THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
May 15, 2008

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, Hotchkis, Island, Kozberg, Lansing, Lozano, Marcus, Reiss, Ruiz, Schilling, Varner, and Wachter (19)

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, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Beckwith and Sakaki, Chancellors Block, Blumenthal, Drake, Fox, and Vanderhoef, Acting Chancellor Grey, and Recording Secretary Bryan

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

1. **RESOLUTION IN APPRECIATION – ROBERT C. DYNES**

Chairman Blum invited Assemblyman Mervin Dymally to present an Assembly Resolution in appreciation of President Dynes.

Mr. Dymally read the following portion of Assembly Resolution 2701, which he presented to President Dynes, a man he described as having made history under his watch:

ASSEMBLY RESOLUTION – ROBERT C. DYNES

WHEREAS, in June 2008, Dr. Robert C. Dynes will complete his term as the eighteenth president of the University of California, and in recognition of the valuable leadership he provided the University of California during his tenure in office and his exemplary record of career and civic leadership, he is deserving of specific public recommendations and commendations;

WHEREAS, as UC President, Robert Dynes directed the growth of the University of California system towards its present distinction as one of the world's most comprehensive and dynamic educational institutions;

NOW, THEREFORE, BE IT RESOLVED by Assemblyman Mervin Dymally that he takes great pleasure in commending Robert C. Dynes, of the University of California, for his visionary role in guiding the development of this outstanding institution to its current preeminence and extends to him sincere best wishes in his future endeavors.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meetings of March 2008 were approved.

3. **REPORT OF THE PRESIDENT**

President Dynes presented the report concerning University activities and individuals.

[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.]

4. **RESOLUTION IN APPRECIATION – BENJAMIN ALLEN**

Upon motion of Regent Island, duly seconded, the following resolution was adopted:

> WHEREAS, Benjamin Allen, a law student at the University of California, Berkeley, who has served with distinction as the thirty-third student Regent, will complete his term on the Board of Regents on June 30, 2008, having amply earned the admiration of his colleagues for his wholehearted dedication, keen intelligence, and passionate advocacy of such diverse issues as environmental stewardship and greater accessibility in public higher education; and
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> WHEREAS, a magna cum laude graduate of Harvard University, with a major in history and the holder of a master's degree in Latin American Studies from Cambridge University, his comprehensive background was further enhanced by his exemplary work on development projects in Latin America for the National Democratic Institute for International Affairs, as a judicial clerk at the International Criminal Tribunal for Rwanda, as a Los Angeles Unified School District community organizer, as a member of the Santa Monica-Malibu Unified School District's Financial Oversight Committee, as a Senior Fellow with Humanity in Action, and as a volunteer at the Oakland La Raza Workers' Rights Clinic, all of which instilled in him a unique perspective, invaluable experience, and reasoned judgment, which he has used to great effect in addressing the difficult challenges faced by the Regents over the past year; and
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> WHEREAS, he has displayed great energy, acumen, and personal integrity as a member of the Regents' Committees on Audit, Educational Policy, Grounds and Buildings, and Long-Range Planning, assignments that have enabled him to help shape the University's environmental sustainability principles and practices, support policies to improve student affordability and the quality of campus life, and raise awareness of the need for greater funding of our nation's public colleges and universities, in addition to his service as a respected member the Special Committee to Consider the Selection of a President, the Committee to Advise the President on

the Selection of a Chancellor for the Riverside Campus, and numerous task forces to address issues on campus security, mental health services, administrative restructuring, University funding, K-12 educational imperatives, and student affordability; and

WHEREAS, a distinctive combination of educational expertise and consistent idealism, coupled with a large measure of strong advocacy and common sense, have been the hallmarks of his tenure on the Board of Regents and have been greatly valued by the students, staff, and faculty throughout the University, as well as by his fellow Regents; and

WHEREAS, in recognition of his devoted service as a member of the Board of Regents of the University of California, and in the hope that he will continue as an active and vital participant in the life of the University, the Regents do hereby confer upon Benjamin Allen the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California commend and thank Benjamin Allen for his outstanding and devoted service as a member of the Board, congratulate him warmly and heartily on his graduation in two days from law school, and express their confidence that his many talents, experience, and abilities will bring him a future rich in personal and professional accomplishment;

AND BE IT FURTHER RESOLVED that the Regents extend to Ben their very best wishes for continued success in the future, secure in the knowledge that he will make important contributions for the common good during the coming years, and direct that a suitably inscribed copy of this resolution be presented to him as a token of the Regents' continuing high regard and great affection.

5. **RESOLUTION IN APPRECIATION – ELEANOR BREWER**

Upon motion of Regent Schilling, duly seconded, the following resolution was adopted:

WHEREAS, the University of California has been fortunate to have benefited from the outstanding service of Eleanor Brewer as a Regent-designate and Regent ex officio for the past two years, capacities in which she has exhibited an infectious and inspiring enthusiasm for her beloved alma mater, notable energy expended in the service of the of nearly one-and-a-half million UC alumni in her role as president of the Alumni Associations of the University of California, and a firm commitment to the health and welfare of the University she loves so well; and

WHEREAS, a proud graduate of UCLA, with a master's degree in business administration, she has served with dedication and distinction as a board member of both the UCLA Alumni Association and the UCLA Foundation, contributing, in

addition, her time and expertise to the campus' Chancellor's Associates, nursing, public health and business management programs, in all an eloquent and effective advocate for the University and its noble mission of teaching, research, and public service; and

WHEREAS, she has traveled the length and breadth of the state as an ambassador for the University, connecting with and involving one of the University's most precious resources, its distinguished alumni, in its many activities and emphasizing the essential role the University's loyal, devoted staff play in the overall health and success of this great institution of higher education; and

WHEREAS, her colleagues on the Board have come to greatly admire and appreciate the passion, dedication, and noble idealism with which she has approached the many questions of critical import facing the University, most especially in her service as a member of the Regents' Committees on Finance, Investments, and Long Range Planning, where, in the latter, she served with great insight and astute leadership as Vice Chair, and as the alumni representative on the Special Committee to Consider the Selection of a President; and

WHEREAS, in recognition of her devoted service as a member of the Board of Regents of the University of California, and in the hope that she will continue as an active and vital participant in the life of the University, the Regents do hereby confer upon Eleanor Brewer the title, Regent Emerita;

NOW, THEREFORE, BE IT RESOLVED that the Regents commend Eleanor Brewer for her remarkable service to the Board, and express their warmest admiration and gratitude for her consistent dedication to the students, staff, faculty and alumni of the University of California;

AND BE IT FURTHER RESOLVED that the Regents express their hope and belief that the University and higher education will continue to benefit from the innovative spirit Eleanor has so amply demonstrated through her exemplary service as a member of the Board of Regents, and direct that a suitably inscribed copy of this resolution be presented to her as a token of the Regents' affection and esteem.

6. **RESOLUTION IN APPRECIATION – PHILIP J. BUGAY**

Upon motion of Regent Ruiz, duly seconded, the following resolution was adopted:

WHEREAS, on June 30, 2008, Philip Bugay, will complete his term on the Board of Regents of the University of California as a Regent-designate and Regent ex officio, having consistently brought to the Board's deliberations the benefits of his impressive business acumen, as well as large measures of energy and seasoned judgment; and

WHEREAS, he has been an active and loyal UC alumnus since his graduation in 1981 from the UC Santa Barbara campus, serving his alma mater with great enthusiasm as Vice President of the UC Santa Barbara Alumni Association, as well as Vice President of the statewide Alumni Associations of the University of California, as well as giving most generously of his time and talent to the enduring gratitude of the UC community; and

WHEREAS, the University has greatly benefited from his wise counsel and thoughtful discourse on a number of Regents' committees dealing with major challenges to the University and to higher education, including the Committees on Audit, Grounds and Buildings, Long Range Planning, and Oversight of the Department of Energy Laboratories; and

WHEREAS, he has made significant contributions to his community and to the State of California over the course of a distinguished career in the financial services industry, as a Santa Barbara City Council Member, as Treasurer and Board Member of the Santa Barbara County Public Finance Corporation, as a founding Board Member and past President of the Santa Barbara Public Education Foundation, as a member of the Endowment Board of CALM (Child Abuse Listening and Mediation), as past president of the State of California's 19th District Agricultural Association, as Senior Vice President of Morgan Stanley, and as Chairman of the Securities Industry Regulatory Council/Continuing Education Program; and

WHEREAS, in recognition of his devoted service as a member of the Board of Regents of the University of California, and in the hope that he will continue as an active and vital participant in the life of the University, the Regents do hereby confer upon Philip Bugay the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their deep admiration for Philip Bugay and for the keen intellect, clear insights, and steady temperament he brought to the Board during deliberations that were directed at sustaining and enhancing the University's academic vitality, as well as for the expertise, intellect, and experience he so generously shared with his colleagues over the course of his tenure as a Regent;

AND BE IT FURTHER RESOLVED that the Regents express to Terrie and Phil Bugay their best wishes for the future and direct that a suitably inscribed copy of this resolution be presented to them as a token of the Regents' warm regard and lasting friendship.

7. **RESOLUTION IN APPRECIATION – WILLIAM H. GURTNER**

Upon motion of Regent Lansing, duly seconded, the following resolution was adopted:

WHEREAS, the Board of Regents of the University of California wish to express their deep appreciation and gratitude to William H. Gurtner, who served with distinction as the University's first Vice President–Clinical Services, providing the highest qualities of leadership, knowledge, and business acumen in his oversight of the University's $3.4 billion medical enterprise, which encompasses five internationally regarded health science campuses; and

WHEREAS, long considered a force in the development of healthcare policy in California, as well as a powerful voice in the clinical services arena, he has been widely recognized for his tough negotiating skills, his broad knowledge of the healthcare industry, and his aggressive pursuit of funding for the University; and

WHEREAS, over the course of a stellar career as a gifted, uncompromising, and highly principled administrator, he brought his unparalleled abilities and knowledge to leadership positions at such major health organizations as HCP, A Partnership for Health; Blue Cross of California; Mt. Zion Hospital; and the Daughters of Charity National Health System–West, among others; and

WHEREAS, his firm commitment to and deep belief in the University's mission as a research university is reflected in the great foresight, integrity, and creativity he brought to bear on ensuring the continued health and vitality of one of the University's greatest assets, its highly acclaimed medical centers, thus keeping them at the fore of the finest teaching and research hospitals worldwide, renowned for their outstanding patient care, innovative research, and advanced clinical practices; and

WHEREAS, during his University service, he has contributed immeasurably as an effective advocate in the complex and ever changing healthcare field, in helping the University to fulfill its responsibilities as a public institution dedicated to ensuring that the healthcare needs of California's diverse population are met, as well as in keeping the University's medical enterprise financially healthy, stable, and well prepared to respond to future challenges;

THEREFORE, BE IT RESOLVED that the Regents of the University of California extend to William H. Gurtner their deepest appreciation and heartfelt gratitude for

his vigorous and astute leadership, his encyclopedic knowledge of the healthcare field, his candid explanations of multifaceted issues, and his great good humor, all of which will be sorely missed in the years to come;

AND BE IT FURTHER RESOLVED that the Regents extend to Ann and Bill Gurtner their warmest good wishes for a rich and full life in the years ahead and direct that a suitably inscribed copy of this resolution be presented to them as a token of the Regents' warm regard.

8. **REPORT OF THE COMMITTEE ON AUDIT**

The Committee presented the following from its meetings of April 28 and May 14, 2008:

A. ***Annual Report: Internal Audit Plan 2008-09***

From its meeting of May 14, the Committee reported its approval of the Annual Report: Internal Audit Plan 2008-09.

At the April 28 meeting, University Auditor Reed pointed out that this audit plan is the first to reflect the combined perspective of audit and compliance. It reflects the current restructuring and current budget constraints as well, while striving to maintain controls in an environment of change. Mr. Reed discussed three essential elements of the audit plan in detail: risk areas to be addressed by Audit and Advisory Services at all locations during the coming year, risk areas to be addressed from a systemwide audit and compliance perspective, and risk areas to be addressed by location-specific audit plans.

B. ***Appointment of Regents' External Auditor***

From its meeting of May 14, the Committee recommended that the Regents' contract with the current external auditor, PricewaterhouseCoopers (PwC), be continued for an additional three-year period commencing with the fiscal year 2008-2009.

At the April 28 meeting, Vice President Broome noted that the University sent out a Request for Information to four national auditors and carried out an internal customer satisfaction survey on services provided by PwC. Based on the results of the request and survey, the Committee instructed the Financial Management Department to negotiate a continuation of the existing contract with PwC for the next three years. The contract provides for fee increases of 3, 4, and 5 percent over those three years.

C. ***University of California, San Diego Audit and Advisory Services Presentation***

At the April 28 meeting, UCSD Audit and Advisory Services Director Stephanie Burke described the campus audit program. She identified budget reductions and an increasing number of external regulatory audits as significant challenges. She discussed the campus audit plan, risk assessment methods, how the campus responds to information security breaches, and two local audit initiatives. Over the last three years, the UCSD audit program has achieved a high completion rate and received high customer service rankings. Information security will remain a high priority, and efforts to leverage the use of technology will continue.

D. ***Risk Services Overview***

At the April 28 meeting, Chief Risk Officer Crickette provided an overview of the work of the Office of Risk Services and its reporting capabilities. She highlighted employment practices liability exposures, discussing the current liability climate, the University's actual and projected losses, and relevant insurance issues. Ms. Crickette outlined remediation plans for employment practices issues, including retrospective reviews of claims and loss prevention programs.

E. ***Compliance Program and Activities Update***

At the April 28 meeting, Chief Compliance and Audit Officer Vacca discussed the current status of the proposed model for the UC ethics and compliance program infrastructure. Deputy Compliance Officer Lynda Hilliard reported on the results of an inventory of campus compliance activities and campus visits. She noted a recent successful training webinar on new rules regarding PubMed Central, a digital archive of the National Institutes of Health.

Upon motion of Regent Ruiz, duly seconded, the report of the Committee on Audit was approved.

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

A. ***Individual Salary Actions***

The Committee recommended:

(1) ***Appointment Salary for Tyler E. Stovall as Dean–Undergraduate Division, College of Letters and Science, Berkeley Campus***

Approval of the following items in connection with the appointment of Tyler E. Stovall as Dean–Undergraduate Division, College of Letters and Science, Berkeley campus:

a. Appointment salary of $182,300 (SLCG Grade 106: Minimum $154,200, Midpoint $195,200, Maximum $236,100). This represents a 17.9 percent increase ($27,700) in Mr. Stovall's July 1, 2008, adjusted faculty salary of $154,611.

b. This appointment is 100 percent time and effective July 1, 2008 pending approval by the Regents.

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, accrual of sabbatical credits as a member of the faculty.
- Per policy, ineligible for participation in the senior management supplemental benefit program due to dual appointment as a member of the faculty.

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 Kevin R. Johnson as Dean–School of Law, Davis Campus***

Approval of the following items in connection with the appointment of Kevin R. Johnson as Dean–School of Law, Davis campus:

a. Per policy, appointment salary of $307,200 (SLCG Grade 110: Minimum $239,700, Midpoint $307,200, Maximum $374,500). This

represents a 2.3 percent increase ($6,923) in Mr. Johnson's July 1, 2008 adjusted faculty salary of $300,277.

b. This appointment is 100 percent time and effective July 1, 2008, pending approval by the Regents.

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, ineligible for participation in the senior management supplemental benefit program due to dual faculty appointment.
- Per policy, accrual of sabbatical credits as a member of the faculty.

