

# **THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

July 17, 2008

The Regents of the University of California met on the above date at University Center, Santa Barbara Campus.

Present: Regents Blum, Cole, De La Peña, Garamendi, Hopkinson, Island, Kozberg, Lansing, Pattiz, Reiss, Ruiz, Schilling, Scorza, Shewmake, Varner, Wachter, and Yudof (17)

In attendance: Regents-designate Bernal, Nunn Gorman, and Stovitz, 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 President Darling, Chancellors Blumenthal and Drake, and Recording Secretary Johns

The meeting convened at 12:50 p.m. with Chairman Blum presiding.

## **1. APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of March 27, of the Special Meeting of May 15, 2008, and of the May 2008 meetings of the Committee of the Whole were approved.

## **2. REPORT OF THE PRESIDENT**

President Yudof presented the report concerning University activities and individuals. He thanked Chancellor and Mrs. Yang for their hospitality and praised the Santa Barbara campus' support for the heroic local firefighting effort. He reported that Chancellor Birgeneau was honored by the Carnegie Corporation with the 2008 Academic Leadership Award and quoted a statement in praise of the Chancellor by Vartan Gregorian, president of the Carnegie Corporation. The Berkeley campus will receive a \$500,000 grant from the Carnegie Corporation. Chancellor Birgeneau has indicated that he will allocate \$50,000 of this award to an endowment for UC Berkeley students who are former foster children.

President Yudof noted that two members of the UC community are recipients of the prestigious Shaw Prize. The prize consists of three annual awards in astronomy, life science and medicine, and mathematical sciences, and provides a monetary award of \$1 million. The prize in astronomy has been awarded to UCB physics professor Reinhard Genzel. UCSF professor of anatomy Shinya Yamanaka is co-recipient of the prize in life science and medicine. President Yudof concluded his remarks with a tribute to the former First Lady of UCSB, Mrs. Mary Cheadle, who passed away earlier in the month. She and her husband, Chancellor Vernon Cheadle, were devoted to the campus and helped guide it from 1962 to 1977, during a very tumultuous period.

Upon motion of Chairman Blum, duly seconded, the President's report was accepted.

[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.]

3. **RESOLUTION IN APPRECIATION – WYATT R. HUME, D.D.S, Ph.D**

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

WHEREAS, the members of the Board of Regents of the University of California wish to express their profound appreciation to Wyatt R. Hume, who has served with great distinction and dedication as Provost and Executive Vice President–Academic and Health Affairs on the occasion of his final Regents' meeting before stepping down after a notable career spanning more than three decades as a scholar and administrator at the University of California; and

WHEREAS, he has made lasting contributions to health care in California and many other parts of the world, exercising extraordinary vision in his leadership of public higher education, giving the University full measure as Chair of the UCSF Department of Restorative Dentistry, Dean of UCLA's School of Dentistry, Executive Vice Chancellor at UCLA, and, ultimately, Provost and Executive Vice President for Academic and Health Affairs for the UC system, as well as having made exemplary contributions to the field of dentistry and to education as Chair of the Department of Dentistry at the University of Adelaide, Dean of the University of Sydney's School of Dentistry and President of the University of New South Wales, as a member of the Australian Research Council and Chair of the Australian Research Information Infrastructure Committee, and as Chair of the National Collaborative Research Infrastructure Strategy, a position in which he led the planning process for future investments in Australia's national research infrastructure; and

WHEREAS, his creativity, impeccable judgment, and capacity for sound decision-making has promoted consensus and provided direction to the University in the comprehensive review of California's needs for growth in the health professions, renewed and guided UC's commitment to public services that directly serve the people of California, such as health, K-12 education, and agriculture, helped address critical problems and questions in institutional long-range planning, ensured development of a systematic campus-by-campus academic planning process, strengthened the University's core operations, and shaped UC's future through his oversight of the restructuring of the Office of the President; and

WHEREAS, he is highly respected throughout the University for his manifest integrity, as well as for his patient, calm attention to his responsibilities, his foresighted leadership as the University's chief operating officer during a time of great upheaval and rapid

change, his comprehensive grasp of the complex issues facing academia and health affairs, and for his stellar achievements in helping the University sustain its academic excellence; and

WHEREAS, his global perspective, high standards for education, and broad vision of the University have earned him the esteem of his colleagues throughout the international community of learning, and his unflagging commitment to the distinctive, vital role that public higher education plays in California's diverse society has enabled the University to forge ever closer ties with its sister institutions in California;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Rory Hume their gratitude and warmest appreciation for his gentle manner, compassion, decency, and fairness, and, most especially, for his consummate stewardship of the University of California and its academic and health programs;

AND BE IT FURTHER RESOLVED that the Regents extend to Rory and Jenny Hume their sincere hope for smooth sailing with warm, gentle breezes to guide them to the next chapter of their lives, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's admiration, affection, and heartfelt good wishes for happiness in the years ahead.

Regent Lansing praised Provost Hume for his visionary, calm, and insightful leadership. She noted his service at UCSF, UCLA, and the Office of the President. She commented on his integrity, intelligence, patience, ability to build consensus, and expert knowledge of health care issues, and thanked him for his service to the University.

4. **RESOLUTION IN APPRECIATION – FABIAN NÚÑEZ**

Upon motion of Chairman Blum, duly seconded, the following resolution was adopted:

WHEREAS, Fabian Núñez has served with distinction as the 66<sup>th</sup> Speaker of the California State Assembly and as an *ex officio* Regent of the University of California; and

WHEREAS, a former government affairs director for the Los Angeles Unified School District and political director for the Los Angeles County Federation of Labor, with unwavering commitment he has ably represented the citizens of the 46th Assembly District for six years, serving as a powerful voice for the less fortunate and the disenfranchised, and as a passionate and forthright advocate for labor, health insurance and prescription drug reforms, the educational rights of all Californians, and other vital issues that profoundly affect California's families; and

WHEREAS, as Speaker of the Assembly, his bold visionary leadership, combined with genial humor and consensus-building abilities, has been instrumental in numerous legislative efforts to ensure that California moves boldly forward in fostering and implementing far-reaching climate-change solutions, such as his landmark California

Global Warming Solutions Act of 2006, makes needed investments in its schools, improves working conditions for all, and provides affordable housing and health care to sustain vibrant, healthy communities throughout the state; and

WHEREAS, not only has he been stalwart in his dedication to bolster support for the University of California's academic medical centers, but he has also worked tirelessly to foster creative efforts central to the University's progress in expanding access for all Californians to the golden opportunities and rich benefits that a higher education can provide; and

WHEREAS, recognizing that California's greatest treasure is its children, he has been a powerfully eloquent voice for and unwavering champion of the University's innovative academic preparation programs, which have opened wide the doors to a college education and future success for thousands of young Californians; and

WHEREAS, he has been an avid supporter of the University's research initiatives and of its contributions to technological innovation, economic productivity and environmental protection, furthering the cause not only of new institutes for fighting global warming and developing alternative energy solutions, but also of the established and highly regarded Miguel Contreras Labor Program, the Energy Biosciences Institute, and the Governor Gray Davis Institutes for Science and Innovation, all of which will strengthen California's economic growth and improve the quality of life for its diverse citizenry for generations to come;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Fabian Núñez their deep gratitude and appreciation for his dedicated service and firm commitment to the citizens of this great state and, most especially, to one of the jewels in the state's crown, the University of California;

AND BE IT FURTHER RESOLVED that the Regents extend to Maria Robles and Fabian Núñez their best wishes for the future, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's warm regard and lasting friendship.

Chairman Blum recalled Speaker Núñez's strong support for the University, including interest in a potential large omnibus scholarship fund with State matching funds. He thanked Speaker Núñez for his support.

5. **REPORT OF THE COMMITTEE ON COMPLIANCE AND AUDIT**

Committee Chair Ruiz presented the following from the Committee's meetings of July 1 and July 16, 2008:

A. ***Resolution to Approve the University of California Ethics and Compliance Program***

From its meeting of July 16, the Committee recommended that the Regents approve the following resolution:

**WHEREAS**, the Regents of the University of California made the decision in May 2006 to establish a university-wide program of corporate compliance and established the new position of Senior Vice President–Chief Compliance and Audit Officer, an officer of the corporation, by amending the Bylaws and Standing Orders accordingly; and

**WHEREAS**, the President strongly endorses and recommends that the University of California have a robust ethics and compliance program, and

**WHEREAS**, Senior Vice President–Chief Compliance and Audit Officer assumed the position in October 2007 and has developed the proposed program and structure for an effective Ethics and Compliance Program for the University; and

**WHEREAS**, voluntary adoption of such a program is considered a best practice that will serve to enhance the public trust and meet expectations of the Regents and external stakeholders by demonstrating the Regents' commitment to good stewardship of federal, state and private resources; and

**WHEREAS**, the proposed program, in consultation with the campuses, includes a reasonable timeline for development of all requisite elements of an effective Ethics and Compliance program including:

1. Written standards of conduct as well as appropriate policies and procedures;
2. Oversight by the Regents' Committee on Compliance and Audit and the Senior Vice President–Compliance and Audit with the primary responsibility for the campus ethics and compliance activities assumed by the Chancellors and delegated to the Campus Compliance Officer, as appropriate. Advice on compliance matters and risk mitigation activities will be provided from the Campus Compliance Risk Committee and UC Ethics and Compliance Risk Council;
3. Development and implementation of regular, effective education and training programs, as well as mandated education such as sexual harassment prevention, conflicts of interest, ethics and compliance, and other areas of concern;
4. Effective communications and processes maintained for reports of potential and/or perceived compliance matters or improper

governmental activities with timely responses which provide the ability for a complainant to remain anonymous and free from retaliation;

5. Development and maintenance of compliance systems and controls that can be objectively assessed, monitored, and audited for effectiveness;
6. Assurance that management is enforcing appropriate disciplinary action for those who have violated University policies, procedures, or applicable legal requirements; and
7. Assurance that management is taking appropriate corrective action and remedial measures when problems are identified to resolve and prevent reoccurrence of those problems; and

**WHEREAS**, the Senior Vice President–Chief Compliance and Audit Officer and the Office of Ethics, Compliance and Audit Services are primarily responsible to assure that campus responsibilities are executed related to ethics and compliance matters and to assess and monitor that campus compliance systems and controls are effective, and

**WHEREAS**, the proposed program committee infrastructure includes a broad cross-section of individuals from all University locations and specific risk areas; and

**WHEREAS**, performance metrics will be developed to assess and evaluate identification of risks and the performance of related compliance systems to ensure rules, regulations, Regental and UC policies and other compliance requirements are met,

**NOW, THEREFORE, BE IT RESOLVED**, that the Regents of the University of California do approve and adopt the UC Ethics and Compliance Program and structure shown in Attachment 1.

**B. *External Quality Assessment of the Internal Audit Activity***

At the July 1 meeting, Mr. Robert Hirth, a representative of Protiviti Inc., discussed the report prepared by Protiviti for the Regents, “External Quality Assessment Review of the Internal Audit Activity.” The report concludes that the University of California’s internal audit function generally conforms to the standards of the Institute of Internal Auditors (IIA). The evaluation “generally conforms” is the highest rating available. Mr. Hirth discussed recommendations for improvement which will be addressed and discussed at the September meeting.

C. ***Presentation of Audit and Advisory Services, Riverside Campus***

At the July 1 meeting, Mr. Michael Jenson, Director of Audit and Advisory Services at UCR, described the Riverside campus audit staff, its student intern program, the active involvement of administration on the campus audit committee, and the program's high productivity. No material control weaknesses have been identified on the campus. Mr. Jenson discussed three areas which have received additional attention in recent years: construction, research contracts and grants, and information systems development. He noted challenges and opportunities related to budget and succession planning.

D. ***Health Insurance Portability and Accountability Act (HIPAA) Privacy Update 2008-09***

At the July 1 meeting, Director of Research Compliance and Interim HIPAA Privacy Officer Patrick Schlesinger discussed recent patient information privacy breaches at UCLA and UCSF and the campuses' responses to these incidents. He outlined the systemwide response, the formation of four strike teams focused on education and training, enforcement and discipline, surveillance strategies, and information technology capabilities. Mr. Schlesinger noted the planned activities of these strike teams and the coordination of their work with other units and with the campuses.

E. ***Follow-up Report on Loss Prevention Plan to Reduce Employment Practices Liability Costs***

At the July 1 meeting, Chief Risk Officer Grace Crickette discussed a comprehensive three-year employment practices liability plan to generate cost savings and help with recruitment and retention of employees. Elements of the plan include risk assessment, preventive training programs, and a culture survey. It calls for the retention of two additional attorneys in the Office of General Counsel to advise campuses, carry out frontline training with supervisors, and identify critical claims early, before they escalate to litigation. The estimated net savings from the plan over three years are \$7.2 million.

F. ***Industry Perspective on Risk Assessment***

At the July 1 meeting, PricewaterhouseCoopers representative Joan Murphy briefly described an educational document presented to the Committee, *Achieving Goals, Protecting Reputation*, a high-level industry perspective on enterprise risk management which addresses risk management actions UC is considering and presents the process in a tangible way.

G. ***Management of Risk Related to Animal Research Protection, Systemwide***

At the July 1 meeting, General Counsel Robinson noted an increase in threats and harassment of UC researchers by animal rights activists since 2000 and discussed the University's response, which involves law enforcement coordination, risk management, litigation, public records protocol development, legislation, and the development of regulations for conduct on UC campuses. Chief Risk Officer Crickette reported on an October 2007 threat and security forum and described services available to UC researchers and employees from the Office of Risk Services.

Upon motion of Regent Ruiz, duly seconded, the recommendation of the Committee on Compliance and Audit was approved.

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

The Committee presented the following from its meeting of July 17, 2008:

A. ***Individual Salary Actions***

The Committee recommended:

(1) ***Appointment Salary for Sam Davis as Acting Dean—College of Environmental Design, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Sam Davis as Acting Dean—College of Environmental Design, Berkeley campus:

- a. Per policy, an appointment salary of \$208,600 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. As an exception to policy due to the retiree status of Mr. Davis, this appointment is 100 percent time and is effective July 1, 2008 through June 30, 2009.

Additional items of compensation include:

- As an exception allowed under the guidelines for rehired retirees, retirement pension benefits will continue upon Mr. Davis' selecting to continue his monthly UCRP retirement income by signing the UCRP Rehired Retiree Election Form. Under University policy, this will result in there being no accrual of additional pension service credit during his appointment as Acting



Dean-College of Environmental Design. This is consistent with policy because:

- Mr. Davis retired over 2 years ago.
- He is being recalled into a different position than the one he held at retirement.
- He is waiving further accrual of pension benefits.
- He is waiving further participation in employee medical, dental, and vision plans.
- The assignment is for a limited term while the recruitment process to fill this position permanently is completed.
- Per policy, Mr. Davis will sign an "Opt-Out" form that will ensure that he will not have employee medical, dental, and vision coverage but rather will continue his medical and dental coverage under his retiree status.
- 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, eligible to voluntarily contribute to the 403(b) and 457(b) plans.
- Per policy, standard sick leave and vacation accrual.

