

The Regents of the University of California

SPECIAL COMMITTEE ON REGENTS' PROCEDURES

July 20, 2006

The Special Committee on Regents' Procedures met on the above date at UCSF–Mission Bay, San Francisco.

Members present: Regents Dynes, Gould, Hopkinson, Johnson, Marcus, and Parsky; Advisory member Oakley

In attendance: Regents Blum, Coombs, Island, Ledesma, Lozano, Pattiz, Ruiz, Schilling, Schreiner, and Wachter, Regents-designate Brewer and Bugay, Faculty Representative Brown, Acting Secretary Shaw, Acting General Counsel Blair, Chief Investment Officer Berggren, Provost Hume, Senior Vice President Darling, Vice Presidents Broome, Gomes, and Hershman, Chancellors Córdova, Drake, Fox, Tomlinson-Keasey, Vanderhoef, and Yang, Acting Chancellors Abrams and Blumenthal, University Auditor Reed, and Recording Secretary Nietfeld

The meeting convened at 10:40 a.m. with Special Committee Chair Marcus presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

Upon motion duly made and seconded, the minutes of the meetings of May 17 and 18, 2006 were approved.

2. **PROPOSED NEW BYLAW 12.8 TO ESTABLISH A STANDING COMMITTEE ON COMPENSATION AND RELATED AMENDMENTS OF BYLAWS 10.1, 12.3, AND 12.7 AND STANDING ORDERS 100.3 AND 101.2**

The Chairman and the President recommended that:

- A. Service of notice be waived.
- B. Bylaw 12.8 be adopted, as shown in [Attachment 1](#), to establish a Standing Committee on Compensation, effective following the meeting of the Board.
- C. Bylaws 10.1, 12.3 and 12.7 and Standing Orders 100.3 and 101.2 be amended, as shown in [Attachment 2](#), to conform with the charge to the Committee on Compensation.

It was recalled that at the November 2005 meeting, The Regents adopted the recommendation of the Advisory Group on University Compensation to institute procedures for determining and setting compensation levels for senior leadership that are clear, comprehensive, and accountable, and to increase salaries over the next ten years to achieve

market comparability for all groups of employees. The establishment of a dedicated committee is intended to address these issues on an ongoing basis.

At the January 2006 meeting, The Regents approved the establishment of a Special Committee on Compensation. The goals of the special committee were to ensure that the University of California's compensation and benefits policies, procedures, programs, and practices are fair, effective, clear, comprehensible, transparent, and accountable and inspire the trust of the University community and the public and promote and support the excellence of the University through compensation policies, programs, and practices that attract and retain the highest quality faculty and staff.

The charge to the Committee was to analyze, discuss, review, and make recommendations to The Regents on all matters related to the University of California's compensation and benefits policies, procedures, programs, and practices, including all matters requiring Regental action as mandated in the Senior Leadership Compensation Policy adopted by the Regents in November 2005.

President Dynes and Chairman Parsky recommend that a Standing Committee on Compensation be established which would have oversight over all matters pertaining to compensation at the University of California. This is in accordance with the recommendation of the Task Force on Compensation, Accountability, and Transparency that "The Regents' Compensation Committee should identify and address as quickly as possible the key compensation challenges facing the University today, including the difficulties of competing for employees with better-funded institutions and the sometimes competing demands of market, merit, and equity."

As with all Standing Committees, all members of the Board will be invited to attend the Committee's sessions. The Committee will not have the authority to approve compensation, as this responsibility will remain the sole responsibility of the Board of Regents.

Upon motion duly made and seconded, the Committee approved the recommendation of the Chairman and the President and voted to present it to the Board.

3. **REVIEW OF THE FIRST YEAR OF THE STAFF ADVISOR PILOT PROGRAM**

The Committee was informed that in July 2006, the two-year Staff Advisor Pilot Program will have completed its first year. Approved by The Regents in January 2005, the President's proposal for a pilot program to appoint two individual staff and/or non-Senate academic employees to participate with two Regents' committees was implemented for 2005-06. The pilot program seeks to bring the voice and perspective of staff and non-Senate academic employees to deliberations on relevant matters that come before the committees and the Board.

The first year's Staff Advisors were Dave Miller, who has participated in meetings of the

Committee on Grounds and Buildings, and David Bell, who has participated with the Committee on Educational Policy. Mr. Miller will continue to serve through the second year of the pilot program in order to ensure continuity of experience.

Pilot Program Effectiveness

The pilot program was approved with the understanding that its effectiveness and value, and the process for selection of the Staff Advisors, would be reviewed at the conclusion of the first year.

Criteria used for this evaluation include the following considerations:

- One of the program's goals was to enhance two-way communication between The Regents and UC staff and non-Senate academic employees. It is believed that this was accomplished, not only through formal Regents' proceedings but also through additional contacts between the Staff Advisors and The Regents.
- It is also felt that the program achieved its other main goal to increase recognition of staff and non-Senate academic employees by allowing the voice and perspective of the Staff Advisors to be heard by The Regents.
- It is further believed that The Regents' decision-making process was enhanced by virtue of the Staff Advisors' meaningful participation in committee discussions. Even in areas beyond the committees on which the Staff Advisors participated, it is felt that The Regents benefited from hearing the staff perspective on a variety of issues and concerns among employees.
- Initial concerns about the potential for issues under the Higher Education Employer-Employee Relations Act (HEERA) created by the program have proven to be unfounded. There has been no reported issue to date, and the process has not challenged in any way the complicated rules with regard to HEERA and management's interactions with employees, including represented employees.

