THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
November 15, 2007

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

Present: Regents Allen, Blum, Brewer, Bugay, De La Peña, Dynes, Garamendi, Gould, Hopkinson, Island, Kozberg, Lansing, Marcus, Parsky, Preuss, Ruiz, and Schilling (17)

In attendance: Regents-designate Scorza and Shewmake, Faculty Representatives Brown and Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Hume, Executive Vice Presidents Darling and Lapp, Senior Vice President Vacca, Chancellors Blumenthal, Fox, and Vanderhoef, and Recording Secretary Bryan

The meeting convened at 12:40 p.m. with Chairman Blum presiding.

1. **REPORT OF THE PRESIDENT**

President Dynes presented the report concerning University activities and individuals.

Upon motion of Regent Ruiz, duly seconded, the President's report was accepted, and it was directed that 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.

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

A. ***Individual Salary Actions***

The Committee recommended the following:

(1) ***Appointment Salary for Patricia Calarco as Dean–Graduate Division, San Francisco Campus***

Approval of the following items in connection with the appointment salary for Patricia Calarco as Dean–Graduate Division, San Francisco campus:

a. An increase in base salary of $37,600 (23.2 percent), bringing her current base salary of $162,400 to $200,000 (SLCG Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000).

b. Appointment at 100 percent time will be effective upon approval of The Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits, and standard Senior Management benefits which include Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, ineligible to participate in Senior Management Supplemental Benefit Program due to tenured faculty position.
- Per policy, Ms. Calarco will not be eligible to participate in the merit/equity program until October 1, 2008.

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.

(2) ***Promotional Increase Salary for Margaret Martin as Executive Director–Strategic Planning and Managed Care, School of Medicine, San Francisco Campus***

Approval of the following terms in connection with the promotional increase for Margaret Martin as Executive Director–Strategic Planning and Managed Care, School of Medicine, San Francisco campus:

a. Slotting of new position, Executive Director–Strategic Planning and Managed Care at SLCG 107, as recommended by Mercer Human Resource Consulting (SLCG Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000). Position classified at MSP VII.

b. An increase in salary of $27,968 (18.4 percent), bringing her current base salary from $152,032 to $180,000.

c. Effective upon approval of The Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility for participation in the School of Medicine Management Incentive Plan with a maximum payout of up to 20 percent of base salary.

- Ms. Martin will not be eligible for a merit/equity increase on October 1, 2007.

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.

(3) ***Stipend Extension and Increase for Maureen L. Zehntner as Acting Chief Executive Officer–Medical Center, Irvine Campus***

Approval of the following items in connection with the stipend for Maureen L. Zehntner as Acting Chief Executive Officer–Medical Center, Irvine campus:

a. Per policy, administrative stipend of $50,000 (11.3 percent), to increase her annual base salary of $444,400 to an annual salary of $494,400 (SLCG Grade 117: Minimum $522,300, Midpoint $679,000, Maximum $835,800). This is an increase to her existing stipend of $20,000 (4.5 percent) and is being requested to reflect that she has now taken on all of the duties of her position as Chief Operating Officer, as well as those of the vacant Chief Executive Officer position.

b. If an adjustment to the base salary is made prior to the termination of this interim role, the dollar amount of the administrative stipend of $50,000 will not change.

c. As an exception to policy, this acting appointment will be effective November 1, 2007 and will continue until October 31, 2008 or until a permanent Chief Executive Officer is appointed, pending approval by The Regents. The original acting appointment (with stipend) was effective November 1, 2005, making the overall duration of this appointment beyond the one year allowed by policy, for a total duration of three years.

d. Per policy, eligibility for additional non-base-building incentive pay (pursuant to the Clinical Enterprise Management Recognition Plan) of up to 20 percent ($88,880) of annual base salary, to be awarded based on meeting performance objectives.

Additional items of compensation include:

- Per 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.
- Per policy, continued 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

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.

(4) ***Stipend Adjustment for J. Nicholas Entrikin as Acting Dean and Vice Provost–International Studies, Los Angeles Campus***

Approval of the following items in connection with the stipend adjustment for J. Nicholas Entrikin as Acting Dean and Vice Provost–International Studies, Los Angeles campus:

a. To provide the agreed upon level of compensation, a retroactive adjustment of his approved stipend of 10 percent ($20,200) to 11.5 percent ($23,200) to compensate for the elimination of the former stipend of $3,000 previously received as Chair of the Department of Global Studies. The previously approved total annual salary of $225,100 will continue. (SLCG Grade 106: Minimum $154,200, Midpoint $195,200, Maximum $236,100).

b. If an adjustment to the annual academic base salary is made prior to the termination of this acting role, the current stipend will be recalculated against the new annualized academic base salary.

c. This appointment is at 100 percent and is effective retroactively, from June 1, 2007 through May 31, 2008.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, Sabbatical Leave Accrual.

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.

(5) ***Stipend Extension for Reynaldo F. Macías as Acting Dean–Division of Social Sciences, College of Letters and Science, Los Angeles Campus***

Approval of the following items in connection with the stipend extension for Reynaldo F. Macías as Acting Dean–Division of Social Sciences, Los Angeles campus:

a. An extension of his existing stipend of 15 percent ($26,800). The 15 percent stipend is proposed to be calculated against the adjusted academic salary of $178,500, for a total annual salary of $205,300 (SLCG Grade: 108 Minimum $192,300, Midpoint $244,900, Maximum $297,400). His adjusted academic salary of $178,500 is derived from a current nine-month faculty salary of $139,700 and 2.5 summer ninths of $38,800.

b. If an adjustment to the annual academic base salary is made prior to the termination of this acting role, the current stipend will be recalculated against the new annualized academic base salary.

c. As an exception to policy, this stipend will be effective January 1, 2008 through December 31, 2008 at 100 percent, or until a permanent appointment is made, whichever occurs first. This period represents an exception to the policy which provides for a maximum stipend period of 12 months. Mr. Macías was initially appointed to this acting capacity from January 1, 2007 through December 31, 2007.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, Sabbatical Leave Accrual.

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.

(6) ***Stipend Extension for Joseph Rudnick as Acting Dean–Division of Physical Sciences, College of Letters and Science, Los Angeles Campus***

Approval of the following items in connection with the stipend extension for Joseph Rudnick as Acting Dean–Division of Physical Sciences, Los Angeles campus:

a. As an exception to policy, an extension of his existing stipend of 15 percent, beyond the one-year duration provided for in policy. The 15 percent stipend is proposed to be calculated against Mr. Rudnick's newly increased, adjusted academic salary of $181,600, for a stipend of $27,240 and a total annual salary of $208,800 (rounded) (SLCG Grade 109: Minimum $214,700, Midpoint $274,300, Maximum $333,700). His adjusted academic salary of $181,600 is derived from a current nine-month faculty salary of $142,100 and 2.5 summer ninths of $39,500.

b. If an adjustment to the annual academic base salary is made prior to the termination of this acting role, the current stipend will be recalculated against the new annualized academic base salary.

c. This appointment is at 100 percent time and is effective retroactive to October 1, 2007 through September 30, 2008 or until a permanent appointment is made, whichever occurs first.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, Sabbatical Leave Accrual.

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.

