

## THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

May 17, 2006

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

Present: Regents Blum, Bustamante, Dynes, Gould, Hopkinson, Island, Juline, Kozberg, Lozano, Marcus, Moores, Parsky, Pattiz, Preuss, Rominger, Rosenthal, and Schilling (17)

In attendance: Regents-designate Coombs, Ledesma, and Schreiner, Faculty Representatives Brown and Oakley, Secretary Trivette, General Counsel Holst, Interim Treasurer Berggren, Acting Provost Hume, Senior Vice President Darling, Vice Presidents Broome and Doby, and Recording Secretary Bryan

The meeting convened at 12:44 p.m. with Chairman Parsky presiding.

### 1. **REPORT OF THE NOMINATING COMMITTEE**

The Committee recommended the following:

#### A. **CHAIRMAN OF THE BOARD**

Regent Gerald L. Parsky remain as Chairman of the Board through the January 2007 board meetings, in order to continue his leadership on current University issues. Approval of this recommendation requires suspension of Bylaw 20, Officers of the Corporation, section 20.2, Election.

#### B. **VICE CHAIRMAN OF THE BOARD**

Regent Richard Blum be appointed as Vice Chairman of the Board, effective July 1, 2006 and that Regent Blum become Chairman of The Regents immediately following the January 2007 meetings through June 30, 2007.

## C. STANDING COMMITTEE ASSIGNMENTS

The following Standing Committee assignments for the year commencing July 1, 2006:

Committee on Audit

Regent Ruiz, Chair  
 Regent Island, Vice Chair  
 Regent Preuss  
 Regent Lozano  
 Regent Schilling  
 Regent Coombs

Committee on Finance

Regent Gould, Chair  
 Regent Kozberg, Vice Chair  
 Regent Preuss  
 Regent Bustamante  
 Regent Hopkinson  
 Regent Moores  
 Regent Blum  
 Regent Núñez  
 Regent Wachter  
 Regent Island

Committee on Health Services

Regent Lansing, Chair  
 Regent Pattiz, Vice Chair  
 Regent Preuss  
 Regent Johnson  
 Regent Marcus  
 Regent Island  
 Regent Gould  
 Regent Ledesma

Committee on  
Grounds and Buildings

Regent Kozberg, Chair  
 Regent Johnson, Vice Chair  
 Regent Hopkinson  
 Regent Ruiz  
 Regent Schilling  
 Regent Coombs  
 Regent Ledesma  
 Regent Schreiner

Committee on Educational Policy

Regent Marcus, Chair  
 Regent Lozano, Vice Chair  
 Regent Bustamante  
 Regent Kozberg  
 Regent Lansing  
 Regent Núñez  
 Regent Ruiz  
 Regent Coombs  
 Regent Ledesma  
 Regent Schreiner  
 \*Regent Gould (CPEC representative)  
 \*Regent Johnson (CPEC representative)

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\*Ex officio members of the Committee  
 on Educational Policy; refers to Item D.

Committee on Investments

Regent Wachter, Chair  
 Regent Schilling, Vice Chair  
 Regent Moores  
 Regent Pattiz  
 Regent Blum  
 Regent Schreiner

Committee on the  
Department of Energy Laboratories

Regent Pattiz, Chair  
 Regent Preuss, Vice Chair  
 Regent Moores  
 Regent Marcus  
 Regent Blum  
 Regent Schreiner

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 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.

D. CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

Effective July 1, 2006 through June 30, 2008, Regent Gould be appointed as The Regents representative to the California Postsecondary Education Commission for a two-year term, and that Regent Johnson be appointed as the Regents' alternate representative for a two-year term. The Regents' representatives to the California Postsecondary Education Commission and the Superintendent of Public Instruction are ex officio members of the Committee on Educational Policy.

E. SPECIAL COMMITTEE ON COMPENSATION

As approved by The Regents in January 2006, the Special Committee on Compensation will become a Standing Committee upon adoption of Bylaw 12.8. The current membership of the Special Committee will continue until that time. It is the recommendation of the Nominating Committee that upon the establishment of the Committee on Compensation as a Standing Committee, the following members be appointed:

Regent Hopkinson, Chair  
Regent Lozano, Vice Chair  
Regent Moores  
Regent Pattiz  
Regent Wachter  
Regent Schilling  
Regent Coombs  
Faculty Representative Oakley, Advisory Member

F. FACULTY REPRESENTATIVES AS ADVISORY MEMBERS

- (1) Professor John Oakley be appointed advisory member of the Committees on Audit, Finance, Health Services, Investments, and Oversight of the Department of Energy laboratories.
- (2) Professor Michael Brown be appointed advisory member of the Committees on Educational Policy and Grounds and Buildings.