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

(2) ***Appointment Salary for J. Keith Gilles as Dean-College of Natural Resources, Berkeley Campus***

Approval of the following items in connection with the appointment salary for J. Keith Gilles as Dean-College of Natural Resources, Berkeley campus:

- a. As an exception to policy, an appointment salary of \$172,300. This represents a 48.8 percent increase in Mr. Gilles' July 1, 2008, fiscal year faculty salary of \$115,800 (Salary Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. This appointment is 100 percent time and effective July 1, 2008 through January 30, 2011 or until a new dean is appointed, whichever occurs first.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior

management 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.

(3) ***Appointment Salary for Richard K. Lyons as Dean–Haas School of Business, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Richard K. Lyons as Dean–Haas School of Business, Berkeley campus:

- a. As an exception to policy an appointment salary of \$373,200. This represents a 39.9 percent increase in Mr. Lyons' July 1, 2008, adjusted faculty salary of \$266,672 (SLCG Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100). Per policy, ineligible for merit consideration until October 2009.
- b. This appointment is 100 percent time and effective July 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management 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.

(4) ***Appointment Salary for Richard A. Mathies as Dean–College of Chemistry, Berkeley Campus***

Approval of the following items in connection with the appointment salary

for Richard A. Mathies as Dean–College of Chemistry, Berkeley campus:

- a. Per policy, an appointment salary of \$233,000 (SLCG Grade 109: Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700). This represents a 19.7 percent increase (\$38,394) over Mr. Mathies' July 1, 2008, adjusted faculty salary of \$194,606. Per policy, ineligible for merit consideration until October 2009.
- b. This appointment is 100 percent time and effective July 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management 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.

(5) ***Appointment Salary for Mark S. Schlissel as Dean–Biological Sciences, College of Letters and Science, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Mark S. Schlissel as Dean–Biological Sciences, College of Letters and Science, Berkeley campus:

- a. Per policy, an appointment salary of \$259,100 (SLCG Grade 109: Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700) as Dean–Biological Sciences, College of Letters and Science, Berkeley campus. This represents a 15 percent increase (\$33,828) over Mr. Schlissel's July 1, 2008, adjusted faculty salary of \$225,272. Per policy, ineligible for merit consideration until October 2009.
- b. This appointment is 100 percent time and effective July 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and

standard senior management benefits (including senior management 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.

(6) ***Appointment Salary for Diana Wu as Dean–University Extension, Berkeley Campus***

Approval of the following items in connection with the appointment of Diana Wu as Dean–University Extension, Berkeley campus:

- a. Per policy, appointment salary of \$164,500 (SLCG Grade 105: Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400). This represents a 25 percent increase (\$32,900) in Ms. Wu's base salary. Per policy, ineligible for merit consideration until October 2009.
- b. This appointment is 100 percent time and effective July 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program, as Ms. Wu does not hold a 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.

(7) ***Appointment Salary for Franklin D. Gilliam as Dean–School of Public Affairs, Los Angeles Campus***

Approval of the following items in connection with the appointment of Franklin D. Gilliam as Dean–School of Public Affairs, Los Angeles campus:

- a. Per policy, an appointment salary of \$250,000, (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000). This represents a 16.4 percent increase (\$35,200).
- b. This appointment is 100 percent time and will become effective September 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, eligibility for participation in the University of California Home Loan Program. Participation will comply with all University/campus normal program parameters.
- Per policy, ineligible for senior management supplemental benefit due to 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.

(8) ***Appointment Salary for Samuel J. Traina as Vice Chancellor for Research and Dean of Graduate Studies, Merced Campus***

Approval of the following items in connection with the appointment of Samuel J. Traina as Vice Chancellor for Research and Dean of Graduate Studies, Merced campus:

- a. As an exception to policy, an appointment salary of \$202,000 (SLCG Grade 106: Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100), at 100 percent time. This reflects a 15.5 percent (\$27,100) increase in base salary, which constitutes an exception to policy that allows for up to a 15.0 percent promotional increase.
- b. This is a term appointment beginning July 1, 2008 and extending up to three years.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management 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 pending 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.

(9) ***Appointment Salary for Pierre Wiltzius as the Susan and Bruce Worster Dean of Science, Division of Mathematical, Life and Physical Sciences, College of Letters and Science, Santa Barbara Campus***

Approval of the following items in connection with the appointment of Pierre Wiltzius as the Susan and Bruce Worster Dean of Science, Division of Mathematical, Life and Physical Sciences, College of Letters and Science, Santa Barbara campus:

- a. Appointment salary of \$255,000 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. This appointment is 100 percent time and will become effective October 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, ineligible to participate in senior management supplemental benefit program due to tenured faculty position.
- Per policy, lump-sum relocation allowance in the amount of \$63,750 (25 percent), subject to a repayment requirement in the event that Dr. Wiltzius resigns within the first four years of employment.
- Per policy, reimbursement of 100 percent of the actual moving expenses up to \$10,000.
- Per policy, authorization by the Regents to participate in the UC Mortgage Origination Program with a loan amount up to the

- maximum allowable amount (currently \$1.33 million).
- Per policy, one house-hunting trip not to exceed four days, for Dr. Wiltzius and his spouse. Coach air fare, meals and lodging will be reimbursed up to \$2,500.

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

(10) ***Appointment Salary for Carole R. Rossi as Chief Campus Counsel and Associate General Counsel, Santa Cruz Campus***

Approval of the following items in connection with the appointment of Carole R. Rossi as Chief Campus Counsel and Associate General Counsel, Santa Cruz campus:

- a. Per policy, a 0 percent increase for a salary of \$167,280 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- b. This appointment will be at 100 percent time and effective July 1, 2008.
- c. Designation of the position as Senior Management Group consistent with the other Chief Campus Counsel and Associate General Counsel positions throughout the system.
- d. Eligible to participate in the 2008 merit increase process.

Additional items of compensation include:

- Per policy, 5 percent monthly contribution to the senior management supplemental benefit program.
- Per policy, eligibility for participation in the University of California home loan program. Participation will comply with all University/campus normal program parameters.
- Per policy, reimbursement for reasonable relocation expenses up to a maximum of \$10,000.
- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management 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.

(11) ***Appointment Salary for Jeffrey Elman as Dean–Division of Social Sciences, San Diego Campus***

Approval of the following items in connection with the appointment of Jeffrey Elman as Dean–Division of Social Sciences, San Diego campus:

- a. An appointment salary of \$277,400, (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- b. This appointment is 100 percent time and will become effective September 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, ineligible for senior management supplemental benefit due to 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.

(12) ***Appointment Extension for Keith E. Alley as Executive Vice Chancellor and Provost, Merced Campus***

Approval of the following items in connection with the appointment for an additional one-year period of Keith E. Alley as Executive Vice Chancellor and Provost, Merced campus:

- a. Continued appointment salary of \$240,500 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- b. This appointment is 100 percent time and effective July 1, 2008 through June 30, 2009, or until the effective date of the appointment of a permanent Executive Vice Chancellor and



Provost, whichever occurs first, including up to a three month overlap in service.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management 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 pending tenured faculty position.
- Per policy, an automobile allowance in the form of a monthly cash allowance of \$743 (\$8,916 per annum).

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) ***Appointment Salary for John T. Chapman as Executive Director–Clinical Services, Medical Center, San Francisco Campus***

Approval of the following compensation for John T. Chapman as Executive Director–Clinical Services, Medical Center, San Francisco campus:

- a. As an exception to policy, appointment salary of \$220,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This represents a 36.4 percent (\$58,702) increase to his current base salary of \$161,298, which constitutes an exception to policy allowing up to a 25 percent increase in one year. This is a 100 percent appointment.
- b. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan with a maximum potential payout of up to 25 percent of base salary (\$55,000).
- c. Effective July 1, 2008, upon approval of the Regents.

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.

(14) ***Appointment Salary for James T. Krupnick as Chief Operating Officer and Associate Laboratory Director, Lawrence Berkeley National Laboratory***

Approval of the following items in connection with the appointment of James T. Krupnick as Chief Operating Officer and Associate Laboratory Director, Lawrence Berkeley National Laboratory (LBNL):

- a. Per policy, appointment salary of \$286,433 (LBNL Job Code 198.3, Salary Grade N17: Minimum \$260,400, Midpoint \$334,548, Maximum \$408,696). This represents a 15 percent increase in Mr. Krupnick's current base salary of \$249,072.
- b. This appointment is 100 percent time and is effective July 1, 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 management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

The source of funds for payment of this compensation is Department of Energy (DOE) funds as provided under the University's contract with the DOE. The DOE has approved this appointment salary at the level recommended.

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) ***Appointment Salary for Alyssa C. Rieder as Investment Officer, Public Equity Investment, Office of the Treasurer***

Approval of the following items in connection with the appointment of Alyssa C. Rieder, as Investment Officer, Public Equity Investment, Office of the Treasurer:

- a. Appointment salary of \$180,438, as Investment Officer, Public Equity Investment (SLCG Grade 106: Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).
- b. This appointment is 100 percent time and is effective August 4, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan with a maximum incentive payout of 70 percent of base salary. Target payout level is 35 percent of base salary, and awards are paid out over a three (3) year period, with one-third paid out in the first year and the remainder deferred over the next two (2) years.

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

(16) ***Stipend Extension for Fernando Torres-Gil as Acting Dean–School of Public Affairs, Los Angeles Campus***

Approval of the following items in connection with a stipend extension for Fernando Torres-Gil as Acting Dean–School of Public Affairs, Los Angeles campus:

- a. As an exception to policy, extension of the existing 3.8 percent administrative stipend (\$8,208) beyond the one-year duration provided in policy. The stipend plus the adjusted base salary of \$216,000 results in total compensation of \$224,208 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. This appointment is 100 percent time and is effective July 1, 2008 through August 31, 2008, or until 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 3.8 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, accrual of sabbatical credits as a member of 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.

(17) ***Stipend Extension for Alison Galloway as Vice Provost–Academic Affairs, Santa Cruz Campus***

Approval of the following items in connection with the stipend extension for additional duties for Alison Galloway as Vice Provost–Academic Affairs, Santa Cruz campus:

- a. As an exception to policy, extension of the existing \$16,000 administrative stipend (9.3 percent) beyond the one-year duration provided in policy. The stipend plus the base salary of \$171,600 result in total compensation of \$187,600 (SLCG Grade 106: Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).
- b. This appointment is at 100 percent time and is effective July 1, 2008 through June 30, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, eligible for sabbatical credits due to dual academic appointment.

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

(18) ***Stipend Extension for Michael S. Isaacson as Acting Dean–Baskin School of Engineering, Santa Cruz Campus***

Approval of the following items in connection with the stipend extension for Michael S. Isaacson as Acting Dean–Baskin School of Engineering, Santa Cruz campus:

- a. As an exception to policy, extension of the existing stipend of 20 percent (\$41,247) beyond the one-year duration provided in policy. The stipend plus the adjusted faculty salary of \$206,233 results in total compensation of \$247,480 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. If an adjustment to the base faculty salary is made prior to the termination of this acting role, the 20 percent stipend will be recalculated against the new adjusted faculty base salary.
- c. This appointment is 100 percent time and is effective July 1, 2008 through June 30, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, eligible for sabbatical credits due to dual appointment as tenured 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.

(19) ***Stipend Extension for Eric Van Young as Acting Dean–Division of Arts and Humanities, San Diego Campus***

Approval of the following items in connection with a stipend extension for Eric Van Young as Acting Dean–Division of Arts and Humanities, San Diego campus:

- a. As an exception to policy, extension of the existing 8.5 percent administrative stipend (\$15,919) beyond the one-year duration provided in policy. The stipend plus the adjusted base salary of \$188,344 result in total compensation of \$204,263 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. If an adjustment to the academic-year professorial base salary is made prior to the termination of this acting appointment, the 8.5 percent stipend and the remaining summer ninth(s) will be recalculated against the new base salary.
- c. This appointment is 100 percent time and is effective July 1, 2008 through December 31, 2008.

Additional compensation and related items 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.

(20) ***Stipend Extension for John D.B. Featherstone as Acting Dean–School of Dentistry, San Francisco Campus***

Approval of the following stipend extension for John D.B. Featherstone, Acting Dean–School of Dentistry, San Francisco campus:

- a. As an exception to policy, extension of the existing stipend, effective July 1, 2008, through December 31, 2008, or until the effective date of the appointment of a permanent Dean, whichever occurs first, including up to a three month overlap in service with the current Interim Dean of Dentistry. This appointment is 100 percent time. This represents an exception to policy which allows for an administrative stipend to be paid for up to 12 months.
- b. As an exception to policy, continuation of the existing administrative stipend of 32 percent (\$72,000) to increase his current base salary of \$142,500 and his Health Sciences Compensation Plan (HSCP) salary of \$82,500, for an annual salary of \$297,000 (Salary Grade 111: Minimum 267,700, Midpoint \$344,000, Maximum 420,100). This represents an exception to policy which allows for up to a 15 percent administrative stipend.
- c. The stipend amount of (\$72,000) is to remain constant with any and all salary adjustments, inclusive of merit increases.

Additional compensation and related items include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, continued accrual of sabbatical credits as a member of faculty.
- Per policy, continued authorization by the Regents to participate in the Mortgage Origination Program, with a loan up to \$980,000. The loan will comply with all other normal Mortgage Origination Program parameters.

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.

(21) ***Administrative Stipends for Certain Individuals at the San Francisco Campus***

Approval of administrative stipends for the following individuals at the San Francisco campus:

- a. Per policy, an administrative stipend of \$41,625 (15 percent) for Randy Lopez as Acting Vice Chancellor–Finance and Administration, effective July 1, 2008, through June 30, 2009, including a transition period of up to three months following the permanent assignment of each position, whichever occurs first, to facilitate the smooth transition of responsibilities.
- b. Per policy, an administrative stipend of \$19,980 (10 percent) for Jane Wong as Director–IT Applications and Acting Chief Operating Officer, Office of Academic and Administrative Information Systems, effective July 1, 2008, through June 30, 2009, including a transition period of up to three months following the permanent assignment of each position, whichever occurs first, to facilitate the smooth transition of responsibilities.
- c. Per policy, an administrative stipend of \$20,813 (7.5 percent) for Eric Vermillion as Associate Vice Chancellor, effective June 1, 2008, through May 31, 2009, including a transition period of up to three months following the permanent assignment of each position, whichever occurs first, to facilitate the smooth transition of responsibilities.

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

(22) ***Renegotiated Contract Compensation for Diane Ninemire as Head Women's Softball Coach, Berkeley Campus***

Approval of the following revised compensation terms for Head Women's Softball Coach, Diane Ninemire, Berkeley campus, 100 percent time. Pending approval by the Regents of these compensation terms, Ms. Ninemire's revised contract will be effective July 1, 2007, and terminate June 30, 2011, unless terminated earlier pursuant to the terms of the

Employment Contract or unless the parties agree in writing to the terms of a successor contract or a contract extension prior to that date.

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

- a. Base Salary: This contract increases Coach's annual base salary from \$116,000 to:

<u>Effective Dates</u>	<u>Amount</u>	<u>Percent Increase</u>
07/01/2007 – 06/30/2008	\$133,900	(15.4 percent)
07/01/2008 – 06/30/2009	\$136,875	(2.2 percent)
07/01/2009 – 06/30/2010	\$139,925	(2.2 percent)
07/01/2010 – 06/30/2011	\$143,050	(2.2 percent)

- b. Talent Fee: This contract provides an annual talent fee for the period below:

<u>Effective Dates</u>	<u>Amount</u>	<u>Percent Increase</u>
07/01/2007 – 06/30/2011	\$11,700	(100.0 percent)

- c. This contract provides opportunity to earn annual supplemental compensation up to \$215,750. In addition to the annual guaranteed income, Coach will receive the following performance bonuses for each Contract Year in which such performance is achieved.

