the effective date of January 1, 2005, and in no case retroactively.

(6) Implementation of these provisions be delegated to the President.

C. ***Service of Notice for November 2004 Action Regarding Amendment of Standing Order 110.2–Matters Relating to Residency: Tuition and Fee Waivers and Exemptions for Domestic Partners to Conform to AB 205***

The Committee recommended that Standing Order 110.2-Matters Relating to Residency be amended as follows, effective winter quarter 2005/spring semester 2005.

additions shown by underscoring

Standing Order 110.2-Matters Relating to Residency

(a) The residence of each student shall be determined in accordance with the rules governing residence prescribed by the provisions of Sections 68000, 68010-68012, 68014-68018, 68022-68023, 68040-68044, but excluding the words "classified as a nonresident seeking reclassification" from Paragraph 1 and substituting the words "seeking classification" and excluding Paragraph 3 of Section 68044, 68050, 68060-68061, 68062 but excluding the words "including an unmarried minor alien" from 68062(h), 68070-68080, 68083, 68130, and 68132-68134 of the Education Code of the State of California. Each nonresident student at the University of California shall pay a nonresident tuition fee for each term of attendance at the University, except that such fee, with the approval of the President of the University, may be remitted or waived in whole or in part in the case of any student who qualifies as a graduate student with a distinguished record, a foreign student, a teaching assistant or teaching fellow, or a research assistant; or in the case of a nonresident student who is an unmarried dependent son or daughter under age twenty-one, or a spouse or registered domestic partner of a member of the University faculty who is a member of the Academic Senate. A student who is a spouse or registered domestic partner or child of a resident law enforcement officer or fire fighter killed on active duty shall be exempted from nonresident tuition and mandatory systemwide fees in accordance with Section 68120 of the Education Code of the State of California. A student who is the child or dependent of a deceased or disabled veteran, or who is the dependent of or the surviving spouse who has not remarried or registered domestic partner (who has not subsequently married or registered as a domestic partner of any member of the California National Guard who was killed or permanently disabled while in active service of the state, shall not be exempted from nonresident tuition fees, but may be exempted from mandatory systemwide fees in accordance with Section 32320 of the Education Code of the State of California. A student meeting the requirements of Section 68130.5 of the Education Code of the State of California shall be exempt from paying nonresident tuition. A student meeting the requirements of Sections 66025.3 and 68120.5 of the Education Code of the State of California shall be exempt from paying mandatory systemwide fees and nonresident tuition. For purposes of defining financial independence pursuant to Section 68044, a student shall be considered "financially independent" if the applicant: a) is at least 24 years of age by December 31 of the year the applicant requests residence classification; b) is a veteran of the U.S. Armed Forces; c) is a ward of the court or both parents are dead; d) has legal dependents

other than a spouse or a registered domestic partner; e) is married or in a registered domestic partnership, or a graduate student or professional student, and will not be claimed as an income tax deduction by ~~his or her parents~~ or any ~~other~~ individual other than his or her spouse or domestic partner for the tax year immediately preceding the request for residence classification; or is a single undergraduate student, and was not claimed as an income tax deduction by his or her parents or any other individual for the two years immediately preceding the request for residence classification, and demonstrates self-sufficiency for two years. The student is considered self-sufficient if he or she had total income and other resources of at least $4,000. The two years used to demonstrate self-sufficiency are the two years immediately preceding the request for residence classification. Nonresident tuition fees shall be payable at the time of registration.

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Upon motion of Regent Blum, duly seconded, the report of the Committee on Finance was approved.

5. **REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS**

A. ***Exception to Regents' Policy on Indemnification for Participation in Savings By Design Program***

The Committee recommended that The Regents authorize and approve campus participation in the Savings By Design program in accordance with the terms and conditions of the standard Savings By Design contract for services.

B. ***Certification of the Environmental Impact Report and Approval of the 2004 Long Range Development Plan, San Diego Campus***

The Committee recommended that The Regents:

(1) Certify the Environmental Impact Report for the UC San Diego 2004 Long Range Development Plan.

(2) Adopt the Mitigation Monitoring Program for the Final EIR.

