THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

September 18, 2008

The Regents of the University of California met on the above date at the Student Center, Irvine Campus.

Present: Regents Blum, Cole, De La Peña, Hopkinson, Island, Johnson, Kozberg, Lansing, Lozano, Pattiz, Ruiz, Schilling, Scorza, Shewmake, Varner, and Yudof (16)

In attendance: Regents-designate Bernal and Stovitz, Faculty Representatives Croughan and Powell, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Interim Provost Grey, Executive Vice Presidents Darling and Lapp, Senior Vice President Hoffman, Vice Presidents Lenz and Sakaki, Chancellors Birgeneau, Bishop, Block, Blumenthal, Drake, Fox, Kang, Vanderhoef, White, and Yang, and Recording Secretary Johns

The meeting convened at 11:25 a.m. with Chairman Blum presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Chairman Blum noted that an amendment of the minutes was required. In item 6. A. (22) in the pending minutes for July 17, 'Renegotiated Contract Compensation for Diane Ninemire as Head Women's Softball Coach, Berkeley Campus,' the Office of the President included an extra paragraph in error (concerning early termination of the contract) in the item approved in July. The following paragraph needed to be deleted by amending the minutes before approval:

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

Upon motion duly made and seconded, the minutes of the meeting of May 15, the amended minutes of the meeting of July 17, and the minutes of the July 2008 meetings of the Committee of the Whole: July 15, July 16, Campus Presentation, and July 17, were approved.

2. REPORT OF THE PRESIDENT

President Yudof presented the report concerning University activities and individuals. He referred to the University newsletter included in the mailing to Regents. He drew attention to the awarding of the National Medal of Science, the nation's highest honor in science and engineering, to UCLA Professor Leonard Kleinrock, by President Bush. Professor Kleinrock's work was instrumental in the birth of the Internet.

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. **PERSONNEL RECOMMENDATION: APPOINTMENT OF SENIOR VICE PRESIDENT–HEALTH SCIENCES AND SERVICES, OFFICE OF THE PRESIDENT**

Following consultation with the appropriate Committees, the President recommended that John D. Stobo, M.D., be appointed as Senior Vice President–Health Sciences and Services, Office of the President, effective on or about October 1, 2008.

Upon motion of President Yudof, duly seconded, the President's recommendation was approved.

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

Regent Ruiz presented the following from the Committee's meeting of August 27, 2008:

There was one public speaker who addressed the Committee regarding the University's response to his whistleblower complaint.

There were five discussion items:

A. ***Status of Fiscal 2008 Financial Statement Audit***

PricewaterhouseCoopers (PwC) representatives Joan Murphy and Chris Chung provided a brief update on the fiscal year 2008 audit. PwC teams are now carrying out the year-end phase of audit fieldwork at every UC location. Ms. Murphy reported that very few control deficiencies have been found to date and described them as small or subtle. General concerns that arose during PwC's information technology controls testing were risk assessment and the monitoring of access to sensitive data and to information technology applications. All UC locations have shown improvement in this area.

B. ***Compliance Program Update***

Chief Compliance and Audit Officer Vacca briefly discussed the status of compliance program development. The campuses are now forming their compliance risk committees. Ms. Vacca stated that she would provide an annual report at the November meeting about program progress over the last year, especially process and structure. She noted that there have been significant outcomes. The report would also address outcomes of whistleblower and compliance concerns, and industry trends.

C. ***Quality Assessment Review Follow-Up***

University Auditor Reed recalled the presentation, at the July 1 meeting, of an external Quality Assessment Review (QAR) of UC's internal audit activity by Protiviti Inc. and discussed the University's actions in response to the QAR recommendations, including redefinition of the scope of the information technology audit program, an effort for improved leveraging across the system, consideration of outside resources and expertise, continued development of the CARTS Project (Comprehensive Audit Reporting and Tracking System), and improved identification of the most significant audits.

D. ***Health Insurance Portability and Accountability Act (HIPAA) Privacy Implementation Plan***

Director of Research Compliance and Interim HIPAA Privacy Officer Patrick Schlesinger reported on the formation and early work of systemwide strike teams: the Education and Training team, the Enforcement and Discipline team, and the combined Surveillance Strategies/Information Technology Capabilities team. The activity of these teams has included the sharing of training materials used among the campuses, a review of current methods used to audit access to higher-risk records, and an inventory of campus policies on discipline for patient privacy violations. Mr. Schlesinger outlined next steps, the development of recommendations and milestones for systemwide implementation.

E. ***Internal Audit Quarterly Report***

University Auditor Reed informed the Committee that more than 200 reports were issued during the quarter. He discussed staffing level challenges, the mix of service hours (the relative percentages of audit, investigations, and advisory services), and the involvement of internal audit in the restructuring initiatives at the Office of the President. Mr. Reed noted a recent web seminar on effort reporting at the campuses and the launching of a project, with the Institute of Internal Auditors Research Foundation, to determine criteria for resource requirements for audit programs in higher education.

F. ***Appointment of Expert Advisor to the Committee on Compliance and Audit***

Committee Chair Ruiz reported that the Committee, in Closed Session, had appointed Mr. Jerry Schneider as Expert Financial Advisor.

Regent Ruiz acknowledged and thanked outgoing Expert Financial Advisor Kent Vining for his three and a half years of service to the Committee, and introduced incoming Expert Financial Advisor Jerry Schneider.

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

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

The Committee presented the following from its meeting of September 18, 2008:

A. ***Individual Compensation Actions***

The Committee recommended:

(1) ***Appointment Salary for Barbara F. Perry as Director, Government Research Relations, San Diego Campus***

Approval of the following items in connection with the appointment of Barbara F. Perry as Director, Government Research Relations, San Diego campus:

a. An appointment salary of $192,000, SLCG Grade 105 (Minimum $138,200, Midpoint $174,300, Maximum $210,400).

b. This appointment is at 100 percent time and will become effective November 1, 2008.

c. Ms. Perry will not be eligible for consideration in the merit/equity program until October 2009.

d. Per policy, a relocation allowance of $48,000 (25 percent), subject to a repayment requirement in the event she resigns within the first four years of employment.

e. As an exception to policy, 100 percent reimbursement of all reasonable moving expenses. This is an exception as policy allows for 50 percent reimbursement for MSP classified positions.

f. As contemplated by policy, eligibility to participate in the Mortgage Origination Program (MOP). This loan will comply with all standard Mortgage Origination Program loan policies. The loan amount will not exceed the maximum allowable under policy (currently $1.33 million).

g. Per policy, one coach-fare house-hunting trip.

h. Per policy, 30 days of temporary housing.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, eligibility for Staff Recognition and Development Program award up to 10 percent of base salary annually.

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. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

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

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

a. As an exception to the duration policy on administrative stipends, a second extension of the existing 15 percent administrative stipend ($33,800) beyond the one-year duration provided in policy. The stipend plus the adjusted base salary of $225,500 result in a total annual salary of $259,300.

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

c. If an adjustment to the annualized base salary is made prior to the termination of this acting role, the 15 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.

