THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

December 21, 2006

The Regents of the University of California met on the above date at the following locations: James E. West Alumni Center, Los Angeles campus; UCSF–Mission Bay, 1675 Owens Street, San Francisco; 5123 Cheadle Hall, Santa Barbara campus; 1355 Sansome Street, San Francisco; 2220 Lodgepole Circle, Modesto; 501 S. Alta Avenue, Dinuba; 401 B Street, Suite 1200, San Diego; 3750 University Avenue, Riverside; and 80 Columbus Circle, New York

Present: Regents Coombs, De La Peña, Dynes, Gould, Hopkinson, Johnson, Kozberg, Ledesma, Parsky, Preuss, Ruiz, Schilling, Schreiner, and Varner

In attendance: Regent-designate Brewer, Faculty Representative Oakley, Acting Secretary Shaw, Acting General Counsel Blair

The meeting convened at 10:30 a.m. with Chairman Parsky presiding.

1. **READING OF NOTICE AND STATEMENT OF SERVICE THEREOF**

For the record, it was confirmed that notice was served in accordance with the Bylaws and Standing Orders for a Special Meeting of The Regents to for the purpose of acting on the recommendations of the Committee on Compensation.

2. **REPORT OF THE COMMITTEE ON COMPENSATION**

A. ***Total Compensation for Gene D. Block as Chancellor, Los Angeles Campus***

The Committee recommended that contingent upon his appointment as Chancellor of the Los Angeles campus, 100 percent, an annual salary of $416,000 be approved for Gene D. Block, effective no later than August 1, 2007, along with the additional compensation related items listed below.

Additional compensation and related items include:

- As an exception to policy, in recognition that Mr. Block will be forfeiting one year of paid sabbatical leave earned at University of Virginia, he will receive a credit of six months of paid administrative leave in lieu of sabbatical, to be taken immediately following at least five years of service as UCLA Chancellor and to be paid at the Chancellor's rate of pay in accordance with UC policy, assuming good standing with the University.

- Per policy, an automobile allowance. The automobile allowance may be in the form of a leased vehicle or a monthly cash allowance of $743 ($8,916 per annum).

- Per policy, a University house will be provided on campus while Chancellor.

- As an exception to policy, reimbursement of up to two round-trip coach air fares between Los Angeles and Virginia for Mr. Block and his spouse for the period between July and December 2007 to assist in the transition from University of Virginia to UCLA.

- Per policy, packing and relocation of household effects up to a maximum of $20,000 to be completed within one year from the date he assumes the Chancellorship in order for it to be nontaxable. The move may be accomplished in one or more stages.

- Per policy, packing and relocation of his library and laboratory equipment.

- Within policy, a relocation allowance of $30,000 (7.2 percent). The policy allows for a relocation allowance of up to 25 percent of base salary.

- Consistent with past practice, upon leaving the Chancellor position and returning to the UCLA faculty, the University will arrange for the relocation of personal belongings to a location of his choice within the greater Los Angeles area near the UCLA campus.

- Per policy, eligibility for a Mortgage Origination Program loan in order to purchase a primary residence in which to live when stepping down as Chancellor, if he assumes a tenured faculty position at UCLA. The benefit will be available for 12 months after stepping down as Chancellor. If granted a MOP loan, he will be entitled to continue under the program into retirement as long as he remains in the home.

- Per policy, an Administrative Fund will be established. Adjustments may occur annually as allowed by policy.

- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability, accrual of Sabbatical Leave.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

B. ***Establishment of New Position and Appointment Salary for David N. Bailey as Vice Chancellor – Health Affairs, Irvine Campus***

The Committee recommended approval of the following items in connection with the establishment of a new Senior Management Group position and an appointment salary for David N. Bailey as Vice Chancellor – Health Affairs, Irvine campus:
(1) Establishment of a new position within the Senior Management Group, Vice

Chancellor – Health Affairs, Irvine campus. This new position combines oversight of the Dean – School of Medicine responsibilities with the Vice Chancellor position.

(2) Approval of interim slotting of new position, Vice Chancellor – Health Affairs at the SLCG Grade 113; range minimum $324,800, midpoint $419,700, maximum $514,700.

(3) Appointment base salary of $512,000 plus $50,000 Health Sciences Compensation Plan (HSCP) for a total of $562,000, 100 percent time.

(4) Effective on or after February 1, 2007.

Additional items of compensation are:

- Per policy, Standard Pension and Health and Welfare benefits and Standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, Executive Salary Continuation for Disability.

- Per policy, MOP loan up to $1 million to be initiated within 24 months of assuming position.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

Upon motion of Regent Hopkinson, duly made and seconded, the recommendations of the Committee on Compensation were approved, Regents Coombs, De La Peña, Dynes, Gould, Hopkinson, Johnson, Kozberg, Ledesma, Parsky, Preuss, Ruiz, Schilling, Schreiner, and Varner (14) voting "aye."[1]

The meeting adjourned at 10:35 a.m.

Attest:

Acting Secretary

[1]Roll call vote required by State law for all meetings held by teleconference.