(3) Adopt the Statement of Overriding Considerations included in the Findings.

(4) Adopt the Findings pursuant to the California Environmental Quality Act.

(5) Adopt the 2004 Long Range Development Plan, San Diego campus.

[The Environmental Impact Report, Mitigation Monitoring Program, Statement of Overriding Considerations, Findings, and 2004 Long Range Development Plan were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

C. ***Certification of Environmental Impact Report, Amendment of Long Range Development Plan, and Approval of Design of Faculty and Sierra Madre Family Student Housing, Santa Barbara Campus***

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

(1) Certification of the Environmental Impact Report.

(2) Adoption of the Findings and Mitigation Monitoring Program.

(3) Approval of the design of the North Campus Faculty Housing project.

(4) Approval of the design of the Sierra Madre Student Family Housing project.

(5) Amendment of the UCSB 1990 Long Range Development Plan to reflect changes indicated in the North and West Campus Long Range Development Plan Amendment, and authorization of the President or his designee to make such changes as designated by the California Coastal Commission for the Amendment to be consistent with the California Coastal Act, provided that such changes do not substantially alter the scope and location of the housing projects.

[The Environmental Impact Report, Findings, Mitigation Monitoring Program, and North and West Campus Long Range Development Plan Amendment were mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary.]

D. ***Certification of Environmental Impact Report and Approval of Design, Education and Social Sciences Building, Santa Barbara Campus***

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

(1) Certification of the Environmental Impact Report.

(2) Adoption of the Findings and Mitigation Monitoring Program.

(3) Approval of the design of the Education and Social Sciences Building project, Santa Barbara campus.

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

E. ***Adoption of Mitigated Negative Declaration and Approval of Design, Commons Expansion, Riverside Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Initial Study-Mitigated Negative Declaration, the Committee reported its:

(1) Adoption of the Initial Study-Mitigated Negative Declaration.

(2) Adoption of the Findings and Mitigation Monitoring Program.

(3) Approval of the design of the Commons Expansion, Riverside campus.

[The Initial Study-Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary.]

F. ***Certification of Environmental Impact Report and Approval of Coastal Long Range Development Plan, UC Santa Cruz Marine Science Campus, Santa Cruz Campus***

The Committee recommended that, upon review and consideration of the Environmental Impact Report, The Regents:

(1) Certify the Environmental Impact Report for the UC Santa Cruz Marine Science Campus Coastal Long Range Development Plan (CLRDP).

(2) Adopt the Mitigation Monitoring Program for the Final EIR.

(3) Adopt the Statement of Overriding Considerations included in the Findings.

(4) Adopt the Findings pursuant to the California Environmental Quality Act.

(5) Adopt the UC Santa Cruz Marine Science Campus Coastal Long Range Development Plan.

(6) Authorize the President or designee to modify the CLRDP, if required, in response to comments received from the California Coastal Commission, provided that any substantial changes in principles or policies of the CLRDP would be brought to The Regents for approval.

[The Environmental Impact Report, Coastal Long Range Development Plan, Mitigation Monitoring Program, and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

G. ***Certification of Environmental Impact Report and Approval of Design, McHenry Addition and Renovation Project, Santa Cruz Campus***

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

(1) Certification of the Final Environmental Impact Report.

(2) Adoption of the Findings and Mitigation Monitoring Program and Statement of Overriding Considerations.

(3) Approval of the design of the McHenry Addition and Renovation Project, Santa Cruz campus.

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

H. ***Adoption of Mitigated Negative Declaration and Approval of Design, Biological Sciences Unit 3, Irvine Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Negative Declaration, the Committee reported its:

(1) Adoption of the Tiered Initial Study-Mitigated Negative Declaration.

(2) Adoption of the Findings and Mitigation Monitoring Program.

(3) Approval of the design of the Biological Sciences Unit 3, Irvine campus.

[The Tiered Initial Study-Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to the Committee in

advance of the meeting, and copies are on file in the Office of the Secretary.]