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. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(3) ***Stipend Extension for Sharon A. Duffy as Acting Dean–University Extension, Riverside Campus***

Approval of the following items in connection with a stipend extension for Sharon Duffy as Acting Dean–University Extension, Riverside campus:

a. As an exception to policy, an extension of the current administrative stipend of 39.4 percent ($48,522) to increase her adjusted faculty salary of $123,178 to a total annual salary of $171,700 (Salary Grade 105: Minimum $138,200, Midpoint $174,300, Maximum $210,400). This stipend percentage is needed due to the low adjusted faculty salary in relation to the salary range for the Dean position.

b. If a change to the academic base salary is made prior to the termination of this acting role, the 39.4 percent stipend will be recalculated against the new adjusted academic base salary.

c. As an exception to policy, this 100 percent appointment will be effective October 1, 2008 through September 30, 2009, or until the appointment of a permanent Dean–University Extension, whichever occurs first. This change extends the acting appointment beyond the one year allowed by policy for a total duration of two years. This extension allows Ms. Duffy to serve until the search is concluded.

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.

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. All compensation (as defined in the Regents’ 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(4) ***Administrative Stipend for Mary J. Nisbet as Acting Dean–Undergraduate Education, College of Letters and Science, Santa Barbara Campus***

Approval of the following items in connection with the appointment of Mary J. Nisbet as Acting Dean–Undergraduate Education, College of Letters and Science, Santa Barbara campus:

a. As an exception to policy, administrative stipend of $38,778 (30.0 percent of adjusted faculty salary) to increase her base salary to a total annual salary of $168,038. This reflects an exception to policy which allows for up to a 15.0 percent administrative stipend. This appointment is at 100 percent time.

b. The stipend amount will be increased as the base salary is increased, so the stipend will equal 30.0 percent of the base salary.

c. Effective September 1, 2008, through August 31, 2009, or upon completion of a three-month transition period after the interim duties are transferred to the new Dean.

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 to participate in the Senior Management Supplemental Benefit Program due to 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. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(5) ***Stipend Extension for Samuel Hawgood as Acting Dean–School of Medicine, San Francisco Campus***

Approval of the following compensation for Samuel Hawgood as Acting Dean–School of Medicine, San Francisco campus:

a. As an exception to policy, an extension of the existing stipend, effective December 15, 2008 through June 30, 2009, or until the effective date of the appointment of a permanent Dean, whichever occurs first, and including up to a three-month transition period. This appointment is at 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 94.3 percent ($181,425) to increase his current faculty base salary of $192,300 and his Health Sciences Compensation Plan (HSCP) pay of $195,475 to an annual salary of $569,200 (SLCG Grade 114: Minimum $372,900, Midpoint $483,400, Maximum $593,800). This level of compensation is needed in order to provide Dr. Hawgood with a market-appropriate level of total income, in recognition of the necessary reduction of clinical revenue he will realize while he continues temporary administrative Dean's duties and reduces his clinical practice. This represents an exception to policy which allows for up to a 15.0 percent administrative stipend.

c. The stipend amount of $181,425 is to remain constant with any and all salary adjustments, inclusive of faculty increases per the approved program's step parameters.

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.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to 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. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(6) ***Administrative Stipend for David Rein as Acting Compliance Officer, School of Medicine, San Francisco Campus***

Approval of a stipend for David Rein as Acting Compliance Officer, School of Medicine, San Francisco campus:

a. Per policy, an administrative stipend of $26,910 (15.0 percent) to increase his base salary of $179,400 to an annual salary of $206,310 (MSP 6: Minimum $138,200, Midpoint $174,300, Maximum $210,400).

b. The stipend percent is to remain constant at 15.0 percent with any and all salary adjustments.

c. Continued eligibility to participate in the School of Medicine Management Incentive Plan (MIP) with a maximum payout of up to 15.0 percent of base salary ($26,910).

d. Effective September 1, 2008, through August 31, 2009, or until the completion of a three-month transition period after the acting duties are transferred to the new Compliance Officer, School of Medicine, whichever comes first.

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. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(7) ***Salary Adjustment for AnnaLee Saxenian as Dean–School of Information, Berkeley Campus***

Approval of the following items in connection with a salary increase for AnnaLee Saxenian as Dean–School of Information, Berkeley campus:

a. Salary increase to $210,000. This represents a 16.1 percent increase ($29,100) in Ms. Saxenian's current salary of $180,900 (Salary Grade 107: Minimum $172,300, Midpoint $218,700, Maximum $265,000). Per agreement, ineligible for any further merit or equity increase until October 2009.

b. This appointment is at 100 percent time and the salary adjustment is 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, accrual of sabbatical credits as a member of 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. All compensation (as defined in the

Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(8) ***Salary Adjustment for Gerald S. Levey as Vice Chancellor–Medical Sciences and Dean–School of Medicine, Los Angeles Campus***

Approval of the following compensation for Gerald S. Levey as Vice Chancellor–Medical Sciences and Dean–School of Medicine, Los Angeles campus:

a. As an exception to policy, a salary increase of $154,300 (41.1 percent), increasing his base salary from $375,700 to $530,000 at SLCG Grade 114 (Minimum $372,900, Midpoint $483,400, Maximum $593,800).

b. Per policy, continuation of $207,000 Health Sciences Compensation Plan (HSCP) pay for a total annual salary, inclusive of base salary and HSCP, of $737,000.

c. This salary adjustment will preclude him from further merit or equity increase consideration during fiscal year 2008.

d. As a continuation of previously approved exception to policy, eligibility for an $8,916 annual automobile allowance.

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

f. Per policy, accrual of sabbatical credits as a member of faculty.

g. Per policy, continued participation in the Mortgage Origination Program (MOP) and Supplemental Home Loan Program (SHLP).

h. 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).

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. All compensation (as defined in the

Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(9) ***Various Compensation Actions Regarding Chief Medical Officers in the Medical Centers***

Approval of the following actions for the Chief Medical Officers in the Medical Centers:

a. Interim slotting of positions, as recommended by Mercer Human Resource Consulting. Mercer has reviewed the current organization structure of each Chief Medical Officer within the Medical Centers with regard to job content, hierarchy and based on market best practices. Senior Leadership Compensation Group (SLCG) slottings are recommended as noted below:

Campus/Title	SLCG Grade	Range Min	Range Midpt	Range Max
Irvine	112[1]	$298,900	$385,300	$471,500
San Diego	112	$298,900	$385,300	$471,500
Davis	112	$298,900	$385,300	$471,500
Los Angeles	113	$333,900	$431,500	$529,100
San Francisco	113[2]	$333,900	$431,500	$529,100

b. Designation of three Chief Medical Officer positions as Senior Management Group. There are currently two Chief Medical Officer positions, at the Irvine and San Francisco campuses, already designated as SMG.

i. Per policy, any Chief Medical Officer currently holding an underlying tenured academic appointment at zero percent time is ineligible for the Senior Management Supplemental Benefit Program.

ii. Per policy, any Chief Medical Officer not holding a tenured academic appointment will be eligible for a 5.0 percent monthly contribution to the Senior Management Supplemental Benefit Program.

[1] The Chief Medical Officer position at the Irvine campus is currently slotted at SLCG 110.
[2] This is the current slotting for the Chief Medical Officer position at the San Francisco campus. No change in slotting was recommended by Mercer for this position.

c. Base salary adjustments as noted below for certain employees in the Chief Medical Officer position. These salary recommendations are based upon assessment of scope and complexity of the position, individual performance and contribution, as well as related experience. The proposed base salary adjustments total $91,625 for three of the five Chief Medical Officers. This represents an average increase of 9.8 percent.