(7) ***Salary and Stipend Adjustment and Extension for Scott L. Waugh as Acting Executive Vice Chancellor and Provost, Los Angeles Campus***

Approval of the following items in connection with the salary and stipend adjustment and extension for Scott L. Waugh as Acting Executive Vice Chancellor and Provost, Los Angeles campus:

a. Per policy, effective October 1, 2007, a merit increase of $7,660 (4 percent) and an equity increase of $2,987 (1.5 percent) to increase his base salary of $191,500 to $202,100 (rounded) (SLCG Grade 112: Minimum $298,900, Midpoint $385,300, Maximum $471,500).

b. As an exception to policy, effective January 1, 2008, an increase in the stipend from 41.3 percent to 45 percent ($90,945) to be calculated against Mr. Waugh's base salary of $202,100 as Dean–Social Sciences for a total annual salary of $293,100. The stipend amount

of 45 percent constitutes an exception to the policy that provides for up to a 15 percent stipend.

c. If an adjustment to the annual base salary is made prior to the termination of this acting role, the current stipend will be recalculated against the new annualized base salary.

d. As an exception to policy, an extension of his stipend beyond the one-year duration provided for in policy. The initial acting appointment began January 1, 2007 through December 31, 2007 at 100 percent time and is proposed to continue from January 1, 2008 through December 31, 2008, or until a permanent appointment is made, whichever occurs first.

Additional items of compensation include:

- Per 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.
- Per policy, continuation of the 5 percent monthly contribution to the Senior Management Supplemental Benefit Program, consistent with Mr. Waugh's appointment prior to July 1996.
- Per policy, Sabbatical Leave Accrual.

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.

(8) ***Stipend Extension for Peter F. Cowhey as Dean–Graduate School of International Relations and Pacific Studies for Additional Duties as Acting Associate Vice Chancellor–International Affairs, San Diego Campus***

Approval of the following items in connection with the stipend extension for Peter Cowhey as Dean–Graduate School of International Relations and Pacific Studies for additional duties as Acting Associate Vice Chancellor for International Affairs, San Diego campus:

a. A 4 percent merit increase ($6,800) to increase his base salary from $171,100 to $177,900 (rounded) effective October 1, 2007 (SLCG Grade 105: Minimum $138,200, Midpoint $174,300, Maximum $210,400.

b. His existing 15 percent stipend (which was effective January 1, 2007 through December 31, 2007) would increase from $25,665 to $26,685 resulting in a total annual salary of $204,600 (rounded), effective October 1, 2007.

c. As an exception to policy, an extension of his existing stipend of 15 percent ($26,685) effective January 1, 2008 through June 30, 2008, or until the appointment of a permanent Associate Vice Chancellor for International Affairs, whichever occurs first. The extension of this stipend beyond the one-year duration constitutes an exception to policy.

d. If an adjustment to the base salary is made prior to the termination of this acting role, the 15 percent stipend will be recalculated against the new base salary.

Additional compensation and related items include:

- Per 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.
- Per policy, Sabbatical Leave Accrual.

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.

(9) ***Stipend Extension for Susan Moore as Director–Finance and Accounting, Medical Center, San Francisco Campus***

Approval of the following items in connection with a stipend extension for Susan Moore as Director–Finance and Accounting, Medical Center, San Francisco campus:

a. An extension of her existing stipend of $14,900 (7 percent), to increase her base salary of $213,200, to an annual salary of $228,100 (SLCG Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000).

b. The stipend amount will be recalculated with any and all salary adjustments, keeping the percentage constant at 7 percent during the period of this 100 percent time appointment.

c. As an exception to policy, the stipend will be effective October 1, 2007, through June 30, 2008. This period represents an exception to the policy which provides for a maximum stipend period of 12 months. Ms. Moore has received a stipend in this acting capacity since March 15, 2007 (6 months). Ms. Moore is to serve in this capacity up to an additional three months following the appointment of a permanent Director or June 30, 2008, whichever occurs first, to facilitate the smooth transition of responsibilities.

d. Per policy, continued eligibility for participation in the Clinical Enterprise Management Recognition Plan with a maximum incentive of up to 20 percent of base salary.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

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.

(10) ***Stipend Extension for Clifford R. Roberts as Acting Associate Vice Chancellor–Research and Director–Laboratory Resource Center, San Francisco Campus***

Approval of the following items in connection with the stipend extension for Clifford R. Roberts as Acting Associate Vice Chancellor–Research and Director–Laboratory Resource Center, San Francisco campus:

a. As an exception to policy, an extension of his existing stipend in the amount of $37,840 (20 percent), to increase his base salary of $189,200, for an annual salary of $227,040 (SLCG Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000). The total stipend percentage of 20 percent represents an exception to the policy which provides for a maximum stipend amount of 15 percent.

b. The stipend amount will be recalculated with any and all salary adjustments, inclusive of merit increases, keeping the percentage constant at 20 percent during the period of this 100 percent time appointment.

c. The stipend will be effective January 1, 2008, through December 31, 2008. This period represents an exception to the policy which provides for a maximum period of 12 months. Mr. Roberts has

served in this acting capacity since October 16, 2006 (10 months) and was subsequently approved for a stipend effective January 1, 2007 through December 31, 2007. Mr. Roberts is to serve in this capacity, up to an additional three months following the appointment of a permanent Vice Chancellor–Research or December 31, 2008, whichever occurs first, to facilitate the smooth transition of responsibilities.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

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.

(11) ***Annual Incentive Bonus for F. Scott Biddy as Vice Chancellor–University Relations, Berkeley Campus***

Approval of the following items in connection with the annual incentive bonus for F. Scott Biddy as Vice Chancellor–University Relations, Berkeley campus.

a. As an exception to policy, an annual incentive bonus payment of $50,000. This payment, in addition to the base salary of $260,000 (pre-October 2007 merit), brings Mr. Biddy's total cash compensation to $310,000.

b. Effective December 1, 2007 pending approval by The Regents.

c. As approved by The Regents upon Mr. Biddy's appointment effective December 1, 2006 and as an exception to policy, continued eligibility to receive an annual performance incentive bonus with awards not to exceed $50,000. Actual award amount to be determined by assessment of performance and contribution measured against predetermined goals and objectives as established by the Chancellor.

Additional items of compensation currently provided include:

- Per 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.

- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, annual automobile allowance of $8,916.
- Approved as an exception to policy at the time Mr. Biddy was hired in 2001, participation in the Mortgage Origination Program.

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.

(12) ***Eligibility and Payments Under the Senior Management Supplemental Benefit Program for Two Employees, Berkeley Campus***

Approval of an exception to the Senior Management Supplemental Benefit Program policy to allow retroactive eligibility for one employee and one retiree at the Berkeley campus. The University made a written commitment to these individuals that they were eligible to be covered under the Severance Pay Plan (the predecessor to the Senior Management Supplemental Benefit Program). They received written confirmation of their eligibility in 1996, shortly after the policy changed, making them ineligible for participation in the Severance Pay Plan by virtue of their holding dual academic appointments.

Attachment 1 shows the employee names, titles, and summary of total dollar impact of this benefit for each employee.

The compensation described above includes only the University's commitment for this program as outlined in this recommendation; this information will be released to the public immediately following execution.

(13) ***Contract Compensation for John Savage as Head Men's Baseball Coach, Los Angeles Campus***

Approval of the following compensation terms for John Savage as Head Men's Baseball Coach, Los Angeles campus, 100 percent time. Pending approval by The Regents of the compensation terms that exceed delegated authority, Mr. Savage's contract, currently effective July 1, 2007 through June 30, 2010, will be effective October 1, 2007, as indicated below.

The campus undertook negotiations with Coach Savage to amend his current contract to retain him in his current position on the Los Angeles campus.

The following terms and conditions are reflected in the new contract and require approval by The Regents for two reasons: 1) the proposal increases

the bonus opportunity more than 15 percent, and 2) the duration of the new contract. Both of these elements exceed the parameters of authority delegated to the campuses for coaches' salaries.

a. This contract increases the opportunity to earn supplemental compensation from $10,000, to a maximum of $40,000 per annum, as described below:

Performance Bonuses: In the event that Coach Savage or the Baseball team, during the term of this employment contract, accomplishes the following, Coach Savage shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

Accomplishment	Bonus Amount
Team wins a NCAA Regional game post-season	$ 5,000
Team wins a NCAA Super-Regional game post-season	$10,000
Team participates in the final game(s) of the College World Series	$10,000
Team wins a national championship	$15,000

Coach Savage is eligible to receive more than one bonus, for a maximum cumulative bonus of $40,000, for winning a national championship.

b. This contract has been extended to June 30, 2012. It is brought forward for Regental approval as the proposed increases in total income (described above and below), while less than 30 percent annually, exceed, over the duration of the extended contract, the parameters of authority previously delegated by The Regents to the Chancellor.