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) ***Appointment Salary for Enrique J. Lavernia as Provost and Executive Vice Chancellor, Davis Campus***

Approval of the following items in connection with the appointment salary for Enrique J. Lavernia as Provost and Executive Vice Chancellor, Davis Campus:

a. Per policy, appointment salary of $307,500 (SLCG Grade 111: Minimum $267,700, Midpoint $344,000, Maximum $420,100). This represents a 24.6 percent increase in Mr. Lavernia's current base salary of $246,800.

b. This appointment is 100 percent time and effective for a three-year term beginning on January 1, 2009 through December 31, 2011, pending approval by the Regents.

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, an automobile allowance of $8,916 per year.

- Per policy, ineligible for participation in the senior management supplemental benefit program due to dual faculty appointment.
- Per policy, accrual of sabbatical credits due to dual faculty 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.

(4) ***Appointment Salary for Seth Lerer as Dean–Division of Arts and Humanities, San Diego Campus***

Approval of the following items in connection with the appointment of Seth Lerer as Dean–Division of Arts and Humanities, San Diego campus:

a. An appointment salary of $230,000 (SLCG Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000).

b. This appointment is at 100 percent time and will become effective January 1, 2009.

c. A dual tenured faculty appointment as Professor in the Department of Literature with the accrual of sabbatical credits, subject to the normal academic approval process.

Additional items of compensation include:

- Per policy, 30 days of temporary housing and reimbursement of moving expenses.
- As an exception to policy, up to two coach-fare house-hunting trips.
- Per policy, authorization by the Regents to participate in the Graduated Payment Mortgage Origination Program with a loan up to the maximum amount (currently $1.33 million).
- 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, ineligible to participate in senior management supplemental benefit program due to tenured faculty position.

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

(5) ***Appointment Salary for Debra G. Neuman as Vice Chancellor–External Relations, San Diego Campus***

Approval of the following items in connection with the appointment of Debra G. Neuman as Vice Chancellor–External Relations at the San Diego campus:

a. An appointment salary of $295,000 (SLCG Grade 109: Minimum $214,700, Midpoint $274,300, Maximum $333,700).

b. This appointment is at 100 percent time and will become effective June 16, 2008.

Additional items of compensation are:

- Per policy, annual automobile allowance of $8,916.
- Per policy, 5 percent monthly contribution to the senior management supplemental benefit program.
- Per policy, a relocation allowance of $73,750 (25 percent), subject to a repayment requirement in the event that she resigns within the first four years of employment.
- Per policy, 30 days of temporary housing and reimbursement of moving expenses.
- Per policy, one coach-fare house-hunting trip.
- Per policy, authorization by the Regents to participate in the Mortgage Origination Program with a loan of up to $1,330,000.
- 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.

(6) ***Appointment Salary for A. Paul Alivisatos as Deputy Laboratory Director, Lawrence Berkeley National Laboratory***

Approval of the following items in connection with the appointment salary for A. Paul Alivisatos as Deputy Laboratory Director, Lawrence Berkeley National Laboratory (LBNL):

a. Per policy, appointment salary of $350,000 (LBNL Job Code 198.4, Salary Grade N17: Minimum $260,400, Midpoint $334,548, Maximum $408,696). This represents a 19.1 percent increase in Mr. Alivisatos's current base salary of $293,796.

b. This appointment is 100 percent and is effective April 7, 2008, upon approval of the Regents.

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, eligibility for participation in the University of California Mortgage Origination Program up to the maximum loan amount (currently $1.33 million). The loan will comply with all normal Mortgage Origination Program parameters.

Separate approval by the Department of Energy (DOE) of this item is required. As provided under the University's contract with DOE, any compensation amount approved by the Regents that is over the compensation amount approved by DOE will be paid from the fee earned under the contract. Approval from DOE is currently pending for this item.

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) ***Interim Appointment, Compensation, and Change of Title for John R. Sandbrook, Office of the President***

Approval of the following items in connection with the interim appointment of John R. Sandbrook, including a change of title for the position of Associate President to Chief of Staff, Office of the President:

a. Per Management and Senior Professional (MSP) policy, a 17.2 percent ($29,342) administrative stipend to increase his annual base salary from $170,658 to $200,000 effective May 1, 2008 through May 31, 2008, during which time he will serve between 75 percent and 100 percent time in this capacity (MSP Grade VII: Minimum $106,300, Midpoint $172,700, Maximum $239,200).

b. The 100 percent time interim appointment will be effective June 1, 2008 through December 31, 2008, with the possibility of renewal for the period January 1, 2009 through May 31, 2009 or until a permanent replacement is appointed, whichever is sooner. (MSP Grade VII: Minimum $106,300, Midpoint $172,700, Maximum $239,200).

i. The interim appointment salary will be $200,000.

ii. Per MSP policy, Mr. Sandbrook will be eligible to participate in the 2008 merit process.

c. In connection with and for the duration of the interim appointment beginning May 1, 2008, Mr. Sandbrook will receive reimbursement for actual expenses as follows:

i. As exception to policy, temporary housing not to exceed $3,800 per month.

ii. One coach airfare, round trip between Oakland and Los Angeles and ground transportation to and from the airport each week.

iii. Per policy, rental car as needed.

Additional items of compensation include:

- 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

(8) ***Stipend Extension for Barbara A. Horwitz as Acting Provost and Executive Vice Chancellor, Davis Campus***

Approval of the following items in connection with the extension of an administrative stipend for Barbara A. Horwitz as Acting Provost and Executive Vice Chancellor, Davis Campus:

a. Extension of stipend of 15 percent ($36,600) to increase her current base salary of $244,000, to a total annual salary of $280,600 (Salary Grade 111: Minimum $267,700 Midpoint $344,000 Maximum $420,100).

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

c. As an exception to policy, this acting appointment will be effective July 1, 2008 through December 31, 2008. This change extends the acting appointment, with stipend, beyond the one year allowed by policy, for a total duration of one and a half years.

d. As an exception to policy, continuation of an automobile allowance of $8,916 per year, due to the continued expectation that Ms. Horwitz will be serving at 100 percent time for a total of 18 months performing the full scope of this position which, on a permanent basis, is eligible under policy for automobile allowance.

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, accrual of sabbatical credits as a member of faculty.

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 Bruce R. White as Acting Vice Provost–Academic Personnel, Davis Campus***

Approval of the following items in connection with the administrative stipend extension for Bruce R. White as Acting Vice Provost–Academic Personnel, Davis campus:

a. As an exception to policy, extension of stipend of 20.1 percent ($35,566) to increase his adjusted academic base salary of $176,946, to a total annual salary of $212,512 (Salary Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000). This previously approved percentage is above the 15 percent allowed by policy.

b. If an adjustment to the base salary is made prior to the termination of this acting appointment, the 20.1 percent stipend will be recalculated against the new adjusted academic base salary.

c. As an exception to policy, this acting appointment will be effective July 1, 2008 through December 31, 2008. This change extends the acting appointment, with stipend, beyond the one year allowed by policy, for a total duration of one and a half years.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of the faculty.

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 and Title Change for J. Nicholas Entrikin as Acting Vice Provost–International Studies, Los Angeles Campus***

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

a. As an exception to policy, extension of the 11.5 percent administrative stipend ($23,800), beyond the one-year duration provided in policy. The stipend plus the adjusted base salary of $206,900 result in a total annual salary of $230,700.

b. Title change of the position from Dean and Vice Provost–International Studies to Vice Provost–International Studies.

c. This appointment is at 100 percent time and is effective from June 1, 2008 through May 31, 2009 or until a permanent appointment is made, whichever occurs first.

d. If an adjustment to the annualized base salary is made prior to the termination of this acting role, the 11.5 percent stipend will be recalculated on the new annualized base salary.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, continuation of accrual of sabbatical leave credits as a member of the faculty.

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) ***Extension of Administrative Stipend for David T. Feinberg, M.D., as Acting Associate Vice Chancellor and Chief Executive Officer, Hospital System, Los Angeles Campus***

Approval of the following items in connection with extension of the appointment and salary for David T. Feinberg, M.D., as Acting Associate Vice Chancellor and Chief Executive Officer, Hospital System, Los Angeles campus:

a. As exceptions to policy, extension of the 107 percent administrative stipend of $283,900 ($23,658 per month), beyond the one-year duration and 15 percent limit provided in policy. The stipend plus the annual base salary of $265,100 result in a total annual salary of $549,000.

b. This appointment is at 100 percent time and is effective from July 1, 2008 through June 30, 2009 or until a permanent appointment is made, whichever occurs first.

c. If an adjustment to the annualized base salary is made prior to the termination of this acting role, the $283,900 stipend will be added to the new annualized base salary.

d. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan with a maximum payout of up to 20 percent of base salary.

e. As an exception to policy, automobile allowance not to exceed $8,916 per annum. Incumbent will be devoting 100 percent of his time to this acting role, which normally would provide an auto allowance.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, continuation of accrual of sabbatical leave credits as a member of the faculty.

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) ***Stipend for Adeline M. Nyamathi as Acting Dean–School of Nursing, Los Angeles Campus***

Approval of the following items in connection with the stipend for Adeline M. Nyamathi as Acting Dean–School of Nursing, Los Angeles campus:

a. Per policy, 15 percent ($28,100) administrative stipend to increase her annual base salary from $187,000 to $215,000 (SLCG Grade 108: Minimum $192,300, Midpoint $244,900, Maximum $297,400).

b. This appointment is at 100 percent time and will be effective March 1, 2008 through September 30, 2008 when the permanent replacement is appointed.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, continuation of accrual of sabbatical leave credits as a member of the faculty.

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.

(13) ***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 F. Cowhey as Dean–Graduate School of International Relations and Pacific Studies for his additional duties as Acting Associate Vice Chancellor–International Affairs, San Diego campus:

a. As an exception to policy, a second extension of the 15 percent administrative stipend ($28,590) beyond the one-year duration provided in policy. The stipend plus his base salary of $190,600 result in an annual compensation of $219,190.

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

c. This appointment is 100 percent time and is effective July 1, 2008 through June 30, 2009, or until a permanent appointment is made, whichever occurs first.

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, accrual of sabbatical credits as a member of the faculty, 0 percent 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.

(14) ***Retention Increase in Contract Compensation for Joanne P. Boyle as Head Women's Basketball Coach, Berkeley Campus***

Approval of the following revised compensation terms for Head Women's Basketball Coach, Joanne Boyle, Berkeley campus, 100 percent time. Pending approval by the Regents of these compensation terms, Ms. Boyle's revised contract will be effective April 15, 2007 and terminate April 14, 2014, 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.

It was deemed essential to enter into expeditious negotiations with Ms. Boyle concerning an enhancement and extension of her current contract when she was recruited by two other institutions in spring 2007. The current contract ends April 14, 2010 and, pending approval, will be extended an additional four (4) years.

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

a. Base Salary: This contract increases Coach's annual base salary from $158,000 to:

Effective Dates	Amount	Percent Increase
04/15/2007 - 04/14/2008	$232,500	(47.2 percent)
04/15/2008 - 04/14/2009	$241,688	(4.0 percent)
04/15/2009 - 04/14/2010	$251,198	(3.9 percent)
04/15/2010 - 04/14/2011	$261,039	(3.9 percent)
04/15/2011 - 04/14/2012	$271,475	(4.0 percent)
04/15/2012 - 04/14/2013	$281,768	(3.8 percent)
04/15/2013 - 04/14/2014	$292,680	(3.9 percent)

b. Talent Fee: This contract increases Coach's annual talent fee from $172,000 to:

Effective Dates	Amount	Percent Increase
04/15/2007 - 04/14/2008	$292,500	(70.1 percent)
04/15/2008 - 04/14/2009	$301,688	(3.1 percent)
04/15/2009 - 04/14/2010	$311,198	(3.2 percent)
04/15/2010 - 04/14/2011	$321,039	(3.2 percent)
04/15/2011 - 04/14/2012	$331,475	(3.3 percent)
04/15/2012 - 04/14/2013	$341,768	(3.1 percent)
04/15/2013 - 04/14/2014	$352,680	(3.2 percent)

c. This contract provides opportunity to earn annual supplemental compensation of up to $315,786 in the initial year of the contract and up to $374,311 (does not include estimate of season ticket incentive bonus or game tickets) in the last year of the contract. In addition to the annual guaranteed income, Coach will receive the following performance bonuses for each contract year in which such performance is achieved. All bonuses are calculated as a percentage of total guaranteed income (base plus talent fee).

i. Pac-10 Regular Season and Pac-10 Tournament Championships:

In the event the University of California Women's Basketball team earns the Pac-10 Regular Season and/or Pac-10 Tournament Championships, in any given contract year, Coach will receive each of the following bonus payments based upon performance levels achieved as set forth below.

Achievement	Percentage	Bonus Amount FY 2007/08 - 2013/14
Pac-10 Regular Season Championship (or Co-Championship)	3 percent	($15,750 - $19,361)
Pac-10 Tournament Championship	3 percent	($15,750 - $19,361)

ii. NCAA Tournament Participation:

In the event that the University of California Women's Basketball team participates in the NCAA tournament, in a contract year, Coach will receive each of the following bonus payments for performance levels achieved as set forth below.

Achievement	Percentage	Bonus Amount FY 2007/08 - 2013/14
NCAA Tournament Participation	3 percent	($15,750 - $19,361)
Round of 32 Participation	3 percent	($15,750 - $19,361)
Sweet Sixteen	3 percent	($15,750 - $19,361)
Elite Eight	3 percent	($15,750 - $19,361)
Final Four	3 percent	($15,750 - $19,361)
Championship Game Participation	3 percent	($15,750 - $19,361)

NCAA Championship	6 percent	($31,500 - $38,722)

During the course of this contract, the first time the Women's Basketball Team and Coach achieve an NCAA Tournament level of Round 32 or higher, Coach shall receive a 5 percent "enhanced bonus," as shown below, in lieu of the 3 percent bonus for that level. Subsequent achievements of that same level will be at the 3 percent bonus level. If the women's basketball team and Coach achieve multiple levels for the first time in the same contract year, Coach may receive multiple "enhanced bonuses."

Achievement *Enhanced Bonuses*)	Percentage	Bonus Amount FY 2007/08 - 2013/14
Round of 32 Participation	5 percent	($26,250 - $32,268)
Sweet Sixteen	5 percent	($26,250 - $32,268)
Elite Eight	5 percent	($26,250 - $32,268)
Final Four	5 percent	($26,250 - $32,268)
Championship Game Participation	5 percent	($26,250 - $32,268)

iii. Coaching Awards: In the event that Coach receives the following coaching awards, Coach will receive the applicable bonus payment identified.

Achievement	Percentage	Bonus Amount
Pac-10 Coach of the Year	3 percent	($15,750 - $19,361)
National Coach of the Year	6 percent	($31,500 - $38,722)

iv. Support of Academic Objectives: Coach will receive highest applicable bonus.

Achievement	Percentage	Bonus Amount
> 2.80 team GPA (fall and spring terms) and >960 APR	1 percent	($5,250 - $6,454)
> 2.90 team GPA (fall and spring terms) or > 975 APR	2 percent	($10,500 - $12,907)
> 3.00 team GPA (fall and spring terms) or > 990 APR	3 percent	($15,750 - $19,361)

v. Team/Program Achievements:

Achievement	Percentage	Bonus Amount
Top 25 Finish	3 percent	($15,750 - $19,361)

Qualifying rankings are exclusively as follows: Associated Press and ESPN/USA Today Coaches Poll.