Campus	Name	SLCG Slotting			Compensation					
		Curr SLCG Grade	Proposed SLCG Grade	Grade Range	Current Base Salary	Proposed Base Salary	HSCP	CEMRP Potential	5% SMG Supp Benefit	Proposed Total Cash
UCI	Eugene Spiritus	110	112	$298,900-$385,300-$471,500	$289,700	$310,000	none	25% ($77,500)	$15,500	$403,000
UCSD	Angela Scioscia	na	112	$298,900-$385,300-$471,500	$315,000	$374,800	none	25% ($93,700)	$18,740	$487,240
UCD	Allan Siefkin	na	112	$298,900-$385,300-$471,500	$330,475	$342,000	none	25% ($85,500)	$17,100	$444,600
UCLA	Thomas Rosenthal	na	113	$333,900-$431,500-$529,100	$239,600	Salary addressed at Nov 08 Regents	$191,900	none	none	$431,500
UCSF	Vacant	113	no change	$333,900-$431,500-$529,100	NA	TBD	none	25%	TBD	TBD

i. Salary adjustment for Eugene M. Spiritus at the Irvine campus in the amount of $20,300 (7.0 percent) from $289,700 to $310,000.

ii. Salary adjustment for Angela Scioscia at the San Diego campus in the amount of $59,800 (19.0 percent) from $315,000 to $374,800.

iii. Salary adjustment for Allan Siefkin at the Davis campus in the amount of $11,525 (3.5 percent) from $330,475 to $342,000. Current base salary is comprised of $226,600 retirement eligible salary and $103,875 in non-retirement eligible salary. Going forward, if SMG designation in this proposal is approved, base salary will no longer be split.

iv. No salary adjustment is proposed at this time for Thomas Rosenthal at the Los Angeles campus. The salary for Dr. Rosenthal will be addressed under separate cover at the November 2008 Regents meeting.

v. No salary action is proposed for the Chief Medical Officer position at the San Francisco campus as it is currently vacant. Salary will be set at the time of appointment.

d. Effective October 1, 2008.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(10) ***Interim Slotting and Salary Adjustment for David Kraus as Chief Contracting Officer, Medical Center, San Diego Campus***

Approval of the following items in connection with the interim slotting and salary adjustment for David Kraus, Chief Contracting Officer, Medical Center, San Diego campus:

a. Interim slotting of the position, as recommended by Mercer Human Resource Consulting, at SLCG Grade 107 (Minimum $172,300, Midpoint $218,700, Maximum $265,000).

b. Per policy, a salary adjustment of $24,000 (12.9 percent) to increase his annual base salary from $186,000 to $210,000. This salary adjustment will preclude him from further merit or equity increase consideration during fiscal year 2008-2009.

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

d. Effective September 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. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(11) ***Salary Adjustment for Kathleen Dracup as Dean–School of Nursing, San Francisco Campus***

Approval of the following compensation for Kathleen Dracup as Dean–School of Nursing, San Francisco campus:

a. Per policy, a base salary increase of $41,100 (16.5 percent), increasing her base from $248,900 to $290,000 at SLCG Grade 108 (Minimum $192,300, Midpoint $244,900, Maximum $297,400).

b. Per policy, $60,000 in Health Sciences Compensation Plan (HSCP) base pay.

c. Per policy, continued participation in the Mortgage Origination Program.

d. Effective September 1, 2008.

e. Ms. Dracup will not be eligible for consideration in the merit/equity program until October 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, accrual of sabbatical credits as a member of faculty.
- Per policy, continued ineligibility to participate in the Senior Management Supplemental Benefit Program due to holding a dual tenured 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. All compensation (as defined in the Regents’ 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(12) ***Salary Adjustment for Mary Anne Koda-Kimble as Dean–School of Pharmacy, San Francisco Campus***

Approval of the following compensation for Mary Anne Koda-Kimble as Dean–School of Pharmacy, San Francisco campus:

a. Per policy, a base salary increase of $11,200 (4.0 percent), increasing base pay from $278,800 to $290,000 at SLCG Grade 108 (Minimum $192,300, Midpoint $244,900, Maximum $297,400). This appointment is at 100 percent time.

b. Per policy, $60,000 in Health Sciences Compensation Plan (HSCP) base pay.

c. Effective September 1, 2008.

d. Ms. Koda-Kimble will not be eligible for consideration in the merit/equity program until October 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, continued eligibility to participate in the Senior Management Supplemental Benefit Program at the rate of 5 percent.

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. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

(13) ***Interim Slotting and Salary Adjustment for Lucia Kwan as Director–Revenue Cycle Services, Medical Center, San Francisco Campus***

Approval of the following compensation for Lucia Kwan as Director–Revenue Cycle Services, Medical Center, San Francisco campus:

a. Interim slotting as Director–Revenue Cycle Services at SLCG Grade 107 (Minimum $172,300, Midpoint $218,700, Maximum $265,000), as recommended by Mercer Human Resource Consulting.

b. Per policy, a base salary increase of 10.0 percent ($18,150) to increase her current annual salary of $181,500 to $199,650. This appointment is at 100 percent time.

c. Per policy, continued eligibility to participate in the Medical Center Incentive Award Plan (MC IAP) with a maximum potential payout of up to 15.0 percent of base salary ($29,948).

d. Effective retroactive to July 1, 2008.

e. Ms. Kwan will not be eligible for consideration in the merit/equity program until October 2009.

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. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

B. ***Recommendations for Base Salary Adjustments for Certain Attorneys in the Office of the General Counsel***

The Committee recommended approval of the following equity increase expenditure for certain attorneys within the Office of General Counsel (OGC) and specific increases for attorneys whose total cash compensation exceeds the Indexed Compensation Level (ICL) of $205,000:

(1) A total expenditure of $742,385 to fund individual base salary equity increases for 51 attorneys, effective September 1, 2008, as the first phase of a two-phase market competitive initiative. Attorneys whose total cash compensation exceeds the ICL of $205,000 are identified for specific Regental approval in Attachment 1.

(2) Individuals receiving equity increases will be eligible to participate in the 2008 merit increase process.

The compensation described above, and in Attachment 1, shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments.

C. ***Total Compensation for John D. Stobo as Senior Vice President–Health Sciences and Services, Office of the President***

(1) The Committee recommended establishment and interim slotting of the new Senior Vice President–Health Sciences and Services position in the Senior Management Group and at SLCG Grade 115 (Minimum $416,300, Midpoint $541,200, Maximum $666,100). This slotting is consistent with the recommendation of Mercer Human Resource Consulting Group.