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

<u>Achievement</u>	<u>Bonus Amount</u>
PAC-10 Coach of the Year	\$5,000
NFCA Coach of the Year	\$10,000
Place in Top 3 in the PAC-10	\$2,500
Participate in the NCAA Regionals	\$7,500



Participate in the NCAA Super Regional Tournament	\$8,750
Participate in the NCAA College World Series	\$10,000
Participate in the NCAA College World Series Championship	\$10,000
Wins the NCAA College World Series	\$15,000

Coach is not precluded from receiving more than one bonus.

- ii. Athletic Equipment/Apparel Contract Payments: Subject to the receipt of sufficient funds from University contracts with athletic equipment suppliers for the following purposes, Coach will receive payments and performance bonuses during each calendar year of the Contract, as follows:

Annual Payment \$30,000

<u>Achievement</u>	<u>Bonus Amount</u>
Participate in the NCAA Super Regional Tournament	\$ 5,000
Participate in the NCAA College World Series	\$ 5,000
Wins the NCAA College World Series	\$ 5,000

- iii. Camp: At the discretion of the Director of Athletics, for each Contract Year in which Coach participates in a University softball camp or clinic, Coach shall be paid an amount not to exceed the profit from the camp or clinic after all direct and indirect costs are covered, or \$100,000, whichever is lower.

- iv. At the discretion of the Director of Athletics, Coach may receive an allocation of \$2,000 per contract year from funds provided by an equipment apparel supplier to be used for apparel from said equipment apparel program.

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 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 items of compensation include:

- Per contract and consistent with policy, 16 hours of vacation leave accrued each month.
- Per contract and policy, 8 hours of sick leave accrued each month.
- Per policy, eligible for standard health and welfare benefits.
- Consistent with practice, one courtesy car. In the event a car is unavailable, Coach will receive a monthly stipend of \$450 (\$5,400 annually). It is understood that this perquisite may be withdrawn by the Director of 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.

(23) ***Retention Increase for Peter A. Schneider as Campus Counsel–Health Affairs, Irvine Campus***

Approval of the following items in connection with the retention increase for Peter A. Schneider as Campus Counsel – Health Affairs, Irvine campus:

- a. Per policy, retention increase of \$25,500 (13.1 percent) to increase his annual base salary from \$194,500 to \$220,000. (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000; slotting effective August 1, 2008).
- b. Effective June 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.

(24) *Approval of Action Taken Exceeding Recruiting and Negotiation Parameters and Report of Action Taken Within Parameters in the Appointment of Richard Neuheisel as Head Football Coach, Los Angeles Campus*

Approval of the following items in connection with the appointment of Richard Neuheisel as Head Football Coach, Los Angeles campus. Also included is a report of the compensation elements of this appointment that were within approved negotiation thresholds.

- a. Approval by the Regents is requested for the following additional items proposed during contract negotiations which exceeded the parameters:
  - i. As an exception to policy, 100 percent reimbursement for reasonable relocation costs.
  - ii. Access for coach's immediate family to a suite at the Rose Bowl for all regular season games, to be used for donor relations by the coach and the Athletics Department. Appropriate taxation treatment of this issue will be executed by the campus.
  - iii. An annual maximum of up to \$100,000 which could be earned for services performed in conjunction with summer camps under a revenue-sharing arrangement determined at the sole discretion of the Director, Intercollegiate Athletics.
- b. The following terms and conditions are within the recruiting and negotiation parameters approved by the Regents in December 2007:
  - i. Contract Duration:

Five (5) years effective January 1, 2008 through December 31, 2012.
  - ii. Base Salary and Talent Fee:
    - (a) The annual base salary is \$250,000.
    - (b) The annual talent fee is \$1,000,000.

Activities associated with talent fees will include professional services in connection with various

appearances and speaking engagements on television, and radio broadcasts of UCLA football 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, and other sports manufacturers.

iii. Other Incentive Pay:

An annual maximum of up to \$500,000 could be earned for such accomplishments as academic achievement, PAC-10 performance, and participation in Bowl Championship Series.

iv. Other Elements of Compensation:

- (a) Per policy, eligible for standard health and welfare benefits.
- (b) Two courtesy vehicles to be provided by sponsors.
- (c) In accordance with University policies and regulations governing travel and subject to approval by the Director, Intercollegiate Athletics, the University will pay spouse travel for required events outside the Los Angeles area. Appropriate taxation treatment of this issue will be executed by the campus.
- (d) Eligible for participation in the Supplemental Housing Loan Program, with a loan of up to \$1.5 million fixed at 3 percent for the term of the Head Coach agreement.

v. Termination Clause:

Consistent with the recruiting and negotiation parameters, this contract contains a penalty clause for early termination by the coach. If the coach terminates the agreement, he will owe UCLA \$1.5 million dollars in liquidated damages payable within 90 days of his acceptance of employment at a NCAA Division IA athletic program or any professional football team.

The University retains 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 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 coach, as a liquidated damage, a portion of the remaining contract amount restricted to base salary payments only. The University shall not be liable for any University benefits which are not vested, nor for any collateral business opportunities or other benefits associated with the candidate’s position as coach.

The compensation provided under these agreements will be paid from existing non-State fund sources, including already received ticket revenue.

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.

(25) ***Approval of Two Actions Reported in the Annual Report on Executive Compensation and Other Related Corrective Actions***

Approval of the following corrective actions as shown in Attachment 2 and effective as noted. These actions are being brought forward pursuant to the July 1, 2006 Regents’ Item (*Procedures for Setting Compensation in 2006-07 For Those Classified in the Senior Leadership Compensation Group and Other Specified Non-Faculty Employees*) to be effective July 1, 2007 through June 30, 2008, which requires salary actions resulting in specified compensation exceeding the Indexed Compensation Level (ICL) of \$205,000, increasing base salary in excess of 7.5 percent, and/or resulting in exceptions to policy to be individually approved by the Regents.

- a. Two corrective actions from the 2007 Annual Report on Executive Compensation presented at the March 2008 Regents Meeting, as shown in Attachment 2.
  - i. The payment of compensation exceeding the ICL to an Assistant Dean and Adjunct Professor at the Los Angeles campus.

- ii. Accrual of exceptional vacation leave for one attorney in the Office of the General Counsel who has compensation exceeding the ICL. The suggested corrective action is consistent with the guidelines for resolution approved by the Regents in May 2007.
- b. Twenty-five additional corrective actions involving the accrual of exceptional vacation leave for the remaining twenty-five attorneys shown on Attachment 2. Three of these individuals have compensation exceeding the ICL. The remaining twenty-two do not have compensation exceeding the ICL; however, in the interests of full disclosure they are being brought forward. These corrective actions were not identified in the 2007 Annual Report on Executive Compensation. The suggested corrective action is consistent with the guidelines for resolution approved by the Regents in May 2007.
- c. One corrective action at the San Francisco campus concerning the approval and payment of an administrative stipend as shown in Attachment 2.

This item reflects only compensation related to corrective actions recommended for approval. Approved actions in this item will be released to the public upon approval of the Regents.

(26) ***Salary Adjustment for Sally J. Marshall as Vice Provost, Academic Affairs, San Francisco Campus***

Approval of the following compensation reallocation for Sally J. Marshall as Vice Provost, Academic Affairs, San Francisco campus:

- a. Decrease Health Sciences Compensation Plan compensation in the amount of \$18,700 (-33.4 percent), from \$35,000 to \$16,300.
- b. Increase the current base salary of \$226,200 by \$18,700 (8.3 percent) to \$244,900, the midpoint of SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- c. Effective July 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior

management life insurance and executive business travel insurance).

- Per policy, ineligible to participate in executive salary continuation for disability benefit due to not yet attaining five years in the Senior Management Group program.
- Per policy, continued participation in the Staff Recognition Award Program, with a maximum potential payout of up to 10 percent of base salary.
- Per policy, ineligible to participate in the 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.

(27) ***Salary Adjustment for A. Eugene Washington as Executive Vice Chancellor and Provost, San Francisco Campus***

Approval of the following compensation reallocation for A. Eugene Washington, Executive Vice Chancellor and Provost, San Francisco campus:

- a. Decrease Health Sciences Compensation Plan compensation in the amount of \$94,700 (-64.4 percent), from \$147,000 to \$52,300.
- b. As an exception to policy, increase in base salary of \$290,600 by \$94,700 (32.6 percent) to \$385,300, the midpoint of SLCG Grade 112 (Minimum \$298,900, Midpoint \$385,300, Maximum \$471,500).
- c. Effective July 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive business travel insurance).
- Per policy, ineligible to participate in executive salary continuation for disability benefit due to not yet attaining five years in the Senior Management Group program.
- Per policy, ineligible to participate in the senior management supplemental benefit program due to tenured faculty position.
- Per policy, an automobile allowance in the form of a monthly cash allowance of \$743 (\$8,916 per annum).

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.

(28) ***Appointment Compensation Amendment for Sorena Nadaf as Chief Informatics Officer, Cancer Center, San Francisco Campus***

Approval of the following amendment to the appointment compensation for Sorena Nadaf as Chief Informatics Officer, San Francisco campus:

- a. Per policy, a relocation allowance of \$46,250 (25 percent) of base salary to be paid as a lump sum. The amount is to be repaid should the incumbent terminate employment with the University, either voluntarily or for cause, within two years of the initial payment of the allowance. The repayment amount is to be pro-rated over the two-year period.
- b. Effective upon approval of the Regents.

Additional items of compensation already approved in January 2008 include:

- Per policy, standard pension and health and welfare benefits.
- Base salary of \$185,000 for appointment as Chief Informatics Officer, slotted at SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000). This is a 100 percent time appointment.
- As an exception to policy, 100 percent reimbursement of all reasonable moving expenses. This is an exception, as policy allows for a 50 percent reimbursement to MSP staff.
- Per policy, continued eligibility to participate in the School of Medicine Management Incentive Plan with a maximum potential payout of up to 20 percent of base salary (\$37,000).
- Per policy, continued eligibility to participate in the University of California Home Loan Program. Participation is subject to funding availability and current program policies and guidelines.
- Per policy, one house-hunting trip, subject to the limitations under policy for the candidate and spouse/partner and an additional local limitation that the house-hunting trip will not exceed seven days.
- Per policy, reimbursement for temporary living expenses, 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 employment.



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.

(29) ***Interim Slotting, Salary Increase, and Administrative Stipend for Maye Chrisman as Chief Financial Officer and Acting Chief Operations Officer, Department of Medicine, San Francisco Campus***

Approval of the following compensation changes for Maye Chrisman as Chief Financial Officer and Acting Chief Operations Officer, Department of Medicine, San Francisco campus:

- a. Interim slotting of the position of Chief Financial Officer to SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100), as recommended by Mercer Human Resource Consulting.
- b. As an exception to policy, appointment salary of \$195,200. This represents a 28.2 percent (\$42,890) increase to her current base salary of \$152,310, which constitutes an exception to policy allowing up to a 25 percent increase in one year. This is a 100 percent time appointment.
- c. Per policy, continued eligibility to participate in the School of Medicine Management Incentive Plan, with a maximum potential payout of up to 20 percent of base salary (\$39,040).
- d. Per policy, an administrative stipend of 15 percent (\$29,280) of appointment salary in recognition of ongoing management duties as Acting Chief Operating Officer. The stipend percentage of 15 percent is to remain constant with any and all salary adjustments, inclusive of merit increases.
- e. Interim slotting and salary adjustment to be effective July 1, 2008. Administrative stipend effective July 1, 2008, through June 30, 2009, or until the effective date of the appointment of a permanent Chief Operating Officer, whichever occurs first, and including up to a three-month overlap in service.

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

(30) ***Salary Increase for L. Michael Tyburski as Director–Human Resources, San Francisco Campus***

Approval of the following compensation for L. Michael Tyburski as Director–Human Resources, San Francisco campus:

- a. Per policy, a base salary increase of 15 percent (\$29,800), to increase his current base salary of \$198,600 to \$228,400 in recognition of the additional scope of work associated with formalizing the affiliation between UCSF Human Resources and UC Office of the President Human Resources.
- b. Per policy, continued eligibility to participate in the Finance and Administrative Services Incentive Plan, with a maximum potential payout of up to 10 percent of base salary (\$22,840).
- c. Effective July 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.

(31) ***Re-slotting, Salary Increase, and Administrative Stipend for Stella Hsu as Associate Vice Chancellor–Campus Life Services and Office of Strategy Management and Acting Associate Vice Chancellor–Facilities Management, San Francisco Campus***

Approval of the following compensation changes for Stella Hsu as Associate Vice Chancellor–Campus Life Services and Office of Strategy Management and Acting Associate Vice Chancellor–Facilities Management, San Francisco campus:

- a. Re-slotting to SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000), as recommended by Mercer Human Resource Consulting. This is a 100 percent time appointment.

- b. Base salary increase of \$18,870 (10 percent), to increase her base salary from \$188,700 to \$207,570 in recognition of the permanent additional duties assigned to the position.
- c. Per policy, continued eligibility for participation in the Finance and Administrative Services Incentive Plan, with a maximum potential payout of up to 10 percent of base salary (\$20,757).
- d. Per policy, an administrative stipend of \$27,430 (13.2 percent) in recognition of ongoing management duties as Acting Associate Vice Chancellor–Facilities Management. The stipend percentage of 13.2 percent is to remain constant with any and all salary adjustments, inclusive of merit increases.
- e. Re-slotting and salary adjustment to be effective retroactive to July 1, 2008. Administrative stipend effective retroactive to April 1, 2008, through March 31, 2009, or until the effective date of the appointment of a permanent Associate Vice Chancellor–Facilities Management, whichever occurs first and including up to a three-month overlap in service.

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.

(32) ***Additional Compensation of One Summer Month for Various Employees at Multiple Campuses***

Approval of the payment of additional compensation, approximately equivalent to one month of salary, to various employees at multiple campuses, as listed in Attachment 3. These payments are in accordance with Staff Policy II-30.J.2.

The compensation described above includes only the University's commitment for the one summer month salary outlined in this recommendation. All compensation in this recommendation will be released to the public immediately following approval by the Regents.

(33) ***Increase in Appointment and Salary Adjustment for Maria Herrera-Sobek as Associate Vice Chancellor–Diversity, Equity and Academic Programs, Santa Barbara Campus***

Approval of the following items in connection with the increase in appointment and salary of Maria Herrera-Sobek, as Associate Vice Chancellor–Diversity, Equity and Academic Programs, Santa Barbara campus:

- a. Increase in appointment from 50 percent time to 100 percent time.
- b. Annual base salary of \$225,000 (SLCG Grade 106: Minimum \$150,000, Midpoint \$189,900, Maximum \$229,700), which reflects a 9.7 percent (\$19,950) increase in salary.
- c. Effective July 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management 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.