Top 25 Recruiting Class 1 percent ($5,250 - $6,454)

Qualifying Recruiting Rankings are exclusively as follows: All Star Girls Report, Hoop Gurlz Report or Blue Star Index. Director of Intercollegiate Athletics will review the selection of these rankings on an annual basis and add or remove rankings as appropriate based on legitimacy of ranking service.

All prospects from signing class must enroll in school in order to qualify for this bonus.

20 Win Season (Regular and Post-Season) 2 percent ($10,500 - $12,907)

vi. Season Ticket Incentive Bonus: Coach will receive $10 for every full-price season ticket sold and $5 for every discounted season ticket sold in a contract year. The season ticket incentive bonus will be in one lump sum not later than June 1 following the season in the contract year which such bonus is earned. The value based on the 2007 season (140 full-price and 266 discounted tickets sold) is $2,730.

vii. Camp: The University agrees that for the duration of this employment contract, Coach shall be assigned to serve as an administrator and instructor for a minimum of two weeks in the University's camp (Cal Camp) program. Coach agrees to make herself available to the University for the aforementioned Cal Camp program at times determined by the Director of Intercollegiate Athletics.

viii. Tickets: Coach is entitled to receive complimentary tickets to Cal Athletic events as follows:

Home women's basketball games: ten (10) season tickets
Road women's basketball games: six (6) each game
Home men's basketball games: two (2) season tickets
Football: four (4) season tickets.

The value of these tickets for the 2007-08 season is $3,556.

ix. Signing Bonus: At the discretion of the Director of Athletics, Head Coach will receive a signing bonus of $5,000 paid as a non-base-building lump sum.

This contract is for a revenue sport and as such contains a penalty clause for early termination. In the event Coach terminates her employment prior to the end of this employment contract, Coach shall pay to the University the sum of $100,000. Until such time as renovations are made to the women's basketball offices and appropriate improvements are made to the condition of the practice flooring, this sum shall be reduced to $50,000.

If the University terminates the contract early without cause, the campus shall continue to pay an amount equal to Coach's base salary during what would have been the remaining term of the employment contract had it not been terminated. Campus shall also pay Coach a pro-rated portion of her talent fee based upon talent fee services rendered during the contract year in which the termination occurred. The Director of Intercollegiate Athletics will have the sole discretion to determine the amount of the pro-rated talent fee to be paid.

The compensation provided under this contract is funded exclusively from athletic department revenues (including athletic equipment supplier agreements) and private fundraising. No State or general campus funds are used in this arrangement.

Additional elements of compensation include:

- Per contract, but inconsistent with policy, 20 working days of vacation for each 12-month period of the contract. Coach may not have more than 20 working days of accrued vacation leave at any time during the employment contract. When 20 days of accrued vacation have been reached, Coach will cease to earn additional vacation leave until accrued vacation balance is less than 20 working days.
- Per contract and consistent with policy, 8 hours of sick leave accrued each month.
- Per contract and consistent with policy, eligible for standard health and welfare benefits.
- Per contract and consistent with practice, one courtesy car. It is understood that this perquisite may be withdrawn by the Director of Intercollegiate Athletics at any time in her sole, exclusive discretion.

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) ***Retention Increase for Daniel G. Guerrero as Director of Intercollegiate Athletics, Los Angeles Campus***

Approval of the following compensation terms in connection with the retention of Daniel G. Guerrero as Director of Intercollegiate Athletics, Los Angeles campus. Pending approval by the Regents of these compensation terms, Mr. Guerrero's contract, currently effective April 1, 2006 through March 31, 2012, will be superseded by a new contract effective April 1, 2008 through March 31, 2013.

The campus initiated negotiations with Athletic Director Guerrero to amend his current contract in response to external interest on the part of competitive institutions. The following terms and conditions are proposed for the new contract:

a. Contract Duration: Replaces the existing contract and establishes the term of the new contract as effective April 1, 2008 to March 31, 2013.

b. Base Salary: As a policy exception, increases the annual base salary by 45 percent ($144,400) from $320,600 to $465,000, effective April 1, 2008.

c. Bonus Compensation: Decreases the opportunity to earn bonus compensation from $120,000 to $75,000, as follows:

Academic achievement up to	$25,000
Athletic success up to	$25,000
Goal alignment up to	$15,000
Discretionary Bonus up to	$10,000
Total Maximum Bonus Potential	$75,000

d. Annual Increase: Provides for a 5 percent increase in annual base pay starting April 1, 2009, and in each of the subsequent years of the contract duration in lieu of receipt of a standard merit increase.

e. Retention Bonus: Provides for a retention bonus of $750,000 payable at the end of the fifth year of the contract if Director Guerrero completes the five full years of service of the contract. None of this bonus will vest on an interim basis, unless Director Guerrero is

terminated without cause by the University, in which case it will vest at the rate of $150,000 per year of his service as Director (or pro-rated accordingly).

f. Annual Physical Exam: By exception, provides eligibility for a completely voluntary, comprehensive annual physical examination at a cost not to exceed $3,500 per year, to be paid by department recharge from the Athletic Department to the UCLA School of Medicine's Comprehensive Health Program. Participation in this physical and/or the results of this physical will not serve as a condition of employment and will comply with all requirements under the Health Insurance Portability and Accountability Act.

Additional elements of compensation include:

- Pursuant to the existing contract, a courtesy vehicle, which will continue in effect under the new contract.
- Per policy, eligible for standard health and welfare benefits.
- Continuation of participation in the Supplemental Home Loan Program.
- Other standard provisions of the existing contract will also continue in effect.

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) ***Retroactive Approval of Six Actions Reported in the Annual Report on Executive Compensation and One Administrative Error***

Approval of the following corrections:

a. Six corrective actions concerning compensation and personnel actions proposed for the employees as shown on Attachment 1. Three items were identified after the initial review and have been added here. Two items from the original five as reported at the March 2008 Regents meeting have been removed due to the need for additional research and preparation. All of these include corrective actions related to matters identified in the 2007 Annual Report on Executive Compensation for which the Guidelines for resolution in May 2007 (RE-74), as approved by the Regents, have been applied.

b. One corrective action that addresses an error in an interim item approved by the Regents in February 2008 and identified by the campus is being presented for correction and approval.

This item reflects only compensation related to corrective actions recommended for approval.

B. ***Reimbursements for Certain Individuals for Expenses Related to Filing Corrected W-2 Forms***

The Committee recommended that the University reimburse actual interest and penalties and reasonable tax preparation fees for each of the following individuals, not to exceed $8,000 per person per year (the actual amount will be grossed up to cover taxes). This recommendation is the result of administrative errors in reporting income to the individuals which required the University to issue Corrected Wage and Tax Statements (W-2c) and the individual to file corrected State and federal income tax returns.

- Karl Dorrell (W-2c for three years)
- Dan Guerrero (W-2c for one year)
- Benjamin Howland (W-2c for three years)
- William Martin (W-2c for three years)
- John Savage (W-2c for two years)
- Dewayne Walker (W-2c for one year)

C. ***Exceptions to Retiree Healthcare Program and University of California Retirement Plan in Connection with Settlement for Former Program Supervisor, Administrative Services, Lawrence Berkeley National Laboratory***

The Committee recommended that, as an exception to policy, 2.8452 years of service credit be awarded to Nancy M. Sallee for the purposes of calculating Ms. Sallee's benefit under the University of California Retirement Plan, determining her eligibility for retiree healthcare benefits, and determining the amount of the University contribution toward the cost of Ms. Salle's retiree healthcare benefits in connection with a proposed settlement agreement that will apply prospectively.

D. ***Authorization to Amend University of California Retirement Plans to Facilitate the Implementation of a New Staff and Academic Reduction in Time (START) Program and to Facilitate the Distribution of Small Accounts***

The Committee recommended that:

(1) Authority be delegated to the Associate Vice President, Human Resources and Benefits, to amend University of California Retirement Plan as necessary to facilitate the implementation of a Staff and Academic Reduction in Time program as described in Attachment 2, effective from July 1, 2008 through June 30, 2010.

(2) Authority be delegated to the Associate Vice President, Human Resources and Benefits to amend the DC Plan and the 403(b) Plan to facilitate the automatic rollover of certain mandatory distributions of small accounts to Individual Retirement Accounts (IRAs) in the absence of participant direction.

Upon motion of Regent Lozano, duly seconded, the report of the Committee on Compensation was approved.

10. **REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY**

Adoption of Resolution in Support of Alumni Relations Efforts

The Committee recommended that the following resolution in support of alumni relations efforts be adopted:

WHEREAS, the worldwide UC alumni population of 1.5 million is the largest of any public research university system and will double to 3 million in 20 years, and

WHEREAS, the continued erosion in state funding for the University of California has intensified the need for greater philanthropy for the University, including alumni giving, and

WHEREAS, UC students (our future alumni) would benefit from greater financial support from alumni to help defray the costs of their UC education, and

WHEREAS, the potential for expanded alumni support and advocacy for the University of California is enormous and untapped, and

WHEREAS, alumni support is widely considered to be a benchmark of a university's stature and UC's alumni support should rise to the level of the University's world-class renown, and

WHEREAS, the Alumni Associations of the University of California (AAUC) have just begun implementation of a first-ever, five-year strategic plan for strengthening alumni engagement to build alumni philanthropy and advocacy;

BE IT THEREFORE RESOLVED that the UC Board of Regents, recognizing the pressing need for greater University support for the campus alumni relations programs and the clear benefits to the University of increased investment in alumni, urges the Office of the President to ensure, through policy and action, enhanced systemwide support of financial and other resources to the campus alumni relations programs.

Upon motion of Regent Marcus, duly seconded, the report of the Committee on Educational Policy was approved.

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

A. ***Retiree Health Benefit Actuarial Valuation – Approval of Methods and Assumptions for Post-Employment Health Benefits and Presentation of Fiscal Year 2007/2008 Valuation Results***

The Committee recommended approval of:

(1) The proposed retiree health actuarial valuation methods and assumptions, initially presented for discussion at the March 2008 Regents meeting.

(2) The use of these methods and assumptions in preparing the initial actuarial valuation of the University's retiree health benefit program as of July 1, 2007.

B. ***Establishment of a Total Return Investment Pool (TRIP)***

The Committee recommended that the President be granted authority to:

(1) Establish a Total Return Investment Pool in accordance with investment policies and guidelines approved by the Committee on Investments.

(2) Establish the target payout rate for the TRIP on an annual basis not to exceed the expected return of the portfolio, as determined by the Chief Investment Officer and approved by the Committee on Investments.

(3) Establish appropriate policies and procedures for investing in the TRIP.

C. ***Adoption of Expenditure Rate for the General Endowment Pool***

The Committee recommended that, with the concurrence of the Committee on Investments, the expenditure rate per unit of the General Endowment Pool (GEP) for expenditure in the 2008-09 fiscal year shall remain at a rate of 4.75 percent of a 60-month moving average of the market value of a unit invested in the GEP.

D. ***Adoption of Endowment Administration Cost Recovery Rate***

The Committee recommended that an endowment administration cost recovery rate of 40 basis points (0.40 percent) be approved to apply to the distributions from the General Endowment Pool (GEP) to be made after July 1, 2008, from the eligible assets invested in the GEP. The funds recovered would help to defray, in part, the cost of administering and carrying out the terms of endowments on the campuses and at the Office of the President.

E. ***Approval of Proposed Increases in Student Fees for 2008-09***

The Committee recommended the following actions on student fees for 2008-09:

(1) Effective summer 2008, mandatory systemwide fees be increased as shown in Table 1. Of the revenue generated from the increases in mandatory systemwide fees from undergraduate students, an amount equivalent to 33 percent will be set aside to mitigate the impact of the fee increases on financially needy undergraduate students. Of the revenue generated from the increases from graduate academic students, 50 percent will be set aside to provide additional funds for financial aid for graduate academic students; and 33 percent of the revenue generated from the increases from students subject to professional fees will be set aside for financial aid for those students.

TABLE 1

Proposed Increases in Mandatory Systemwide Fees for 2008-09			**Proposed Total Mandatory Systemwide Fees**
	Educational Fee	***Registration Fee***	***Educational Fee & Registration Fee***
Resident Undergraduate students	$412	$78	$7,126
Nonresident Undergraduate students	$447	$78	$7,713
Resident Graduate academic students	$468	$78	$7,986
Nonresident Graduate academic students	$486	$78	$8,298
Professional Degree Fee students (resident & nonresident except those below)	$408	$78	$7,068
Professional Degree Fee students (Residents in IRPS at San Diego, Public Health, & Public Policy)	$468	$78	$7,986
Professional Degree Fee students (Nonresidents in IRPS at San Diego, Public Health, & Public Policy)	$486	$78	$8,298

(2) Effective fall 2008, the Nonresident Tuition Fee be increased by 5 percent, $953, for nonresident undergraduate students only, from $19,068 to $20,021. It is recommended that the Nonresident Tuition Fee for graduate academic students and for students paying the Fee for Selected Professional School Students remain at their current annual levels of $14,694 and $12,245, respectively, for 2008-09.

(3) The temporary surcharge of $60 in the Educational Fee currently assessed to all enrolled students be continued until such time that all costs associated with the injunction and the trial court judgment are recovered. An amount equivalent to at least 33 percent of the revenue generated from the surcharge from undergraduates and professional degree students and at least 50 percent of the revenue generated from graduate academic students will be set aside for financial aid purposes.

(4) Contingent upon the final actions taken on the University's budget by the state and the Regents, additional increases in student fees may be sought at a future meeting.

F. ***Approval of 2008-09 Budget for Office of the President***

The Committee recommended the following central administration spending and FTE plans for FY 2008-09:

(1) For the Office of the President (excluding the Academic Senate and the Regents' direct reports), the Provost and Executive Vice President requests a FY 2008-09 appropriation of $203,109,678.

This represents an expenditure reduction from FY 2007-08 projected expenditures, after adjusting for program costs and fund flowthroughs, of $51.66 million, or 20.2 percent.

The total appropriations request is consistent with the request presented for discussion at the March meeting of the Committees on Finance and Governance. It includes various adjustments, included in the revised budget worksheets, which will be offset by additional savings captured through one-time unexpended funds from previous fiscal years and the Voluntary Separation Program.

(2) For the departments reporting directly to the Regents, including the new Ethics, Compliance, and Audit Services unit; the General Counsel; the Secretary and Chief of Staff to The Regents; and the Treasurer's Office, the Provost and Executive Vice President requests a FY 2008-09 appropriation of $41,862,866.

This is on base FY 2007-08 expenditures, after adjusting for program costs and fund flowthroughs, of $40,062,708. It represents an expenditure increase of $1,800,158, or 4.5 percent. The appropriations request for each Regents' direct report unit is broken down as follows:

Ethics, Compliance and Audit Services – $5,371,220
General Counsel – $14,684,055
Secretary and Chief of Staff – $3,194,991
Treasurer's Office – $18,612,600

The total appropriations request is consistent with the request presented for discussion at the March meeting of the Committees on Finance and Governance.

(3) For the Academic Senate, the Provost and Executive Vice President requests a FY 2008-09 appropriation of $1,221,086 and FTE of 10.

This is on base FY 2007-08 expenditures, after adjusting for program costs and fund flowthroughs, of $1,191,641 and total base FTE of 10. It represents an expenditure increase of $29,445, or 2.5 percent.

The total appropriations request is consistent with the request presented for discussion at the March meeting of the Committees on Finance and Governance.