(2) The Committee further recommended that an annual salary of $580,000 be approved, along with the following items listed below.

a. Per policy, participation in the Clinical Enterprise Management Recognition Plan at a target of 20 percent of base salary per year with a maximum payout capped at 25 percent for results that far exceed expectations for the year. Payout will be based on performance and contribution against pre-determined goals and objectives established by the President. Assessment of performance will be provided by the President and the Chair of the Regents' Committee on Health Services. The award opportunity may be prorated in Dr. Stobo's first year to account for the partial year's service based on his start date.

b. As an exception to policy, reimbursement of actual reasonable costs associated with temporary living expenses for up to 6 months, not to exceed $25,000, to assist with the transition of Dr. Stobo from his current location to Oakland.

c. Per policy, a relocation allowance of $145,000 (25 percent of proposed annual salary). Policy allows for a relocation allowance of up to 25 percent of base salary. This allowance may be paid in a single lump sum or installments from the date of hire, to offset the costs of relocating Dr. Stobo's home from Galveston, Texas to the Bay Area. If a lump sum payment is made and Dr. Stobo resigns within the first 4 years of his appointment, this payment is subject to the following repayment schedule: 100 percent if within the first year; 60 percent if within the second year; 30 percent if within the third year; and 10 percent if within the fourth year.

d. As an exception to policy, reimbursement for up to two roundtrip coach class airfares for Dr. Stobo and his spouse plus reasonable accommodation expenses between Texas and the San Francisco Bay Area to be used before Dr. Stobo's start date.

Additional compensation and related items include:

- Per policy, an automobile allowance of $8,916 per year.
- Per policy, reimbursement of reasonable costs associated with the move from his current residence to the Bay Area. The move must be completed within one year of the start date and can be accomplished in one or more stages.
- Per policy, participation in the Mortgage Origination Program (MOP), available to be exercised within a period not to exceed 24 months from date of employment.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University Policy
- Per policy, standard pension and health and welfare benefits and standard

senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).

- Per policy, participation in the Senior Management Supplemental Benefit Program at 5 percent.

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. ***Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches***

The Committee recommended that the delegation of authority adopted on July 19, 2007, regarding recruiting and negotiation parameters for certain athletic positions and coaches, systemwide, be amended to clarify and streamline the delegation.

Deletions shown by strikeout, additions by underscore

The Regents delegate authority to the President and further authorize delegations from the President to the Chancellors, to negotiate and ~~finalize~~ approve compensation contracts. The Chancellor may further delegate to his/her designee authority to negotiate contracts for certain athletic positions and all men's and women's athletic coaches. This request for amendments to the delegation of authority is the result of having assessed the effectiveness of the current delegations upon implementation. These resultant delegations are specific and limited to the following circumstances, terms and conditions.

(1) Approval of delegations to negotiate compensation contracts for certain athletic positions and all men's and women's athletic coaches, to be used in two specific circumstances.

a. Pre-emptive or Active Retention – When the Chancellor, or his/her designee, needs to negotiate with an incumbent coach as a result of that coach receiving an expression of serious interest of employment from another entity, an actual offer of employment from another entity, or having achieved such accomplishments that he/she becomes significantly more marketable.

b. Replacement – After ~~the termination of~~ a coach leaves his/her position either by his/her own choice or by the department's choice, the Chancellor, or his/her designee, must immediately negotiate with candidates ~~as a~~ to replace~~ment~~ ~~for~~ the coach who is ~~terminating~~ leaving his/her position.

(2) Approval of the following parameters for delegation of authority:

a. Guaranteed Compensation – Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the change from the previous year's contract to the first year of the renewed contract or between the previous incumbent's final contract year in the position and the first year of the new contract and assumes equal applicability of that number to each contract year and a 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed Compensation under the new and old contracts adjusted so that a change in contract duration does not impact the comparison.

b. Maximum Bonus (exclusive of a signing bonus) – Authority to negotiate an increase of up to 15 percent or $30,000, whichever is higher, on all incentives or bonuses. This authority applies the 15 percent limit to the ~~overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.~~ change from the previous year's contract to the first year of the renewed contract or between the previous incumbent's final contract year in the position and the first year of the new contract. The $30,000 maximum dollar amount allows for the addition of a bonus where none existed before or the enhancement of a very small bonus opportunity. Subsequent year's increases will be no more than 5 percent per contract-year.

c. Deferred Compensation – Authority to negotiate ~~an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts~~ deferred compensation up to a total of no more than the equivalent of the first year's guaranteed compensation.

d. Camps – Authority to negotiate an increase of up to 30 percent ~~on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camp income under the new and old contracts~~ over the percent of compensation received from camp income. This authority applies the 30 percent limit to the change from the previous year's contract to the first year of the renewed contract or between the previous incumbent's final contract year in the position and the first year of the new contract. In the case where the contract does not state a maximum, then the comparison is from the actual income attributed to the position during the preceding year. Subsequent year's increases will be no more than 5 percent per contract-year.

e. Benefits – Authority to offer the same system-wide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.

f. Signing Bonus – Authority to offer a one time signing bonus of no more than 33 percent of the first year's guaranteed compensation.

g. Other – Authority to negotiate providing courtesy vehicles (supplied by donors/contributors), including payments in lieu of a car to a maximum of $5,400 or the imputed value of the car, whichever is higher, per contract-year; reimbursement of up to 100% of actual and reasonable moving expenses; reimbursement of actual and reasonable costs for up to 30 non-consecutive days of housing at the time of the move; and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.

(3) Approval of delegation of authority under the defined parameters, above, for all men's and/or women's coaches and assistant coaches ~~football offensive/defensive coordinators~~ whose new potential total cash compensation exceeds the Indexed Compensation Level, currently set at ~~$200,000~~ $205,000 per annum.

(4) It is proposed that this specific set of delegations will be reviewed by the Regents annually ~~along with a~~ . A ~~along with a~~ full reporting of all coaches whose total cash compensation exceeds the Indexed Compensation Level will be provided to the Regents in The Annual Report on Executive Compensation. In addition, any actions taken under this delegation by Chancellors will be reported publicly at the next Regents' meeting in the same manner as interim actions. The Office of the President will be responsible for providing corresponding updated market and comparability data to the Regents as part of the annual reporting process.

Any proposals exceeding the levels or parameters noted above would continue to require submission to and advance approval by the Regents. In addition, if the new contract includes exceptions to policy, except as noted above, advance approval by the Regents will be required.

Termination and liability clauses limiting the University's obligations will be used in all contracts. In all cases, if the final contract has not been signed by all parties prior to the commencement of the individual's first day of active employment, the campus will work with the Office of the General Counsel to ensure that appropriate language is used in conjunction with the memorandum of agreement (initial term sheet) that must then be signed by all parties before the individual can begin active employment. Each final contract will require the review and sign off by the Office of the General Counsel.

If the funding of a coach's contract comes from sources other than athletic department revenues (including athletic equipment supplier agreements) or private fundraising, this will require Regental review and approval.

E. ***Proposed Salary Administration Policy for Senior Management Staff***

The Committee recommended establishment and implementation of the proposed salary administration policy, *Senior Management Group Salary and Appointment Policy*, as shown in Attachment 2, for senior management staff effective January 1, 2009.

F. ***Compensation Approval Authority and Governance for Those Positions Slotted in the Senior Leadership Compensation Group Salary Range Structure and Other Specified Employees***

The Committee recommended extension and modification of the July 18, 2007 Regents action (*Procedures for Setting Compensation in 2007 For Those Classified in the Senior Leadership Compensation Group and Other Specified Non-faculty Employees(OSE)*). This proposal applies to non-Senior Management Group (SMG) staff, as follows:

(1) Adjusting the Indexed Compensation Level (ICL) to $275,000 effective September 1, 2008.

The ICL will be automatically adjusted each year in September based on the annual increase in the California Consumer Price Index (CPI) Urban Consumers for all items as determined by the Bureau of Labor Statistics.