Additional elements of compensation include:

- Per delegated authority, the annual base salary is increased to $185,000 by combining the previous base salary of $95,000 and the previous talent fee of $50,000 and increasing this total by $40,000.
- Per delegated authority, the annual talent fee is eliminated.
- Per delegated authority and at the discretion of the UCLA Director of Athletics, eligible to receive $70,000 annually for participating in summer camps; in 2006, Coach Savage earned $63,000.
- Per delegated authority, the elements listed in this recommendation are included in a new contract that replaces and extends the current

contract's length from July 1, 2007-June 30, 2010 to October 1, 2007-June 30, 2012.
- Per policy, eligible for standard Health and Welfare benefits.

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.

(14) ***Interim Re-Slotting and Salary Adjustment for Judith L. Smith as Dean and Vice Provost–Undergraduate Education, College of Letters and Science, Los Angeles Campus***

Approval of the following items in connection with an interim re-slotting and salary adjustment for Judith Smith as Dean and Vice Provost–Undergraduate Education, College of Letters and Science, Los Angeles Campus:

a. Interim re-slotting of the position of Dean and Vice Provost–Undergraduate Education, College of Letters and Science, Los Angeles Campus, to SLCG Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000, as recommended by Mercer Human Resource Consulting.

b. Increase in base salary from $198,000 to $235,800 (19 percent) resulting from the following salary actions:

   i. A $8,910 (4.5 percent) merit increase.
   ii. A $9,104 (4.4 percent) equity adjustment.
   iii. Folding in the $19,800 (10 percent) stipend initially approved by The Regents in September 2006, for service as UCLA's Accreditation Officer for the Western Association of Schools and Colleges review.

c. Effective retroactive to October 1, 2007.

Additional items of compensation include:

- Per 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.
- Per policy, Sabbatical Leave Accrual.

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.

(15) ***Change in Performance Bonus Determination Method for Grace M. Crickette as Chief Risk Officer, Office of the President***

Approval of the following items in connection with the performance incentive payment for Grace M. Crickette as Chief Risk Officer, Office of the President:

a. As an exception to policy, an annual performance incentive payment of $18,910 (10 percent). This payment, in addition to the base salary of $189,100 (prior to October 2007 merit increase), brings the total cash compensation to $208,010.

b. Effective upon approval by The Regents.

c. Continued eligibility to participate in this performance incentive program, with annual awards not to exceed 10 percent of base salary. Actual award amount to be determined by assessment of performance and contribution measured against predetermined goals and objectives.

Additional items of compensation currently provided include:

- Per 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.
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

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.

(16) ***Incentive Award Payment for Haggai Hisgilov as Executive Director–Strategic Sourcing, Office of the President***

Approval of the following items in connection with the performance incentive payment for Haggai Hisgilov as Executive Director–Strategic Sourcing, Office of the President.

a. Annual performance incentive payment of $17,676 (10 percent of October 1, 2006 base salary).

b. Effective upon approval by The Regents.

Additional items of compensation currently provided include:

- Annual base salary of $202,205 (effective October 1, 2007).
- Per policy, standard Pension and Health and Welfare benefits.

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. ***Compensation for Participants of Bonus and/or Incentive Plans for Fiscal Year 2006-07***

The Committee recommended approval of award amounts as proposed by UCLA and UCSF for certain members of the Senior Leadership Compensation Group, as described below. The award payments in this item total $113,940 and include payments to six senior managers.

The following individuals have been nominated for an award under this program.

Los Angeles

Last Name	First Name	Title	Annual Base Salary as of 06/30/07	Incentive %	Incentive Award Amount
Valdiviezo	Nora	Dir, Financial Systems	$195,500	8.3%	$16,275
Ward	Cathy	Inpatient Dir of Nursing	$192,500	10%	$19,250

San Francisco

Staff Recognition and Development Program

Recommendations for this plan are summarized below for the campus and all plans.

Last Name	First Name	Title	Annual Base Salary as of 06/30/07	Incentive %	Incentive Award Amount
Uibel	Isabel C.	Patient Care Director	$170,485	4.13%	$7,041

School of Medicine Management Incentive Plan

Recommendations for this plan are summarized below.

Last Name	First Name	Title	Annual Base Salary as of 06/30/07	Incentive %	Incentive Award Amount
Caffey	Marie P.	Dir, Psychiatry and LPPI Administration	$189,900	9.8%	$18,610
Hooven	Martha	Dir, Admin Medicine	$212,800	13%	$27,664
Rein	David	Dir, Faculty Medical Group	$169,600	14.8%	$25,100

A summary of all award payments, both approved in September and those included above for consideration, is shown below:

Location	Total Participants	Total Base Salaries of All Participants	Total Recommended Incentive Awards	Total Awards As % of Salary	Total Cash
UC Irvine	1	$197,600	$24,750	13%	$222,350
UCLA	9	$1,829,900	$131,492	7%	$1,961,392
UCOP	2	$441,556	$5,037	1%	$446,593
UCSD	1	$196,650	$29,498	15%	$226,148
UCSF	22	$4,692,615	$499,197	10.6%	$5,191,812
Grand Total	35	$7,358,321	$689,974	9%	$8,048,295

The incentive compensation described shall supersede all previous oral or written commitments and shall constitute the University's total commitment regarding incentive awards for the individuals identified, until modified by The Regents.

C. ***Approval of Merit and Equity Increases for Certain Officers of the University, Officers of The Regents, and Other Senior Managers of the University, Medical Centers, and Lawrence Berkeley National Laboratory***

The Committee recommended:

(1) That salary rates be approved, as shown in Attachment 2, effective October 1, 2007 for the University Counsel in the Office of the General Counsel of The Regents, pursuant to Bylaw 12.8(f)(1).

(2) That the salary rate be approved, as shown in Attachment 2, effective October 1, 2007 for the Secretary and Chief of Staff and the Associate Secretary, in the Office of the Secretary and Chief of Staff to The Regents, pursuant to Bylaw 12.8(f)(1).

(3) That salary rates be approved, as shown on Attachment 2, effective October 1, 2007 for certain Officers of the University and Officers of The Regents, pursuant to Bylaws 12.8(f)(1), and Standing Order 100.3(b); and for other employees with cash compensation above $205,000, as required by Bylaw 12.8(f)(3) and 12.8(f)(4), and Standing Order 101.2(a)(2).

D. ***Performance Bonus for Patrick V. Reed as University Auditor, Office of the President***

The Committee recommended approval of the following items in connection with the performance bonus payment for Patrick V. Reed as University Auditor, Office of the President:

(1) As an exception to policy, a performance incentive payment of $10,000 (4.3 percent). This payment, in addition to the base salary of $232,200 (prior to October 2007) merit, brings the total cash compensation to $242,200.

(2) Effective upon approval by The Regents.

Additional items of compensation currently provided include:

- Per 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.
- Per policy, continuation of a 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

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.

E. ***Total Compensation for Daniel M. Dooley as Vice President–Agriculture and Natural Resources, Office of the President***

The Committee recommended:

(1) Approval of salary of $320,000 for Daniel M. Dooley as Vice President–Agriculture and Natural Resources, along with the additional compensation-related items listed below.