B. ***Various Compensation Actions Regarding Attorneys in the Office of General Counsel***

The Committee recommends approval of the following actions for certain attorneys within the Office of General Counsel:

- (1) As an exception to policy, extension of existing stipends for six attorneys currently serving in interim lead capacities over the six functional areas of the Office of the General Counsel in order to facilitate continuity of leadership until permanent appointments are made. The maximum stipend amounts will not exceed those currently extended and identified further below. The exact amount will be determined by the General Counsel and Vice President of Legal Affairs and will be reported at the following Regents meeting.

- a. This extension is an exception to policy with regard to duration for all six attorneys and a potential exception to policy with regard to the 15 percent maximum for three attorneys.
- b. The extension is recommended to be effective July 1, 2008 through June 30, 2009 or until a permanent appointment is made, whichever is sooner.
- c. In the event there is an increase to the base salary of these attorneys, their stipend will be reduced to ensure that the maximum resultant salary described further below is not exceeded.

<b>Employee Name</b>	<b>Acting Title</b>	<b>Current Annual Base Salary</b>	<b>Proposed Annualized Stipend \$ MAXIMUM Amount Eff 7/1/08</b>	<b>Proposed Annualized Stipend % MAXIMUM Amount</b>	<b>Total Annual Salary Including Stipend (ASSUMING MAXIMUM AMOUNT) Eff 7/1/08</b>
Beam, Joanna	Interim Lead	\$200,200	\$24,800	12.4%	\$225,000
Birnbaum, David	Interim Lead	\$167,045	\$57,955	34.7%	\$225,000
Blair, Jeffrey	Interim Lead	\$164,220	\$63,980	39.0%	\$228,200
Garvin, Anthony	Interim Lead	\$ 150,237	\$49,763	33.1%	\$200,000
Norris, Janet	Interim Lead	\$182,117	\$17,883	9.8%	\$200,000
Thomas, Susan	Interim Lead	\$182,117	\$17,883	9.8%	\$200,000

- (2) Designation of two existing, vacant Manager and Senior Professional (MSP) personnel program positions as Senior Management Group (SMG) positions to create Deputy General Counsel positions within the organizational structure of the Office of the General Counsel in Oakland, upon approval of the Regents.

- (3) Per policy, increase of the existing Senior Management Supplemental Benefit from 3 percent to 5 percent for five Chief Campus Counsel incumbents as displayed further below, effective August 1, 2008.

Employee Name	Title	Current Annual Base Salary	Current Senior Management Supplemental Benefit	Proposed Senior Management Supplemental Benefit Effective 8/1/08	Annual Dollar Value of 5% SMSB Effective 8/1/08
Canning, Marcia	Chief Campus Counsel & Associate General Counsel, UCSF	\$217,200	3%	5%	\$10,860
Coyle, Michele	Chief Campus Counsel & Associate General Counsel, UCR	\$175,000	3%	5%	\$8,750
Drown, Steven	Chief Campus Counsel & Associate General Counsel, UCD	\$178,300	3%	5%	\$8,915
Geocaris, Diane	Chief Campus Counsel & Associate General Counsel, UCI	\$196,900	3%	5%	\$9,845
Smith, Michael	Chief Campus Counsel & Associate General Counsel, UCB	\$180,900	3%	5%	\$9,045

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.

**C. *Appointment of Associate of the President***

The Committee recommends that the following items in connection with the appointment of Judith Yudof as Associate of the President be approved:

- (1) Appointment of Judith Yudof as Associate of the President effective June 16, 2008 and extending through the period of President Yudof's appointment as President.

- (2) This appointment is subject to the Policy on the Associate of the President and the Associate of the Chancellor, as approved by the Regents July 2007.
- (3) Budget for the Associate to the President in the amount of \$20,500 for 2008-09 to be included as a discrete item in the budget of the President's immediate office.

**D. *Proposed Performance Management Review Process for Senior Management Staff at the University of California***

The Committee recommends approval of the following actions effective July 1, 2008:

- (1) Revise the Senior Management Group policy on the Performance Management Review Process (Policy), as shown in Attachment 4, with the 2008/09 goals and objectives for affected individuals established under this Policy. This policy will apply to all employees whose position is designated to be in the Senior Management Group (SMG), inclusive of Officers of the University per Regents Standing Order 100.1.a, and also including Deans. The policy excludes the direct reports to the Regents (i.e., the General Counsel, the Chief Compliance and Audit Officer, the Chief Investment Officer and the Secretary and Chief of Staff to The Regents) since they already have a slightly different review and assessment process directed by key Regents.
- (2) Authorize the Office of the President, Human Resources and Benefits to implement the proposed policy.

**E. *Appointment of and Total Compensation for Alan L. Hoffman as Senior Vice President for External Relations, Office of the President***

The Committee recommends that an annual salary of \$370,000 (SLCG Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100) be approved for Alan L. Hoffman as Senior Vice President for External Relations, Office of the President, 100 percent time, effective no later than August 11, 2008, along with the additional compensation items listed below:

- (1) Per policy, eligibility to participate in the University Home Loan Program.
- (2) As an exception to policy, reimbursement of reasonable costs associated with temporary accommodations not to exceed \$25,000 over a period of six months commencing with employment.
- (3) Per policy, an annual automobile allowance of \$8,916.

- (4) Per policy, 100 percent reimbursement of reasonable relocation expenses.
- (5) Per policy, an Administrative Fund for official entertainment and other purposes that comply with University policy.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

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

Upon motion of Regent Varner, duly seconded, the recommendations of the Committee on Compensation were approved.

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

A. ***Proposed Public Phase of Fundraising Campaign, Irvine Campus***

The Committee recommended that the proposal from the Irvine campus, jointly with the University of California, Irvine Foundation, to conduct a comprehensive fundraising campaign with a goal of \$1 billion to support UC Irvine's students, faculty and programs with strengthened endowment, capital, and current-use funding, be approved, subject to the condition that each capital project has been or would be approved at the appropriate time in accordance with Regental policy.

B. ***Establishment of a School of Medicine, Riverside Campus***

The Committee recommended that, effective immediately, Section 15 (a) of The Regents' provisions as covered under the Standing Order 110.1 – Academic Units and Functions, Affiliated Institutions, and Related Activities of the University, be amended as follows:

**Additions shown by underscoring**

\*\*\*

15. Professional Schools



- (a) There are established the following schools, with curricula based on two or more years of undergraduate work:

\*\*\*

School of Medicine, at Riverside, with curricula leading to the degrees of Doctor of Medicine and Doctor of Philosophy.

The School shall not admit or enroll students until the President is satisfied that the resources estimated to be necessary for start-up and to sustain operations are obtained.

Upon motion of Regent Island, duly seconded, the recommendations of the Committee on Educational Policy were approved.

## 8. **REPORT OF THE COMMITTEE ON FINANCE**

### A. *Authorization for Increase of Commercial Paper Program*

The Committee recommended that:

- (1) The President be authorized to increase the current Commercial Paper (CP) Program from \$550 million to \$2 billion. The reauthorization of the CP Program would be issued for the following:
  - a. \$1.5 billion Commercial Paper (tax-exempt/taxable) authorization for interim financing related to capital projects, interim financing of equipment, financing of working capital for the University's teaching hospitals, and other University working capital needs; and
  - b. \$500 million Commercial Paper (taxable) authorization for standby/interim financing for gift-related projects.

In addition, the following are conditions for issuance:

- a. The proceeds of the CP Program shall not be expended for any capital project until the Budget for Capital Improvements and the Capital Improvement Program have been appropriately amended, the applicable environmental review process for each project has been completed, and the specific financing for each project has been approved by the Regents;
- b. The proceeds of the CP Program shall not be expended for equipment until all applicable University procedures for equipment acquisitions have been met;

- c. The proceeds of the CP Program shall be utilized for hospital working capital in accordance with Regental policy regarding the level of working capital advances;
  - d. The proceeds of the CP Program may be utilized for University working capital purposes with the approval of the President;
  - e. Repayment of the CP Program and the interest thereon for project acquisitions, construction and related equipment shall be from income, rentals, fees, rates, charges and other moneys derived from the projects so financed or from such other funds as may be approved by the Regents;
  - f. Repayment of the CP Program and the interest thereon for the acquisition of equipment shall be from the University's operating budget allocated for such purposes, or such other funds as may be approved by the Regents;
  - g. Repayment of the CP Program and the interest thereon for hospital working capital shall be from the gross revenues of the teaching hospitals, or such other funds as may be approved by the Regents;
  - h. Repayment of the CP program and the interest thereon for other working capital needs shall be from the University's operating budget allocated for such purposes, or such other funds as may be approved by the Regents; and
  - i. The general credit of the Regents shall not be pledged.
- (2) Commercial paper shall be issued at such times, in such series (which may be taxable or tax-exempt), in such amounts (but not to exceed \$2 billion at any one time outstanding), and at such interest rates (not to exceed 12 percent), as may be determined by the President.
  - (3) The President be authorized to either utilize legally available cash balances in the unrestricted portion of Short Term Investment Pool/Total Return Investment Pool (STIP/TRIP) as liquidity support for the CP Program or, if necessary, negotiate a standby letter of credit, line of credit or other liquidity agreement provided that repayment of any advances shall be provided from sources identified in 1(e), 1(f), 1(g) and 1(h).
  - (4) As appropriate, the Officers of The Regents be authorized to provide a certification that interest paid by the Regents on the tax-exempt commercial paper is excluded from gross income for purposes of federal income taxation under existing law; and
  - (5) The Officers of The Regents be authorized to execute all documents and agreements that may be necessary to effect the purposes of this action and the transactions contemplated hereby, including, but not limited to, dealer agreements, an issuing and paying agent agreements, an indenture,

commercial paper memorandum, and an agreement providing liquidity for the commercial paper.

B. ***Authorization to Establish a Limited Liability Company with Foothill-De Anza Community College District for the Planning and Evaluation of a Shared Research, Development and Educational Facility to Be Located at NASA Ames Research Center, Moffett Field, California, Santa Cruz Campus***

The Committee recommended that the Regents authorize the President, in consultation with the General Counsel, to negotiate and execute all documents necessary to establish a two-member limited liability company ("Evaluation LLC") comprised of Foothill-De Anza Community College District ("Foothill-De Anza") and the University of California ("UC") for the purpose of evaluating the feasibility of, and planning for, a possible shared research, development, residential and educational park ("Shared Facility") at the NASA Ames Research Center ("NASA Ames") on federal land designated as the NASA Research Park (NRP) provided, however, that:

- (1) The limited liability company shall not be authorized to enter into any legally binding agreement to proceed with the development of such a facility; and
- (2) Any legally binding agreement to proceed with the development of such a facility will require separate action by the Regents after all required environmental evaluations have been completed.

This action does not constitute a decision by the Regents as to whether to undertake the development of a Shared Facility at NASA Ames.

This authorization is pursuant to Standing Order 100.4(oo), which requires Regental approval of the participation of the University in the establishment of corporations, companies or partnerships.

C. ***Endorsement of Children's Hospital Bond Act of 2008***

The Committee recommended that the Regents endorse the Children's Hospital Bond Act of 2008 and direct the President to inform UC constituents and supporters of the benefit to the medical centers, consistent with what is allowable under current state law, Regental policy and Presidential authority.

Upon motion of Regent Wachter, duly seconded, the recommendations of the Committee on Finance were approved.

**9. REPORT OF THE COMMITTEE ON GOVERNANCE*****Amendment of Regents' Policy on Board Education and Assessment***

The Committee recommended that the Policy on Board Education and Assessment be amended as follows:

**Deletions show by strikeout****POLICY ON BOARD EDUCATION AND ASSESSMENT**

- A. A formal orientation program be established for newly appointed Regents to assist them to perform their duties. The program shall provide information regarding the University's history and structure, the individual campuses, the broad range of policy issues expected to come before the Board as well as the recent history of issues before the Board, and the laws and policies that govern a Regent's fiduciary duties. Orientation sessions also shall be open to continuing Regents as appropriate.
- B. The Chair of the Committee on Governance, in consultation with the Chairman of the Board, assign continuing Regents to act as mentors on an ongoing basis for newly appointed Regents. In addition, Committee chairs shall consult with Regents newly appointed to their Committees to determine if a committee mentor is appropriate.
- C. The Board conduct periodic Board retreats to discuss governance and planning issues as needed. The Chairman of the Board, after consulting with the President and Board members, shall determine the timing, location, and agenda of the retreat. It is anticipated that the first retreat shall be conducted by the end of the third quarter of 2008
- D. The Board evaluate Board performance through an appropriate process, determined by the Committee on Governance. The evaluation may be conducted in conjunction with a Board retreat or separately. ~~It is anticipated that the first evaluation shall be conducted by the end of the third quarter of 2008.~~

Upon motion of Regent Lansing, duly seconded, the recommendation of the Committee on Governance was approved.

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

The Committee presented the following from its meeting of May 27, 2008:

**A. *Certification of Environmental Impact Report and Approval of Design, Helios Energy Research Facility, Berkeley Campus***

Upon review and consideration of the environmental consequences of the proposed project, the Committee reported its:

- (1) Certification of the Environmental Impact Report (EIR);
- (2) Adoption of the Mitigation Monitoring Program and Findings and Statement of Overriding Considerations; and,
- (3) Approval of 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."

[The Environmental Impact Report, Mitigation Monitoring Program and Findings and Statement of Overriding Considerations were mailed to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

**B. *Certification of Environmental Impact Report and Approval of Design, Computational Research and Theory Facility, Lawrence Berkeley National Laboratory and Berkeley Campus***

Upon review and consideration of the environmental consequences of the proposed project, the Committee reported its:

- (1) Certification of the Environmental Impact Report;
- (2) Adoption of the Mitigation Monitoring Program and Findings and Statement of Overriding Considerations; and,
- (3) Approval of the design of the Computational Research and Theory Facility, Lawrence Berkeley National Laboratory and Berkeley campus.

[The Environmental Impact Report, Mitigation Monitoring Program and Findings and Statement of Overriding Considerations were mailed to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

From its meeting of July 15, 2008:

C. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Berkeley Art Museum and Pacific Film Archive (BAM/PFA), Berkeley Campus***

The Committee recommended that the 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Berkeley Art Museum and Pacific Film Archive – partial preliminary plans and design development – \$3,500,000, to be funded from gifts.

To: Berkeley: Berkeley Art Museum and Pacific Film Archive – preliminary plans and design development – \$12,000,000, to be funded from gifts.

D. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Segundo Services Center, Davis Campus***

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

Davis: Segundo Services Center – preliminary plans – \$1,498,000 to be funded from Housing Reserves.

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Student Community Center, Davis Campus***

The Committee recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Student Community Center – preliminary plans, working drawings, and construction – \$30,393,000 to be funded from external financing (\$23,393,000), Campus Expansion Initiative reserves (\$5,500,000), and Facilities and Campus Enhancement reserves (\$1,500,000).

- (2) The President be authorized to approve external financing not to exceed \$23,393,000 to finance the Student Community Center, 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 Campus Expansion Initiative Fee approved by student vote in November 2002 and approved by the President in March 2003, Registration Fees, and the Davis campus' share of the University Education Fund shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing; and
  - 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.

**F. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Stem Cell Research Building, Irvine Campus***

The Committee recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Irvine: Irvine Biomedical Research Facility 4 (IBRF-4) – preliminary plans – \$1,882,000, to be funded from campus ground lease revenues.