G. ***Authorization for Approval of Appropriations from Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC Fee Income to be Expended in FY 2008-09***

The Committee recommended that:

(1) The President be authorized to expend, for the following purposes and in the following amounts, from the University's net share of Los Alamos National Security (LANS) and Lawrence Livermore National Security (LLNS) LLC income earned between September 30, 2007 and December 31, 2008:

a. Supplemental compensation and other payments (including accruals) approved by the Regents for certain LANS LLC and LLNS LLC employees, from July 1, 2008 through June 30, 2009 – $ 2.2 million.

b. An appropriation to the Office of the President budget for federally unreimbursed costs of University oversight of its interest in LANS LLC and LLNS LLC, paid or accrued July 1, 2008 through June 30, 2009, including but not limited to an allocable share of the costs of

The Regents, Research Security Office, Human Resources, Finance, Compliance and Audit, Strategic Communications, Governmental Affairs, the General Counsel, the University-appointed Governors on the LLCs, and the Vice President for Laboratory Management – $3.6 million.

c. An appropriation in 2008-09 to a post-contract contingency fund – $1.3 million.

(2) The balance of fee income to be appropriated in accordance with a scientific research funding plan to be approved by the Regents.

Upon motion of Regent Gould, duly seconded, the report of the Committee on Finance was approved, Regents Allen, Garamendi, and Island voting "no" on item E.

12. **REPORT OF THE COMMITTEE ON GOVERNANCE**

Committee Chair Lansing noted a proposed amendment to the report from the meeting of April 23, 2008: under the category *Faculty Representatives as Advisory Members*, the Committee on Finance should be included in the list of Committees assigned to Faculty Representative Croughan.

From its meeting of April 23, 2008, the Committee recommended the following:

A. ***Chairman of the Board***

Regent Richard C. Blum shall be elected Chairman of the Board for the year commencing July 1, 2008.

B. ***Vice Chairman of the Board***

Regent Russell Gould shall be elected Vice Chairman of the Board for the year commencing July 1, 2008.

C. ***Standing Committee Assignments***

The following Standing Committee assignments for the year commencing July1, 2008 (members listed in seniority order except for the Chair and Vice Chair):

Committee on Audit	Regent Varner
Regent Ruiz, Chair	Regent Cole
Regent De La Peña, Vice Chair	Regent Reiss

Regent Scorza

Committee on Compensation
Regent Varner, Chair
Regent Lozano, Vice Chair
Regent Kozberg
Regent Hopkinson
Regent Johnson
Regent Pattiz
Regent Cole

Committee on Educational Policy
Regent Island, Chair
Regent Lansing, Vice Chair
Regent Johnson
Regent Marcus
Regent Lozano
Regent Garamendi
Regent Varner
Regent Reiss
Regent Cole
Regent Scorza

Committee on Finance
Regent Gould, Chair
Regent Wachter, Vice Chair
Regent Kozberg
Regent Hopkinson
Regent Lozano
Regent Island
Regent Varner
Regent Garamendi
Regent Scorza

Committee on Grounds and Buildings
Regent Schilling, Chair
Regent Ruiz, Vice Chair
Regent Kozberg
Regent Hopkinson
Regent Johnson
Regent Reiss
Regent Shewmake

Committee on Health Services
Regent Lansing, Chair
Regent De La Peña, Vice Chair
Regent Johnson
Regent Pattiz
Regent Island
Regent Ruiz
Regent Shewmake

Committee on Investments
Regent Wachter, Chair
Regent Marcus, Vice Chair
Regent Pattiz
Regent Schilling
Regent De La Peña
Regent Hotchkis

Committee on Long Range Planning
Regent Kozberg, Chair
Regent Schilling, Vice Chair
Regent Marcus
Regent Hotchkis
Regent Reiss
Regent Scorza
Regent Shewmake

Committee on Oversight of the
Department of Energy Laboratories
Regent Pattiz, Chair
Regent Varner, Vice Chair
Regent Marcus
Regent Gould
Regent Hotchkis
Regent Shewmake

The President of the Board, the Chairman of the Board or in the Chairman's absence the Vice Chairman of the Board, and the President of the University are ex officio members of the Standing Committees listed above, except that the President of the University is not a member of the Committee on Audit.

D. ***California Postsecondary Education Commission***

Effective July 1, 2008 through June 30, 2009, Regent Varner shall continue as the Regents' representative to the California Postsecondary Education Commission, and Regent Reiss shall be appointed as the Regents' alternate representative for the same time period. The Regents' representatives to the California Postsecondary Education Commission and the Superintendent of Public Instruction are ex officio members of the Committee on Educational Policy.

E. ***Alumni Regents-designate as Advisory Members***

(1) Ms. Yolanda Nunn, whose term as a Regent-designate becomes effective July 1, 2008, shall be appointed as an advisory member of the Committees on Finance, Investments, and Long Range Planning.

(2) Mr. Ronald Stovitz, whose term as a Regent-designate becomes effective July 1, 2008, shall be appointed as an advisory member of the Committees on Compensation, Educational Policy, and Investments.

F. ***Faculty Representatives as Advisory Members***

(1) Professor Mary Croughan shall be appointed as an advisory member of the Committees on Audit, Compensation, Long Range Planning, and Oversight of the Department of Energy Laboratories, effective September 1, 2008.

(2) Professor Harry Powell shall be appointed as an advisory member of the Committees on Educational Policy, Grounds and Buildings, Health Services, and Investments, effective September 1, 2008.

G. ***Student Regent-designate as Advisory Member***

Authority be delegated to the Chair and Vice Chair of the Committee on Governance to consult with the new student Regent-designate for 2008-09 and assign him or her as an advisory member to Committees.

H. ***Assembly Speaker***

Authority be delegated to the Chair and Vice Chair of the Committee on Governance to consult with the new Assembly Speaker once she assumes office and assign her to Committees.

From its meetings of May 14, 2008, the Committee presented the following:

I. ***Establishment of Special Committee on Student Life and Alumni Affairs***

The Committee recommended that:

(1) The Special Committee on Student Life and Alumni Affairs shall be established, effective immediately.

(2) The Special Committee on Student Life and Alumni Affairs shall complement the current scope, charge, and activities of the ten current Standing Committees of The Regents by addressing student and alumni related issues. The Special Committee shall:

a. Act in an advisory capacity to the President of the University on matters relating to enhancing and enriching a comprehensive student affairs program.

b. Review, assess, and make recommendations on University policies to keep pace with students' changing needs, particularly as the University enrolls a more diverse undergraduate, transfer, graduate, and professional student body.

c. Provide a forum for group interaction among students, alumni, and Regents. The Committee shall be a means for facilitating appropriate and effective student and alumni involvement in the governance of the University, consistent with the development of policies that reflect the total needs of the University.

(3) The Special Committee on Student Life and Alumni Affairs shall be convened for an initial period of two years. At the conclusion of the two-year term, the Committee on Governance shall consider recommending the Special Committee on Student Life and Alumni Affairs be established as a Standing Committee.

(4) The Special Committee on Student Life and Alumni Affairs shall be appointed by the Chair of the Board and shall comprise no more than seven Regents, inclusive of the Student Regent and the Alumni Regents. The Student Regent-designate shall serve as an advisory member. The Special Committee is encouraged to seek the advice and counsel of former Student and Alumni Regents.

J. ***Reappointment of a Member of the Investment Advisory Group***

The Committee recommended that Investment Advisory Group member David Fisher be reappointed to the Investment Advisory Group for a term to begin June 1, 2008 and to end June 1, 2012.

Upon motion of Regent Lansing, duly seconded, the report of the Committee on Governance was approved as amended.

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

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Statewide Telemedicine Services Expansion, Universitywide***

The Committee recommended that the 2008-09 Budget for State Capital Improvements and the Capital Improvement Program be amended to include the following project:

Universitywide: Statewide Telemedicine Services Expansion – equipment – $10,000,000 to be funded from State funds.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Health Sciences Surge Building, Riverside Campus***

The Committee recommended that the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Riverside: Health Sciences Surge Building – preliminary plans – $1,747,000, to be funded from funds available to the campus.

C. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Health Sciences Graduate and Professional Housing and North Campus Housing Phase 2, San Diego Campus***

The Committee recommended that:

(1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Health Sciences Neighborhood Graduate Housing – preliminary plans – $1,500,000, to be funded from the San Diego campus' share of University of California Housing System Net Revenue Reserves.

To: San Diego: Health Sciences Neighborhood Graduate and Professional Housing – preliminary plans, working drawings, construction, and equipment – $67,100,000, to be funded from external financing ($67,000,000) and the San Diego campus' share of University of California Housing System Net Revenue Reserves ($100,000).

From: San Diego: North Campus Housing Phase 2 – preliminary plans $3,000,000, to be funded from the San Diego campus' share of University of California Housing System Net Revenue Reserves.

To: San Diego: North Campus Housing Phase 2 – preliminary plans, working drawings, construction, and equipment – $97,685,000, to be funded from external financing ($95,000,000) and the San Diego campus' share of University of California Housing System Net Revenue Reserves ($2,685,000).

(2) The President be authorized to obtain external financing not to exceed $162,000,000 to finance the Health Sciences Neighborhood Graduate Housing and North Campus Housing 2 projects, 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 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 financing.

c. The general credit of the Regents shall not be pledged.

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

D. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Hedrick Repairs and Refurbishment, Los Angeles Campus***

The Committee recommended that the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Los Angeles: Hedrick Repairs and Refurbishment – preliminary plans, working drawings, construction, and equipment – $44,985,000, to be funded from the Los Angeles campus' share of University of California Housing System Net Revenue Fund reserves.

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Stockton Boulevard Research Center Renovation, Davis Medial Center, Davis Campus***

The Committee recommended that the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Stockton Boulevard Research Center Phase II – preliminary plans, working drawings, and construction – $22,300,000, to be funded from School of Medicine reserves.

To: Davis: Stockton Boulevard Research Center Renovation – preliminary plans, working drawings, construction, and equipment – $46,972,000, to be funded from the California Institute for Regenerative Medicine, Proposition 71 grant funds ($20,082,400), and School of Medicine reserves ($26,889,600).

F. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and External Financing, Mission Bay Cardiovascular Research Building (17 A/B), San Francisco Campus***

The Committee recommended that:

(1) 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, working drawings, and construction – $254,000,000, to be funded from gifts ($198,000,000), external financing ($42,000,000), and campus funds ($14,000,000).

To: San Francisco: Mission Bay Cardiovascular Research Building (17A/B) – preliminary plans, working drawings, and construction – $254,000,000, to be funded from gifts ($31,000,000), external financing ($209,000,000), and campus funds ($14,000,000).

Deletions shown by strikeout, additions by underscore

(2) The President be authorized to obtain external financing not to exceed ~~$42,000,000~~ $209,000,000 to finance the Mission Bay Cardiovascular Research Building (17A/B) 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 the debt is outstanding, the San Francisco campus' share of the University Opportunity Fund and Educational Fund shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

c. The general credit of the Regents shall not be pledged.

~~(3) The President be authorized to obtain standby financing not to exceed $100,000,00 and interim financing not to exceed $75,000,000, for a total of $175,000,000, prior to awarding a construction contract for any gift funds not received by that time and 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. 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.~~

~~c. The general credit of The Regents shall not be pledged.~~

~~(4)~~(3) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

G. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Medical Center Mission Bay Clinical Facilities, San Francisco Campus***

The Committee recommended that:

(1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: UCSF Mission Bay Hospital – preliminary plans – $34,000,000, to be funded from hospital reserves.

To: San Francisco: UCSF Medical Center Mission Bay Clinical Facilities – preliminary plans – $43,000,000, to be funded from hospital reserves.

(2) The San Francisco campus return to the Committee on Grounds and Buildings at the September 2008 meeting for approval of working drawings, construction, and equipment funding, design, and CEQA documents.

H. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Certification of Environmental Impact Report, and Approval of Design, Helios Energy Research Facility, Berkeley Campus***

The Committee recommended that:

(1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Helios Energy Research Facility – preliminary plans, working drawings, and construction – $159,400,000 total project cost, to be funded from State lease revenue bonds ($70,000,000), external financing ($74,400,000), and gifts ($15,000,000).

To: Berkeley: Helios Energy Research Facility – preliminary plans, working drawings, and construction – $198,246,000, to be funded from State lease revenue bonds ($70,000,000), external financing ($113,246,000), and gift funds ($15,000,000).

Deletion shown by strike out, additions by underscore

(2) The President be authorized to obtain external financing not to exceed ~~$74,400,000~~ $113,246,000 to finance the Helios Energy Research Facility 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 the debt is outstanding, the Berkeley campus' share of the University Opportunity Fund and Educational Fund shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

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

(3) The President be authorized to obtain standby financing not to exceed $10,000,000 and interim financing not to exceed ~~$15,000,000~~ $5,000,000, for a total of $15,000,000, prior to awarding a construction contract for any gift funds not received by that time and 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. Repayment of any financing shall be from gift funds, and as long as the debt is outstanding the Berkeley 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.

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

(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 as described in the Environmental Impact Report, the Committee on Grounds and Buildings defer consideration of the following actions until a future meeting that will be scheduled prior to May 28, 2008:

a. Certify the Environmental Impact Report (EIR).

b. Adopt the Mitigation Monitoring Program and Findings and Statement of Overriding Considerations.

c. Approve the design of the Helios Energy Research Facility, Berkeley campus, revised to be consistent with the EIR Alternative 5 "Proposed Project with Alternate Access Road Alignment."

I. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of Interim and External Financing, Certification of Environmental Impact Report, and Approval of Design, Computational Research and Theory Facility, Lawrence Berkeley National Laboratory and Berkeley Campus***

The Committee recommended that:

(1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Lawrence Berkeley National Laboratory (LBNL) and Berkeley Campus: Computational Research and Theory Facility – preliminary plans, working drawings, and construction – $90,444,000, to be funded from external financing ($85,000,000), gifts ($5,000,000) and LBNL operating funds ($444,000).

To: Lawrence Berkeley National Laboratory and Berkeley Campus: Computational Research and Theory Facility – preliminary plans, working drawings, and construction – $112,944,000, to be funded from external financing ($107,500,000), gifts ($5,000,000), and LBNL operating funds ($444,000).

Deletion shown by strike out, additions by underscore

(2) The President be authorized to obtain external financing not to exceed ~~$85,000,000~~ $107,500,000 to finance the Computational Research and Theory Facility 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 the debt is outstanding, Lawrence Berkeley National Laboratory operating funds shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

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

(3) The President be authorized to obtain interim financing not to exceed $5,000,000 prior to awarding a construction contract for gift funds not received by that time and 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. Repayment of any financing shall be from gift funds. If gift funds are insufficient, and some or all of the debt is outstanding, then the Berkeley campus' share of the Opportunity Fund shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

c. The general credit of the Regents shall not be pledged.

(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 Computational Research and Theory Facility project as indicated in the Environmental Impact Report, the Committee on Grounds and Buildings defer consideration of the following actions until a future meeting that will be scheduled prior to May 28, 2008:

a. Certify the Environmental Impact Report.

b. Adopt the Mitigation Monitoring Program and Findings and Statement of Overriding Considerations.

c. Approve the design of the Computational Research and Theory Facility, Lawrence Berkeley National Laboratory and Berkeley campus.

J. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Approval of External Financing, and Approval of Design, Tercero South Student Housing, Phase II, Davis Campus***

The Committee recommended that:

(1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Tercero South Student Housing, Phase II – preliminary plans – $1,600,000, to be funded from housing reserves.

To: Davis: Tercero South Student Housing, Phase II – preliminary plans, working drawings, and construction – $55,168,000, to be funded from the Davis campus' share of University of California Housing System Net Revenues ($26,000,000) and external financing ($29,168,000).