(2) Requiring, as a key component of this governance model, a bi-monthly transaction monitoring report to be provided to the Regents at each meeting, displaying all compensation actions, including exceptions under current policy or actions not expressly stated in policy, for the population described above.

Upon approval of the new SMG Salary and Appointment Policy, all compensation actions affecting SMG employees will be subject to Regental approval, regardless of the type of action or magnitude of increase.

(3) Authorizing the Office of the President, Human Resources and Benefits office to implement the proposed amendments.

(4) Applying the ICL threshold and provisions in this document to the following populations:

a. Senior Management Group (SMG) employees, until such time as the new SMG Salary Policy becomes effective.

b. Other Specified Employees (OSE), as designated by Office of the President, Human Resources and Benefits, such as Athletic Directors and Coaches.

c. Non-SMG employees whose positions have been slotted in the Senior Leadership Compensation Group Salary Range Structure, and

d. Non-SMG employees not subject, exclusively, to the provisions of the Academic Personnel Manual.

(5) Requiring that, when determining if an employee's total cash compensation meets or exceeds the ICL, thereby subjecting the proposal to Chancellor, President and/or Regental review, the following elements of compensation shall be included:

a. Annualized base salary, plus any maximum potential bonus or incentives, plus relocation allowance, plus annualized stipend and any other cash compensation.

b. If an employee has a UC appointment at less than 100 percent time with no other appointments at UC, the total compensation at that appointment rate will be used and not the conversion to derive a "full time equivalent" amount.

(6) Requiring that, in addition to the applicability of the ICL, this same non-SMG employee population will be subject to the provisions of *Personnel Policies for Staff Members (PPSM) 30 Salary*, which includes section (H) specifying, "an employee's total salary increase …shall not exceed 25 percent." This PPSM policy shall, for the purposes of tracking and reporting under this proposal, be amended to reflect calendar year rather than fiscal year, and will reflect accumulation of all increases to base salary such as merit, promotional, equity, and retention. Cumulative, calendar year increases greater than 25 percent will constitute an exception to policy for SMG employees until such time as the new SMG Salary Policy becomes effective.

In addition, other provisions of *Personnel Policies for Staff Members (PPSM)* will be amended to reflect, as necessary, the provisions contained in this document, such as the Approval Authority and Governance described below.

(7) Applying the approval authority matrix shown below, as previously presented to the Regents for discussion in March 2008.

Approval Authority and Governance for Non-SMG Employees Above the ICL (SMG employees are subject to SMG Salary Administration Policy)

Population	**Approval Authority for Actions Within Policy**	**Approval Authority for Actions Outside Policy**	**Approximate Number of Non-SMG Employees Above ICL ($205K)**	**Approximate Number of Non-SMG Employees Above the Proposed ICL ($275K)**
Non-SMG Direct Reports to the President	Regents	Regents	**0**	**0**
Other Non-SMG UCOP Employees	President	Regents	**22**	**6**
Non-SMG Direct Reports to the Chancellors or Laboratory Director	President	Regents	**0**	**0**
Non-SMG Campu Employees	Chancellor	President	**106**	**19**
Non-SMG LBNL Employees	LBNL Director	President	**24**	**9**

(8) Requiring the Regents to continue to approve the following:

a. All interim slotting recommendations for assigning SLCG grades to positions.

b. Establishment and/or revision to SLCG salary grades and ranges.

c. Annual goal-setting for obtaining, prioritizing, and directing funds to achieve market comparability for all groups of employees.

d. Determination of annual salary increase budget, including priorities for addressing specific groups of employees.

G. ***Approval of the Policy on Reemployment of University of California Retired Employees into Senior Management Group and Staff Positions and Amendment to the University of California Retirement Plan Regarding Normal Retirement Age***

The Committee recommended that the Regents approve:

(1) The proposed policy on *Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions* (shown in Attachment 3);

(2) Clarification of the definition of "normal retirement age" to refer to age 50 plus a minimum of 5 years of UCRP Service Credit for Safety Members and age 60 plus a minimum of 5 years of UCRP Service Credit for all other Members; and

(3) Delegation of authority to the Plan Administrator to implement the UCRP amendment.

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

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

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

A. ***Establishment of a School of Public Policy, 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:

****

<u>School of Public Policy, at Riverside, with curricula leading to the degrees of Master of Public Policy and Doctor of Philosophy.</u>

B. ***Proposed Public Phase of Comprehensive Fundraising Campaign, Berkeley Campus***

The Committee recommended that the proposal of the Berkeley campus, jointly with the University of California, Berkeley Foundation, to conduct a campus-wide, comprehensive fundraising campaign, with a goal of $3.0 billion to support Berkeley'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.

C. ***Proposed Public Phase of Fundraising Campaign, School of Law, Los Angeles Campus***

The Committee recommended that the proposal of the Los Angeles campus School of Law, jointly with the UCLA Foundation, to conduct a fundraising campaign with a goal of $100 million to support UCLA's students, faculty and programs with strengthened endowment, as well as current-use funding, be approved.

D. ***Proposed Public Phase of Fundraising Campaign, School of Management, Los Angeles Campus***

The Committee recommended that the proposal of the Los Angeles campus Anderson School of Management, jointly with the UCLA Foundation, to conduct a comprehensive fundraising campaign, with a goal of $100 million to support UCLA'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. The goal of $100 million is an increase from the original $75 million, which reflects the increased number of donors who are prospects for single gifts of $5 million or more, as well as a recent gift of $10 million.

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

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

The Committee presented the following from its meeting of September 18, 2008:

A. ***Adoption of Findings and Approval of Binding Agreement to Ground Lease, 55 Laguna Street, San Francisco, Berkeley Campus***

The Committee recommended that, upon review and consideration of the environmental consequences of the proposed project as evaluated in the

Environmental Impact Report (EIR) for the 55 Laguna Residential Project prepared by the City and County of San Francisco:

(1) The Regents adopt Findings pursuant to the California Environmental Quality Act for the Project;

(2) The President, after consultation with the General Counsel, be authorized to approve and to execute a binding agreement to ground lease (Agreement) between The Regents, and A. F. Evans Company Inc. and Mercy Housing California (Evans), or its designees or assignees, in whole or in part, of approximately 5.3 acres of University land and approximately 120,000 square feet of building area located in the City of San Francisco on a site bounded by Laguna, Haight, Buchanan, and Hermann Streets (Property), for the construction of approximately 330 apartment units, approximately 100 senior housing units, publicly-accessible park spaces, incidental community and retail spaces, and parking (Project).

(3) The President be authorized (i) with the concurrence of the General Counsel, to approve and to execute the Ground Lease; and (ii) to negotiate and, with the concurrence of the General Counsel, to approve and execute any amendments or other documents related to the Agreement or the Ground Lease, provided such amendments or other documents do not materially reduce the consideration to or increase the obligations of The Regents.

B. ***Adoption of Regulations for Non-Affiliates on University Property***

The Committee recommended that, pursuant to Section 92440.5 of the California Education Code:

(1) The proposed Regulations Governing the Conduct of Non-Affiliates in the Buildings and on the Grounds of the University of California, shown in Attachment 4, with an amendment, adding the language “or a board member” after “officer” in paragraph II. A. 2. (a) and (b), be adopted; and

(2) The President be authorized to transmit the Regulations to the California Secretary of State for publication in the California Code of Regulations for reference by all local law enforcement authorities.