In their end-of-year report, a copy of which was mailed to all Regents, the Staff Advisors observed that "the first year of the Staff Advisor Pilot Program has been extremely successful," providing not only feedback on staff-related issues to The Regents but also offering "an additional means of communicating to staff the often complex issues and actions taken by The Regents." The report also makes several suggestions for improving the program, including calling each year's newly appointed Staff Advisor the Staff Advisor Designate, to recognize the learning curve during the first year of appointment. In addition, the President supports the recommendation in the report to have both Staff Advisor and Staff Advisor Designate participate on both assigned committees to allow cross-coverage and mentorship by the more experienced Staff Advisor.

The President is further recommending that the Staff Advisors be assigned to the Committee on Finance instead of the Committee on Grounds and Buildings, to allow staff contributions on topics that come before that committee. Other suggestions in the report are being taken into consideration by the Office of the President and the Office of the Secretary to improve the program's effectiveness.

Funding

The first year of the program was funded by the Office of the President. To date expenses have totaled approximately \$11,000, including travel for candidates and the Advisors, telephone, email and administrative costs, systemwide broadcast and on-line posting for the selection process, and miscellaneous expenses.

Selection Process

The process for selecting the new 2006-07 Staff Advisor began in January 2006. The process included the following stages:

- January. For the second year of the pilot, employees self nominated in response to broad systemwide notice.
 - Distribution was done via email and following local procedures for distribution to employees without computer access.
 - The notice was also sent to unions and employee advisory groups.
 - Information was provided on the role and time commitment of the Staff Advisors, and the selection and screening process.
 - Information and the application were available on the Staff Advisor website and also in hard copy at central offices at each location.
- February. The Office of the President performed a review to ensure eligibility and qualifications of the applicants, including appointment and service requirements, completeness of application and appropriate approvals. Of the 27 applications received, 19 were eligible.
- March-April. The Screening Committee selected five semifinalists (and one alternate). References and appropriate members of senior management at each semifinalist's location were contacted for comments on their qualifications. The five semifinalists were interviewed by the Selection Committee, which chose three finalists.
- April-May. The three finalists were interviewed by the President's designee. The final selection of the new Staff Advisor was made by the President, in consultation with the Chairman of the Board.

Modification of the Selection Process

The selection process for a new Staff Advisor for 2007-08 must begin in January 2007 in order to have sufficient time for distribution of the call, selection of the finalist, and orientation before the beginning of the new Staff Advisor's term in July of that year. Therefore, it is recommended that The Regents make its determination on the continuation of the program in January 2007.

In addition, it is suggested that prior to the next selection process, a campaign to communicate the program to staff and non-Senate academic employees be developed to better advertise the opportunity for employees to serve, as well as to make more employees aware of this ground-breaking program at UC. The Office of the President will work to enhance the communication and awareness of the program.

Associate Vice President Boyette, who served as the sponsor of the program within the Office of the President, commented that the two Staff Advisors for 2005-06 had done an outstanding job. She welcomed Lynda Brewer, who will serve as the Staff Advisor Designate in 2006-07.

Mr. Bell observed that, by adopting the pilot Staff Advisor program, the Regents had made the Board more diverse and more inclusive. Access to the viewpoints of the staff has significant benefit, not only for the staff but also for the Regents, the faculty, the alumni, the students, and the citizens of California. Data have demonstrated that communication tops the list of staff concerns. He reported that he and Mr. Miller had traveled through the UC system, presenting information on the Staff Advisor program and the work of The Regents. They also discussed with staff why resumed contributions to the retirement plan will be necessary. Mr. Bell expressed his appreciation to the Regents for having given the staff the opportunity to interact with the Board. This conveys to the staff that they are an important part of the University community and that their voices are being heard.

Mr. Bell reported that the attention from the media to the issue of executive compensation had left the staff feeling confused and frustrated because there was often no balance to the stories. He saw the need to ensure that staff are fully informed when such issues arise.

President Dynes acknowledged Mr. Bell and Mr. Miller for their service as ambassadors over the past year. Committee Chair Marcus expressed his personal appreciation to all of the staff throughout the UC system for the work they do. Regent Ledesma reported that the staff are enthusiastic about being acknowledged as a valued constituency. Regent Johnson noted that she had enjoyed working with the Staff Advisors; they have played an important role in the Regents' communications with the staff. Faculty Representative Brown observed that the staff are critical to the work of the faculty.

(For speakers' remarks, see the minutes of the July 19, 2006 meeting of the Committee of the Whole.)

4. **REMARKS OF THE COMMITTEE CHAIR**

Regent Marcus received confirmation that the Regents support a schedule for 2007 of two meetings in San Francisco, two meetings in Los Angeles, and two meetings on other campuses, with the goal of meeting at all of the campuses.

The meeting adjourned at 11:00 a.m.

Attest:

Acting Secretary