To: Irvine: Stem Cell Research Building – preliminary plans, working drawings, construction, and equipment – \$66,617,000, to be funded from California Institute for Regenerative Medicine (CIRM) funds (\$27,156,000), external financing (\$15,000,000), gifts (\$23,307,000), and equipment grants (\$1,154,000).

- (2) The President be authorized to obtain external financing not to exceed \$15,000,000 to finance the Stem Cell Research Building, 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 Irvine 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; and

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

- (3) 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 and Approval of External Financing, Student Housing Phase 3, Merced Campus***

The Committee recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Merced: Student Housing Phase 3 - Preliminary plans, working drawings, construction, and equipment – \$42,000,000 to be funded from external financing.

- (2) The President be authorized to obtain external financing not to exceed \$42,000,000 to finance the Student Housing Phase 3 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 Merced 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; and

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

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

H. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Telemedicine and Prime-HEq Education Facility, San Diego Campus***

The Committee recommended that:



- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Telemedicine and PRIME-HEq Education Facility – preliminary plans, working drawings, construction, and equipment – \$60,227,000 to be funded from State funds (\$35,000,000), external financing (\$20,457,000), capitalized leases (\$1,950,000), campus funds (\$2,320,000) and University funds (\$500,000).

To: San Diego: Telemedicine and PRIME-HEq Education Facility – preliminary plans, working drawings, construction, and equipment – \$65,026,000 to be funded from State funds (\$35,000,000), external financing (\$25,256,000), capitalized leases (\$1,950,000), campus funds (\$2,320,000), and University funds (\$500,000).

- (2) The President be authorized to obtain external financing not to exceed \$25,256,000 to finance the Telemedicine and PRIME-HEq Education Facility, 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 financing shall be from the San Diego campus' share of the University Opportunity Fund.
  - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification that interest paid by the Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

**I. *Adoption of Findings and Amendment of the Long Range Development Plan, Mission Bay Planning Principles, San Francisco Campus***

The Committee reported its:

- (1) Adoption of the Findings that the proposed amendment to the Long Range Development Plan (LRDP) is exempt from the California Environmental Quality Act;
- (2) Amendment to the LRDP Chapter 4: Goals and Objectives to reference Mission Bay Planning Principles; and

- (3) Addition to the LRDP Appendix K: Mission Bay Planning Principles to the LRDP, San Francisco Campus.

[The Findings, Amendment to the LRDP Chapter 4: Goals and Objectives, and Addition to the LRDP Appendix K: Mission Bay Planning Principles were mailed to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

J. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Biomedical and Health Sciences Building, Berkeley Campus***

The Committee recommended that:

- (1) The 2006-07 and 2008-09 Budgets for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Biomedical and Health Sciences Building – preliminary plans, working drawings, and construction – \$256,653,000, to be funded from gifts (\$128,900,000), State funds (\$52,700,000), and external financing (\$75,053,000).

To: Berkeley: Biomedical and Health Sciences Building – preliminary plans, working drawings, and construction – \$266,153,000, to be funded from gifts (\$108,716,500), State funds (\$52,700,000), California Institute for Regenerative Medicine grant funds (\$20,183,500), campus funds (\$1,000,000), and external financing (\$83,553,000).

**Deletions shown by strikeout; additions by underscore**

- (2) The President be authorized to obtain external financing not to exceed ~~\$75,053,000~~ \$83,553,000 to finance Step 1 of the Biomedical and Health Sciences 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. Repayment of the debt shall be from the Berkeley campus' shares of the University Education Fund and the University Opportunity Fund.
  - c. The general credit of the Regents shall not be pledged.

- (3) The President be authorized to obtain standby financing not to exceed ~~\$57,000,000~~ \$49,429,000 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, in the event such gift funds are insufficient, from the Berkeley campus' share of the University Opportunity Fund.
  - 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.

K. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Health Sciences Surge Building, Riverside Campus***

The Committee recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:
- From: Riverside: Health Sciences Surge Building – preliminary plans – \$1,747,000 to be funded from funds available to the campus.
- To: Riverside: Health Sciences Surge Building – preliminary plans, working drawings, and construction – \$36,371,000 to be funded from external financing (\$30,000,000) and funds available to the campus (\$6,371,000).
- (2) The President be authorized to obtain external financing not to exceed \$30,000,000 to finance the Health Sciences Surge Building project, subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, the Riverside 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; and

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

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

L. ***Consideration of the 2020 Long Range Development Plan Environmental Impact Report (2005) and Addenda and Approval of Design, Law Building Infill, Berkeley Campus***

Upon review and consideration of the environmental consequences of the proposed project as described in the Addendum to the 2020 Long Range Development Plan Environmental Impact Report (LRDP EIR), the Committee reported its:

- (1) Adoption of the Findings and  
(2) Approval of the design, Law Building Infill, Berkeley campus.

[The Findings were mailed to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

M. ***Adoption of Mitigated Negative Declaration and Approval of Design, Porter College House B Addition, Santa Cruz Campus***

Upon review and consideration of the environmental consequences of the proposed project, the Committee reported its:

- (1) Adoption of the Initial Study and Mitigated Negative Declaration,  
(2) Adoption of the Findings, and  
(3) Approval of the design for 120 new student rooms to be added to the existing Porter College House B in connection with the Porter College Seismic and Capital Renewal Phase 1 and House B Addition project, including alterations to the fifth floor and addition of sixth floor, Santa Cruz campus.

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

N. *Academic Health Facilities Reconstruction Plan, Phase II, Los Angeles Campus*

The Committee recommended concurrence with the plan as presented at its July 15 meeting and its prioritization. In conjunction with the UCLA Chancellor and campus staff, the President will return to the Committee with an implementation program, including a plan to acquire necessary funds from the state for projects at UCLA and other campuses.

Upon motion of Regent Schilling, duly seconded, the recommendations of the Committee on Grounds and Buildings were approved.

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

A. *Approval of Resolution to Exclude Access to Classified Information for a Regent*

The Committee recommended that the Regents adopt the following resolution pertaining to the University's respective Department of Defense and Department of Energy Facility Security Clearances, as follows:

WHEREAS, current Department of Defense and Department of Energy Regulations contain a provision making it mandatory that the Chairman of the Board, Chief Executive Officer, and those other officers and officials who are to have access to classified information meet the personnel clearance requirements established for a contractor's facility clearance; and

WHEREAS, said Regulations permit the exclusion from the personnel clearance requirements of certain members of the Board of Regents, provided that this action is recorded in the Board Minutes;

NOW, THEREFORE, BE IT DECLARED that the Chairman of the Board, at least an official quorum of the Board of Regents, and the Chief Executive Officer at the present time do possess, or will be processed for, the required security clearance; and

BE IT RESOLVED that in the future, when any individual enters upon any duties as Chairman of the Board, as a replacement for one of the cleared quorum of the Board, or as the Chief Executive Officer, such individual shall immediately make application for the required security clearance; and

BE IT RESOLVED FURTHER that the following member of the Board of Regents shall not require, shall not have, and shall be effectively excluded from access to all classified information in the possession of the Corporation and does not occupy a position that would enable her to affect adversely Corporate policies or practices in the performance of

classified contracts for the Department of Defense, U.S. Department of Energy or contracts with other Federal User Agencies of the National Industrial Security Program:

<u>NAME</u>	<u>TITLE</u>
Deborah Cole	Regent

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

12. **AMENDMENT OF STANDING ORDER 100.4 CONCERNING THE PRESIDENT'S DUTIES RELATED TO REAL ESTATE**

At the May 15, 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 Standing Order 100.4 – Duties of the President of the University, as shown below.

**Deletions shown by strike out, additions by underscore**

STANDING ORDER 100.4

DUTIES OF THE PRESIDENT OF THE UNIVERSITY

Standing Order 100.4—Duties of the President

**Additions shown by underlining; deletions shown by strikeout.**

.....

(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 facilitiesreal 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 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.

.....

(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 ~~\$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 ~~\$120~~ million up to and including ~~\$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 \$260 million require Board approval.

.....

(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.~~

.....

Regent Hopkinson noted that the proposed amendment delegates authority for real estate transactions or purchase of property up to \$60 million, a significant increase, without Regental oversight. She opined that non-budgeted items should be submitted for Regental approval. She observed that Regents' approval is required for capital items significantly below this dollar threshold. Chairman Blum suggested, and the Board concurred, that action on this item would be postponed until the next meeting.

### 13. **REPORT OF INTERIM ACTIONS**

Secretary and Chief of Staff Griffiths reported that, in accordance with authority previously delegated by the Regents, interim action was taken on routine or emergency matters as follows:

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

***Appointment of Regent to Standing Committee***

That Regent Reiss be appointed to the Committee on Grounds and Buildings, effective immediately.

- B. The Chairs of the Committee on Compensation and Finance approved the following recommendation:

***Approval of Terms and Conditions Pertaining to Leased Accommodations for the President***

Approval of the following terms in connection with the lease of the residence located in Oakland by The Regents as Tenant for Mark G. Yudof as President:

- (1) A two-year lease commencing on June 15, 2008 and extending to June 15, 2010.
- (2) Rent of \$11,360 per month (comprised of \$10,000 for the facilities and \$1,360 for the furnishings) for the first 12 months of the lease.
- (3) Rent will increase to \$11,750 per month (comprised of \$10,340 for the facilities and \$1,410 for the furnishings) for the second 12 months of the lease.
- (4) Utilities (including gas, electric, and water), landscaping/gardening, cable/internet, and refuse collection paid by landlord and an allocated share reimbursed by tenant. It is estimated that these will amount to approximately \$2,025 per month, on average.



- (5) A refundable security deposit of \$32,100 paid into a trust account held by the owner of the property.

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

(1) ***Establishment and Interim Slotting of New Position and Appointment Salary for Frank D. Yeary as Vice Chancellor, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Frank D. Yeary as Vice Chancellor, Berkeley campus:

- a. Establishment of a new position within the Senior Management Group, Vice Chancellor, Berkeley campus.
- b. Approval of interim slotting at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400), as recommended by Mercer Human Resource Consulting Group.
- c. Per policy, an appointment salary of \$200,000 at SLCG Salary Grade 108. Per policy, ineligible for merit consideration until October 2009.
- d. This appointment is 100 percent time and effective August 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, 5 percent contribution to the Senior Management Supplemental Benefit Program.

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

(2) ***Appointment Salary for Thomas O. Baldwin as Dean-College of Natural and Agricultural Sciences, Riverside Campus***

Approval of the following items in connection with the appointment of Thomas O. Baldwin as Dean-College of Natural and Agricultural Sciences, Riverside campus:

- a. Appointment salary of \$235,000. This represents a 41.1 percent increase in Mr. Baldwin's current salary of \$166,544 at Salary Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- 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 management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, eligible to accrue sabbatical credits due to dual academic appointment.
- Per policy, ineligible for Senior Management Supplemental Benefit Program due to dual academic appointment.
- Per policy, moving expenses up to 100 percent of allowable expenses.
- Per policy, participation in the Mortgage Origination Loan Program, available to be exercised within a period not to exceed 24 months from date of employment.
- Per policy, a relocation allowance of \$58,750 (25 percent). The policy allows for a relocation allowance of up to 25 percent of base salary. This allowance will be paid in annual installments over four years from the date of hire, with installments of 40 percent, 30 percent, 20 percent and 10 percent to offset the costs of relocating Mr. Baldwin's home to the Riverside area. If he terminates employment during that period, any remaining payments under the program will be forfeited.

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 of David Ernst as Chief Information Officer and Associate Vice President for Information Technology, Office of the President***

Approval of the following items in connection with the appointment of David Ernst as Chief Information Officer and Associate Vice President for Information Technology, Office of the President:

- a. Appointment salary of \$238,000, effective no later than July 28, 2008, 100 percent time, at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). Eligible for merit/equity increase consideration under the October 2009 program.
- b. Reimbursement of reasonable, actual cost of temporary housing in the Oakland area for up to 30 days to a maximum amount of \$4,000.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- A review will be conducted of previous UC-related service and service at other entities which may have reciprocity rights to determine appropriate service-related credits for the University of California Retirement Plan and other service-based benefits.
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, participation in the University of California Home Loan Program, available to be exercised within a period not to exceed 12 months from date of employment. Participation will comply with all normal University and campus program parameters.

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) ***Establishment and Interim Slotting of New Position and Appointment Salary for Heather M. Young as Associate Vice Chancellor for Nursing and Founding Dean of the Proposed Betty Irene Moore School of Nursing, UC Davis Health System***

Approval of the following items in connection with the establishment and slotting of a new position and appointment of Heather M. Young, as Associate Vice Chancellor and Dean for Nursing:

- a. Establishment of a new position within the Senior Management Group, Associate Vice Chancellor for Nursing and Founding Dean of the proposed Betty Irene Moore School of Nursing, UC Davis Health System.

- b. Approval of interim slotting at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400), as recommended by Mercer Human Resource Consulting Group.
- c. Per policy, an appointment salary of \$290,000. This represents a 104 percent increase over her current compensation of \$142,270. Per policy, ineligible for merit consideration until October 2009.
- d. This appointment is 100 percent time and effective July 1, 2008.
- e. As an exception to policy, participation in the Health Sciences Compensation Plan, covered under the existing UC Davis Medical School's Health Sciences Compensation Plan up to \$60,000, bringing total compensation to \$350,000. The campus has created an integrated plan that includes both the Medical School and the School of Nursing, consistent with the mission of the campus. Further, a request has been submitted and the campus is awaiting its approval. During the intervening time, participation will comply with all University of California Davis Health System parameters.
- f. As an exception to policy, full reimbursement for up to two house hunting trips to the Sacramento region (for two people), not to exceed \$3,000.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible for participation in the Senior Management Supplemental Benefits Program due to dual appointment as a faculty member.
- Per policy, participation in the University of California Mortgage Origination Program up to \$800,000. Participation will comply with all University and campus program parameters.
- Per policy, a relocation allowance of 25 percent of base pay (\$72,500). Four-year service requirement and payback provision of 25 percent for each year of uncompleted service.
- Per policy, full reimbursement for packing, transportation, and insurance (but not storage) of household goods, not to exceed \$10,000.

- Per policy, full reimbursement for the total cost of moving Ms. Young's personal library, not to exceed \$6,000 (such library is to be made generally available to students and 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.

(5) ***Appointment Salary for Harry Le Grande as Vice Chancellor–Student Affairs, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Harry Le Grande as Vice Chancellor–Student Affairs, Berkeley campus:

- a. As an exception to policy, a salary of \$215,000. This represents a 34.3 percent increase in Mr. Le Grande's salary over his Associate Vice Chancellor salary of \$160,105 at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This increase, which is above the 25 percent allowed by policy, is recommended due to the incumbent's low current salary and the fact that he will not be eligible for merit consideration in October 2008.
- b. This appointment is 100 percent time and effective June 1, 2008.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance and executive salary continuation for disability).
- Per policy, 5 percent contribution to the Senior Management Supplemental Benefit Program.