C. ***A Proposed New Funding Policy for the University of California Retirement Plan***

The Committee recommended that:

(1) The proposed new funding policy, including a three-year amortization period for any initial surplus, be adopted for UCRP. The proposed new funding policy would be effective with the July 1, 2008 actuarial valuation and would determine recommended total contributions based on the Plan's Normal Cost adjusted for any surplus or underfunding, starting with the Plan Year beginning July 1, 2009.

(2) Authority be delegated to the Associate Vice President, Human Resources and Benefits, to amend the Plan as applicable to facilitate implementation of the new funding policy.

The proposed new UCRP funding policy would have the following structure and parameters:

a. The new funding policy would be effective with the July 1, 2008 actuarial valuation and would determine recommended total contributions starting with the Plan Year beginning July 1, 2009.

b. Each year the recommended contributions would be effective for the Plan Year starting one year after the date of the actuarial valuation.

c. Each year the Regents would determine the actual total contributions and the split between Member Contributions and University Contributions based on the recommended total contributions and various other factors, including the availability of funds, the impact of employee contributions on the competitiveness of UC's total remuneration package, and collective bargaining. In no event would the University Contributions be lower than the Member Contributions.

d. The new funding policy would determine recommended total contribution rates based on an actuarial valuation of the non-laboratory segment of UCRP (e.g., campuses, medical centers and Hastings College of the Law). The Lawrence Berkeley National Laboratory would contribute on the same basis as determined for the non-laboratory segment of UCRP, subject to the terms of the University's contract with the Department of Energy. The Lawrence Livermore National Laboratory and Los Alamos National Laboratory Retained Segments in UCRP would be subject to the funding policies outlined in the University's contracts with the Department of Energy. Throughout this document the term "UCRP" shall refer to the non-laboratory segment of UCRP.

e. The recommended total contributions to UCRP would consist of the Normal Cost plus an amortization charge for any Unfunded

Actuarial Accrued Liability (UAAL) or minus an amortization credit for any surplus.

f. Consistent with current practice, the Regents' Consulting Actuary would conduct an annual actuarial valuation of UCRP. The Normal Cost and the Actuarial Accrued Liability (AAL) in each actuarial valuation would be determined under the Entry Age Normal Actuarial Cost Method, using actuarial assumptions adopted by the Regents.

g. Consistent with current practice, the asset smoothing method used to determine the Actuarial Value of Assets would be based on the Market Value of Assets adjusted for "unrecognized returns" in each of the then last five years. Unrecognized return is the difference between actual and expected returns on a market value basis and is recognized over a five-year period.

h. As of the effective date of this policy, any initial surplus as of that date would be amortized as a level dollar amount over a period of three to seven years, as specified by the Regents in the adoption of this policy. The proposed period is three years.

    i. Any changes in surplus after the effective date due to actuarial gains and losses (including contribution gains and losses) would be amortized as a level dollar amount over 15 years.

    ii. Any change in surplus due to a change in actuarial assumptions, cost method or asset smoothing method would be amortized as a level dollar amount over 15 years.

    iii. Any change in surplus due to a Plan amendment would be amortized as a level dollar amount over 15 years.

    iv. In the first year after the effective date when UCRP has a UAAL (as opposed to a continuation of the current surplus condition) all amortization bases would be considered fully amortized and contributions would be determined under the remaining provisions of this policy.

i. For any future year when UCRP has a UAAL (as opposed to a continuation of the current surplus condition), the calculation of the UAAL would be maintained by source (as listed below) and each new portion of or change in UAAL would be amortized as a level dollar amount over a fixed amortization period.

    i. Any initial UAAL (after a period of surplus) or change in UAAL due to actuarial gains and losses (including contribution gains and losses) would be amortized over 15 years.

ii. Any change in UAAL due to a change in actuarial assumptions, cost method or asset smoothing method would be amortized over 15 years.

iii. Any change in UAAL due to a Plan amendment would be amortized over 15 years, unless the nature of the Plan amendment would suggest a shorter period.

j. For any future year in which UCRP has a surplus (other than a continuation of the current surplus condition), such surplus would be amortized as a level dollar amount over 30 years, and all prior UAAL amortization bases would be considered fully amortized.

k. This new funding policy would supersede any previous funding policies.

D. ***Approval of Final 2008-09 Budget Plan***

The Committee recommended that, contingent upon the Governor signing the final budget act or approved by the Legislature as a result of a budget veto override, and in concurrence with the recommendation of the Committee on Grounds and Buildings, the State Capital Improvements Budget for 2008-09 be amended as follows:

(1) Delete $58.032 million for construction for the Berkeley campus, Campbell Hall Seismic Replacement Building project.

(2) Add $750,000 for infrastructure equipment for the Davis campus, Telemedicine Resource Center and Rural Prime Facility project.

(3) Delete $687,000 for preliminary plans, working drawings, and construction for the Davis campus, Seismic Corrections Thurman Laboratory project.

(4) Delete $893,000 for working drawings for the Davis campus, Music Instruction and Recital Building project.

(5) Delete $1.638 million for preliminary plans and working drawings for the Davis campus, Chilled Water System Improvements Phase 7 project.

(6) Delete $9.969 million for working drawings and construction for the Los Angeles campus, Electrical Distribution System Expansion Step 6C project.

(7) Delete $13.408 million for working drawings and construction for the Los Angeles campus, School of Medicine High-Rise Fire Safety Phase 1 project.

(8) Delete $20.650 million for working drawings and construction for the Los Angeles campus, CHS South Tower Seismic Renovation project.

(9) Delete $2.01 million for preliminary plans for the Merced campus, Science and Engineering Building 2 project.

(10) Delete $375,000 for preliminary plans and working drawings for the Merced campus, Site Development and Infrastructure Phase 4 project.

(11) Delete $716,000 for working drawings for the Riverside campus, Batchelor Hall Building Systems Renewal project.

(12) Delete $2.208 million for preliminary plans for the Riverside campus, Engineering Building Unit 3 project.

(13) Delete $6.86 million for preliminary plans and working drawings for the San Diego campus, Biological and Physical Sciences Building project.

(14) Delete $191,000 for preliminary plans for the San Diego campus, Campus Storm Water Management Phase 2 project.

(15) Delete $13.129 million for construction for the San Francisco campus, Electrical Distribution Improvements Phase 2 project.

(16) Delete $5.122 million for construction for the Santa Barbara campus, Infrastructure Renewal Phase 1 project.

(17) Delete $320,000 for preliminary plans for the Santa Barbara campus, Infrastructure Renewal Phase 2 project.

(18) Delete $6.731 million for construction for the Santa Cruz campus, Infrastructure Improvements Phase 2 project.

(19) Delete $1.199 million for preliminary plans and working drawings for the Santa Cruz campus, Alterations for Physical, Biological, and Social Sciences project.

(20) Delete $100 million for preliminary plans, working drawings, construction, and equipment for the Universitywide, Health Sciences Expansion project.

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

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

The Committee presented the following from its meeting of September 16, 2008:

A. ***Annual Report on Approvals of Chancellors' Residences and Other Capital Projects for the Year Ended June 30, 2008***

The Committee reported its acceptance, in accordance with the Schedule of Reports, of the annual report on *Chancellors' Residences and Other Capital Projects* for the year ending on June 30, 2008.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Northwest Student Housing Infill, Los Angeles 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:

From: <u>Northwest Campus Student Housing Infill</u> – preliminary plans – \$9,000,000 to be funded from the Los Angeles campus' share of the University of California Housing System New Revenue Fund Reserves.