(2) The President be authorized to obtain external financing not to exceed $29,168,000 to finance the Tercero South Student Housing, Phase II 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 the debt is outstanding, University of California Housing System fees for the Davis Campus shall be established at levels sufficient to meet all requirements of the University of California Housing System Revenue Bond Indenture, and to provide excess net revenues sufficient to pay the debt services and to meet the related requirements on the proposed financing.

c. The general credit of the Regents shall not be pledged.

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

(4) Upon review and consideration of the environmental consequences of the proposed Tercero South Student Housing, Phase II project included in the previously adopted Tercero Housing Improvement Projects Tiered Initial Study and Negative Declaration, the Committee on Grounds and Buildings recommend that the Regents:

a. Adopt the Findings.

b. Approve the design of the Tercero South Student Housing, Phase II, Davis Campus.

Upon motion of Regent Kozberg, duly seconded, the report of the Committee on Grounds and Buildings was approved.

14. REPORT OF THE COMMITTEE ON INVESTMENTS

A. ***Adoption of Asset Allocation and Investment Guidelines for the Total Return Investment Pool (TRIP)***

The Committee recommended that the proposed asset allocation and investment guidelines for the Total Return Investment Pool, as shown in Attachment 3, be adopted.

B. ***Approval of Performance Objectives for FY 2008-09 for the Treasurer's Annual Incentive Plan (AIP)***

The Committee recommended that the proposed asset class investment performance objectives, as shown in Attachment 4, be adopted for the FY 2008-2009.

C. ***Approval of Participants, Objectives, and Weightings for FY 2008-09 for the Treasurer's Annual Incentive Plan (AIP)***

The Committee reported its approval of a proposed list of participants, objectives, and weightings for FY 2008-09 for the Treasurer's Annual Incentive Plan (AIP), as shown in Attachment 5.

D. ***Adoption of Expenditure Rate for the General Endowment Pool (GEP) for FY 2008-09***

The Committee recommended that, with the concurrence of the Committee on Finance, the expenditure rate per unit of the General Endowment Pool (GEP) for expenditure in the 2008-09 fiscal year shall remain at a rate of 4.75 percent of a 60-month moving average of the market value of a unit invested in the GEP.

Upon motion of Regent Wachter, duly seconded, the report of the Committee on Investments was approved.

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

Authorization to Approve and Execute Modification to the Department of Energy Contract for the Lawrence Berkeley National Laboratory to Amend Clauses as a Result of Changes to the Federal Acquisition Regulations and the Department of Energy Acquisition Regulations

The Committee recommended that the President be authorized to execute a modification to the provisions of Lawrence Berkeley National Laboratory (LBNL) contract DE-AC02-05CH11231 in order to incorporate clause additions, deletions and revisions, and new clauses, as follows:

- Clause H.46 *Energy Efficiency in Energy Consuming Products* (July 2006) will be deleted and reserved, as a result of the addition of new clause I.22 (same title).

- Clause H.47 *Implementation of Designated Standard Clauses and Directives* will be added to establish a new prime contract appendix, Appendix P, that will contain supplementary understandings of the parties regarding implementation of designated standard clauses and/or directives. An example would be with regard to the new Clause I.124, Computer Security, referenced below, which contains a requirement that the contractor obtain a written acknowledgment by users that they know and understand the restrictions for using a particular computer system. Appendix P would state that the requirement in Clause I.124 can be satisfied by an electronic signature rather than a paper signature. Such clarifications will be added to Appendix P to aid in contract administration and audit of contract compliance.

- Clause I.74 DEAR 952.250-70 *Nuclear Hazards Indemnity Agreement* (October 2005) is revised to provide for updates to the standard clause. New paragraph (l) ("Effective Date") acknowledges the earlier clause and explains that (1) the old clause governs the indemnity for incidents occurring prior to August 8, 2005, and (2) the new clause governs indemnity for incidents occurring on or after August 8, 2005 and (3) contractor's liability for violations remain the same as in the earlier contract (regardless of the language in paragraph (i) of the new clause).

- Clause I.120 FAR 52.203-13 *Contractor Code of Business Ethics and Conduct* (December 2007) is added to require a written code of business ethics and conduct and flow down the requirement to subcontracts.

- Clause I.121 FAR 52.203-14 *Display of Hotline Poster(s)* (December 2007) is added to require display of fraud hotline posters and flow down the requirement to subcontracts.

- Clause I.123 FAR 52.223-16 IEEE 1680 *Standard for the Environmental Assessment of Personal Computer Products* (December 2007) sets forth definitions and requirements for personal computer products.

- Clause I.124 DEAR 952.204-77 *Computer Security* (August 2006) sets forth the requirements for individual access to DOE computers.

- Clause I.125 DEAR 952.235-71 *Research Misconduct* (July 2005) sets forth the requirements for maintaining the integrity of research performed pursuant to the prime contract.

The table of contents for the LBNL contract will be revised to accommodate the changes.

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

16. **REPORT OF THE COMMITTEES ON EDUCATIONAL POLICY AND HEALTH SERVICES**

Approval to Proceed with the Next Phase of Planning for a Proposed School of Medicine, Merced Campus

The Committee on Educational Policy and the Committee on Health Services recommended that the Regents authorize UC Merced to continue the planning process for a proposed new School of Medicine at the UC Merced campus with the expectation (a) that UC Merced will present to the Regents a detailed business plan for the School of Medicine in May 2009, and (b) that a basic campus plan with established goals will be in place, as determined by the President, as a condition of proceeding beyond the planning process. It is further recommended that the Regents give approval to proceed with planning in support of this goal, including the creation of a planning office; development of the curriculum, business plan, and full proposal; planning for the initial infrastructure; and seeking review and approval of the curriculum and the new school by the Merced Division of the Academic Senate as well as the Academic Council.

Upon completion of these and other activities, the formal proposal to establish a new medical school would be submitted to the President. The proposal would then be subject to all customary review and approval requirements of the University and State, including final approval by the Regents. The support and approval of the Regents for the steps outlined above would enable the campus to continue this important planning effort and would facilitate fundraising efforts and discussions with regional and community partners.

Upon motion of Regent Marcus, duly seconded, the report of the Committees on Educational Policy and Health Services was approved.

17. **REPORT OF THE COMMITTEES ON EDUCATIONAL POLICY AND FINANCE**

Approval of Changes in Professional Degree Program Fees for 2008-09

The Committee on Educational Policy and the Committee on Finance recommended that the Regents:

A. Approve increases in professional degree fees for 2008-09 of 6 percent for programs in Public Health and Public Policy and the UCLA program in Theater, Film, and Television.

B. Endorse the previously approved 2008-09 increases in professional degree fees of $1,760 for Pharmacy programs as an exception to the amended Policy on Fees for Professional School Students adopted in September 2007.

C. Approve a new professional degree fee of $3,685 for students enrolled in a new Master's of Science in Nursing program at the Irvine campus.

Upon motion of Regent Marcus, duly seconded, the report of the Committees on Educational Policy and Finance was approved, Regent Garamendi voting "no."

18. **REPORT OF THE COMMITTEES ON FINANCE AND GOVERNANCE**

Amendment of Standing Order 100.4 Concerning the President's Duties Related to Real Estate

The Committee on Finance and the Committee on Governance recommended that, following service of appropriate notice, amendment of Standing Orders 100.4 (cc), (gg), and (jj) be approved, as shown in Attachment 6, to increase the authority of the President in order to further decrease the volume of routine administrative matters presented to the Regents, to further streamline the Board's practices and procedures, and to clarify the applicability of the Standing Orders to certain real estate transactions and related matters. This action will be reviewed after an 18-month period.

Upon motion of Regent Gould, duly seconded, the report of the Committees on Finance and Governance was approved, and notice was served.

19. **AMENDMENT OF BYLAWS 10.1 (STANDING COMMITTEES); 10.4 (EX OFFICIO MEMBERS); 12.1 (RESPONSIBILITIES OF THE COMMITTEE ON AUDIT); AND 21.5 (DUTIES AND RESPONSIBILITIES OF THE SENIOR VICE PRESIDENT–CHIEF COMPLIANCE AND AUDIT OFFICER)**

At the March 20, 2008 meeting of The Regents of the University of California, Regent Gould served notice that at the next regular meeting he would move amendment of Bylaws 10.1. 10.4, 12.1, 21.5 as shown below:

Deletions shown by strike out, additions by underscore

BYLAW 10.

COMMITTEES OF THE BOARD OF REGENTS

10.1 Standing Committees.

* * *

(b) The following shall be the Standing Committees of the Board:

Committee on Compliance and Audit
Committee on Compensation
Committee on Educational Policy
Committee on Finance
Committee on Governance
Committee on Grounds and Buildings
Committee on Health Services
Committee on Investments
Committee on Long Range Planning
Committee on Oversight of the Department of Energy Laboratories

* * *

10.4 Ex Officio Members.

The President of the Corporation, the Chairman of the Board or in the Chairman's absence the Vice Chairman of the Board, the former Chairman of the Board for the year immediately following a term of office as Chairman provided that the former Chairman is still a Regent, and the President of the University shall be ex officio members of all Standing Committees, of all Special Committees, and of all subcommittees, except that the President of the University shall not be a member of the Committee on Compliance and Audit or of Special Committees concerned with the selection of a President of the University.

The Chairman of each Committee shall be an ex officio member of each subcommittee of that Committee.

The Regents' representatives to the California Postsecondary Education Commission and the State Superintendent of Public Instruction shall be ex officio members of the Committee on Educational Policy.

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BYLAW 12.

RESPONSIBILITIES OF STANDING COMMITTEES

12.1 Committee on Compliance and Audit.

The Committee on Compliance and Audit shall:

(a) Advise the Board of Regents regarding the Board's responsibilities to oversee:

(1) the quality and integrity of the University's compliance with legal, regulatory and policy requirements, financial reporting and financial statements, and ~~compliance with legal and regulatory requirements~~ internal controls related to risks;

(2) the ~~performance, functions and~~ function, disclosures ~~of,~~ and performance of corporate compliance, internal control, and risk management systems regarding ethics and compliance, risk, finance, and accounting, ~~compliance and ethics (including sexual harassment, discrimination, and conflicts of interest), and assure~~ and the adequacy of such systems~~, policies, procedures and practices~~ throughout the University; and

(3) the independent certified public accountant's qualifications ~~and~~, independence, and ~~the~~ performance as well as performance of the internal audit function ~~and independent certified public accountant~~.

(b) Meet at least four times a year.

(c) ~~Monitor the University's system of internal controls and the adequacy of the accounting, financial, and operational policies and practices related to financial, accounting, and compliance and ethics reporting.~~(d) Review the annual internal audit plan and ~~discuss~~ the extent ~~that~~ to which it addresses high risk areas ~~with the University Auditor and management~~.

~~(e)~~ (d) Review the annual report ~~on the accomplishments~~ of the internal audit department and discuss significant issues of internal ~~control and compliance~~ controls with the University Auditor and management.

~~(f)~~ (e) Discuss the planned scope of the annual independent audit ~~and other engagements~~ with the independent certified public accountants and review the results of the audit ~~and other engagements~~ with the independent certified public accountants and management.

~~(g)~~ (f) Receive and review the annual financial report with the independent certified public accountants and management.

~~(h)~~ (g) After considering the recommendations of management, recommend to the Board the certified public accountants to serve as independent auditor and the scope of their annual audit, and approve any services other than audit and audit related services provided by the certified public accountants.

~~(i)~~ (h) Have the power, through its chair or a majority vote of the Committee members, to request management to address specific issues within the mandate of the Committee and have the authority to engage independent counsel and other advisors to carry out its duties.

~~(j) Assure that the internal audit function reviews and examines policies and procedures in a comprehensive manner to assure that all facets of the University are undertaking such implementation in a clear, consistent, and effective manner.~~

~~(k) Approve~~ (i) Provide recommendations to the Board regarding approval of the corporate compliance program model and the internal audit mission statement, the committee charter, and other governance documents related to both internal and external compliance and auditing activities in the University.

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BYLAW 21.

DUTIES AND RESPONSIBILITIES OF OFFICERS OF THE CORPORATION

21.5 Senior Vice President–Chief Compliance and Audit Officer.

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

Upon motion of Regent Gould, duly seconded, the recommendation was approved.

20. **REPORT OF INTERIM ACTIONS**

Associate Secretary Shaw 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, the Chair of the Committee on Finance, and the President of the University approved the following recommendation:

Recruitment Authority Regarding the Maximum Compensation Negotiation Threshold for the Head Men's Basketball Coach, Berkeley Campus

Approval of the following items as the maximum total compensation threshold for the new head men's basketball coach, Berkeley campus, subject to an appropriate coach contract, which will be reviewed by the Office of the General Counsel. Approval of this list of possible compensation categories and maximum compensation amounts is intended to facilitate successful contract negotiations with the desired candidate. Once the contract has been signed by both parties, an informational report will be made to the Regents disclosing the final terms of the agreement. Approval of this recruitment authority will serve as approval of the final compensation of the head men's basketball coach provided the compensation is within the threshold outlined in this proposal. It is understood that Regental authorization for this authority will expire upon the signing of the contract by both parties. It is not anticipated that the final employment agreement will include the maximum amount in every category of compensation listed below. The compensation provided under this contract shall be funded exclusively from athletic

department revenues and private fund raising, and no State or general campus funds will be used.

The maximum compensation thresholds proposed for the head men's basketball coach, Berkeley campus are as follows:

(1) Contract Duration: A contract of up to seven years in duration. Five years is the standard and preferable term, but providing more security (additional years) may allow a desirable candidate to be secured with lower total compensation.

(2) Base Salary and Talent Fee: An initial annual base salary and talent fee the combined total of which will not exceed $1.5 million. The total base salary and talent fee could be increased each year by a maximum of 5 percent.

a. The annual base salary is not anticipated to exceed $250,000.

b. Activities associated with talent fees will include professional services in connection with various appearances and speaking engagements on television and radio broadcasts of men's basketball games and sports shows dedicated to Cal sports, or for promotional or fundraising activities and for assignment of all rights of any kind to enter into professional, endorsement, or consultation contracts with athletic shoe, athletic apparel, athletic equipment, and other sports manufacturers.

(3) Deferred Compensation: The head men's basketball coach may be entitled to a specified amount as deferred compensation of up to $250,000 per year of the contract completed, payable at the expiration of the contract term. In the event the head men's basketball coach becomes unable to perform the services described in the contract due to illness, incapacity, or some other non-performance based reason, and the contract is terminated, the coach or his assignees shall receive a pro-rata portion of the deferred compensation as described in the contract between the parties. If the coach is terminated for cause, he will forfeit this deferred payment. If the coach is terminated under the at-will provisions of the agreement, the coach will be entitled to the amount vested through the date of termination.

(4) Signing Bonus: A one-time signing bonus, not to exceed $500,000. The appropriateness of a signing bonus as well as the amount of the signing bonus will be determined in conjunction with the agreed-upon base salary and talent fee amounts, such that the higher the base and talent fee, the lower the signing bonus. The agreement will require that the coach forfeit the entire signing bonus if the coach fails to complete the 2009-10 season as head men's basketball coach.

(5) Other Incentive Pay: An annual maximum of up to $300,000 could be earned by the head men's basketball coach for such accomplishments as:

a. Pac-10 finish, final national ranking, number of regular season wins, Coach of the Year honors.

b. Academic achievement including academic progress rate (APR) as calculated by the National Collegiate Athletic Association, team GPA and Federal Graduation Rate.

c. Incentive pay for achieving various levels of the NCAA and NIT tournaments.