(2) Per policy, participation in the Senior Management Supplemental Benefit Program. The Senior Management Supplemental Benefit Program provides for contributions to be made to the University's Retirement Savings Program Plans. The University will contribute 5 percent of Mr. Dooley's monthly salary to this program.

(3) As exception to policy, reimbursement of actual reasonable costs associated with temporary accommodations not to exceed $25,000 over a period of six months to assist with the transition of Mr. Dooley from Sacramento to Oakland.

Additional compensation and related items include:

- Within policy, an automobile allowance of $8,916 per year.
- Per policy, reasonable costs associated with the move from Sacramento to the Bay Area.
- Per policy, participation in the Mortgage Origination Loan Program (MOP), available to be exercised within a period not to exceed 24 months from date of employment.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University Policy.
- Per 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.

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.

F. ***Total Compensation for Steven V. W. Beckwith as Vice President–Research and Graduate Studies***

The Committee recommended:

(1) Approval of an annual salary of $320,000, along with the additional compensation-related items listed below.

(2) Per policy, participation in the Senior Management Supplemental Benefit Program. The Senior Management Supplemental Benefit Program provides for contributions to be made to the University's Retirement Savings Program Plans. The University will contribute 5 percent of Mr. Beckwith's monthly salary to this program.

(3) As an exception to policy, reimbursement of actual reasonable costs associated with temporary accommodations not to exceed $25,000 over a period of six months to assist with the transition of Mr. Beckwith from his Maryland residence to the Oakland area.

(4) Within policy, a relocation allowance of $80,000 (25 percent). The policy allows for a relocation allowance of up to 25 percent of base salary. This allowance will be paid in annual installments over three years from date of hire, with installments of 50 percent, 30 percent, and 20 percent, to offset the costs of relocating Mr. Beckwith's home to the Bay Area. If he terminates employment during that period, any remaining payments under this program will be forfeited.

(5) Per policy, he will serve at the pleasure of The Regents and the President and can be terminated at any time with or without cause. Per policy, if he does not hold an academic title which qualifies for accrual of sabbatical leave credit and he is terminated for reasons other than cause within the first 18 months of his employment, he will be granted administrative leave with full pay for a period not to exceed three months. If he takes up a faculty appointment that qualifies for accrual of sabbatical leave during the first 18 months of his appointment and in the unlikely event of termination of his appointment for reasons other than for cause during that time period, he will be granted 60 days leave with full pay, the maximum allowable by policy in that circumstance.

Additional compensation and related items include:

- Within policy, an automobile allowance of $8,916 per year.
- Per policy, reasonable costs associated with the move from Maryland to the Bay Area.
- Per policy, participation in the Mortgage Origination Loan Program (MOP), available to be exercised within a period not to exceed 24 months from date of employment.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University Policy.
- Per 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.

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.

G. ***Amendment of the Health Sciences Severance Pay Plan to Permit Immediate Distributions and Termination of the Plan and Related Compensation Actions***

The Committee recommended that:

(1) The Health Sciences Severance Pay Plan (HSSPP) be amended to permit immediate distribution of the remaining HSSPP balances in order to avoid significant tax penalties.

(2) The HSSPP be terminated after the last distribution is paid.

(3) The University reimburse employees identified on Attachment 3 for applicable tax preparation fees, interest and penalties, if any, and any incremental taxes associated with such reimbursements, evidenced by receipts or other documentation.

The recommendation is based on advice of external and internal counsel and following consultation with the University Committee on Faculty Welfare (UCFW) and the UCFW Task Force on Investment and Retirement.

H. ***Approval of Proposed Compensation for Professor Above Scale in the Department of Physics, San Diego Campus***

The Committee recommended that the following be approved for Robert C. Dynes, as Professor of Physics, Above Scale (entitled to use the appellation, "Distinguished Professor"), San Diego campus, 100 percent time:

(1) Annual professorial salary of $245,000.

(2) Per policy, eligible for a paid administrative leave in lieu of sabbatical for one year to be taken upon stepping down as President, paid at his President's rate of pay, with the requirement to return to service at his professorial rate of pay for the same period of time as the leave. Failure to return to service creates an obligation to refund the salary earned while on leave.

(3) Per policy, reimbursement of reasonable moving expenses from the Blake House in Kensington to his San Diego residence.

(4) Per Academic Personnel Policy, payment of the cost of moving his laboratory from Berkeley to San Diego.

(5) Per policy, ineligible to continue to participate in the Senior Management Supplemental Benefit Program, Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

(6) Per policy, eligible to continue to receive standard UC standard Pension and Health and Welfare benefits.

(7) Per policy, eligibility for a Mortgage Origination Program (MOP) loan upon commencement of paid administrative leave in lieu of sabbatical or upon return to faculty status. Policy requires repayment of the loan within six months should he terminate employment rather than retire.

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 seconded, the recommendations of the Committee on Compensation were approved, Regent Garamendi voting "No."

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

A. ***Authorization of Leases and Agreements for Helios Energy Research Facility, Berkeley Campus***

The Committee recommended that, subject to adoption by the State Public Works Board of a resolution authorizing the issuance of State Public Works Board (SPWB) Lease Revenue Bonds and authorizing interim loans from the State's Pooled Money Investment Account or General Fund for the Helios Energy Research Facility at the Berkeley campus:

(1) The President or the Secretary and Chief of Staff be authorized to:

a. Execute an unsubordinated site lease from The Regents to the SPWB for the project named above, said lease to contain provisions substantially as follows:

i. The site shall comprise the approximate size of the footprint for the building named above. Said lease shall also include a license to the SPWB for access from campus roads to the site during the term of the lease.

ii. The purpose of the lease shall be to permit construction of the project.

iii. The term of the site lease shall commence on recordation of the lease or the first day of the month following the meeting of the SPWB at which the resolution is adopted authorizing the lease, the issuance of bonds, and interim financing for the project, whichever is earlier, and shall terminate on the date the bonds issued by the SPWB are paid in full, subject to earlier termination if such bonds have been retired in full.

iv. The rental shall be $1 per annum.

v. The Regents shall have power to terminate the site lease in the event of default by the SPWB, except when such termination would affect or impair any assignment or sublease by the SPWB and such assignee or subtenant is duly performing the terms and conditions of the lease.

vi. The Regents shall provide to the SPWB and any assignee of the SPWB access to the site and such parking and utility services as are provided for similar facilities on the campus.

vii. The Regents shall waive personal or individual liability of any member, officer, agent, or employee of the SPWB.

viii. The Regents shall agree to pay assessments or taxes, if any, levied on the site or improvements attributable to periods of occupancy by The Regents.

ix. In the event any part of the site or improvements is taken by eminent domain, The Regents recognizes the right of the SPWB to retain condemnation proceeds sufficient to pay any outstanding indebtedness incurred for the construction of the project.

b. Execute an agreement between the State of California, as represented by the SPWB, and The Regents for the project named above, said agreement to contain the following provisions:

i. The SPWB agrees to finance construction for the project, as authorized by statute.

ii. The Regents agrees to provide and perform all activities required to plan and construct said project.

c. Execute a facility lease from the SPWB to The Regents for the project named above, said leases to contain provisions substantially as follows:

i. The purpose of the building's occupancy shall be to use it as a facility for research and support-related functions in furtherance of the University's mission related to instruction, research, and public service.

ii. The SPWB shall lease the State-financed portion of the facility, including the site, to The Regents pursuant to a facility lease.

iii. The terms of the facility lease shall commence on recordation of the lease or the first day of the month following the meeting of the SPWB at which the resolution is adopted authorizing the lease, the issuance of bonds, and interim financing for the project, whichever is earlier, and shall terminate on the date the bonds issued by the SPWB are paid in full, subject to earlier termination if such bonds have been retired in full.