To: <u>Northwest Campus Student Housing Infill</u> – preliminary plans, working drawings, construction, and equipment – \$375,000,000, to be funded from external financing (\$371,040,000) and from the Los Angeles campus' share of University of California Housing System Net Revenue Fund Reserves (\$3,960,000).

(2) The President be authorized to obtain external financing not to exceed \$371,040,000 to finance the Northwest Campus Student Housing Infill project listed, 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 Los Angeles campus 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.

C. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Biomedical Sciences Facility, Santa Cruz Campus***

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

From: Santa Cruz: Biomedical Sciences Facility – preliminary plans, working drawings, construction, and equipment – $77,913,000 to be funded from State funds.

To: Santa Cruz: Biomedical Sciences Facility – preliminary plans, working drawings, construction, and equipment – $95,263,000 to be funded from State funds ($77,913,000), California Institute for Regenerative Medicine grant funds ($7,192,000), and campus funds ($10,158,000).

D. ***Approval of Amended State Capital Improvements Budget Consistent with the Final 2008-09 Budget Act***

The Committee recommended that, contingent upon the Governor signing the final budget act approved by the Legislature on September 15, 2008, subject to the concurrence of the Committee on Finance, the State Capital Improvements Budget for 2008-09 be amended as follows:

(1) Delete $58.032 million for construction for the Berkeley campus, Campbell Hall Seismic Replacement Building project.

(2) Add $750,000 for infrastructure equipment for the Davis campus, Telemedicine Resource Center and Rural Prime Facility project.

(3) Delete $687,000 for preliminary plans, working drawings, and construction for the Davis campus, Seismic Corrections Thurman Laboratory project.

(4) Delete $893,000 for working drawings for the Davis campus, Music Instruction and Recital Building project.

(5) Delete $1.638 million for preliminary plans and working drawings for the Davis campus, Chilled Water System Improvements Phase 7 project.

(6) Delete $9.969 million for working drawings and construction for the Los Angeles campus, Electrical Distribution System Expansion Step 6C project.

(7) Delete $13.408 million for working drawings and construction for the Los Angeles campus, School of Medicine High-Rise Fire Safety Phase 1 project.

(8) Delete $20.650 million for working drawings and construction for the Los Angeles campus, CHS South Tower Seismic Renovation project.

(9) Delete $2.01 million for preliminary plans for the Merced campus, Science and Engineering Building 2 project.

(10) Delete $375,000 for preliminary plans and working drawings for the Merced campus, Site Development and Infrastructure Phase 4 project.

(11) Delete $716,000 for working drawings for the Riverside campus, Batchelor Hall Building Systems Renewal project.

(12) Delete $2.208 million for preliminary plans for the Riverside campus, Engineering Building Unit 3 project.

(13) Delete $6.86 million for preliminary plans and working drawings for the San Diego campus, Biological and Physical Sciences Building project.

(14) Delete $191,000 for preliminary plans for the San Diego campus, Campus Storm Water Management Phase 2 project.

(15) Delete $13.129 million for construction for the San Francisco campus, Electrical Distribution Improvements Phase 2 project.

(16) Delete $5.122 million for construction for the Santa Barbara campus, Infrastructure Renewal Phase 1 project.

(17) Delete $320,000 for preliminary plans for the Santa Barbara campus, Infrastructure Renewal Phase 2 project.

(18) Delete $6.731 million for construction for the Santa Cruz campus, Infrastructure Improvements Phase 2 project.

(19) Delete $1.199 million for preliminary plans and working drawings for the Santa Cruz campus, Alterations for Physical, Biological, and Social Sciences project.

(20) Delete $100 million for preliminary plans, working drawings, construction, and equipment for the Universitywide, Health Sciences Expansion project.

E. ***Adoption of Findings and Approval of Design, Student Housing Phase 3 Project, Merced Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Long Range Development Plan Environmental Impact Report, the Committee reported its:

(1) Adoption of the Findings, and

(2) Approval of the design of the Student Housing Phase 3 Project, Merced 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.]

F. ***Adoption of Mitigated Negative Declaration and Approval of Design, Health Sciences Surge Building, Riverside Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Mitigated Negative Declaration, the Committee reported its:

(1) Adoption of the Initial Study/Mitigated Negative Declaration;

(2) Adoption of the Findings, and

(3) Approval of the design of the Health Sciences Surge Building, Riverside campus, subject to a redesign of the façade and examination of further LEED energy certification.

[The Initial Study/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.]

G. ***Temporary Amendment of Applicable Standing Orders and Regental Policy and Approval of Implementing Guidelines for Pilot Phase of the Redesigned Process for Capital Improvement Projects***

The Committee recommended that, following service of appropriate notice, Standing Order 100.4 and the Regents' Policy on Approval of Design, Long Range Development Plans and the Administration of the California Environmental Quality Act be temporarily amended as shown in Attachment 5, such that:

(1) The following sections of existing Standing Orders and Regental Policy be temporarily amended for those projects within the parameters of the

"Process Redesign for Capital Improvement Projects" for the duration of the pilot phase approved by the Regents in March 2008:

a. Subdivision (q) of *Standing Order 100.4, Duties of the President of the University* to increase the President's project approval authority to include projects with costs up to and including $60 million with the express intent that the President would delegate approval of amendments to the Capital Improvement Program for projects up to and including $60 million to the Chancellors;

b. Subdivision (nn) of *Standing Order 100.4, Duties of the President of the University* to enable the President to obtain external financing on behalf of the campuses for amounts up to and including $60 million for the planning, construction, acquisition, equipping, and improvement of projects; and

c. Paragraph (1)a of the Regents' *Policy on Approval of Design, Long Range Development Plans and the Administration of the California Environmental Quality Act* such that design approval authority for projects up to and including $60 million, otherwise assigned to the Committee on Grounds and Buildings is reassigned to the President for delegation to the Chancellors.

The existing versions of the above Standing Orders and the Regents' Policy would remain in effect for all projects that do not qualify for inclusion in the pilot phase of the "Process Redesign for Capital Improvement Projects."

(2) Upon approval of Temporary Amendment of the Standing Orders and Regental Policy, Approval of Proposed Guidelines for Implementation of the Pilot Phase of the "Process Redesign for Capital Improvement Projects":

Approval of the following guidelines for campus participation in the "Process Redesign for Capital Improvement Projects" to provide a set of linked design and capital financial documents enabling the Regents to provide portfolio-level oversight of capital projects effectively. The Implementation Team anticipates that additional guidelines for implementation may be identified as it continues its work; when these are developed, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.

a. Each campus' Ten-Year Capital Financial Plan will be a stand-alone portfolio document not requiring additional commentary or explanation and will describe a financially feasible capital program, how it relates to academic and strategic priorities, and the financing strategies that will be used to implement the Plan. Each campus Ten-Year Capital Financial Plan will be reviewed and approved by the Regents.

b. Chancellors will have authority to change the scheduling of individual projects identified within the Ten-Year Capital Financial Plan and to augment the budget of a project included in the pilot phase insofar as the project and the overall portfolio of projects remain financially feasible and the total project budget does not exceed $60 million.

c. Chancellors will report annually to the President any changes or updates to their Ten-Year Capital Financial Plans. These data will be included in a University-wide annual report to the Regents.

d. Each campus' Physical Design Framework will be reviewed and approved by the Regents in coordination with the campus Long Range Development Plan (LRDP) and will be a comprehensive report identifying the campus' principles and objectives for the design of the physical environment, how they relate to the campus LRDP, and how they are integrated into project planning and design. For the pilot phase, the Physical Design Framework should be approved with the campus' Ten-Year Capital Financial Plan. Minor amendments to the Physical Design Framework may be approved by the President, based on guidelines to be developed. When these guidelines are refined, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.

e. The Regents will approve a template for a "checklist" to be used for project evaluation and documentation.

f. For State-funded projects, the pilot phase of the redesign process will be limited to CEQA approval and design review. Campuses must continue to follow all procedures established by the State relating to the approval of project scope, budget, and schedule.