(6) Other Elements of Compensation including the following:

a. Per policy, eligible for standard health and welfare benefits.

b. Up to two courtesy vehicle(s) to be provided by sponsor(s). The courtesy vehicle(s) may be withdrawn at any time at the sole discretion of the Director–Intercollegiate Athletics.

c. Country club membership dues support limited to term of service.

d. In accordance with University policies and regulations governing travel and subject to approval by the Athletics Director, University will pay spouse travel for required events outside the Bay Area.

e. Approval for a non-standard title (Men's Basketball Coach) to be eligible for participation in the Mortgage Origination Program (MOP) and/or the Supplemental Home Loan Program (SHLP) and an exception to policy regarding the loan rate for the term of the loan.

i. If a MOP loan is offered, the amount will not exceed the program maximum at the time the candidate is in escrow and the final loan commitment is made.

ii. If a MOP loan is offered as a Graduated Payment MOP loan (GP-MOP), approval of non-standard terms will result in an interest rate to the candidate as low as 3 percent for the term of the loan. This action will constitute an exception to policy.

iii. Any loan offered will comply with all other normal MOP and/or SHLP program parameters.

f. Reimbursement for reasonable relocation costs consistent with University policy.

(7) Termination Clause: The contract will contain a penalty clause for early termination by the coach, such that, if the coach terminates the agreement, he will owe the University an agreed-upon sum of money. For example, the coach will owe the institution an amount equal to the base pay times number of years remaining on contract.

The University will retain the right to terminate the contract for cause, at which point all compensation and other obligations will cease, and there will be no obligation by the University to "buyout" the remainder of the contract.

The University will retain the unilateral right to terminate the employment contract without cause at any time. In the event the University terminates the agreement without cause, it shall be obligated to pay the head men's basketball coach, as a liquidated damage, a portion of the remaining contract amount, offset, where appropriate, by any future income earned by the coach in subsequent employment during the remaining contract period. The University shall not be liable for any University benefits which are not vested or for any collateral business opportunities or other benefits associated with the candidate's position as coach.

There is an additional potential cost that does not directly relate to compensation, but that is now customary in this environment. The hiring institution now customarily pays any liquidated damage amounts contractually owed a former institution by the coach's early termination of that agreement. These amounts range from $0 to several million dollars. The University would seek the ability to pay liquidated damages on behalf of a new coach not to exceed $1 million.

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

(1) ***Appointment Salary for Stephen J. Barclay as Special Consultant to the Chancellor, San Francisco Campus***

Approval of the following items in connection with the appointment of Stephen J. Barclay as Special Consultant to the Chancellor, San Francisco campus:

a. Recall from retirement with a fixed appointment of 60 percent time to the title of Special Consultant to the Chancellor.

b. Appointment salary of $216,480 representative of 60 percent of the incumbent's full-time base salary rate of $360,800.

c. The effective date will be set by the campus, but it is to be no earlier than August 1, 2008 and through August 15, 2009. If a replacement is found prior to August 15, 2009, a transition period of up to three months will be provided to allow for reasonable transition of responsibilities.

Additional items of compensation include:

- Mr. Barclay plans to sign and accept the Rehired Retiree Waiver Form which will serve to decline participation in UCRS and allow Mr. Barclay to continue receiving his retirement annuity while receiving compensation related to this appointment.
- Eligible for continued health and welfare benefits as permitted by policy.
- Per policy, a mandatory employee contribution of 7.5 percent of base salary to the University's Defined Contribution Plan (DCP) as a Safe Harbor Plan participant.
- Per policy, eligibility to voluntarily contribute to the 403(b) and 457(b) plans.
- Per policy, continued participation in the Supplemental Home Loan Program (SHLP) pertaining to his existing loan.
- Reimbursement of reasonable and actual business related travel and entertainment expenses.

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) ***Recruitment Authority Regarding the Maximum Compensation Negotiation Threshold for the Head Women's Basketball Coach, Los Angeles Campus***

Approval of the following items as the maximum total compensation threshold for the new head women's basketball coach, Los Angeles campus, subject to an appropriate coaching contract, which will be reviewed by the Office of the General Counsel. Approval of possible compensation elements and maximum compensation amounts is intended to facilitate successful contract negotiations with the desired candidate. Once the contract has been signed by both parties, a report will be made to the Regents disclosing the final terms of the agreement. Approval of this recruitment authority will serve as approval of the final compensation of the head women's basketball coach provided the compensation is within the threshold outlined in this proposal. It is understood that Regental authorization for this authority will expire upon the signing of the contract by both parties.

The final employment agreement may not include the maximum amount in every category of compensation listed below. The compensation provided under this contract shall be funded exclusively from athletic department revenues and private fund raising, and no State or general campus funds will be used.

The maximum thresholds proposed for the head women's basketball coach at the Los Angeles campus are as follows:

a. Contract Duration: A contract of up to five years in duration.

b. Base Salary and Talent Fee: An annual base salary and talent fee whose combined total will not exceed $300,000.

   i. The annual base salary is not anticipated to exceed $250,000.

   ii. Activities associated with talent fees will include professional services in connection with various appearances and speaking engagements on television and radio broadcasts of UCLA basketball games and sports shows dedicated to UCLA sports, or for promotional or fundraising activities and for assignment of all rights of any kind to enter into professional, endorsement, or consultation contracts with athletic shoe, athletic apparel, athletic equipment, or other sports manufacturers.

c. Signing Bonus: A one-time signing bonus not to exceed $100,000. The appropriateness of a signing bonus as well as the amount of the signing bonus will be determined in conjunction with the agreed-upon salary and talent fee amounts, such that the higher the base and talent fee, the lower the signing bonus. The agreement will require that the coach forfeit the entire signing bonus if the coach fails to complete the 2008-09 women's basketball season as head women's basketball coach.

d. Other Incentive Pay: An annual maximum of up to $100,000 could be earned for such accomplishments as:

   i. Pac-10 finish.

   ii. Academic achievement including academic progress status as calculated by the National Collegiate Athletic Association (NCAA).

iii. Incentive pay for achieving the national championship, participation in the Final Four, or participation in the NCAA women's basketball post-season tournament.

e. Summer Camp Pay: An annual maximum of up to $50,000 could be earned for services performed in conjunction with summer camps under a revenue-sharing arrangement determined by the Director–Intercollegiate Athletics.

f. Other Elements of Compensation include the following:

i. Per policy, eligible for standard health and welfare benefits.

ii. One courtesy vehicle to be provided by sponsors. (The courtesy vehicle may be withdrawn at any time at the sole discretion of the Director–Intercollegiate Athletics.)

iii. In accordance with University policies and regulations governing travel and subject to approval by the Director–Intercollegiate Athletics, payment of spousal travel for required events outside the Los Angeles area.

iv. As an exception to policy, eligibility to participate (non-standard title) in the Mortgage Origination Program (MOP) and/or the Supplemental Home Loan Program (SHLP); and an exception to policy regarding the loan rate for the term of the loan, as follows:

(a) if a MOP loan is offered, the amount will not exceed the program maximum at the time the candidate is in escrow and the final loan commitment is made.

(b) if a MOP loan is offered as a Graduated Payment MOP loan, approval of non-standard terms will result in an interest rate to the candidate as low as 3 percent for the term of the loan. This action will constitute an exception to policy.

(c) any loan offered will comply with all other MOP and/or SHLP program parameters.

v. As an exception to policy, 100 percent reimbursement for reasonable relocation costs.

g. Termination Clause: The contract will contain a penalty clause for early termination by the coach such that, if the coach terminates the agreement, (s)he will owe UCLA an agreed-upon sum of money. The amount could be affected by whether the coach takes a position at a college or university that is considered to be a school competing with UCLA.

The University will retain the right to terminate the contract for cause, at which point all compensation and other obligations will cease, and there will be no obligation by the University to "buy out" the remainder of the contract.

The University will retain the unilateral right to terminate the contract without cause at any time. In the event the University terminates the agreement without cause, it shall be obligated to pay the head coach, as a liquidated damage, a portion of the remaining contract amount, offset, where appropriate, by future income earned by the coach in subsequent employment during the remaining contract period. The University shall not be liable for any University benefits which are not vested or for any collateral business opportunities or other benefits associated with the candidate's position as coach.

h. Potential Non-Compensation Costs: There is an additional potential cost that does not directly relate to compensation but that is now customary in this environment. The hiring institution now customarily pays any liquidated damage amounts contractually owed a former institution by the coach's early termination of that agreement.

(3) ***Appointment Salary for Claire Holmes, Associate Vice Chancellor–University Communications, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Claire Holmes as Associate Vice Chancellor–University Communications, Berkeley campus:

a. As an exception to policy, appointment salary of $230,000, which is above the midpoint of the salary range (SLCG Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000).

b. The appointment is 100 percent time and is effective no later than April 1, 2008.

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.

(4) ***Title and Compensation for Stephen J. Barclay as Senior Vice Chancellor–Resource Management and Capital Projects, San Francisco Campus***

Approval of the following items in connection with the appointment of Stephen J. Barclay as Senior Vice Chancellor–Resource Management and Capital Projects. This item is an addendum to the previously approved item for Mr. Barclay dated March 21, 2008 and serves to change the title of the appointment and to confirm eligibility to participate in the UCSF Staff Recognition and Development Program as per policy.

a. Recall from retirement with a fixed appointment of 60 percent time to the title of Senior Vice Chancellor–Resource Management and Capital Projects.

b. Per policy, eligible to participate in the UCSF Staff Recognition and Development Program salary. Actual payout is conditioned on funding of the program and assessment of Mr. Barclay's performance against specific pre-established goals.

c. The effective date will be set by the campus, but is to be no earlier than August 1, 2008 and through August 15, 2009, or until the appointment of the new Senior Vice Chancellor–Finance and Administration, whichever occurs first.

Additional items of compensation as approved in the March 21, 2008 item include:

- Salary of $216,480 representative of 60 percent of the incumbent's full-time base salary rate of $360,800.
- Mr. Barclay plans to sign and accept the Rehired Retiree Waiver Form which will serve to decline participation in UCRS and allow Mr. Barclay to continue receiving his retirement annuity while receiving compensation related to this appointment.
- Eligible for continued health and welfare benefits as permitted by policy.
- Per policy, a mandatory employee contribution of 7.5 percent of base salary to the University's Defined Contribution Plan as a Safe Harbor Plan participant.

- Per policy, eligibility to voluntarily contribute to the 403(b) and 457(b) plans.
- Per policy, continued participation in the Supplemental Home Loan Program pertaining to his existing loan.
- Reimbursement of reasonable and actual business related travel and entertainment expenses.

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) ***Interim Re-Slotting and Appointment Salary for Rafael L. Bras as Dean–Henry Samueli School of Engineering, Irvine Campus***

Approval of the following items in connection with the appointment of Rafael L. Bras as Dean–Henry Samueli School of Engineering, Irvine campus:

a. Interim re-slotting of Dean–Henry Samueli School of Engineering position in SLCG Grade 110 (Minimum $239,700, Midpoint $307,200, Maximum $374,500). This slotting is consistent with the recommendation of Mercer Human Resource Consulting Group.

b. Appointment salary of $330,000 as he will not be eligible for annual merit/equity consideration until October 2009.

c. This appointment is 100 percent time and effective September 1, 2008.

Additional items of compensation include:

- Per policy, a relocation allowance of 25 percent of base salary ($82,500), subject to a repayment requirement in the event that Mr. Bras resigns within the first five years of employment.
- Per policy, full moving expenses.
- Per policy, house hunting trips.
- Per policy, participation in the Mortgage Origination Program, up to $1.33 million.
- 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, accrual of sabbatical leave as a member of faculty.
- Per policy, ineligible to participate in Senior Management Supplemental Benefit Program due to tenured faculty position.

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

(6) ***Interim Re-Slotting and Appointment Salary for Cecilia Hamilton as Assistant Vice Chancellor and Controller, Finance and Administration, San Francisco Campus***

Approval of the following items in connection with the appointment of Cecilia Hamilton:

a. Interim re-slotting to SLCG Grade 107 (Minimum $172,300, Midpoint $218,700, Maximum $265,000) as recommended by Mercer Human Resource Consulting.

b. Appointment salary of $235,000 as Assistant Vice Chancellor and Controller, Finance and Administration at 100 percent time.

c. As an exception to policy, reimbursement for 100 percent of moving expenses to the extent allowed by policy. This is an exception as policy allows for reimbursement of 50 percent of moving expenses for Management and Senior Professional classified personnel.

d. Effective no earlier than May 1, 2008.

Additional items of compensation include:

- Standard pension and health and welfare benefits.
- Per policy, eligibility to participate in the Finance and Administration Incentive Program with a maximum potential payout of up to 10 percent ($23,500) of base salary.
- Per policy, one house-hunting trip subject to the limitations under policy for Ms. Hamilton and her spouse/partner and an additional local limitation that the house-hunting trip will not exceed 10 days. Reasonable expenses for coach air fare, meals, and lodging will be reimbursed.
- Per policy, reimbursement of temporary living expenses up to a maximum of $3,366, including the cost of meals and lodging while occupying temporary quarters at the new general work location during any one period of 30 consecutive days after approval of 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.

(7) ***Interim Slotting of New Position, Vice President, Communications and Government Relations, Office of the President***

Interim slotting of the Vice President, Communications and Government Relations position in SLCG Grade 111 (Minimum $267,700, Midpoint $344,000, Maximum $420,100). This slotting is consistent with the recommendation of Mercer Human Resource Consulting Group.

Additional items include:

- This position will be classified in the Senior Management Group with the following benefits, per policy: standard pension and health and welfare benefits and standard senior management benefits, including senior manager life insurance, senior management supplemental benefit program, executive business travel insurance, and executive salary continuation for disability.

C. The Chairman of the Board and the Chair of the Committee on Governance approved the following recommendation:

Appointment of Regent to Standing Committee

That Regent Hotchkis be appointed to the Committee on Investments to fill the vacancy created when Regent Preuss' term as a Regent expired on March 1, 2008.

21. **REPORT OF COMMUNICATIONS RECEIVED**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in reports dated April 1 and May 1, 2008.