iv. If the SPWB cannot deliver possession to The Regents at the time contemplated in the lease, the lease shall not be void nor shall the SPWB be liable for damages, but the rental payment shall be abated proportionately to the construction cost of the parts of the facility not yet delivered.

v. In consideration for occupancy during the term of the lease and after the date upon which The Regents takes possession of the facility, The Regents shall pay base rent in an annual amount sufficient to pay debt service on the bonds or other obligations of the SPWB issued to finance or refinance the facility and additional rent for payment of all administrative costs of the SPWB.

vi. The Regents covenants to take such actions as may be necessary to include in the University's annual budget amounts sufficient to make rental payments and to make the necessary annual allocations.

vii. During occupancy, The Regents shall maintain the facility and pay for all utility costs and shall maintain fire and extended coverage insurance at then current replacement cost or an equivalent program of self-insurance, and earthquake insurance if available on the open market at a reasonable cost.

viii. During occupancy, The Regents shall maintain public liability and property damage insurance, or an equivalent program of self-insurance, on the facility and shall maintain rental interruption or use and occupancy insurance, or an equivalent program of self-insurance, against perils covered in c (vii.) above.

ix. In the event of default by The Regents, the SPWB may maintain the lease whether or not The Regents abandons the facility and shall have the right to relet the facility, or the SPWB may terminate the lease and recover any damages available at law.

x. The Regents shall be in default if the lease is assigned, sublet, or transferred without approval of the SPWB; if The Regents files any petition or institutes any proceedings for bankruptcy; or if The Regents abandons the facility.

xi. The Regents shall cure any mechanics' or materialmen or other liens against the facility and, to the extent permitted by law, shall indemnify the SPWB in that respect.

xii. The Regents, to the extent permitted by law, shall indemnify the SPWB from any claims for death, injury, or damage to persons or property in or around the facility.

xiii. Upon termination or expiration of the lease, other than for breach or because of eminent domain, title to the facility shall vest in The Regents.

B. ***Approval of the University of California Financial Report, 2007***

The Committee recommended approval of the University of California Financial Report, 2007.

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

C. ***Approval of University of California 2008-09 Budgets for Current Operations and for State Capital Improvements***

The Committee recommended that:

(1) The expenditure plan included in the document, 2008-2009 Budget for Current Operations, be approved.

(2) The Committee reported its concurrence with the recommendation of the Committee on Grounds and Buildings that the 2008-2009 Budget for State Capital Improvements be approved.

[The University of California 2008-09 Budgets for Current Operations and for State Capital Improvements were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

D. ***Approval of a Working Capital Loan for the Geffen Playhouse, Inc., Los Angeles Campus***

The Committee recommended that:

(1) The Los Angeles Campus be authorized to extend a working capital loan from campus funds of up to $2.6 million to the Geffen Playhouse, Inc.

(2) The term of the loan shall not exceed five years and shall bear interest at the current rate of the Short-Term Interest Pool.

(3) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

E. ***Approval of the Process for the Development of the Mission Bay Neuroscience Research Building (19A), San Francisco Campus***

The Committee recommended that:

(1) The President, in consultation with the Office of the General Counsel, be authorized:

a. To review and refine alternative development methods for constructing the Neurosciences Building (19A) and establish an evaluation methodology to determine the development method that is in the best interests of the University.

b. To issue a Request for Proposals (RFP) for the development of the 19A building consistent with the determination in (1) a.

(2) The President be authorized to execute all documents necessary in connection with the above.

Upon motion of Regent Gould, duly seconded, the recommendations of the Committee on Finance were approved, Regent Garamendi voting "No" and Regent Allen abstaining.

4. **PROPOSED POLICY ON EMERITUS TITLE FOR FORMER REGENTS**

Regent Lansing recommended that the following policy be adopted:

The title "Regent Emeritus" shall be conferred on all appointed and alumni Regents at the completion of their terms on the Board of Regents, or at the conclusion of their service as Regents provided that they serve for at least five years. Regents who are unable to complete their terms due to illness shall also be eligible for the title. The

title also shall be conferred on all former Regents who completed the term to which they were appointed or served at least five years.

Upon motion duly made and seconded, the recommendation was approved, Regent Island voting "No."

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

A. ***Consent Agenda***

The Committee recommended the following:

(1) ***Approval of Schedules for Development of Sewer System Management Plans at Each Campus***

a. That The Regents approve the development plans and schedules formulated by each campus for preparation of a Sewer System Management Plan (SSMP) by August 2, 2009.

b. That The Regents authorize the President and the Chancellors of each campus, subject to the requirements by State Water Resources Control Board (SWRCB) Order No. 2006-003, to develop SSMPs for those campuses and other facilities which are covered by the SWRCB Order by August 2, 2009.

c. That any action taken by the President or his designees, in furtherance of the matters authorized by the foregoing actions, is hereby ratified, approved, and confirmed as the act and deed of the Regents.

(2) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, South Valley Animal Health Laboratory, Davis Campus***

That the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: South Valley Animal Health Laboratory – preliminary plans – $2,515,000, to be funded from State general funds.

(3) ***Amendment of the Budget for Capital Improvements and the Capital Improvement program, Tower II, Phase 5, Davis Medical Center, Davis Campus***

That the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Tower II, Phase 5 – preliminary plans, working drawings, construction, and equipment – $31,399,000, to be funded from hospital reserves ($21,600,000) and gift funds ($9,799,000).

(4) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, UCI Medical Center Replacement Hospital, Irvine Campus***

That the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to reflect the following changes:

From: Irvine: UCI Medical Center Replacement Hospital – preliminary plans, working drawings, construction, and equipment – $371,720,000 to be funded from State lease revenue bonds ($235,000,000), external financing ($62,920,000), hospital reserves ($5,509,000), capitalized leases ($20,791,000), and gift funds ($47,500,000).

To: Irvine: UCI Medical Center Replacement Hospital – preliminary plans, working drawings, construction, and equipment – $392,928,000 to be funded from State lease revenue bonds ($235,000,000), external financing ($62,920,000), hospital reserves ($26,717,000), capitalized leases ($20,791,000), and gift funds ($47,500,000).

(5) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, UCI Medical Center Clinical Laboratory Replacement Building, Irvine Campus***

That the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Irvine: UCI Medical Center Clinical Laboratory Replacement Building – preliminary plans, partial working drawings, and construction – $3,947,000, to be funded from hospital reserves.

(6) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Mission Bay Utilities and Distribution Phase 1, San Francisco Campus***

a. That the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Mission Bay Utilities and Distribution Phase 1 – preliminary plans, working drawings, construction, and equipment – $23,476,000, to be funded from external financing ($18,000,000) and campus funds ($5,476,000).

b. That the President be authorized to obtain external financing not to exceed $18,000,000 to finance the project listed in a. above, 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. So long as the debt is outstanding, the San Francisco campus' share of Federal Indirect Cost Recovery deposited to Fund 19933 shall be maintained in amounts sufficient to pay debt service and to meet the related requirements of the outstanding financing.

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

c. That 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.

d. That the Officers of the Regents be authorized to execute all documents necessary in connection with the above.

(7) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Approval of External and Interim Financing, Adoption of Findings, and Approval of Design, Mission Bay Cardiovascular Research Building (17A/B), San Francisco Campus***

a. That the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Mission Bay Cardiovascular Research Building (17A/B) – preliminary plans – $6.4 million, to be funded from gifts.

To: San Francisco: Mission Bay Cardiovascular Research Building (17A/B) – preliminary plans, working drawings, construction – $254 million, to be funded from gifts ($198 million), external financing ($42 million), and campus funds ($14 million).

b. That the President be authorized to obtain external financing not to exceed $42 million to finance the Mission Bay Cardiovascular Research Building (17A/B) 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. So long as the debt is outstanding the San Francisco campus' share of the University Opportunity Fund shall be maintained in amounts sufficient to pay the debt service and to meet the related requirement of the outstanding financing.

