THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
March 27, 2008

A Special Meeting of the Board was held on the above date by teleconference at the following locations: UCSF Mission Bay Community Center, 1675 Owens Street, San Francisco campus; James E. West Alumni Center, Founders Room, Los Angeles campus; 2107 Atkinson Hall, San Diego campus; 5123 Cheadle Hall, Santa Barbara campus; M.I.N.D. Institute, Room 1112, UC Davis Medical Center, Sacramento; 501 South Alta Avenue, Dinuba; 700 South Flower Street, Los Angeles; 1875 Century Park East, Los Angeles; 777 California Avenue, Palo Alto; 3750 University Avenue, Riverside; State Capitol Office, Room 1114, Sacramento; 1133 5th Street, Santa Monica; 3110 Main Street, Santa Monica; 10000 West O'Hare, Chicago; and 5200 Blue Lagoon Drive, Miami.

Present: Regents Blum, Brewer, Bugay, De La Peña, Dynes, Garamendi, Gould, Hopkinson, Hotchkis, Island, Kozberg, Lozano, Marcus, Nuñez, Pattiz, Ruiz, Varner, and Wachter (18)

In attendance: Regents-designate Cole and Shewmake, Faculty Representatives Brown and Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Executive Vice President Lapp, and Recording Secretary Bryan

The meeting convened at 3:35 p.m. with Chairman Blum presiding.

1. **READING OF NOTICE OF MEETING**

For the record, it was confirmed that notice had been given in compliance with the Bylaws and Standing Orders for a Special Meeting of the Board, for this date and time, for the purpose of considering the recommendations for the appointment of and total compensation for a President of the University.

2. **REMARKS OF REGENTS**

Chairman Blum commented that he did not believe there could be anyone more suitable for the office of President of the University of California than the recommended candidate, University of Texas Chancellor Mark Yudof. He is an academic with a vision, a leader with a purpose, and he has demonstrated superb management skills in his roles in higher education.

Regent Island, who noted that he served on the selection committee, expressed enthusiasm about the outcome of the presidential search. He recalled that the Regents had adopted a very detailed set of criteria for the selection of the president which emphasized leadership, management skills, and experience. His preference had been to find a person with a proven leadership record – a successful manager of a complex university who had demonstrated a commitment to diversity and affordability. He also had sought someone to act as the face of a public research university to its constituents in California as well as in Washington and throughout the world. The committee settled upon Mr. Yudof following a complex process

that took into account the University's current and anticipated challenges, including the crisis in funding. A search firm and the Academic Senate assisted the special committee in the search. He believed that Mr. Yudof's record demonstrated the soundness of the committee's decision.

Regent Gould characterized the choice of Mr. Yudof as a significant step in the right direction with respect to the University's future. He wholeheartedly supported his nomination.

Faculty Representative Brown reported that the Academic Senate was delighted to support the nomination of Mr. Yudof. He is an academic lawyer who has commanded the respect of his colleagues for decades and has been a successful academic administrator at the University of Texas and the University of Minnesota for more than twenty years. He is recognized by his academic peers as an authority in constitutional law and education law and has published widely on both subjects. He is a fellow of the American Academy of Arts and Sciences and an elected member of the American Law Institute. As Chancellor of the University of Texas system, Mr. Yudof seems to have worked well with all segments of the university community, including faculty, students, legislators, donors, and alumni. He has demonstrated a commitment in all of his activities to academic excellence and institutional diversity. He is gaining an appreciation of the singular nature of the UC system and what it means to the hopes and dreams of Californians, the nation, and people around the world, and he recognizes that there is one standard of excellence which all the UC campuses are expected to attain.

Regent Pattiz recalled that during the many meetings between the presidential search committee and the University's constituents, the name of Mark Yudof was noted often as a most desirable candidate. The University was in need of a leader who would understand the breadth of responsibilities and the relationships among the Regents, the Office of the President, and the campuses. He expressed his enthusiastic support of Mr. Yudof as the right person to be the University's next president.

Secretary and Chief of Staff Griffiths read two statements from Regents who could not be present.

From Regent Lansing:

As vice chair of the presidential search committee, I deeply regret that I cannot make today's meeting, but I am out of the country on a long-planned trip to Oman, where the good news has reached me. I am jumping up and down to hear it. I have met with Chancellor Yudof and believe that he really is the best person for the job. The breadth of his experience with a large public university system is beyond compare. We are extremely fortunate that he has agreed to join the University of California at this point in our history. I endorse Mark's candidacy without any hesitation

whatsoever and strongly recommend him to you. I only wish I could be there to join in the celebration. I look forward to working with him in the years ahead.

From Regent Schilling:

I want to extend my apologies to Chancellor Yudof and my fellow Regents for my absence today, but I am on a long-planned trip out of the country. I do want to take this opportunity to express my enthusiasm for Chancellor Yudof's appointment.

I have had the privilege to serve on the presidential search committee and to meet with Chancellor Yudof. The recruitment process itself required enormous energy and ingenuity to reach this exciting conclusion. We should all appreciate the dedication with which Chairman Blum, aided by our committee and the Academic Advisory Committee, has undertaken the search. At the end, we all agreed that Chancellor Yudof is simply the best person for the job at this point in our history. His academic excellence, superb management and communication skills, and devotion to the principles that are fundamental to a great public research university really did stand alone in our search. I look forward with great enthusiasm to working with him in the years ahead. I know he will lead the University to new levels of greatness.