22. **REPORT OF MATERIALS MAILED BETWEEN MEETINGS**

Secretary and Chief of Staff Griffiths reported that, on the dates indicated, the following were mailed to The Regents or to its Committees:

To Members of the Committee on Audit

A. Copy of the audit of Hastings College of the Law for the year ended June 30, 2007, conducted by Hood & Strong LLP. (March 31, 2008)

To Members of the Committee on Educational Policy

B. *Statistical Summary of Students and Staff for Fall 2007.* (March 21, 2008)

To Members of the Committee on Health Services

C. Medical Center Activity and Financial Status Report for the six months ended December 31, 2007. (March 13, 2008)

D. Medical Center Activity and Financial Status Report for the seven months ended January 31, 2008. (March 21, 2008)

E. Medical Center Activity and Financial Status Report for the eight months ended February 29, 2008. (April 15, 2008)

The Regents of the University of California

F. Copy of letter signed by leaders of the California education community describing the importance of strong investment in K-12 and higher education. (March 10, 2008)

G. Information from the President regarding Item J1, professional degree program fee increases, approved by the Regents in September 2007. (March 17, 2008)

H. Change in dates for the events in celebration of Chancellor Blumenthal's inauguration at University of California, Santa Cruz. (March 17, 2008)

I. 2007 annual reports for the UC Exotic/Invasive Pests and Disease Research Program (EPDRP) and the UC Statewide Integrated Pest Management (IPM) Program. (March 21, 2008)

J. Report on this year's UC Day activities in Sacramento, which was focused on advocacy for core UC funding as part of the State budget. (March 24, 2008)

K. Copy of the press release issued by the Jewish student leaders at UC Irvine in support of Chancellor Drake and his administration following Hillel's *Imagining a More Civil Society, The University and the Jewish Community Summit 2008* in Washington D.C. (March 26, 2008)

L. Report of communications received subsequent to the March 3, 2008 report of communications. (April 1, 2008)

M. Copy of the press release indicating President-designate Yudof's intention to assume office as the 19th President of the University of California on Monday, June 16, 2008. (April 3, 2008)

N. Copy of a letter the President received from Chancellor Block regarding the breaches of patient privacy at the UCLA Medical Center and outlining the steps the Medical

Center is taking to review and strengthen their practices to ensure strict confidentiality of patient information. (April 10, 2008)

O. The latest edition of *Your University*, a monthly publication prepared by the Office of the President for elected officials, advocates, and friends of the University. (April 10, 2008)

P. Two private support reports, the *Quarterly Report on Major Donors* and the *Quarterly Report on Namings and Endowed Chairs*, for the first two quarters of 2007-08. (April 29, 2008)

Q. Report of communications received subsequent to the April 1, 2008 report of communications. (May 1, 2008)

R. Information about a new public education campaign the University has launched to better inform Californians about the many diverse ways the UC system contributes to their lives. (May 2, 2008)

S. Copy of the University's Phase I Report on Long Range Enrollment Planning. (May 5, 2008)

T. Copy of the University of California *Annual Report on Student Financial Support* for 2006-07. (May 6, 2008)

23. **RESOLUTION IN APPRECIATION – ROBERT C. DYNES**

Upon motion of Regent Gould, duly seconded, the following resolution was adopted:

WHEREAS, on June 16, 2008, an historic chapter in the University's illustrious history will draw to a close when Robert C. Dynes steps down as the 18th president of the University of California, having served as a passionate advocate for the University, at all times endeavoring to maintain and enhance the University's world-class reputation and high academic standards, as well as to ensure the University's many groundbreaking research innovations are translated rapidly and directly from vision into action for the benefit and betterment of humankind; and

WHEREAS, his service as President has been the capstone of an extraordinary career in both the private and public sectors as one of the world's most widely recognized physicists of note, a true statesman of science whose sterling accomplishments, including his brilliant research into superconductivity, have not only kindled the spirit of discovery in the many students he has so generously mentored, but have brought him international recognition of the highest order, including the Fritz London Award in Low Temperature Physics and election to the National Academy of Sciences; and

WHEREAS, his dedicated stewardship, fervent advocacy, and stalwart support as the sixth chancellor of UC San Diego exemplified his visionary leadership and commitment to the enduring growth of the campus, most notably through the establishment of the California Institute for Telecommunications and Information Technology (Calit2) with UC Irvine; the creation of new schools of pharmacy and management, as well as a new undergraduate college; the expansion of freshman seminar offerings; an increase in outreach programs to public schools; and a 36 percent increase in research expenditures, all of which added immeasurably to the distinction of the campus as one of the nation's leading research universities of the 21st century; and

WHEREAS, quick to recognize a world of expanding aspirations and rapidly increasing globalization, under his leadership the University of California forged new, far-reaching ties of scholarship, research, and educational exchange with institutions of higher education and with industry leaders throughout the world, thereby increasing the scope and effectiveness of UC's influence on a broad international stage; and

WHEREAS, firm in his belief that diversity is our strength and our future, and ever mindful of the need to reflect the state's rich cultural and gender diversity in the many faces of the University's faculty, staff, and students, he has been indefatigable in his efforts to provide equal opportunities for all throughout the University of California community, especially through the creation of the first UC Staff Diversity Council and UC Women's Leadership Institute; and

WHEREAS, recognizing that continuous two-way communication at all levels of the University of California is critical to its success, as well as that the University's dedicated, hard-working staff are among the jewels in the University's crown of achievement and renown, he helped establish the position of Staff Advisor to The Regents, thus, for the first time in the 140-year history of the great institution of higher learning, giving staff a voice in decisions large and small affecting the University; and

WHEREAS, in recognition of his devoted service to the University of California, and in the hope that he will continue as an active and vital participant in the life of the University, the Regents do hereby confer upon Robert C. Dynes the title, President, Emeritus;

NOW, THEREFORE BE IT RESOLVED that the Regents express their gratitude to Bob Dynes for his many sterling contributions to the life of the University of California both as Chancellor of UC San Diego and as its President, his impassioned leadership in the search for and delivery of new knowledge, and his strategic vision in K-12 educational reform, his far-sighted planning for the University, and for the strong bonds of friendship he has forged in the University's behalf with leaders of business, industry, and agriculture throughout California and around the world;

AND BE IT FURTHER RESOLVED that the Regents extend to Ann and Bob Dynes their warmest good wishes, confident that in the years ahead they will continue to make many significant contributions to the life of the University, and direct that a suitably inscribed copy of this resolution be presented to them as a remembrance of the Regents' regard and friendship.

Regent Gould paid tribute to President Dynes and reflected on his contributions to the University. He recalled that, upon taking office in October 2003, President Dynes had stated emphatically that maintaining the quality of the teaching and research done at the University was his highest priority. He has been focused and steadfast in that priority and has been successful in the face of many challenges.

Regent Gould recalled that the past five years have been a time of great opportunity, dramatic transition, and amazing achievements by the University. Seven of the University's ten chancellors and the Department of Energy laboratory directors were recruited by President Dynes. Exceptional employees of the Office of the President who were hired by him include Provost Hume, Executive Vice President Lapp, and General Counsel Robinson. The University, with its superior team, swept the competition for the management contracts for the Department of Energy laboratories. Under his guidance, the Merced campus was opened – the first new public research university in a generation. He has been a tireless advocate for the University around the world, creating partnerships in health care, energy, environmental sustainability, agriculture, nanotechnology, and biosciences. He launched a K-12 math and science initiative, Cal Teach, which is now used as a national model for making more students eligible for college.

Regent Gould noted that during President Dynes' term a long range planning model was put into place that considers the aspirations of the University over the next 20 years. When the financial component is added, it will be possible to predict what will be required to support the University in the long term.

Regent Gould recalled that, in place of holding an inauguration, President Dynes went to each campus to meet with students, faculty, and community members to get a feel for their desires and aspirations for the University. His enthusiasm, passion, and commitment to the University is most evident during his interactions with students.

On behalf of the Regents and the University community, Regent Gould wished President Dynes and his wife all the best in their future endeavors.

President Dynes expressed gratitude for the good wishes and friendships. He stated that the mission of the University can be distilled into a single principle – that the future is more important than the present. More than any other institution, the University must focus on the future. The faculty and staff are making huge sacrifices because of that principle. It was his opinion that, in many respects, the world is at a tipping point: there is more emphasis on

the present, bottom lines, and selfishness than on long-term vision. He affirmed his resolve, however, despite current conditions, to continue to look with optimism toward the future.

The meeting adjourned at 12:40 p.m.

Attest:

Secretary and Chief of Staff

Attachment 1

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Geocaris, Diane Fields	Chief Campus Counsel	UCI	Stipend for the period 7/1/2007 – 12/31/2007 was not brought to the Regents for approval due to incorrect interpretation of how to calculate total compensation for comparison against the threshold. Actual payout was $12,000.	Staff to design guide for distribution to locations that should provide clarification necessary to avoid this in the future.	Approve retroactively.
Macias, Reynaldo	Acting Dean – Division of Social Sciences, College of Letters and Science	UCLA	Meritorious advancement increase to the adjusted faculty salary (effective July 2006) was not approved by campus until January 2008. January 2007 Regents item seeking approval of a stipend and the November 2007 Regents item seeking extension of the stipend did not reflect the July 2006 meritorious advancement increase to the adjusted faculty salary. The correct adjusted faculty salary in January 2007 was $205,500 (not $178,500) and the correct adjusted faculty salary in November 2007 was $210,600 (not $178,500). It is intended that the 15 percent stipend be calculated upon the accurate adjusted faculty salary, retroactively.	This one time occurrence has been discussed with the campus and all other involved reviewers. No further action is required.	Approve retroactively (Recalculation of stipend based upon retroactive increase to adjusted faculty salary is pending Regental Approval).

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Norvell, Jay	Asst. Coach (Football Offensive Coordinator)	UCLA	Item/contract approved by the Regents under interim authority in May 2007 did not specify level of moving reimbursement. Reimbursement was covered at 100%, for a total cost of $16,058.67.	This one time occurrence has been discussed with the campus and all other involved reviewers. No further action is required.	Approve retroactively.
Gil, Gloria Browning	Real Estate Investment Officer	UCOP	Item approved by the Regents at March 2006 meeting did not specify level of moving reimbursement. Policy called for coverage at 50%, actual was covered at 100%, for a total cost of $6,259.76.	Since 2006 have developed guidelines for content of items going to the Regents that should prevent this in the future.	Approve retroactively.
O'Rourke, Sheila M.	Academic Personnel	UCOP	Of the $9,600 reported in the Annual Report on Executive Compensation for the Staff Recognition and Development Program, $8,000 was in recognition for work performed while serving as Acting Assistant Vice President for Academic Advancement, which is an SMG position. She continued to be covered by MSP policy, therefore eligibility was per policy. This portion should have gone to the Regents for approval.	Due to a Dept. oversight, UCOP SMG Coordinator was not notified of this action. Guidance to Depart. is being provided locally. No further action is required.	Approve retroactively.

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Reynolds, Max M.	University Counsel	UCOP	Mr. Reynolds was hired in 2005 at a salary above the Regental threshold ($192,500) without Regental approval. Annual salary actions since have also not triggered recognition by the dept. of the need for Regental approval. Most recent, Oct. 2007 merit resulted in salary of $205,500. The 2007 AREC brought this oversight to the attention of the local SMG Coordinator.	Local annual reports are run that are used for this type of oversight. Administrative error caused these actions to be missed. No further action is required.	Approve retroactively.

I. One Administrative Error that occurred during 2008.

- Clayton H. Heathcock as Acting Dean–College of Chemistry and Chief Science Advisor QB3 at Berkeley campus: Calculation of the administrative stipend in the original item approved by the Regents under interim authority in February 2008 used an academic rate that did not take into consideration administrative work being done for approximately six weeks in May and June 2008. The monthly rate used in this item should have been $8,668.52. The difference in overall cost to the University during this six-month acting appointment is $12,482.98. Due to the change in base salary, the stipend is 11.5 percent of his monthly base salary rather than the 18.6 percent as represented in the item and is consistent with policy. Approval by the Regents of this correction is recommended.

Attachment 2

Staff and Academic Reduction in Time (START) Program

The Staff and Academic Reduction in Time (START) program is designed to achieve temporary salary savings through the voluntary reduction of appointment percentage and corresponding pay. In return for a voluntary reduction in time, which requires departmental approval, the proposed program would allow participants to accrue vacation and sick leave at their pre-START rate. UCRP service credit would also accrue at the pre-START rate provided that the employee is on pay status for at least 50 percent time during each month of participation. Service credit during participation in START would be reduced by a leave without pay or other periods of time off pay status not reflected in the START agreement. UCRP survivor and disability income would be based on the participant's unreduced pay. Participation in START would not affect the highest average plan compensation (HAPC) used to calculate UCRP retirement benefits or lump sum cashouts, because HAPC is based on a member's average monthly full-time equivalent compensation, per existing UCRP provisions. Amendments to UCRP are necessary so that participation in the START program would not reduce a participating employee's accrual rate of UCRP service credit or the amount of pay used to determine certain UCRP benefits.

Initial Version: May 7, 2008

TOTAL RETURN INVESTMENT POOL (TRIP)
INVESTMENT GUIDELINES

The purpose for these performance objectives ("Objectives") and management guidelines (Guidelines") is to clearly state the investment approach, define performance objectives and to control risk in the management of the University's Total Return Investment Pool, or TRIP ("Program"). These Objectives and Guidelines shall be subject to ongoing review by the Committee on Investments. Capital market conditions, changes in the investment industry, new financial instruments, or a change in the Committee on Investments' risk tolerance, are among factors to be considered in determining whether the Guidelines shall be revised.

1. Investment Policy

a. Background:

The TRIP is an investment pool established by The Regents and is available to UC Campuses and the UC Office of the President. The TRIP allows Campuses to maximize return on their long-term working capital, subject to an acceptable level of risk, by taking advantage of the economies of scale of investing in a larger pool and investing across a broad range of asset classes.

b. Incorporation of Regents Investment Policies

1. Investment governance, philosophy, policies and oversight procedures for this Program will be similar to those for the University of California Retirement Plan (UCRP) and General Endowment Pool (GEP), as specified in the Investment Policies for the UCRP.

2. Relevant policies from Sections 1-3 of the UCRP Investment Policy Statement are incorporated by reference into this Policy.

c. Investment Objective

The Objective of the Program is to generate a rate of return, after all costs and fees, in excess of the policy benchmark, and consistent with liquidity, cash flow requirements, and risk budget. See Section 2 for asset allocation and benchmark. As its name implies, TRIP is managed according to a total return objective, and will be subject to interest rate risk, credit risk, and equity risk. It is appropriate for longer-term investors who can accept this volatility in exchange for higher expected return.

d. Investment Strategy

The Program shall be implemented by the Treasurer's Office, using a combination of internal and external management ("Managers"), employing actively managed strategies where appropriate. Active strategies will include both sector allocation and security selection. The Treasurer will monitor the Program's adherence to these Guidelines.

e. Risk Objective

The Program shall be managed so that its annualized tracking error budget shall be 300 basis points. This budget is consistent with the ±10% ranges around the combined asset classes

(see 2a below), and incorporates both sector allocation and security selection differences from the aggregate benchmark.

Each Manager or asset class segment will have a unique active risk budget, relative to its asset class benchmark, which is appropriate to its individual strategy, and specified in its guidelines, and which will reflect the risk-return profile of its specific investment objectives.

f. Other Constraints and Considerations

- Managers shall comply with applicable State and Federal laws and regulations
- Managers shall at all times act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims
- Managers shall act solely in the interest of the Program's owners.

2. Investment Guidelines

The portfolio will be invested primarily in marketable, publicly traded equity and fixed income securities denominated in (or hedged back to) U.S. dollars.

a. Strategic Asset Allocation and Allowable Ranges

	Target Allocation
US Fixed Income – Government	10%
US Fixed Income – Credit	45%
US Fixed Income – Securitized	10%
High Yield Debt	10%
US Equity - Large Cap	10%
US Equity - Small Cap	5%
Non US Equity (hedged)	10%
Liquidity	0%

Combined Asset Classes	Target Allocation	Minimum	Maximum
Public Equity	25%	15%	35%
US Fixed Income	75%	65%	85%
Liquidity	0%	0%	10%
Total	100%		

b. Total TRIP Performance Benchmark

This is the composition of the total TRIP performance benchmark:

Percentage	Benchmark
10%	× Lehman Aggregate Government Index
45%	× Lehman Aggregate Credit Index
10%	× Lehman Aggregate Securitized Index
10%	× Merrill Lynch HY Cash Pay Index
10%	× Russell 1000 Index (Tobacco Free)
5%	× Russell 2000 Index (Tobacco Free)
10%	× MSCI World ex US Net Index (hedged) (Tobacco Free)

Notes on Total Program benchmark:
1. The calculation of the Total Program benchmark will assume a monthly rebalancing methodology.
2. In the event of a significant change in asset allocation, The Regents' generalist consultant may specify an alternative weighting scheme to be used during a transition period.

c. Rebalancing Policy

There will be periodic deviations in actual asset weights from the policy asset weights specified above. Causes for periodic deviations are market movements, cash flows, and varying portfolio performance. Significant movements from the asset class policy weights will alter the intended expected return and risk of the Fund. Accordingly, the Investment Committee authorizes the Treasurer to rebalance the Fund when necessary to ensure adherence to the Investment Policy.