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

(6) ***Extension of Appointment of and Total Compensation for Robert D. Grey as Acting Chancellor, Riverside Campus***

Approval of the following items in connection with the extension of the appointment of and total compensation for Robert D. Grey as Acting Chancellor, Riverside campus:

- a. Continuation of an appointment salary of \$300,000.
- b. Extension of the current one-year appointment, scheduled to end June 28, 2008, effective June 29, 2008 through July 17, 2008 at 100 percent time.
- c. Per policy, auto allowance at the rate of \$743.00 per month.
- d. As an exception to policy, Mr. Grey will continue to be required to live in the Chancellor's house through the end of June 2008.
- e. As an exception to policy, payment of reasonable hotel accommodations from July 1 through July 14, 2008. Since the Chancellor's house will be unavailable beginning July 1, 2008, Mr. Grey will be required to live in a hotel to remain near campus. Because this payment will be taxable, Mr. Grey will be reimbursed for the income and Medicare taxes associated with the payment.
- f. As an exception to policy, because Mr. Grey will not have access to a kitchen from July 1 through July 14, 2008, reimbursement for meals using standard business travel policy during this period. Since this payment will be taxable, Mr. Grey will be reimbursed for the income and Medicare taxes associated with the reimbursement.
- g. As an exception allowed under the guidelines for rehired retirees, retirement pension benefits will continue since Mr. Grey has elected to continue his monthly UCRP retirement income by signing the UCRP Rehired Retiree Election Form. Under University policy, this will result in there being no accrual of additional pension service credit during his appointment as Acting Chancellor.
- h. As an exception to policy, three round-trip coach air fares between Riverside, California, and Davis, California during the extension period to fulfill family commitments.

Additional items of compensation include:

- Per policy, standard sick leave and vacation accrual.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University policy.
- Per policy, Mr. Grey signed an "Opt-Out" form that will ensure that he will not have employee medical, dental, and vision

coverage but rather will continue his medical and dental coverage under his retiree status.

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 and Appointment Salary for Mario R. Ehlers as Deputy Director, Clinical Trials Group, Immune Tolerance Network, School of Medicine, San Francisco Campus***

Approval of the following compensation for Mario R. Ehlers as Deputy Director, Clinical Trials Group, Immune Tolerance Network, School of Medicine, San Francisco campus:

- a. Interim slotting at SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100), as recommended by Mercer Human Resource Consulting.
- b. Appointment salary of \$210,000 at 100 percent time.
- c. Per policy, eligibility to participate in the School of Medicine Management Incentive Plan (SOM MIP), with a maximum potential payout of up to 20 percent of base salary (\$42,000).
- d. As an exception to policy, 100 percent reimbursement of all actual and reasonable moving expenses. This is an exception as policy allows for 50 percent reimbursement for MSP classified positions.
- e. As an exception to policy, two house-hunting trips, subject to the limitations under policy for the candidate and his spouse/partner. This is an exception, as policy allows one house-hunting trip.
- f. As an exception to policy, reimbursement of actual and reasonable expenses related to temporary housing for up to three months, not to exceed \$4,285 per month. This is an exception, as policy allows for 30-day temporary housing assistance.
- g. Effective July 1, 2008, upon approval of the Regents.

Additional items of compensation include:

- 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.

- D. The Chairman of the Board, the Chair of the Committee on Grounds and Buildings, and the President of the University approved the following recommendation:

***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Porter College Seismic and Capital Renewal Phase 1 and House B Addition, Santa Cruz Campus***

- (1) The President be authorized to amend the 2007-08 Budget for Capital Improvements and the Capital Improvement Program as follows:

From: Santa Cruz: Porter College Seismic and Capital Renewal Phase 1 – preliminary plans, working drawings, and construction – \$58,662,000, to be funded from housing reserves (\$3,773,000) and external financing (\$54,889,000).

To: Santa Cruz: Porter College Seismic and Capital Renewal Phase 1 and House B Addition – preliminary plans, working drawings, and construction – \$81,838,000, to be funded from housing reserves (\$4,073,000) and external financing (\$77,765,000).

**Deletions shown by strikeout, additions by underscore**

- (2) The President be authorized to obtain external financing not to exceed ~~\$54,889,000~~ \$77,765,000 to finance the Porter College Seismic and Capital Renewal Phase 1 and House B Addition 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 Santa Cruz 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.
  - d. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.



- E. The Chairman of the Board, the Chair of the Committee on Grounds and Buildings, and the President of the University concurred in the following recommendation:

***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of Standby Financing, CHS Parking Clinical Research/Biomarker Seismic Renovation, Los Angeles Campus***

*Pursuant to Standing Order 100.4(q)*

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

Los Angeles: CHS Parking E Clinical Research/Biomarker Seismic Renovation – preliminary plans, working drawings, construction, and equipment – \$12.8 million, to be funded from gift funds (\$10 million) and campus funds (\$2.8 million).
- (2) The President approve and authorize standby financing not to exceed \$10 million to finance the project listed in (1) above, 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 Los Angeles 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.
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

**14. REPORT OF PERSONNEL ACTIONS**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 14.7(b), the following personnel action was taken at the May 15, 2008 meeting. There was no roll call vote taken on this action.

Appointment of Timothy P. White as Chancellor, Riverside Campus, 100 percent, effective no later than September 1, 2008. He will also hold an academic appointment, zero percent time, on the Riverside campus.

**15. REPORT OF SUMMARIES 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 June 2 and July 1, 2008.

**16. REPORT OF OUTSIDE PROFESSIONAL ACTIVITIES**

Secretary and Chief of Staff Griffiths reported that, in accordance with the Policy on Outside Professional Activities of the President, Principal Officers of The Regents, and Officers of The Regents, the Chairman of the Board has reviewed and approved outside professional service for the following individual:

President Mark G. Yudof – Service as a member of the Board of Directors for HealthTronics, Inc. of Austin, Texas. President Yudof was appointed to the Board of HealthTronics in May 2005.

If compensation is received for service on a corporate board, such service shall be reported to the Board at its next meeting following approval pursuant to the Policy on Outside Professional Activities of the President, Principal Officers of The Regents, and Officers of The Regents. It will also be separately reported in the Annual Report on Outside Professional Activities presented to The Regents at the March meeting.

Regent Hopkinson noted that this report of the new President's board service does not disclose his compensation. Although board service compensation is disclosed in the Annual Report for specified University officials, Regent Hopkinson expressed her preference that it also be disclosed at this or the next meeting. President Yudof responded that he would provide this information at the next meeting.

**17. PRESIDENT'S REPORT OF MATERIALS MAILED BETWEEN MEETINGS**

The President reported that, on the dates indicated, the following were mailed to The Regents or to its Committees:

**To Members of the Committee on Finance**

- A. *University of California Technology Transfer Annual Report* for 2007. (May 30, 2008)

**To Members of the Committee on Health Services**

- B. Medical Center Activity and Financial Status Report for the nine months ended March 31, 2008. (June 9, 2008)

**To The Regents of the University of California**

- C. Announcement that Ed Abeyta was selected to be the 2008-10 Staff Advisor to The Regents. (May 16, 2008)
- D. Announcement that the University of California and the American Federation of State, County and Municipal Employees will return to the bargaining table to continue negotiations for new labor contracts. (May 29, 2008)
- E. Copy of *Making History...Making a Difference: Photographs Celebrating Six Decades of Excellence*, which commemorates the 60<sup>th</sup> anniversary of the University's management of the Lawrence Livermore National Laboratory. (May 29, 2008)
- F. Copy of letter from Provost Hume regarding new developments in the University's options and policies for students studying in Israel and other countries listed on the State Department's travel warning list. (May 30, 2008)
- G. Information on actions taken by the Legislature that have serious implications for the University's capital outlay program, as well as a copy of the University's advocacy materials initially aimed at members of the budget committees and legislative leadership. (May 30, 2008)
- H. Report of communications received subsequent to the May 1, 2008 report of communications. (June 2, 2008)
- I. Announcement of Chancellor Larry Vanderhoef's decision to retire as the fifth Chancellor of the Davis campus in June 2009. (June 2, 2008)
- J. Report of sexual harassment complaint activity that occurred systemwide during calendar year 2007. (June 13, 2008)
- K. Copy of letter from Chancellor Fox to Governor Schwarzenegger regarding the impact of eliminating the UC capital outlay project budget. (June 13, 2008)

- L. Letter and copy of the press release announcing Provost and Executive Vice President Rory Hume's decision to step down by September. (June 16, 2008)
- M. Letter from President Yudof addressing changes to the Office of the President. (June 17, 2008)
- N. Copy of University Committee on Academic Personnel report concerning non-progressing faculty members. (June 20, 2008)
- O. Copy of a letter Executive Vice President Lapp received from Senator Leland Yee and her response regarding *Senate Concurrent Resolution Number 52 – Relative to the University of California Retirement Plan*. (June 23, 2008)
- P. Announcement of the formation of an advisory committee to assist with identifying and recruiting a new Provost. (June 25, 2008)
- Q. Chairman Blum's appointments to the Regents' Special Committee on Student Life and Alumni Affairs effective July 1, 2008 through June 30, 2009. (June 30, 2008)

The meeting adjourned at 1:00 p.m.

Attest:

Secretary and Chief of Staff

# University of California



## Ethics and Compliance Program Plan

### INTRODUCTION

The University of California (UC) Board of Regents launched an initiative in October, 2007 to create and maintain a comprehensive Ethics and Compliance Program for UC. The voluntary implementation of an ethics and compliance program provides a foundation for UC to proactively demonstrate its adherence to its mission, as well as its commitment to ensure good stewardship of federal, state and private resources.

### MISSION

The UC Ethics and Compliance Program ("Program") enhances the University's duty to perform its public responsibilities in an ethics and compliance-based environment where applicable legal, regulatory, Regental and UC policy and other compliance requirements are followed and in which the public trust is maintained.

### FUNCTIONS

The UC Office of Ethics, Compliance and Audit Services provides direction, guidance and resource references to each UC location on how to optimize ethical and compliant behavior through an effective Program. Additionally, it provides relevant, timely, independent and objective assurances and advisory services to the UC community, including campus and the Office of the President senior leadership and the Board of Regents.

## ROLE of the BOARD of REGENTS

An effective and robust Program adds valuable support to UC's mission of teaching, research, and public service excellence, and ensures that the public trust is maintained. However, to maximize the value and effectiveness of the Program, it is critical that senior leadership at each University location and the Board of Regents become active participants in executing the Program and the continued strengthening and enrichment of the Program.

Effectiveness of an ethics and compliance program is dependent upon the "tone at the top". Board engagement in the development and oversight of the Program sends an unequivocal message that UC is serious about doing the right thing and protecting the interests of the students, faculty, and public. The Regents, in collaboration with the SVP/Chief Compliance and Audit Officer, sets the tone from the highest governing level of the organization and creates the momentum to drive the Program forward.

Generally, board members have three primary fiduciary responsibilities to the organizations of which they are members. These duties are: duty of care, duty of loyalty, and duty of obedience to purpose. Under cases such as *In re Caremark International Inc. Derivative Litigation* (1996) 698 A.2d 959 and *Stone v. Ritter* (2006) 911A.2d 362, the courts have established that board members of an organization must oversee the activities of their organization's ethics and compliance program. In particular, the board members must assure that an effective program exists, that reporting systems are adequate to bring material compliance information to their attention in a timely manner, and that the program has the resources needed to be effective. Therefore, the Board's engagement, as well as understanding of high-level compliance risk areas and applicable action taken to prevent, detect and remediate those risks, is critical for the success and growth of the Program.

The SVP/Chief Compliance and Audit Officer is an Officer of The Regents and reports to The Regents through the *Committee on Compliance and Audit*. A key element of the SVP/Chief Compliance and Audit Officer role is to assure The Regents that compliance controls in high risk compliance areas of UC operations and mechanisms to support UC's strategic goals are in place. The Regents would look to this role to: assist with education on compliance risks; report on performance metrics of the Program; assess high priority risks to UC; and assess and evaluate management's response to mitigating high priority risks. Furthermore, the SVP/Chief Compliance and Audit Officer reports directly to the President and the Board of Regents. As such, the SVP/Chief Compliance and Audit Officer not only has the reporting relationship needed to ensure The Regents are regularly updated on the efforts of the Program, but also the ability to address significant ethics and compliance issues directly with the Board. This direct line of access ensures that the Board will meet its duty of care obligation and provides an open line of communication that instills public confidence and trust that UC is committed to ethics and compliance at the highest levels.

## ETHICS & COMPLIANCE PROGRAM PLAN

The Program has been designed to promote adherence to standards of conduct and to ensure compliance with legal, regulatory, Regental and UC policies that govern all aspects of UC operations *including but not limited to* the following:

1. Assisting the campuses in the development of policies, procedures and internal controls that help to reduce compliance risks in all aspects of UC operations, including but not limited to the following:
  - a. Conduct of the “agents” of UC related to our business and in carrying out UC’s mission
  - b. Health Sciences, i.e.: reimbursement, quality of care, program initiatives and consistencies in operations and care standards, vendor relations, etc.
  - c. Research Compliance, i.e.: human subjects, animal care, IRB matters, administration, extramural funds accounting, contracts and grants, conflict of interest/commitment, time and effort reporting, etc.
  - d. Student Financial Aid Services, i.e.: vendor relationships, accounting and management, etc.
  - e. Human Resources, i.e.: EEO and affirmative action, immigration and employment eligibility, labor relations, FMLA, ADA, executive compensation and benefits, etc.
  - f. Financial areas, i.e.: appropriate allocation of monies, investment compliance, travel and expenses, payroll, etc.
  - g. Records retention and disposition
  - h. Information Technology, Privacy and Information Security, i.e.: protection of health information, protection of financial information, security-physical, technical and administrative, etc.
  - i. Intellectual Property, i.e.: licensing, export control, copyright, etc.
  - j. Environmental Health & Safety, i.e.: radiation safety, biosafety, chemical safety, security, hazardous waste management, air and water permits, etc.
2. Establishment of communication methodologies to effectively disseminate compliance policies to administrative and academic employees;
3. Development and implementation of a comprehensive reporting and compliance tracking mechanism for academic and administrative employees to report suspected violations of UC policies or regulatory obligations without fear of reprisal and which ensures the prompt investigation of all appropriate reports of alleged violations;
4. Development and implementation, with consideration of campus culture, of training programs, including mandatory training, utilizing the most appropriate methodologies to reach all constituent audiences to ensure that UC policies are clearly understood and faculty and staff are able to carry them out effectively;

5. Ensuring the development and implementation of ongoing audit and monitoring activities that span the scope of UC functions in an effort to assess the effectiveness of internal controls and monitor compliance with applicable UC policies and applicable standards of practice and regulatory obligations; and
6. Development and implementation of an effective system to reinforce individual accountability and responsibility for ensuring compliance to UC policies and/or regulatory obligations by the administration of equitable disciplinary actions commensurate with the severity of the infraction.

## **STANDARDS OF ETHICAL CONDUCT**

In May 2005, The Regents adopted a Statement of Ethical Values and Standards of Ethical Conduct applicable to all UC operations. The University of California also has codes of conduct which apply to specific constituents, i.e.: faculty, health sciences, staff, and students which guide them in carrying out daily activities within appropriate ethical and legal standards. These codes, the Program and related policies and procedures codify UC's commitment to compliance with legal, regulatory, Regental Policies, UC Policies and other compliance requirements.