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

c. That the President be authorized to obtain standby financing not to exceed $100 million and interim financing not to exceed $75 million, for a total of $175 million, prior to awarding a construction contract for any gift funds not received by that time, and 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 debt shall be from gift funds. If gift funds are insufficient and some or all of the debt remains outstanding, then the San Francisco campus' share of the University Opportunity Fund shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

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

d. That 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.

e. That the Officers of The Regents be authorized to execute all documents necessary in connection with the above.

f. That, upon review and consideration of the environmental consequences of the proposed project as indicated in the Addendum No. 7 to the 1996 Long Range Development Plan Final Environmental Impact Report (LRDP FEIR), as amended, The Regents:

i Adopt the Findings.

ii. Approve the design of the Mission Bay Cardiovascular Research Building (17A/B), San Francisco Campus.

[The Addendum No. 7 to the 1996 Long Range Development Plan Final Environmental Impact Report and Findings were mailed to Regents in advance of the meeting, and copies is on file in the Office of the Secretary and Chief of Staff.]

(8) ***Adoption of Mitigated Negative Declaration and Approval of Design, Telemedicine and Prime-HEq Education Facility, San Diego Campus***

The Committee reported its:

a. Adoption of the Initial Study/Mitigated Negative Declaration.

b. Adoption of the Mitigation Monitoring Program and Findings.

c. Approval of the design of the Telemedicine and PRIME-HEq Education Facility, San Diego campus.

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

B. ***Certification of Environmental Impact Report and Approval of the 2007 Long Range Development Plan, Irvine Campus***

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

(1) Certify the Final EIR for the Irvine Campus 2007 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 2007 Long Range Development Plan, Irvine Campus, with the addition of a section to Table 2, under "General Campus," showing a student/faculty ratio of 17.6, and including a note stating that the Plan appropriately accommodates existing and future short-term target student/faculty ratios.

[The Final EIR for and the Irvine Campus 2007 Long Range Development Plan, Mitigation Monitoring Program, Statement of Overriding Considerations, and Findings were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

C. ***Approval of University of California 2008-09 Budget for State Capital Improvements***

The Committee recommended that The Regents approve the 2008-09 Budget for Capital Improvements, as presented in the document titled, *2008-2009 Budget for State Capital Improvements*.

[The 2008-09 Budget for State Capital Improvements was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

D. ***Amendment of the Budget for State Capital Improvements and the Capital Improvement Program and Approval of External Financing, Hilgard Graduate Student Housing, Los Angeles Campus***

The Committee recommended that:

(1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Los Angeles: Hilgard Graduate Student Housing – preliminary plans, working drawings, construction, and equipment – $24,558,000, to be funded from external financing ($14,000,000) and campus housing system reserves ($10,558,000).

(2) The President be authorized to obtain external financing not to exceed $14 million to finance the Hilgard Graduate Student Housing 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, housing system fees for the Los Angeles campus shall be established at levels sufficient to provide revenues sufficient to pay 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.

E. ***Amendment of the Budget for Capital Improvement and the Capital Improvement Program, Approval of External Financing, Adoption of Mitigated Negative Declaration, and Approval of Design, Housing and Dining Services Administration Building, San Diego Campus***

The Committee recommended that:

(1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: Housing and Dining Services Administration Building – preliminary plans, working drawings, construction, and equipment – $25 million to be funded from external financing ($23.5 million) and housing reserves ($1.5 million).

(2) The President be authorized to obtain external financing not to exceed $23.5 million to finance the Housing and Dining Services Administration Building 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. So long as the debt is outstanding, University of California Housing System fees for the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized funding.

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.

(5) Upon review and consideration of the environmental consequences of the proposed project, The Regents:

a. Adopt the Initial Study/Mitigated Negative Declaration.

b. Adopt the Mitigation Monitoring Program and Findings.

c. Approve the design of the Housing and Dining Services Administration Building, San Diego Campus, with the understanding that the campus will submit a package of design revisions and adjustments, for a future consent agenda, addressing concerns regarding the glass elements, the roof overhang, and the West Side ground level entry.

F. ***Approval of Design, Mount Zion Medical Office Building, San Francisco Campus***

The Committee reported its approval of the design of the Mount Zion Medical Office Building, San Francisco Campus.

Upon motion of Regent Kozberg, duly seconded, the recommendations of the Committee on Grounds and Buildings were approved and the report accepted, Regent Parsky abstaining on Item B.

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

The Committee reported its acceptance of the Treasurer's FY 2006-2007 Annual Report.

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

Upon motion of Regent Schilling, duly seconded, the report of the Committee on Investments was accepted.

7. **REPORT OF COMMITTEES ON EDUCATIONAL POLICY AND FINANCE**

Proposition 92 – The February 2008 California Community College Ballot Initiative

The Committees recommended adoption of the following Statement of Opposition regarding Proposition 92:

The Regents of the University of California
Statement of Opposition to Proposition 92

The Community College Governance, Funding Stabilization, and Student Fee Reduction Act will be on the February 2008 Presidential Primary Election ballot as Proposition 92. If passed by the voters, it would enact constitutional and statutory provisions to:

- Provide a separate Proposition 98 funding guarantee for the community colleges apart from K-12 education;

- Reduce community college fee levels while limiting future increases; and

- Establish the California Community Colleges in the state constitution and specify the composition of its governing board.

According to the Legislative Analyst's Office, Proposition 92 "would require the State to spend more for K-14 education than under current law – an average of around $300 million per year" – from 2007-08 through 2009-10.

Proposition 92 would be the latest in a long series of ballot measures that dedicate or "lock up" an ever-greater amount and share of the State's General Fund. It would restrict the ability of the Legislature and the Governor to set State spending priorities in the annual budget process at a time when the State is expected to face even larger budget deficits.

The provisions of the initiative would be extremely difficult to alter. Changing the funding provisions would require a four-fifths vote of the Legislature. Under the formula in the

initiative, community college fees could very rarely be increased, and, even when they could, a two-thirds vote of the Legislature would also be required.

Proposition 92 requires more State funding and reduces student fees for one segment of higher education without regard to the needs of all of higher education. Since it does not create or identify any new revenue sources, unprotected state programs such as UC and CSU would be competing for a smaller share of available General Funds.

Passage of Proposition 92 could result in a reduction in the University's State-funded budget, which in turn could result in an erosion of University programs and services. It would limit fee increases for one segment of higher education while potentially increasing pressure to raise fees even further at UC and CSU to make up for unavailable General Funds.

The University of California strongly supports the California Community Colleges. The Community Colleges' educational mission is vital to educating the people of California, and the University depends on the success of the community college transfer function for nearly a third of its undergraduate students.

However, the Regents of the University of California, mindful of their responsibility for preserving, protecting, and enhancing the excellence of the University and the quality of education it provides, hereby express their opposition to Proposition 92, the Community College Governance, Funding Stabilization, and Student Fee Reduction Act on the February 2008 Presidential Primary ballot.

Upon motion of Regent Marcus, duly seconded, the recommendation of the Committees on Educational Policy and Finance was approved, Regent Allen abstaining.