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

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

A. ***Proposed Establishment of the College of Health Sciences, Irvine Campus***

The Committee recommended that effective immediately, Section 11 of The Regents' provisions as covered under Standing Order 110.1–Academic Units and Functions, Affiliated Institutions, and Related Activities of the University, be amended as follows:

additions shown by underscoring

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11. Academic Schools and Colleges at Irvine

(a) There are established at Irvine the following academic schools and colleges, with curricula based on two or more years of undergraduate work:

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~~Colleg~~e School of Medicine, with curricula leading to the degree of Bachelor of Science, Master of Science, and Doctor of Medicine.

College of Health Sciences, with curricula leading to the degrees of Bachelor of Arts, Bachelor of Science, Master of Arts, Master of Science, Doctor of Medicine, and Doctor of Philosophy.

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B. ***Academic Senate Recommendation Regarding Freshman Eligibility Requirements***

The Committee recommended that, consistent with the recommendations of the Board of Admissions and Relations with Schools adopted by the Assembly of the Academic Senate on June 30, 2004, the minimum grade point average required for students Eligible in the Statewide Context and Eligible in the Local Context shall be increased to 3.0 effective for freshmen entering the University in fall 2007.

Upon motion of Regent Kozberg, item A. of the report of the Committee on Educational Policy was approved. Item B was approved following a roll call vote, Regents Blum, Dynes, Kozberg, Lansing, Lee, Lozano, Marcus, Montoya, Novack, Ornellas, Parsky, Pattiz, Preuss, and Wachter (14) voting "aye," Regents Anderson, Bustamante, Johnson, Núñez, O'Connell, and Ruiz (6) voting "no," and Regent Moores (1) abstaining.

7. **REPORT OF THE NOMINATING COMMITTEE**

The Committee recommended that Regent-designate Adam Rosenthal be appointed an advisory member to the Committees on Educational Policy, Grounds and Buildings, and Oversight of the Department of Energy Laboratories.

Upon motion of Regent Lee, duly seconded, the report of the Nominating Committee was approved.

8. **REPORT OF THE COMMITTEES ON GROUNDS AND BUILDINGS AND FINANCE**

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Underhill Parking Facility and Field Replacement, Berkeley Campus***

(1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2004-05 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Berkeley: Underhill Parking Facility and Field Replacement – preliminary plans, working drawings, and construction – $38,709,000, to be funded from external financing ($30,709,000) and a combination of the Berkeley campus' Parking System Net Revenue Fund and Parking Replacement Reserve Fund ($8,000,000).

(2) The Committee on Finance recommended that the President be authorized to obtain financing not to exceed $30,709,000 to finance the Underhill Parking Facility and Field Replacement project, 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. As long as this debt is outstanding, the parking system fees for the Berkeley campus shall be established at levels sufficient to provide excess net revenues sufficient to pay the debt service and to meet the 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 to the lender 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 necessary in connection with the above.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Mission Bay Cancer Research Building (17C), San Francisco Campus***

(1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2004-05 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Mission Bay Cancer Research Building (17C) – preliminary plans, working drawings, construction and equipment – $128,621,000, to be funded from campus funds ($13,621,000), gift funds ($85,000,000), and external financing ($30,000,000).

(2) The Committee on Finance recommended that the President be authorized to obtain:

a. Long-term external financing not to exceed $30,000,000 to finance a portion of the Mission Bay Cancer Research Building (17C) construction, 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 total long-term financing amount shall be from the campus' share of the University Opportunity Fund; and

iii. the general credit of The Regents shall not be pledged.

b. Standby financing not to exceed $62,500,000 and interim external financing not to exceed $17,500,000, for a total of $80,000,000, for any gift funds not received prior to awarding of construction contract, 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 any interim financing shall be from gift funds, and in the event that such gifts are not sufficient, from the UCSF School of Medicine Dean's share of the Faculty Practice Plan income; and

iii. 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 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 necessary in connection with the above.

Upon motion of Regent Blum, duly seconded, the report of the Committees on Grounds and Buildings and Finance was approved.

9. **SUPPLEMENTAL REPORT ON COMPENSATION**

Approval of 2003-04 Incentive Award for David H. Russ as Treasurer of The Regents and Vice President–Investments, Office of the President

The Committee on Finance recommended that a 2003-04 incentive award be approved for David H. Russ, Treasurer of The Regents and Vice President–Investments, Office of the President, of $205,770 to be paid in equal installments of $68,590 over the next three years, subject to the terms and conditions of the Annual Incentive Plan.