## **COMPLIANCE COMMUNICATION STRUCTURE**

Communication will flow from key compliance risk areas within the campuses (13) (campuses (10), Lawrence Berkeley National Laboratory (1), UCOP (1) and ANR (1)) to the diverse and comprehensive Campus Ethics and Compliance Risk Committees ("Committees"), comprised of senior leadership responsible for the compliance efforts across the campuses and the health science areas, as well as Academic Senate representation. Each Committee will be co-chaired by the Executive Vice Chancellor/Provost of the campus and the designated Campus Ethics and Compliance Officer ("CECO"). Each Committee will assure that high risk compliance priorities for the campus are addressed and will provide quarterly and annual communications to the UC Compliance Risk Council related to their campus compliance activities.

A University-wide Ethics and Compliance Risk Council ("Council") will be comprised of campus leadership representatives, as well as university-wide leadership and faculty representatives. Communication to and from the Committees and Council will be facilitated through the CECO and the SVP/Chief Compliance and Audit Officer. The Council will be co-chaired by the UC President and the SVP/Chief Compliance and Audit Officer.

The SVP/Chief Compliance and Audit Officer will provide communication, metrics reports and updates to The Regents through the Board's Compliance and Audit Committee, unless it is determined that the full Board is required for a communication or report.



## **UC ETHICS & COMPLIANCE RISK COUNCIL-- CHARTER**

The Council will be co-chaired by the UC President and the SVP/Chief Compliance and Audit Officer and will include representatives from campus senior leadership, Office of the President leadership, and the Academic Senate. The Council will provide oversight and advisory services to the UC system on the Program and compliance risk areas. The Council will be charged with the following, including but not limited to:

- Providing oversight for and advice relating to the UC-wide implementation and ongoing process of the Program;
- Sharing campus information and tools for system-wide use in identifying and mitigating high risk compliance areas in the system;
- Monitoring the compliance environment as it relates to the UC enterprise performance metrics and making recommendations on compliance policies and best practices to be implemented at the system-wide level; and,
- Facilitating submission of campus quarterly and annual reports to the SVP/Chief Compliance and Audit Officer for inclusion in quarterly and annual compliance reports to The Regents.

## **CAMPUS ETHICS & COMPLIANCE RISK COMMITTEE-- CHARTER**

The Committee will provide Program oversight to the campus (including lab and health science) and will be advisory to the SVP/Chief Compliance and Audit Officer through the Council. The Committee will comprise senior campus leadership responsible for various areas of campus compliance risks, academic leadership and one or more members of the UC Office of Ethics, Compliance and Audit Services. The Committee will be co-chaired by the Executive Vice Chancellor/Provost and the CECO. The Committee will be charged with the following, including but not limited to:

- Responsibility and support for overall Program including implementation, performance metrics and ongoing processes of the Program;
- Developing risk assessment tools for campus use in identifying and mitigating high risk compliance areas;
- Advising on the need for campus-specific guidance documents, education materials, and training courses, monitoring the compliance environment as it

relates to specific risk areas and recommending compliance policies and best practices for system wide implementation; and,

- Reporting compliance risk areas of high priority and proposed risk mitigation activities to the Council, both on an ad hoc basis, and through formal quarterly and annual campus compliance reports.

## **CAMPUS ETHICS & COMPLIANCE OFFICER--ROLE DESCRIPTION**

The CECO will be at the level of Vice Chancellor or above and will provide facilitation/leadership to the campus community on communication of compliance risks and, where appropriate, advice and counsel to the Chancellor and senior management on matters of compliance and advice on ethical standards of practice. Reporting to the Chancellor and to the SVP/Chief Compliance and Audit Officer (with dotted line reporting authority if the role is assumed by an existing position with other primary responsibilities), the CECO will have independent authority and autonomy necessary to objectively provide a review and evaluation of compliance issues within all levels and in all subdivisions, subsidiaries and holdings of the campus. The CECO will be a role model and champion for ethical and compliant conduct throughout the UC community. Specific duties of the CECO include but are not limited to:

- Advising the Chancellor, and the UC Office of Ethics, Compliance and Audit Services on the development, dissemination and implementation of an appropriate compliance infrastructure with performance metrics that are designed to detect and prevent non-compliant or unethical conduct throughout the campus,
- Co-chairing, with the EVC/Provost, the Committee designed to provide oversight, assistance and direction to the CECO on the operation of and communication around the campus-wide Program; and,
- Serving as a campus representative at the Council meetings (or the EVC may serve in this role), and coordinating ethics and compliance activities and Program initiatives with the SVP/Chief Compliance and Audit Officer.

## **AUDITING AND MONITORING**

The auditing function and certain monitoring activities of the Program will be conducted by the UC Internal Auditors at each of the respective campuses. The University Auditor, in conjunction with the SVP/Chief Compliance and Audit Officer will lead an annual risk assessment for compliance and internal audit and determine the high risk priorities for the audit and compliance auditing and monitoring plan

from a system-wide perspective. Each campus will also provide its individual campus risk areas to be audited on the overall plan.

Compliance will assist in determining several university-wide audits which will be conducted each year based on high priority compliance risks identified through the risk assessment process and through further vetting with the Committees, Council and The Regents.

Monitoring will be done primarily through the management functions of each UC location and will be tracked by the respective Committees and Council. Over time, as the compliance monitoring activities carried out by management mature and become more robust, the role of the UC Internal Auditors will shift from one of auditing and monitoring to assess UC's state of compliance, to auditing the effective execution of the compliance activities within functional areas. However, as new high risk compliance areas are identified, Internal Audit and Compliance will continue to work together in a fashion to assure the risks are being mitigated appropriately through either auditing and/or monitoring.

## INVESTIGATIONS

Assuring effective stewardship of UC's resources by guarding against misuse and/or waste of federal, state and other sources of funds is a priority shared by the Board of Regents, faculty, administrative management and staff of the UC system, as well as the citizens of California. The UC Whistleblower Hotline ("Hotline") allows interested parties to alert, confidentially and anonymously, the Program to instances where UC funds may have been misapplied or misused, as well as report alleged instances of potential and/or actual non-compliance with UC policies and procedures that have been developed to ensure compliance with applicable regulatory, Regental and UC policy and other appropriate compliance requirements.

The investigations function is responsible for coordination, tracking, investigating (where applicable) and managing complaints of suspected improper governmental activity made under the UC Whistleblower Policy and the Program. This process is carried out through a comprehensive program at all UC locations to ensure compliance with federal and state whistleblower laws and to provide a communication mechanism for all constituents within the UC environment to report real and/or potential non-compliant behavior. Information of suspected improper governmental activity and real and/or potential compliance matters are received through a variety of reporting channels to include an independently operated anonymous hotline service. All reports are investigated as appropriate and through the Program are coordinated with the Office of General Counsel to ensure that there is no duplication of effort and investigative services are optimized. Additionally, advice from leaders in risk management, areas of specialty law and human resources, or other specialty areas, are provided, as appropriate.

The Program will continue to review existing whistleblower training, informational and educational programs as well as provide training as a means to provide assurance that the UC Whistleblower Policy and the Policy for the Protection of Whistleblowers from Retaliation is understood, system-wide. The investigations function will conduct system-wide investigations in circumstances where the investigation process requires independence and objectivity both in fact and appearance. All substantiated reports and subsequent resolution data will be tracked, aggregated and trended to enhance system-wide process improvement activities.

## **RESPONSE AND PREVENTION**

The response and prevention function of the Program will be managed in a distributed and collaborative framework. Working within the communication structure of the Program, non-compliant events and trends will be analyzed by the Committees and reported to the SVP/Chief Compliance and Audit Officer (within or outside formal Council meetings, as appropriate). Response to non-compliance will be the responsibility of the campus Chancellor and managed at the campus level in consultation with the UC Ethics and Compliance Program leadership. All actions in response to non-compliance will follow UC policy.

The SVP/Chief Compliance and Audit Officer (and other designees as appropriate) will work with the Committees, Council, and other appropriate UC leadership, including Academic Senate leadership, to analyze non-compliant trends from a system-wide perspective and to recommend revisions to policy, as needed, to provide consistent responses to specific violations.

Prevention of non-compliance will be the responsibility of the Chancellor and addressed directly at the campus level, with assistance from the Program, through efforts and resources committed to enhance education/training and monitoring/auditing functions. Prevention of non-compliance or reoccurrence of non-compliance on a system-wide basis will also be addressed through targeted training and auditing efforts generated from the advice of the Committees, Council and the Program leadership.

## **ANNUAL EVALUATION**

The United States Federal Sentencing Guidelines ("FSG") were revised in November 2004 to include a "periodic measurement of program effectiveness" among the criteria for an effective ethics and compliance program (U.S.S.G. §8B2.1 (b) (5) (B)) and to "assess their risk" in an effort to identify operational gaps that might put the organization at greater compliance risk and to then develop and implement processes to remediate that risk. One of the goals of an effective compliance program is to effectuate the change needed to improve operational processes to ensure compliance

with regulatory requirements. The change or process improvement effort should include an evaluation element in order to determine the effectiveness of the change that was made in an effort to re-focus future activities and distribute limited resources in the most efficacious manner.

Annually, the SVP/Chief Compliance and Audit Officer are responsible for developing a summary report of Program activities to report to the *Committee on Compliance and Audit* of the Board of Regents. That report will include the measurement of the system-wide office and the individual campuses to pre-established performance metrics and outline key observations and recommendations for ongoing Program improvement. The metrics used to measure the Program will be consistent with those typically used by the compliance industry. The compliance industry often measures program effectiveness by assessing a compliance program's integration of each of the seven elements of an effective compliance program, and may include the following analyses: 1) conducting an employee survey to gauge the employees' understanding of how compliance is integrated into their daily job functions and their ability to identify potential compliance issues and to respond according to policy; 2) summarizing the numbers, categories and attendance rates at mandatory compliance education offerings; 3) identifying trends in investigation and audit/monitoring activities and whether or not performance improvement activities occurred to mitigate the identified risks; 4) measuring the effectiveness of compliance program structures, such as local and system-level compliance committees through an analysis of outcomes against pre-established performance/measurement criteria; and, 5) developing or revising policies and procedures to address identified compliance risks.

## SUMMARY

The Program Plan is provided as a high level summary of the Program's purpose and mission, roles and responsibilities of the Board, campus leadership and respective Committees and structure and elements of the Program. Each of the elements will have further detail developed as the Program is implemented across UC and in Program policies and procedures. Success of the Program is dependent on the Regents participation in oversight of the Program, accountability and ownership of UC's leadership at each of the UC locations and the ability of the UC system to provide the necessary direction, resources, references and guidance as needed for developing and sustaining an effective UC Ethics and Compliance Program.

## I. Detail of Requests for Retroactive Approvals:

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Yancey Jr., William R.	Assistant Dean and Adjunct Professor	UCLA	In 2007 received payments for work performed in excess of the ICL without Regental approval and payments were deferred to future years after the work was performed.	Payments for all work performed to-date that have not already been paid will be paid in 2008; revised W2's will be issued for 2005, 2006, and 2007; revised tax returns will be filed; the University will pay for the cost of refilling these returns; and the campus will monitor the additional hours worked to ensure that approval from the Regents is received before payments due exceed the ICL.	Approve retroactively total payments of \$104,500.
Agate, James Birnbaum, David* Blair Jeffrey* Lee, Lloyd MacDonald, Mary Patti, Christopher Resnick, Andrea Shanle, Maria Thomas, Susan Van Houten, Leslie	University Counsel	UCOP	Received vacation accrual rates impermissible under policy, at their hire date, without proper approval. Two of these attorneys, identified with an asterisk, are compensated above the ICL. Owing to the length of all of their University service, however, their vacation accrual rates are now in compliance with policy. .	This practice was discontinued in mid 2006. Office procedures for the review of hiring offers and drafting of offer letters have been implemented. No further action is required.	Approve retroactively.

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Ackley, Holly Bergquist, David Chu, Nancy Clark, Barbara Drumm, Kelly Garvin, Anthony Goldstein, Michael Hamill, Norman Norris, Janet Reynolds, Max* Robinson, David Rossi, Carole Vroom, Cynthia Wilson, Richard	University Counsel	UCOP	Received impermissible vacation accrual rates, at their hire date, without proper approval. One of these attorneys, identified with an asterisk, is compensated above the ICL. His impermissible vacation accrual rate was identified in the 2007 Annual Report presented to the Regents. All of these identified attorneys' vacation accrual rates continue to be beyond that permissible under policy.	This practice was discontinued in mid 2006. Office procedures for the review of hiring offers and drafting of offer letters have been implemented. No further action is required.	Approve retroactively and prospectively.
Beam, Joanna* Eklund, William	University Counsel	UCOP	Documentation of their vacation accrual rate, at their date of hire (1981), is not available. One of these attorneys is compensated above the ICL. Retroactive approval of their vacation accrual rate is requested to ensure this matter is brought to a close for all attorneys, currently employed in the Oakland office.	This practice was discontinued in mid 2006. Office procedures for the review of hiring offers and drafting of offer letters have been implemented. No further action is required.	Approve retroactively.

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Chapman, John	Director - Clinical Services and Acting Executive Director – Clinical Services, UCSF Medical Center	UCSF	Has been receiving an administrative stipend since October 2007 for work as Acting Director of Clinical Services. The department added the actual stipend paid in calculating total compensation in their test of the ICL instead of the annualized amount of the stipend. Using the annualized amount would have increased total compensation to above the ICL and required Regental approval.	Over the past year the campus has been broadly communicating to their departments the guidelines for review and approval of salary actions. This situation is being assessed at the campus to determine if further action is required.	



**2008 Summer Salary Approvals**  
**Presented at July 2008 Regents Meeting**

Location	Employee Name	Title	Current Salary	Summer Salary	Total Annual Salary	Time Period of Research	Vacation Forfeited	Funding Source	Comments
UCB	Dennis M. Levi	Dean - School of Optometry	\$ 223,000	\$ 18,583	\$ 241,583	July 5 - August 4, 2008	21 days	National Eye Institute and School discretionary funds	NIH Grant has upper monthly rate limit of \$15,942. The balance is paid by non 19-900 School discretionary funds.
UCB	S. Shankar Sastry	Dean - College of Engineering	\$ 275,000	\$ 18,929	\$ 293,929	July 2008	19 days	National Science Foundation Science Technology Center Trust	Continue ongoing research as PI on this multi-million dollar project.
UCD	Enrique J. Lavernia	Dean - College of Engineering	\$ 246,800	\$ 20,567	\$ 267,367	July 2008	22 days	Office of Naval Research and Army Research Office	
UCI	John C. Hemminger	Dean-School of Physical Sciences	\$227,700	\$18,975.00	\$246,675.00	July 7-21 NSF July 22-30 DOE August 4-7 DOE	22 days	National Science Foundation (NSF) and Department of Energy (DOE)	
UCLA	Vijay Dhir	Dean - Henry Samueli School of Engineering and Applied Science	\$ 270,300	\$ 22,525	\$ 292,825	July 2008	22 days	NASA	
UCLA	No-Hee Park	Dean - School of Dentistry	\$ 361,800	\$ 15,942	\$ 377,742	August 2008	21 days	National Institutes of Health	\$15,942 represents the maximum allowable award from the National Institute of Health (NIH). Base salary \$295,300, Health Science Compensation Plan (HSCP) \$66,500.
UCLA	Robert Rosen	Dean - School of Theater, Film and Television	\$ 203,800	\$ 16,983	\$ 220,783	July 2008	22 days	State Funds (19900)	
UCSD	Mark Thiemens	Dean - Division of Physical Sciences	\$ 265,400	\$ 22,117	\$ 287,517	Aug-08	24 days	NASA grant funds	
UCSB	David Marshall	Executive Dean; Dean, Division of Humanities and Fine Arts, College of Letters and Science	\$ 217,900	\$ 18,158	\$ 266,058	August 2008	21 days	Unrestricted Gift Funds	Total Annual Salary includes an Administrative Stipend of \$30,000.
UCSB	Melvin Oliver	SAGE Sara Miller McCune Dean of Social Sciences, College of Letters and Sciences	\$ 213,900	\$ 17,825	\$ 231,725	August 2008	24 days	Unrestricted Gift Funds	
UCSB	Matthew Tirrell	Richard A. Ahl Professor and Dean, College of Engineering	\$ 270,900	\$ 22,575	\$ 293,475	July 2008	21 days	Unrestricted Gift Funds	



## Performance Management Review Process

### Draft for Management Consultation Review

#### Policy 505: Performance Management Review Process

**Policy Category:** Professional Development

**Who Is Covered:** All employees whose position is designated to be in the Senior Management Group (SMG), inclusive of Officers of the University per Regents Standing Order 100.1.a, and also including Deans.