The Treasurer will monitor the actual asset allocation at least monthly. The Committee directs the Treasurer to take all actions necessary, within the requirement to act prudently, to rebalance assets to within the policy ranges in a timely and cost effective manner when actual weights are outside the prescribed ranges. The Treasurer may utilize derivative contracts (in accordance with the Derivatives Policy found in Appendix 4 of the UCRP Policy Statement) to rebalance the portfolio.

The Treasurer shall assess and manage the trade-off between the cost of rebalancing and the active risk associated with the deviation from policy asset weights. With approval from the Chair of the Committee, the Treasurer may delay a rebalancing program when the Treasurer believes the delay is in the best interest of the Plan. Results of rebalancing will be reported to the Committee at quarterly meetings.

d. Asset Class Guidelines

The Program will be invested in a diversified portfolio of equity and fixed income securities. Each Segment of the Program, as defined above, will be subject to the Regents Asset Class guidelines that is appropriate and in effect for that Segment. These Guidelines are found in the Appendices to the UC Retirement Plan Investment Policies, and are hereby incorporated by reference.

e. Restrictions

The Managers may **not:**

- Purchase securities of tobacco related companies, as per the UCRP Investment Policy, section 5b.
- Invest in mutual funds or group trusts unless specifically allowed in its guidelines
- Buy party-in-interest securities
- Buy securities restricted as to sale or transfer, except for 144A securities, which are permitted
- Buy or write structured ("levered") notes
- Employ economic leverage in the portfolio through borrowing or derivatives, or engage in derivative strategies that conflict with the Derivatives Policy

Subject to the limitations above, the Managers have complete discretion with regard to choosing sector weights, issuers, and maturities.

3. Evaluation and Review

a. Policy and Guideline Review

The Treasurer's Office shall review the Objectives and Guidelines at least annually, and report to the Committee on Investments on the impact of the Guidelines on the Program's performance.

b. Program performance and risk exposures shall be evaluated at multiple levels in accordance with the Objectives of the Program and individual Managers.

4. Reporting

On a quarterly basis, the Treasurer's Office shall provide the following reports to the Committee on Investments:

a. A summary of Program investments and risks.
b. A summary of Program performance, on an absolute and benchmark relative basis.

Each Manager will be required to provide the Treasurer monthly and quarterly reports, including but not limited to:

a. Monthly accounting statements showing portfolio income, holdings and transactions
b. Quarterly review of portfolio and strategy performance including a market outlook
c. Annual statement of compliance with investment guidelines

5. Investment Operations and Restrictions

a. University Financial Management may establish limitations on Campus investments to maintain sufficient short term liquidity for University cash needs, and restrictions on withdrawals as is appropriate for the investment of longer-term assets.

b. Annual distributions of income and capital gains will be made to participating Campuses, according to a spending rate will be reviewed and approved annually by the Committee on Investments.

6. Definitions: See Appendix 8 of the UCRP Policy Statement

Treasurer's Office Annual Incentive Plan (AIP)
Performance Objectives for FY 2008-09

ENTITY UC TREASURERS OFFICE	Benchmark	Threshold	Target	Maximum
GEP, UCRP, UCRSP, STIP & HIP	Asset Weighted Policy Benchmark	5 bp	30 bp	70 bp

ASSET CLASS:	Benchmark	Threshold	Target	Maximum
PUBLIC EQUITY				
Combined Equity	Asset Weighted Policy Benchmark (Equity)	15 bp	80 bp	170 bp
PRIVATE EQUITY				
Private Equity - Asset Class	Venture Economics Vintage Year Indices	50 bp	100 bp	200 bp
FIXED INCOME				
Combined Fixed Income	Asset Weighted Policy Benchmark (Fixed Income)	5 bp	40 bp	80 bp
ABSOLUTE RETURN				
Absolute Return	US 1-month Treasury Notes + 450 bps	10 bp	65 bp	130 bp
403b ICC FUND				
ICC Fund	US 5-year Treasury Notes Income Return	5 bp	30 bp	60 bp

SECTOR:	Benchmark	Threshold	Target	Maximum
INCOME FUNDS				
Short Term Investment Pool (STIP)	US 2-year Treasury Notes Income Return	5 bp	30 bp	60 bp
Savings Fund	US 2-year Treasury Notes Income Return	5 bp	30 bp	60 bp
FIXED INCOME GOVERNMENT SECTOR				
Treasury Inflation Protected Securities	Tracking Error of Monthly Returns (annualized)	35 bp	25 bp	15 bp
Gov't Sponsored - UCRP	Gov't Sponsored Sector of Citi LPF	5 bp	50 bp	100 bp
Gov't Sponsored - GEP	Gov't Sponsored Sector of Lehman Aggregate	5 bp	30 bp	60 bp
Gov't Sponsored - 403b Bond Fund	Gov't Sponsored Sector of Lehman Aggregate	5 bp	30 bp	60 bp
FIXED INCOME COLLATERAL SECTOR				
Collateral - UCRP	Collateral Sector of Citi LPF	5 bp	30 bp	60 bp
Collateral - GEP	Collateral Sector of Lehman Aggregate	5 bp	25 bp	50 bp
Collateral - 403b Bond Fund	Collateral Sector of Lehman Aggregate	5 bp	25 bp	50 bp
FIXED INCOME CREDIT SECTOR				
Credit - UCRP	Credit Sector of Citi LPF	5 bp	50 bp	100 bp
Credit - GEP	Credit Sector of Lehman Aggregate	5 bp	30 bp	60 bp
Credit - 403b Bond Fund	Credit Sector of Lehman Aggregate	5 bp	30 bp	60 bp
High Yield Bonds - UCRP	ML High Yield Cash Pay Index	12 bp	65 bp	130 bp
High Yield Bonds - GEP	ML High Yield Cash Pay Index	12 bp	65 bp	130 bp
Emerging Market Debt - UCRP	J P Morgan Emg Market Bond Index Plus	25 bp	125 bp	250 bp
Emerging Market Debt - GEP	J P Morgan Emg Market Bond Index Plus	25 bp	125 bp	250 bp

REFERENCE -- USED IN WEIGHTED PUBLIC EQUITY AND FIXED INCOME CALCULATIONS				
US Equity	Russell 3000 Tobacco-Free Index	15 bp	75 bp	150 bp
Developed Non US Equity	MSCI World ex US Net Tobacco Free Index	18 bp	100 bp	200 bp
Emerging Markets Equity - UCRP	MSCI Emerging Markets Free Net Index	25 bp	125 bp	250 bp
Emerging Markets Equity - GEP	MSCI Emerging Markets Free Net Index	25 bp	125 bp	250 bp
Global Equity	MSCI World Net Tobacco Free Index	15 bp	85 bp	170 bp
Bonds - UCRP	Citigroup Large Pension Fund [LPF]	5 bp	50 bp	100 bp
Bonds - GEP	Custom Benchmark [Citigroup LPF + Lehman Agg]	5 bp	30 bp	60 bp
403(b) Bonds	Lehman Brothers Aggregate	5 bp	30 bp	60 bp

Treasurer's Office AIP
FY 2008-2009 Participants and Weightings

Revised as of April 2008		Recommended Award Opportunity			Selection & Weighting of Performance Measures				
		(% of Base Salary)				Asset Class/		Individ.	
Position	Incumbent	Threshold	Target	Maximum	Entity	Funct. Gp	Sector	Discret.	Asset Class/Sector Objectives
Senior Management Group									
Chief Investment Officer	Marie Berggren	50%	100%	165%	75%	0%	0%	25%	
Asst. Treasurer	Melvin Stanton	25%	60%	120%	60%	15%	0%	25%	15% = Five Year Treasury Income Return
MD, Fixed Income	Randall Wedding	25%	60%	120%	20%	60%	0%	20%	60% = wtd. avg. of all fixed income assets
MD, External Invest.	William Coaker	25%	60%	120%	20%	60%	0%	20%	60% = wtd. avg. of all actively managed equity assets
MD, Alternative Invest.	Vacant	25%	60%	120%	20%	60%	0%	20%	60% = wtd. avg. of all alternative assets
MD, Risk Management	Jesse Phillips	25%	60%	120%	70%	0%	0%	30%	
Fixed Income									
Sr. Portfolio Mgr	Linda Fried	20%	45%	90%	10%	35%	35%	20%	Sector weights based on avg mkt value of relevant portfolios
Sr. Portfolio Mgr	Satish Swamy	20%	45%	90%	10%	35%	35%	20%	Sector weights based on avg mkt value of relevant portfolios
Sr. Portfolio Mgr	Alice Yee	20%	45%	90%	10%	35%	35%	20%	Sector weights based on avg mkt value of relevant portfolios
Sr. Portfolio Mgr	David Schroeder	20%	45%	90%	10%	35%	35%	20%	Sector weights based on avg mkt value of relevant portfolios
Sr. Portfolio Mgr	Kim Evans	20%	45%	90%	10%	35%	35%	20%	Sector weights based on avg mkt value of relevant portfolios
Investment Officer	Sharon Zhang	15%	35%	70%	10%	35%	35%	20%	Same as Credit Portfolio Managers
Senior Analyst	Vacant	10%	20%	40%	10%	35%	35%	20%	Same as Credit Portfolio Managers
Jr. Portfolio Manager	Aaron Staines	10%	20%	40%	10%	70%	0%	20%	same as Sr. MD, Fixed Income
Alternative Investments									
MD, Absolute Return	Lynda Choi	20%	45%	90%	20%	60%	0%	20%	60% = T Bills + 450 bp
MD, Real Assets	Gloria Gil	20%	45%	90%	20%	60%	0%	20%	60% = Weighted comb. of Core and Non-Core strategies
MD, Private Equity	Tim Recker	20%	45%	90%	20%	60%	0%	20%	60% = Venture Economics Private Equity Vintage Year IRR
Director, Private Equity	Thomas Lurquin	20%	45%	90%	10%	70%	0%	20%	same as MD, PE
Investment Officer, PE	Michelle Cucullu	15%	35%	70%	10%	70%	0%	20%	same as MD, PE
Investment Officer, AR	Jonathan Mandle	15%	35%	70%	10%	70%	0%	20%	same as MD, PE
Investment Officer, RE	Rebecca Stafford	15%	35%	70%	10%	70%	0%	20%	same as MD, RA
Investment Officer, RA	Vacant	15%	35%	70%	10%	70%	0%	20%	same as MD, RA
Senior Analyst, AR	Scott Nystrom	10%	20%	40%	10%	70%	0%	20%	same as MD, AR
Senior Analyst, RE	Cay Sison	10%	20%	40%	10%	70%	0%	20%	same as MD, RA
Senior Analyst, RA	Vacant	10%	20%	40%	10%	70%	0%	20%	same as MD, RA
Senior Analyst, PE	Julia Winterson	10%	20%	40%	10%	70%	0%	20%	same as MD, PE
Research Analyst, PE	Leslie Watson	10%	20%	40%	10%	70%	0%	20%	same as MD, PE
Risk Management									
Assoc. Director	Aileen Liu	15%	35%	70%	70%	0%	0%	30%	same as Sr. MD, Investment Risk Mgmt
Analyst	Duane Gilyot	10%	20%	40%	70%	0%	0%	30%	same as Sr. MD, Investment Risk Mgmt
Analyst	Farhan Zamil	10%	20%	40%	70%	0%	0%	30%	same as Sr. MD, Investment Risk Mgmt
Public Equity									
Investment Officer	David Hughes	15%	35%	70%	10%	70%	0%	20%	same as Sr. MD, Public Equity
Investment Officer	Vacant	15%	35%	70%	10%	70%	0%	20%	same as Sr. MD, Public Equity
Investment Officer	Vacant	15%	35%	70%	10%	70%	0%	20%	same as Sr. MD, Public Equity
Senior Equity Analyst	Victoria Owens	10%	20%	40%	10%	70%	0%	20%	same as Sr. MD, Public Equity
Other									
Director, Operations	Robert Yastishak	10%	20%	25%	0%	0%	0%	100%	N/A
Director, Communication	Susan Rossi	10%	20%	25%	0%	0%	0%	100%	N/A
Director, Business Mgmt	Nelson Chiu	10%	20%	25%	0%	0%	0%	100%	N/A
Total		$ 1,278,627	$ 2,844,075	$5,462,657					

Standing Order 100.4—Duties of the President

Additions shown by underlining; deletions shown by strikeout.

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(cc) Except as otherwise specifically provided in the Bylaws and Standing Orders:

~~1.~~ The President is authorized to approve and execute on behalf of the Corporation contracts, real property rental agreements, leases, ground leases and other documents pertaining to the use of ~~facilities~~real property for University-related purposes with a term ~~(excluding options)~~ of not more than ~~ten~~twenty years (excluding options when the University is the lessee but including options provided by the University as lessor).~~, provided that base rent shall not exceed $500,000 for the initial year, and annual rent increases for subsequent years shall be limited to either (i) the actual annual percentage increases in the Consumer Price Index for all Urban Consumers (CPI-U all items), or (ii) such amounts that, when the rent is aggregated over the lease term, the total base rent does not exceed $10 million.~~

~~2. Provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, the President is also authorized to approve and execute contracts, real property rental agreements, and other documents, pertaining to the use of facilities for University-related purposes with a term (excluding options) of not more than than ten years, provided that base rent shall not exceed $1 million for the initial year, and annual rent increases for subsequent years shall be limited to either (i) the actual annual percentage increases in the CPI, or (ii) such amounts that, when the rent is aggregated over the lease term, the total base rent does not exceed $20 million, and also provided that all actions taken for these amounts under this authority be reported at the next following meeting of the Board. Amounts in excess of the $1 million and $20 million limits described above require Board approval.~~

~~3. For purpose of computing the maximum initial year base rent and the maximum aggregate rent specified in (1) and (2) above, rent shall exclude (i) the effect of free or reduced rent periods or similar concessions, and (ii) operating expenses or other costs (including tenant improvement costs) paid by tenant in addition to base rent.~~

4. ~~Beginning November 1, 2000, the maximum initial year base rent and the maximum aggregate rent specified in (1) and (2) above shall each be increased annually by a percentage equal to the percentage increase in the CPI for the preceding year, said increase to be reported annually to the Committee on Finance.~~

As used in these Standing Orders, the term University-related purposes refers to real property and interests therein held and/or used by the University in furtherance of its mission, but excluding real property held for investment purposes.

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(gg) The President is authorized to approve the sale, purchase, receipt by gift, or other acquisition of all interests in real property used or to be used for University-related purposes when the consideration does not exceed $~~1~~120 million. The President is also authorized to approve the sale, purchase, receipt by gift, or other acquisition of all such interests in real property when the consideration exceeds $~~1~~120 million up to and including $~~2~~260 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken for these amounts under this authority be reported at the next meeting of the Board. ~~Amounts~~Such transactions with consideration exceeding $~~2~~260 million require Board approval.

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(jj) The President is authorized to approve and execute licenses, easements, and rights-of-way with respect to (1) real property used or to be used for University-related purposes or (2) University-related real property to be used by others~~when (1) the consideration does not exceed $10 million or (2) such instruments are revocable with 120 days' notice~~.

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