8. **REPORT OF THE COMMITTEES ON FINANCE AND INVESTMENTS**

Amendment of Policy on Conflict of Interest Regarding Assets Managed by the Treasurer to Specify Procedures for Implementation

The Committee on Finance recommended adoption, effective immediately, of an amendment to the Policy on Conflict of Interest Regarding Assets Managed by the Treasurer, as follows:

Deletions shown by strikeout, additions shown by underscore

Policy on Conflict of Interest Regarding Assets Managed by the Treasurer, Adopted September 22, 2005, Amended July 19, 2007:

***

The General Counsel is responsible for determining, pursuant to the following procedures, that the Treasurer's responsibilities for selecting investment managers have been exercised

free of any efforts to influence the Treasurer's selection by individuals within the Treasurer's Office, on the Investment Advisory Group, on the Board of Regents, or with oversight responsibility for the performance of the Treasurer's Office, with a financial interest in the selection, within the meaning of the Political Reform Act. The General Counsel's Office will promptly provide the Treasurer's Office with copies of all Statements of Economic Interest (Form 700) for all Regents and Treasurer's Office employees, as well as any information disclosed by Investment Advisory Group (IAG) members pursuant to the Conflicts provisions of the Policy Establishing the Investment Advisory Group. The Treasurer's Office will advise the General Counsel's Office if it is contacted by a Regent, an IAG member, or a designated official in the Treasurer's Office, in connection with the choice of an outside investment manager, if that outside investment manager is listed on the relevant individual's disclosure form. The Office of the General Counsel will then determine whether there is any conflict of interest.

Any such efforts to influence the Treasurer's selection of investment managers by such individuals with a financial interest in the selection are expressly prohibited. In the event such a prohibited effort to influence a Treasurer's Office selection of an investment manager is identified, the General Counsel shall immediately bring the matter to the attention of the Chair of the Regents' Committee on Investments.

Upon motion of Regent Gould, duly seconded, the recommendation of the Committees on Finance and Investments was approved.

9. **REPORT OF THE COMMITTEE ON OVERSIGHT OF THE DEPARTMENT OF ENERGY LABORATORIES**

Amendment of Regents' Policy on Appointments of Individuals to be University of California Executive Committee Members on the Boards of Governors of Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC

The Committee recommended that the policy adopted on March 16, 2006, regarding UC appointments of individuals to the Board of Governors of Los Alamos National Security, LLC (LANS), be amended to cover both LANS and Lawrence Livermore National Security, LLC (LLNS), as follows:

Deletions shown by strikeout, additions by underscore

Policy on Appointments of Individuals to the ~~Los Alamos National Security, LLC~~ Executive Committees of the Boards of Governors of Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC:

(1) When a vacancy occurs or is imminent with respect to a University position on the Executive Committee of the Board of Governors of Los Alamos National Security, LLC or of Lawrence Livermore National Security, LLC, the Chairman and the President will identify one or more candidates for appointment to such position,

along with any proposed terms or conditions of the appointment. Candidates will be drawn from the ranks of Regents, University officers and senior managers, or others having expertise and experience pertinent to the management and operation of the Department of Energy National Laboratories. The Chairman of the Executive Committee of the Board of Governors shall be drawn from the ranks of Regents. The President will confer with appropriate organizations within the University regarding the identification of candidates and applicable terms and conditions of the appointment.

(2) Following such consideration, the Chairman and the President will recommend the selected candidate to The Regents through the Committee on Oversight of the Department of Energy Laboratories for consideration and approval.

Upon motion of Regent Preuss, duly seconded, the recommendation of the Committee on Oversight of the Department of Energy Laboratories was approved.

10. **REPORT OF INTERIM ACTIONS**

Secretary and Chief of Staff Griffiths 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, the Chair of the Committee on Compensation, and the President of the University approved the following recommendations:

(1) ***Interim Re-Slotting and Appointment Salary for Michael N. Minear as Chief Information Officer, Davis Campus Health System***

Approval of the following items in connection with the appointment of Michael Minear as Chief Information Officer, Davis Campus Health System:

a.. Change in interim slotting from SLCG Grade 108 to Grade 109: Minimum $214,700, Midpoint $274,300, Maximum $333,700, as recommended by Mercer Human Resource Consulting.

b. Appointment salary of $310,000. This represents a 1.3 percent increase in Mr. Minear's most recent base salary of $306,000.

c. This appointment is at 100 percent time and effective October 15, 2007.

d. Per policy, participation in the Clinical Enterprise Management Recognition Program.

e. Per policy a relocation allowance of $55,000 (17.7 percent) paid in two equal annual installments with $27,500 paid upon arrival and $27,500 paid in one payment after January 1, 2008.

f. Per policy, initial house-hunting trip not to exceed $2,500.

g. Per policy, temporary housing not to exceed 30 days and $2,500.

h. Per policy, moving expenses/moving services expected not to exceed $19,000.

Additional items of compensation include:

- 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, a 5 percent monthly contribution to the Senior Management Supplemental Benefits Program.

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

(2) ***Establishment of New Position, Interim Slotting, and Appointment Salary for Sarabdeep Singh as Chief Organizational Efficiency Officer, Davis Campus Health System***

Approval of the following items in connection with the appointment of Mr. Sarabdeep Singh as Chief Organizational Efficiency Officer, Davis campus health system:

a. Title assignment of Chief Organizational Efficiency Officer.

b. Classification of the position in the Senior Management Group.

c. Approval of interim slotting of the position at SLCG Grade 108: Minimum $192,300, Midpoint $244,900, Maximum $297,400, as recommended by Mercer Human Resource Consulting.

d. Appointment salary of $250,000, which represents an increase of 31.6 percent over the retention offer of $190,000 extended to Mr. Singh by his current employer.

e. This appointment is at 100 percent time and effective October 1, 2007.

f. Per policy, participation in the Clinical Enterprise Management Recognition Program.

g. Per policy, a relocation allowance of $40,000 (16 percent) paid in two installments with $20,000 approved upon arrival and $20,000 approved after January 1, 2008.

h. Per policy, temporary housing not to exceed 30 days and $2,500.

i. Per policy, initial house-hunting trip not to exceed $2,500.

j. Per policy, moving expenses not expected to exceed $14,500.

Additional items of compensation include:

- Per 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.
- Per policy, participation in the Partners Opportunities Program.
- Per policy, a 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

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. The Chairman of the Board, the Chair of the Committee on Finance, and the Secretary and Chief of Staff approved the following recommendation:

Approval of the 2007-08 Budget for the Associate to the President

That the budget for 2007-08 for the Associate to the President be approved as an addendum to the 2007-08 budget for the President's immediate office.

C. The Chair of the Committee on Compensation and the President of the University approved the following recommendations:

(1) ***Contract Compensation for Mike Gillespie as Head Men's Baseball Coach–Athletics, Irvine Campus***

Approval of the following items in connection with the compensation terms for Mike Gillespie as Head Coach of Men's Baseball, Irvine campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. Gillespie's contract will be effective October 1, 2007 and terminate on September 30, 2010, unless terminated earlier pursuant to the term of the Employment Contract or unless the parties agree in writing to the terms of a successor contract or a contract extension prior to that date.

The following terms and conditions are reflected in the proposed contract:

a. Base Salary: This contract establishes an initial base salary of $140,000:

Effective Dates	Amount	Percent Increase
10/01/07 - 09/30/10	$140,000	Appointment Salary

b. Additionally, this contract provides the opportunity to earn supplemental compensation of up to $191,667 per annum, as described below:

i. Performance Bonuses: In the event that Mr. Gillespie or the Men's Baseball team, during the term of this Employment Contract, accomplishes the following, Coach Gillespie shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

Team participates in Regionals of NCAA Post-Season Tournament	$ 2,500
Team participates in Super Regionals of NCAA Post-Season Tournament	$ 2,500

Team participates in College World Series (one month salary)	$11,667
Team is College World Series, Division I National Champion	$10,000

Coach Gillespie is eligible to receive more than one bonus.

ii. Athletic Equipment/Apparel Contract Payments: The Coach may receive additional compensation, up to $150,000, from athletic shoe, apparel and/or equipment agreements which are mutually agreed to by the Coach and Director of Intercollegiate Athletics, on behalf of the University, for the benefit of the University's intercollegiate baseball program. Such agreements shall be subject to applicable University and NCAA policies, rules, and regulations.

iii. Camps and Clinics: Coach Gillespie shall be eligible to conduct summer and winter baseball camps at the University. The Coach, at his option, may be paid up to eighty percent (80 percent), approximately $15,000, of the net profit from any camp conducted. The net camp profit shall be calculated by subtracting all approved camp expenses from all camp revenue.

c. One-Time Payment: The Coach shall receive a one-time payment of $3,500 for miscellaneous personal and professional expenses related to his employment relocation to the University.