Upon motion of Regent Blum, duly seconded, the Supplemental Report on Compensation was approved.

10. **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:

A. The Chairman of the Board and the President of the University approved the following recommendation:

Technical Amendments to the University of California Retirement Plan and Tax-Deferred 403(b) Plan

That the following be amended as indicated on the Attachments:

University of California Retirement Plan

Technical Amendment A

Appendix K……University of California Retirement Plan
UCSF Stanford Health Care Retirement Plan Transfers

University of California Tax-Deferred 403(b) Plan

Technical Amendment B

Amendment to existing
Appendix A……University of California Tax-Deferred 403(b) Plan
UCSF Stanford Health Care

B. The Chairman of the Board, the Chair of the Committee on Grounds and Buildings, the Chair of the Committee on Finance, and the President of the University concurred in the following recommendation:

Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Joseph Edward Gallo Recreation and Wellness Center, Merced Campus

Pursuant to Standing Order 100.4(q)

(1) The President amend the 2003-04 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

Merced: Joseph Edward Gallo Recreation and Wellness Center – preliminary plans, working drawings, construction, and equipment – $11,240,000, to be funded from external financing ($7,500,000), campus funds ($265,000), and gift funds ($3,475,000).

Pursuant to Standing Order 100.4 (nn)

(2) The President be authorized to obtain financing not to exceed $7,500,000 to finance the project listed in (1) above, 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 financing shall be from the Merced Student Recreation Fee approved by The Regents in May 2003; and

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 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 necessary in connection with the above.

11. **REPORT OF PERSONNEL ACTION**

In accordance with Bylaw 14.7(b), Secretary Trivette reported that the following personnel action was taken at a Special Meeting on July 27, 2004. A roll call vote was taken, as required by State law on all actions taken in meetings held by teleconference.

Appointment of Robert J. Birgeneau as Chancellor of the Berkeley campus, 100 percent, effective on or about October 1, 2004. The roll call vote was as follows: Regents Anderson, Blum, Dynes, Hopkinson, Johnson, Kozberg, Marcus, Novack, Ornellas, Parsky, Pattiz, and Preuss (12) voting "aye," and Regents Lee and Montoya (2) abstaining.

12. **REPORT OF COMMUNICATIONS**

Secretary Trivette presented summaries of communications received subsequent to the July 2004 meeting. Unless instructed otherwise, the residency appeals will be referred to General Counsel Holst, and the remaining communications will be referred to President Dynes for response as appropriate.

13. **AMENDMENT OF STANDING ORDER 100.4(nn)–DUTIES OF THE PRESIDENT OF THE UNIVERSITY: AUTHORITY OF THE PRESIDENT FOR EXTERNAL FINANCING**

Pursuant to notice served at the July 15, 2004 meeting of The Regents of the University of California, Regent Blum moved that Standing Order 100.4(nn)–Duties of the President be amended as follows:

deletions shown by strikeout, additions by underscore

STANDING ORDER 100.4(nn)

100.4 Duties of the President of the University

* * *

(nn) The President shall be the manager of all external financing of the Corporation. The President is authorized to ~~provide for~~ obtain external financing for amounts up to and including $10 million for the planning, construction, acquisition, equipping, and improvement of projects. The President is also authorized to ~~provide for~~ obtain external financing for amounts in excess of $10 million up to and including $20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken to obtain external financing for amounts in excess of $10 million up to and including $20 million ~~under this authority~~ be reported at the next following meeting of the

Board. External financing in excess of $20 million requires Board approval ~~consideration~~. The President~~, in general,~~ shall ~~be the manager of all external financing of the Corporation and, except as otherwise provided in the Bylaws and Standing Orders, subject to control and direction of the Board and its Committee on Finance, which may include provisions~~ have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such ~~projects~~ external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

The motion was duly seconded and approved unanimously, 20 Regents voting.

14. **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. Report of an investigation matter that had recently escalated in dollar magnitude as a result of the ongoing criminal investigation at UCLA. July 28 2004.