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

The Committee recommended that, contingent upon his appointment by the Regents as President of the University, 100 percent time, an annual salary of $591,084 be approved for Mark G. Yudof, effective no later than September 1, 2008, along with the additional compensation and related items listed below.

Additional compensation and related items include:

- Per policy, an automobile allowance of $743 per month ($8,916 per annum).
- As an exception to policy, supplemental pension funding will be provided by the University that, in combination with normal UC Retirement Plan (UCRP) benefits, will produce a vested single life annuity at the end of each of the first seven years of employment of approximately the following amounts if Mr.Yudof retires at the end of those years: Year 1-$29,554;Year 2-$60,217; Year 3-$92,029; Year 4- $127,307; Year 5- $230,000; Year 6- $300,000; Year 7-$350,000. In Year 8 of Mr. Yudof's employment and beyond, he will accrue additional vested pension benefits beyond the $350,000 annuity amount at the normal UCRP accrual formula for individuals over age 60, which is 2.5 percent of the highest three-year average salary. In addition to the normal UCRP funding provided under UCRP for all members (16.35 percent of covered compensation, which in this case is approximately $97,000), the University will make supplemental pension contributions for the first seven years, which are estimated to be: $228,000; $237,286; $246,487; $256,065;

$266,001; $229,673; and $229,673, respectively. For years 8 and beyond, funding will occur in accordance with the normal UCRP funding policy that is applicable to funding the benefits of all UCRP members.

- Per policy, Mr. Yudof would be eligible for a relocation allowance of up to 25 percent of base salary, which is $147,771 and which he will not be receiving. An amount equivalent to this allowance will be used by the University to offset, in part, the first year contribution to fund the supplemental pension benefit described above.
- Per policy, as a condition of employment and for the convenience of the University, Mr. Yudof would ordinarily be required to reside at Blake House, unless the housing is not suitable as a residence and for University-related events. In this event, the University will provide Mr. Yudof with suitable alternative housing for this purpose, with the terms to be approved by the Committee on Compensation.
- Per policy, the University will provide Mr. Yudof with temporary housing for up to 30 days until suitable long-term University housing is identified and Mr. Yudof can move in. If suitable housing is not identified by the University and the move cannot be accomplished within the 30 days, the Regents authorize extending temporary housing up to a total of 90 days, inclusive of the 30 days provided for within policy.
- In accordance with University policy, Mr. Yudof will be provided with reasonable lodging, transportation, and other business related expenses associated with University business prior to his relocation.
- Per policy, actual costs for packing and relocation of household effects will be reimbursed (up to a maximum of $25,000) to be completed within one year from the date Mr. Yudof assumes the Presidency, in order for it to be nontaxable. The move may be accomplished in one or more stages.
- Per academic policy, actual costs will be reimbursed for packing and relocation of Mr. Yudof's library.
- Consistent with past practice, upon leaving the President position to assume a position on the Berkeley faculty, the University will arrange for the relocation of Mr. Yudof's personal belongings to a location of his choice within the greater San Francisco Bay Area near the Berkeley campus.
- Per policy, Mr. Yudof will be eligible for a Mortgage Origination Program (MOP) loan in order to purchase a primary residence in which to live after stepping down as President, if he assumes a tenured faculty position at Berkeley. The benefit will be available for 12 months after stepping down as President. If granted a MOP loan, Mr. Yudof will be entitled under policy to continue under the program during retirement as long as he remains in the home.
- Per policy, an Administrative Fund will be established. Adjustments may occur annually as allowed by policy.
- Per policy, Mr. Yudof will be eligible for standard UC health and welfare and vacation and sick leave benefits and standard senior management benefits, including senior manager life insurance, executive business travel insurance, and executive salary continuation for disability.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to holding a tenured faculty position.

- Per policy, eligible to accrue sabbatical credits due to dual academic appointment.

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 duly made and seconded, the recommendation was approved unanimously, Regents Blum, Brewer, Bugay, De La Peña, Dynes, Garamendi, Gould, Hopkinson, Hotchkis, Island, Kozberg, Lozano, Marcus, Nuñez, Pattiz, Ruiz, Varner, and Wachter voting "aye."

4. **REPORT OF THE SPECIAL COMMITTEE TO CONSIDER THE SELECTION OF A PRESIDENT**

The Special Committee recommended that Mark G. Yudof be appointed as President of the University, 100 percent time, effective no later than September 1, 2008. He also will hold an academic appointment, 0 percent time, on the Berkeley campus.

Upon motion duly made and seconded, the recommendation was approved unanimously, Regents Blum, Brewer, Bugay, De La Peña, Dynes, Garamendi, Gould, Hopkinson, Hotchkis, Island, Kozberg, Lozano, Marcus, Nuñez, Pattiz, Ruiz, Varner, and Wachter voting "aye."

5. **REMARKS OF PRESIDENT-ELECT YUDOF**

Chancellor Yudof expressed his enthusiasm about the opportunity to join the University of California and about its future. He believed it was the consensus of people all across the country and around the world that the campuses of the University comprise the premier university system in the world. He stated that confronting the current challenges that higher education is facing will require a great deal of work, but he was confident that the University's excellence will be sustained. He thanked the Regents for their affirmative vote and for their confidence.

The meeting adjourned at 4:00 p.m.

Attest:

Secretary and Chief of Staff