This contract contains a penalty clause for early termination. If Coach Gillespie terminates his employment before October 1, 2008, he shall pay $100,000 to the University. If Coach Gillespie terminates his employment before October 1, 2009, he shall pay $75,000 to the University.

Additional elements of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Spouse or partner travel for required post-season events outside Orange County, and other travel as approved by the Director of Athletics.

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.

(2) ***Appointment Salary for Jane Boubelik as Chief Legal Counsel, Medical Sciences, Los Angeles Campus***

Approval of the following items in connection with the appointment of Jane Boubelik as Chief Legal Counsel, Medical Sciences, Los Angeles campus:

a. Appointment salary of $235,000, 100 percent time and effective January 1, 2008.

b. Per policy, eligibility for participation in the Clinical Enterprise Management Recognition Plan, with a maximum payout of up to 20 percent of base salary ($47,000).

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

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.

(3) ***Interim Re-Slotting, Pre-emptive Retention Increase and Title Change for Janet E. Young as Associate Chancellor and Chief of Staff, Merced Campus***

Approval of the following items in connection with a retention package for Janet E. Young as Associate Chancellor and Chief of Staff, Merced campus:

a. Interim re-slotting of position by Mercer Human Resource Consulting to SLCG Grade 104: (Minimum $123,800, Midpoint $155,600, Maximum $187,500). Title will be changed to Associate Chancellor and Chief of Staff.

b. Salary of $180,000 at the 96 percentile of the SLCG Grade 104.

c. Per policy, continued participation in the Senior Management Supplemental Benefit Program at the rate of 3 percent.

d. Effective October 1, 2007.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Ms. Young will not be eligible to participate in the merit/equity program until October 1, 2008.

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.

(4) ***Retention Increase for Katherine M. Wesnousky as Assistant Dean/Assistant Director of Financial Services, UC Davis Health System***

Approval of the following items in connection with the retention increase for Katherine M. Wesnousky as Assistant Dean/Assistant Director of Financial Services, UC Davis Health System:

a. Retention increase of $34,889 (19.9 percent), to increase her total annual base salary from $175,111 to $210,000 (Davis campus Salary Grade MSP VII: Minimum $103,764, Midpoint $168,612, Maximum $233,472).

b. This appointment is 100 percent time, and the retention increase is effective October 1, 2007 pending approval by The Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility for the UC Davis Health System Clinical Enterprise Management Recognition program with a target incentive of 10 percent ($21,000), and a maximum potential payout of 15 percent ($31,500).

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.

(5) ***Appointment Salary for Lynn Paulsen as Director–Pharmacy Services, Medical Center, San Francisco Campus***

Approval of the following items in connection with the appointment of Lynn Paulsen as Director–Pharmacy Services, Medical Center, San Francisco campus:

a. Appointment salary of $218,000 as Director of Pharmacy Services–Medical Center, slotted at SLCG Grade 106, as recommended by Mercer Human Resource Consulting (Minimum $154,200 Midpoint $195,200 Maximum $236,100). Position classified at MSP VI. This is a 100 percent time appointment.

b. Per policy, eligibility for participation in the Medical Center Director Incentive Program with a maximum payout of up to 15 percent of base salary.

c. Effective November 1, 2007.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, participation in the Medical Center PTO program at the standard rate of 24 days per year for MSP classified staff.

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.

(6) ***Appointment Salary for Sharon Zhang as Fixed Income Investment Officer, Fixed Income Investment, Office of the President***

It is recommended that the following items be approved in connection with the appointment of Sharon Zhang as Fixed Income Investment Officer, Fixed Income Investment, Office of the President:

a. Appointment salary of $180,438, slotted at SLCG Grade 106, as recommended by Mercer Human Resource Consulting (Minimum $154,200, Midpoint $195,200, Maximum $236,100). This is a 100 percent time appointment.

b. Effective November 19, 2007.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan with a maximum incentive payout of 70 percent of base salary. Target payout level is 35 percent of base salary, and awards are paid out over a three-year period, with one-third paid out in the first year and the remainder deferred over the next two years.

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.

D. The Chair of the Committee on Finance and the President of the University approved the following recommendations:

(1) ***Authorization to Approve Submittal of an FCC License Application for a New Radio Station at the UC Merced Campus, Merced Campus***

Authorization to submit an application to the Federal Communications Commission (FCC) for a new full power, non-commercial educational radio station to serve Merced, California. This application would be filed with the FCC by October 19, 2007. The request for approval is submitted in accordance with Business and Finance Bulletin IS-5 – Licensing and Operation of University Radio, Television, and Microwave Facilities, which requires Regental approval to establish new radio and television broadcast facilities.

(2) ***Authorization to Approve Submittal of an Application for an FCC Non-Commercial Educational Frequency in the Livermore Area for UC Davis Radio Station KDVS, UC Davis***

Authorization to submit an application to the Federal Communications Commission (FCC) for a new non-commercial, educational frequency in Livermore, California. This application would be filed with the FCC by October 19, 2007. The request for approval is submitted in accordance with Business and Finance Bulletin IS-5 – Licensing and Operation of University Radio, Television, and Microwave Facilities, which requires Regental approval to establish new radio and television broadcast facilities.

11. **REPORT OF PERSONNEL ACTIONS**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 14.7(b), the following reports personnel actions taken at the September 2007 meeting. There were no roll call votes taken on these actions.

A. Appointment of George R. Blumenthal as Chancellor of the Santa Cruz campus, 100 percent, effective immediately upon Regental approval. He will also hold an academic appointment, zero percent time, on the Santa Cruz campus.

B. Appointment of Sheryl Vacca as Senior Vice President–Chief Compliance and Audit Officer.

12. **REPORT OF COMMUNICATIONS**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in a report dated November 9, 2007.

13. **REPORTS MAILED BETWEEN MEETINGS**

On the dates indicated, the following were mailed to The Regents or to its Committees:

To Members of the Committee on Compensation

A. List of Health Sciences Compensation Plan (HSCP) participants' compensation that exceeds reporting threshold of $619,200 for 2006. (October 19, 2007)

To Members of the Committee on Grounds and Buildings

B. Major Capital Projects Implementation Report for fiscal year 2006-07. (October 25, 2007)

To Members of the Committee on Health Services

C. Medical Center Activity and Financial Status Report for the 12 months ended June 30, 2007. (October 25, 2007)

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D. Letter and enclosure from the President regarding the recision of the offer to Professor Erwin Chemerinsky as Dean of the Donald Bren School of Law, Irvine Campus. (September 12, 2007)

E. Letter from Staff Advisors Brewer and Johansen regarding The Regents' Special Committee to Consider the Selection of a President. (September 17, 2007)

F. Copy of Executive Vice President Lapp's budget presentation from the September Regents meeting. (September 21, 2007)

G. Internal Audit activity report for the quarter ended June 30, 2007. (September 28, 2007)

H. President's message concerning the UC San Diego campus closure due to the wildfire and update. (October 22, 2007)

I. Announcement of the launch of UC Stat Finder, a new interactive web tool. (October 30, 2007)

J. Proposal by the Academic Senate's Board of Admissions and Relations with Schools (BOARS) to replace UC's current freshman eligibility policy. (October 31, 2007)

The meeting adjourned at 12:50 p.m.

Attest:

Secretary and Chief of Staff