Upon motion of Regent Kozberg, duly seconded, the recommendations of the Nominating Committee were approved.

2. **REPORT OF THE SPECIAL COMMITTEE ON REGENTS' PROCEDURES**

*Amendment of Bylaws 12, 20, and 21 and Standing Order 100.4 in Order to Establish Regents Office Of Compliance*

With the concurrence of the President, The Chairman of The Board recommended that the Special Committee on Regents' Procedures recommend to The Regents that:

- A. Service of notice be waived.
- B. Effective immediately upon approval, the Bylaws and Standing Orders be amended as shown below to add the position Chief Compliance Officer to the Officers of the Corporation:

**Additions shown by underscore**

BYLAW 12.

RESPONSIBILITIES OF STANDING COMMITTEES

\* \* \*

12.3 Committee on Finance.

The Committee on Finance shall:

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(m) Recommend to the Board:

- (1) All compensation of the following Officers of the Corporation and Officers of the University: Principal Officers of The Regents and their chief deputies, Chief Compliance Officer, President of the University, Provost and Senior Vice President, Senior Vice Presidents, other Vice Presidents, University Auditor, Chancellors, and Laboratory Directors;

## 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), Chief Compliance Officer, 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.

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## BYLAW 21.

DUTIES AND RESPONSIBILITIES OF OFFICERS  
OF THE CORPORATION

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21.5 Chief Compliance Officer

The Chief Compliance Officer shall develop and maintain the University's Corporate Compliance Program, functioning as an independent and objective office that reviews and evaluates compliance issues and concerns within the University. This position will monitor and report as to the Board itself, the administration, faculty, and employees on compliance with rules and regulations of regulatory agencies, University policies and procedures, and the University's Statement of Ethical Values and Standards of Ethical Conduct. This position is authorized to implement all necessary actions to ensure achievement of the objectives of an effective, accountable compliance program.

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## STANDING ORDER 100.4.

## OFFICERS OF THE UNIVERSITY

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## 100.4 Duties of the President of the University

- (a) The President shall be the executive head of the University and shall have full authority and responsibility over the administration of all affairs and operations of the University, excluding only those activities which are the responsibility of the Secretary, Treasurer, ~~and~~ General Counsel of The Regents, and Chief Compliance Officer. The President may delegate any of the duties of the office except service as an ex officio Regent.

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Upon motion of Regent Marcus, duly seconded, the recommendations of the Special Committee on Regents' Procedures were approved.

3. **REPORT OF THE SPECIAL COMMITTEE ON COMPENSATION AND THE COMMITTEE ON AUDIT**

A. ***Regents' Plan for Reforms in Response to the Report of the Report of the Task Force on UC Compensation, Accountability, and Transparency***

The Committees recommended that:

- (1) The Regents adopt the actions shown in [Attachment 1](#) in response to the recommendations of the Task Force on UC Compensation, Accountability, and Transparency.
- (2) The Regents adopt the Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews ([Attachment 2](#)).

B. ***Filing of Forms W-2c Related to Independent Examination of Compensation and Other Employment Arrangements Conducted by PricewaterhouseCoopers, LLP***

The Committees recommended that for each University of California employee identified by The Regents' external auditors as requiring a Form W-2c (Corrected Wage and Tax Statement) the University reimburse the employee for applicable tax preparation fees, interest, and penalties, if any, and any

incremental taxes associated with such reimbursements, as evidenced by receipts or other documentation.

C. ***Policy on Violation of University Policy or Law by Individuals with Negotiated Separation Arrangements***

The Committees recommended that the Policy on Violation of University Policy or Law by Individuals with Negotiated Separation Terms ([Attachment 3](#)) be adopted effective immediately.

D. ***Amendment of Interim Policy on Separation Agreements***

The Committees recommended amendment (as shown on [Attachment 4](#)) of the Interim Policy On Separation Agreements and its renaming as the Interim Policy on Separation Agreements and Settlement of Employee Claims.

Upon motion of Regent Hopkinson, duly seconded, the recommendations of the Special Committee on Compensation and the Committee on Audit were approved.

The meeting adjourned at 12:45 p.m.

Attest:

Secretary