To Members of the Committee on Educational Policy

B. Change to appointment of Mark Rydell as Regents' Professor, Department of Film, Television and Digital Media, Los Angeles campus, for one quarter during the 2005-06 (rather than 2004-05) academic year. September 3, 2004.

To Members of the Committee on Health Services

C. Activity and Financial Status Report for the UC Medical Centers for the eleven months ended May 31, 2004. July 2, 2004. (Schedule of Reports)

D. Activity and Financial Status Report for the UC Medical Centers for the year ended June 30, 2004. August 12, 2004. (Schedule of Reports)

The Regents of the University of California

E. Date of May 2005 Regents' meeting changed to May 25-26, 2005. July 8, 2004.

F. Notification of security incident at Los Alamos National Laboratory (LANL). July 9, 2004.

G. *Survey of UC Senate Faculty Regarding the National Laboratories*. Report by the Academic Council Special Committee on the National Laboratories (ACSCONL). August 16, 2004.

H. Interim results of Guaranteed Transfer Option offers and acceptances. August 16, 2004.

I. Annual summary of University-operated housing fees. August 18, 2004.

J. *The Uses of University "Reserve" Funds, August 2004*. August 20, 2004.

K. Report of *University of California Domestic Partner Policies, Benefits and Programs*. August 31, 2004.

The meeting adjourned at 12:45 p.m.

Attest:

Secretary

UNIVERSITY OF CALIFORNIA RETIREMENT PLAN

Technical Amendment – Appendix K

Appendix K is a technical amendment to UCRP which summarizes the UCRP benefit provisions applicable to certain former UCSF Stanford Health Care (UCSF SHC) employees covered by the UCSF SHC 403(b) Retirement Plan. This appendix will conform the Plan language to reflect the general provisions previously approved by action under interim authority by the Chairman of The Regents and the President of the University, as well as the administrative practices subsequently established and implemented between UC and the vendors for the UCSF SHC Retirement Plan.

Specifically, Appendix K indicates that the period of employment with UCSF SHC counts for eligibility purposes towards a UCRP benefit (i.e., vesting credit). Further, it delineates the process by which former UCSF SHC employees could have chosen to exchange a portion of their UCSF SHC Retirement Plan contributions for actual UCRP Service Credit.

Please note that the March 2000 Regents interim item stipulated that UCRP Service Credit would be awarded to participants who moved the "employer" provided portion (and earnings) from their UCSF SHC Retirement Plan to UCRP. However, Regental approval for this transaction was contingent upon approval from the Internal Revenue Service (IRS) and Department of Labor (DOL). Approval from the IRS and DOL was not received until November 2002, nearly three years later. During this time, many participants' accounts were seriously reduced by the unforeseen negative market returns. Thus, it was later decided that participants would need to exchange only an amount equal to 50 percent of the employer contributions awarded to their UCSF SHC Retirement Plan in return for UCRP Service Credit.

ATTACHMENT 2

UNIVERSITY OF CALIFORNIA TAX-DEFERRED 403(b) PLAN

Technical Amendment – Appendix A

This amendment to Appendix A clarifies the benefit provisions applicable to certain former UCSF Stanford Health Care (UCSF SHC) employees who participated in the UCSF SHC 403(b) Retirement Plan and/or Tax-Deferred Annuity Plan. The amendment will make Plan language reflect the general provisions previously approved by action under interim authority by the Chairman of The Regents and the President of the University, as well as the administrative practices subsequently established and implemented between UC and the vendors for the UCSF SHC 403(b) plans.

Specifically, newly proposed sections 8 through 11 of Appendix A explain the process by which certain funds from the UCSF SHC 403(b) plans were or will be transferred to the UC Tax-Deferred 403(b) Plan. As stipulated in the March 24, 2000 Regents interim item, approval of these transfers was contingent upon approval from the Internal Revenue Service (IRS) and Department of Labor (DOL), as well as the ability to negotiate acceptable terms with the UCSF SHC plan vendors. Approval from the IRS and DOE was not received until November 2002, at which time the procedures and the timelines for the transfer of funds from the UCSF SHC plan vendors was initiated.