*Deans are excluded from the Five-Year Senior Leadership Development Assessment portion of this policy at this time since they are subject to the regular academic review process. Subject to review and approval by The Regents, Principal Officers of The Regents may be included in this policy at a future date with a similar review process being developed after consultation with The Regents.*

**Responsible Officer:** Associate Vice President–Human Resources and Benefits

**Responsible Office:** Senior Management Compensation, Policy & Executive Recruiting

**Effective Date:** July 1, 2008

**Next Review Date:** To be determined

#### I. Policy Summary and Objective

This policy provides the direction and authority for a performance review process that establishes goals and expectations, and reviews the accomplishments of the Senior Administrators of the University.

#### II. Policy Definitions

Executive Officer: The President, Chancellor, or Laboratory Director.

Exceptions: Actions that exceed what is allowable under current policy or that are not expressly provided for under policy. Any such actions must be treated as exceptions.

Top Business Officer: Executive Vice President - Business Operations, Vice Chancellor for Administration, or the position with overall responsibility for the location's Senior Management Group human resources function as designated by the Executive Officer.



## Performance Management Review Process Draft for Discussion

### III. Policy Text

#### **A. Five-Year Senior Leadership Development Assessment**

A Leadership Development Assessment will be conducted once every five years. The purpose of this assessment is to provide the Senior Manager with feedback from a broader perspective than is usual with an annual performance evaluation. This is a managerial coaching and development exercise, rather than an evaluation of achievement toward specific goals. Individuals who have direct and specific knowledge of a Senior Manager's performance and contribution will be consulted to collect their input and feedback relevant to the person's performance. Those consulted should include individuals, as appropriate, from among the following constituents: the Academic Senate, academic unit heads, staff (including subordinates), deans, other administrators within UC, and other pertinent external groups.

The process for conducting the leadership development assessment, the format and any related materials may be developed by each location. The official document of record will reside with each location; however, a copy of the document should be provided to the Office of the President. The Chancellor will determine the appropriate contributors to the assessment. The Leadership Development Assessment will be initiated by the direct supervisors at each location. As processes are developed proper consultation with the Academic Senate should occur, where appropriate. For those positions reporting to the President, the Office of the President will be responsible for establishing a process consistent with these guidelines.

#### **B. Annual Performance Evaluation**

Performance evaluations will be conducted annually by the direct supervisor for each administrator. For campus positions, the Chancellor shall determine the key components in the performance evaluation process, which may include self-appraisals; internal and external sources of information, including client feedback; and input from key stakeholders. The official document of record will reside with each location; however, a copy of the document should be provided to the Office of the President and the overall rating should be recorded in the Senior Leadership Information System (SLIS).

Goals and objectives will be established for each employee holding a position which has been designated as a participant at the commencement of or during the performance period. Goals and objectives should clarify and delineate accountability, create opportunity for the individual to add value to the work of the unit and/or campuses, be aligned with higher level objectives and strategies established by University leadership, and encourage growth and development of the individual. Performance will be measured relative to the attainment of the stated goals and objectives, and significant accomplishments related to the strategic goals and objectives of the University.



## Performance Management Review Process Draft for Discussion

### **C. Annual Performance Review Standards and Competencies**

These standards and competencies will be incorporated into the annual performance management and review process.

- **Accountability and Governance:** Demonstrates execution of goals and objectives which provide opportunities for growth of the individual and supports the overall success of the strategic objectives of the organization, both locally and Systemwide. These goals and objectives will include compliance with applicable regulatory and university requirements. Adheres to University principles of transparency and openness in working with all constituents.
- **Collaboration and Communication:** Demonstrates a proactive approach to establishing effective relationships with key internal (local and Systemwide) and external constituencies; understands the diverse needs and agendas of various stakeholder groups; creates and fosters an environment that ensures collegiality and information sharing, while recognizing the need for timely decision making. Effectively communicates with leadership, faculty and staff.
- **People Leadership:** Provides an environment of individual growth and career development, recognizing and utilizing skills of others through clear, specific and timely performance feedback; recruits, develops and retains talented managers and employees; provides effective coaching, delegates effectively and rewards superior performance.
- **Inspiring Innovation and Leading Change:** Inspire and develop opportunities for new and innovative approaches in the disciplines covered, better ways of teaching students, and greater contributions to research and dissemination of the knowledge developed at the University. Drives change initiatives by defining measurable outcomes, energizing others at all levels and ensuring continuing commitment when faced with new initiatives; confronts and works through resistance with various stakeholders
- **Resource Management and Financial Budget:** Develops strategic goals and objectives to achieve accountability and efficient stewardship of University resources (operational, financial, and human), in a manner consistent with Systemwide objectives and initiatives. Adheres to established budget and resource allocations, ensuring optimal and efficient use of all resources.
- **Diversity:** Demonstrates an active and engaged commitment to diversity. Works to establish a climate that welcomes, celebrates and promotes respect for diversity of race, color, national origin, religion, sex, gender identity, pregnancy, physical or mental disability,



## Performance Management Review Process Draft for Discussion

medical condition (cancer-related or genetic characteristics), ancestry, marital status, age, sexual orientation, citizenship, or status as a covered veteran in the University. Ensures equal opportunity in search and recruitment process by ensuring diverse representation on search committees, supplemental outreach efforts, etc. Promotes equity in advancements by describing review process for new staff and administrators, encouraging participation in career advising or mentoring programs, etc.

- **Client Service:** Understands that UC is a large, complex organization with many internal and external clients. Carries out UC's organizational philosophy to provide the best possible services in support of its mission: teaching, research and public service.
- **Health and Safety:** Understands that safety and environmental issues are essential elements of ensuring the continued success of UC and its employees. Maintains a safe, healthy and environmentally sound workplace.
- **Principles of Community:** Fosters a positive working and learning environment, by maintaining a climate of collaboration, fairness, cooperation, and professionalism. Practices and integrates these basic principles in all interactions.

### **D. Standardized Overall Performance Rating**

To provide a standard University-wide format and rating system for Senior Administrators, the following scale will be incorporated into the review:

Overall Performance Rating:

- **Exceptional Performance** is significant overachievement of expectations.
- **Above Expectations Performance** is often beyond expectations.
- **Satisfactory Performance** consistently fulfills expectations.
- **Improvement Needed Performance** is inconsistent performance, with expectations only partially achieved. Deficiencies should be addressed in the performance appraisal.
- **Unsatisfactory Performance** is the failure to achieve the majority of expectations. Deficiencies should be addressed in the performance appraisal.

## **IV. Approval Authority**

### *A. Implementation of the Policy*

## Performance Management Review Process Draft for Discussion



The Associate Vice President – HR & Benefits is the Responsible Officer for this policy and has the authority to implement the policy.

### *B. Approval of Actions – Within Policy*

***Note: Before this policy becomes effective, The Regents will delineate the respective authority of The Regents, the President, and the chancellors in approving individual actions within policy limits. The Regents will also specify the extent to which approval authority may be delegated.***

### *C. Approval of Actions – Exceptions to Policy*

A proposed action that exceeds what is allowed under current policy or that is not expressly provided for under any policy is an exception to policy.

***Note: Before this policy becomes effective, The Regents will delineate the respective authority of The Regents, the President, and the chancellors in approving exceptions to policy. The Regents will also specify the extent to which approval authority may be delegated.***

### *D. Revisions to the Policy*

The Regents is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.

The Responsible Officer has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and *Standing Orders* of The Regents.

The Executive Vice President of Business Operations has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the *Senior Management Group Compensation Policy Principles* and other governance policies.

## V. Compliance

### *A. Compliance with the Policy*

The Responsible Officer is accountable for monitoring compliance with the policy.

The following roles are designated at each location to implement compliance monitoring responsibility for this policy:



## Performance Management Review Process Draft for Discussion

Local Resources are designated at each location by the Top Business Officer and/or the Executive Officer to be responsible for the ongoing reporting of policy compliance, including collecting and entering all relevant details into the Senior Leadership Information System (or relevant HRIS), and creating any specified regular compliance reports for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, review any specified regular compliance reports for accuracy, review policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submit a copy of the compliance report to the Executive Officer for signature.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms, ensuring monitoring procedures are in place, approving the specified regular compliance reports, and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.

The Responsible Officer is accountable for reviewing the administration of this policy. The Senior Vice President and Chief Compliance and Audit Officer will periodically audit and monitor compliance to these policies, and results will be reported to senior management and The Regents.

### *B. Noncompliance with the Policy*

Noncompliance with the policy is handled in accordance with The Regents' *Guidelines for Corrective Actions Related to Compensation Practices* and *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews*.

Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President and Chief Compliance and Audit Officer and The Regents at each Regents' meeting.

## **Additional References**

***(Links to other on-line documents and references to be completed.)***

### **Revision History**

May include dates and material changes to content and links to an archive of former policy versions and other relevant material (e.g., applicable Presidential transmittal letters) from inception to all revisions.

### **Implementation Procedures**



## **Performance Management Review Process Draft for Discussion**

*(Links to procedures to be completed.)*

### **Required Documentation and Disclosure**

Includes documents or disclosure processes as required by the policy. Addresses who is responsible for submitting the documents, and to whom.

### **Forms**

Links to any applicable forms for use under the policy.

### **Links to Related Policies**

Federal and State laws, Regental policies, Presidential policies, B&F Bulletins, etc.

### **Frequently Asked Questions (FAQ)**

May be developed to address the most common questions that come up in reading, interpreting and implementing this policy.



## Performance Management Review Process Draft for Discussion



### University of California PERFORMANCE MANAGEMENT FOR SENIOR ADMINISTRATORS

This form is to be completed by the person with primary responsible for reviewing the performance of the incumbent.

Incumbent's Name:		Incumbent's Position:	
Performance Year:		Time in Position:	

- 1. GOALS ACHIEVED:** Evaluate the incumbent's top value added accomplishments and contributions over this review period (e.g., goals accomplished, problems solved, value added program changes).

Goal:
Goal:
Goal:

- 2. LEADERSHIP COMPETENCY ACHIEVEMENTS:** Evaluate the incumbent's accomplishments and contributions as they related to the following competencies.

<p><b>1. Accountability and Governance --</b> Demonstrates personal ownership of goals and accepts responsibility for results; establishes and executes action plans to ensure success; displays a strong commitment to organizational success and complies with University policies.</p>
<p><b>2. Collaboration and Communication --</b> Works proactively to build effective relationships with key internal and external constituencies; understands the diverse needs and agendas of various stakeholder groups; creates and fosters an environment that ensures collegiality and information sharing, while recognizing the need for timely decision making; and effectively communicates with faculty and staff.</p>
<p><b>3. People Leadership --</b> Develops the performance of others by providing clear, specific and timely performance feedback; recruits, develops and retains talented managers and employees; provides effective coaching, facilitates career development, delegates effectively and rewards superior performance.</p>

## Performance Management Review Process Draft for Discussion



4. **Inspiring Innovation and Leading Change** -- Inspire and develop opportunities for new and innovative approaches in the disciplines covered, better ways of teaching students, and greater contributions to research and dissemination of the knowledge developed at the University. Drives change initiatives by defining outcomes, energizing others at all levels and ensuring continuing commitment when faced with new initiatives; confronts and works through resistance with various stakeholders.
5. **Resource Management and Financial Budget** - Develops strategic goals and objectives to achieve accountability and efficient stewardship of University resources (operational, financial, and human), in a manner consistent with Systemwide objectives and initiatives. Adheres to established budget and resource allocations, ensuring optimal and efficient use of all resources.
6. **Diversity:** Demonstrates an active and engaged commitment to diversity. Works to establish a climate that welcomes, celebrates and promotes respect for diversity of race, color, national origin, religion, sex, gender identity, pregnancy, physical or mental disability, medical condition (cancer-related or genetic characteristics), ancestry, marital status, age, sexual orientation, citizenship, or status as a covered veteran in the University. Ensures equal opportunity in search and recruitment process by ensuring diverse representation on search committees, supplemental outreach efforts, etc. Promotes equity in advancements by describing review process for new staff and administrators, encouraging participation in career advising or mentoring programs, etc.
7. **Client Service:** Understands that UC is a large, complex organization with many internal and external clients. Carries out UC's organizational philosophy to provide the best possible services in support of its mission of teaching, research and public service.
8. **Health and Safety:** Understands that safety and environmental issues are essential elements of ensuring the continued success of UC and its employees. As with any progressive organization, UC's primary strength is its people, the many individuals that comprise the faculty, staff, and student populations. To ensure that these individuals have a chance to contribute to the University's mission, maintains a safe, healthy and environmentally sound workplace.
9. **Principles of Community:** Fosters the best possible working and learning environment, by maintaining a climate of fairness, cooperation, and professionalism. Supports, integrates and practices these basic principles as an individual and in groups.

## Performance Management Review Process Draft for Discussion



- 3. GOALS FOR NEXT PERFORMANCE YEAR:** Establish goals that are specific, measurable, relevant, time-based, and beyond normal work duties (i.e., “stretch” goals). Goals and objectives are intended to help encourage growth and development of the individual, and aligned with higher level objectives and strategies established by leadership.

1. Goal:	
How goal achievement will be measured:	
2. Goal:	
How goal achievement will be measured:	
3. Goal:	
How goal achievement will be measured:	
4. Goal:	
How goal achievement will be measured:	
5. Goal:	
How goal achievement will be measured:	

**Overall performance summary:**

### Overall Appraisal Rating:

- \_\_\_\_\_ **Exceptional Performance** - is significant overachievement of expectations.
- \_\_\_\_\_ **Above Expectations Performance** - is often beyond expectations.
- \_\_\_\_\_ **Satisfactory Performance**- consistently fulfills expectations.
- \_\_\_\_\_ **Improvement Needed Performance** - is inconsistent performance, with expectations only partially achieved. Deficiencies should be addressed in the performance appraisal.

## Performance Management Review Process Draft for Discussion



\_\_\_\_\_ **Unsatisfactory Performance** - is the failure to achieve the majority of expectations.  
Deficiencies should be specifically addressed in the performance appraisal.

### Reviewing Manager:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

### Incumbent:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date