(3) At the November 2008 meeting, Executive Vice President Lapp will return with modified recommendations that incorporate the concerns expressed by the Committee.

Regent Schilling proposed an amendment in item D., changing the language to read: "contingent upon the Governor signing the final budget act or approved by the Legislature as a result of a budget veto override." Upon motion of Regent Schilling, duly seconded, the recommendations of the Committee on Grounds and Buildings were approved as amended.

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

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

A. ***Appointment of Regents' General Investment Consultant***

The Committee recommended the appointment of Mercer Investment Consulting, Inc. to serve as the Regents' Generalist Investment Consultant in connection with ongoing review of the University of California's Investment Program. The contract will have a term of three years.

B. ***Approval of Revised Asset Allocation Policy Targets for Alternative Investments in the University of California Retirement Plan and General Endowment Pool***

The Committee, with the concurrence of Richards & Tierney, Inc., recommended that the Asset Allocation Policy for the University of California Retirement Plan and the University of California General Endowment Pool, shown in Attachment 6, be approved, effective October 1, 2008.

C. ***Approval of Changes to Private Equity Investment Guidelines to Permit Co-Investment and Direct Investment Strategies***

The Committee, with the concurrence of Richards & Tierney, Inc., recommended that the changes to the Investment Guidelines for the Private Equity allocation of the University of California Retirement Plan and the University of California General Endowment Pool, shown in Attachment 7, be approved, effective upon approval.

Upon motion of Regent Pattiz, duly seconded, the recommendations of the Committee on Investments were approved.

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

The Committees presented the following from their meeting of September 17, 2008:

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External, Interim and Standby Financing, Medical Center Mission Bay Clinical Facilities, San Francisco Campus***

The Committees recommended that:

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

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

To: San Francisco: UCSF Medical Center Mission Bay Clinical Facilities – preliminary plans, working drawings, construction, and equipment – $1.686 billion to be funded from external financing ($700 million), gifts ($600 million), State funds ($200 million), hospital reserves ($81 million), interest income ($36 million), and State Children's Hospital Bonds ($69 million). The project is contingent upon satisfaction of the financing plan conditions enumerated below in paragraphs (2) and (3). Removal of this contingency is currently expected on or before December 2010.

(2) The President be authorized to obtain external financing not to exceed $700 million to finance the UCSF Medical Center Mission Bay Clinical Facilities project, subject to the following conditions:

a. Financing documentation shall require that as long as the debt is outstanding, the UCSF Medical Center gross revenues shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing, and

b. Forecasted hospital operating cash flow in the second year after project completion (anticipated to be FY2017) shall be sufficient to cover the forecasted annual debt service for all forecasted outstanding indebtedness at a level of three times (3x).

(3) The President be authorized to obtain interim financing not to exceed $150 million, and standby financing not to exceed $350 million for a total of $500 million prior to awarding a construction contract to fund uncollected pledges, subject to the following conditions:

a. Pledges received of at least $450 million,

b. Cash collections against pledges of at least $100 million,

c. Interest only, based on the amount financed, shall be paid on the outstanding balance during the construction period,

d. Financing documentation shall require that the repayment of any standby financing shall be from gift receipts. Documented pledges will be the primary repayment source except for 10 percent of the pledge amount will have an additional repayment source of hospital reserves. Pledges and hospital reserves shall be maintained at a level sufficient to meet the debt service and to meet the related requirements of the authorized standby financing, and

e. Repayment of the interim financing shall be from gift receipts. In the event that the collection of gifts is insufficient, the Medical Center will use hospital reserves to pay the necessary debt service. Forecasted hospital operating cash flow in the second year after project completion (anticipated to be FY2017) are sufficient to cover the forecasted annual debt service for all forecasted outstanding indebtedness, including any forecasted interim financing amount, at a level of two times (2x).

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

(5) The San Francisco campus will return to the Committee on Grounds and Buildings to provide project updates in January 2010 and November 2010

B. ***Certification of Environmental Impact Report, Amendment of Long Range Development Plan and Approval of Design for Initial Phase of the Medical Center Mission Bay Clinical Facilities, San Francisco Campus***

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

(1) Certification of the Environmental Impact Report;

(2) Adoption of the Mitigation Monitoring Program, Findings, and Statement of Overriding Considerations;

(3) Amendment of the 1996 Long Range Development Plan, *Mission Bay: Functional Zones, Figure 16,* to expand the boundary of the Mission Bay campus site to include the 14.52-acre Mission Bay south site, thus increasing the Mission Bay campus site from 42.35 acres to 56.87 acres as shown in Attachment 8;

(4) Amendment of the 1996 Long Range Development Plan, *Mission Bay: Functional Zones, Figure 16,* to adopt changes to the functional zone map for the Mission Bay site as shown in Attachment 8;

(5) Amendment of the 1996 Long Range Development Plan to rename *Table 29:Major New Site Space Program* as *Table 29A: Mission Bay Proposed Space Profile* and update it to expand the space program profile to include the Medical Center program, thus increasing the Mission Bay campus program to 4,437,000 gross square feet as shown in Attachment 9;

(6) Amendment of the 1996 Long Range Development Plan to update Chapter 6, Major New Site at Mission Bay, to describe the expansion of the existing Mission Bay campus site and the designated use of the expanded site for clinical care; and

(7) Approval of the design for the initial phase of the Medical Center Mission Bay Clinical Facilities.[3]

[The Environmental Impact Report, Mitigation Monitoring Program, 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.]

C. ***Formulation of New Capital Funding Strategy by the President***

The Committees recommended that the Regents:

(1) Acknowledge and reaffirm the authority granted to the President under Standing Order 100.4(f) for development of recommendations regarding the University's Capital Improvement Program;

(2) Endorse the intention of the President to:

a. Immediately commence a comprehensive evaluation of capital planning of the University including the following segments:

i. The need for seismic upgrades/repairs and prioritization of seismic work in accordance with the University Seismic Safety Policy;

ii. Infrastructure renewal and maintenance needs; and

iii. The need to develop additional facilities/incremental space to meet anticipated enrollment and programmatic requirements as well as expansion of the University's research activities;

b. Develop various funding strategies to implement such plans on a University-wide and campus-by-campus basis over both five-year and ten-year time horizons; and

c. Provide reports and recommendations, as appropriate, to the Regents at the November 2008 and January 2009 meetings

[3] Approval of the design of the initial phase of the MCMB Facilities authorizes the design and subsequent construction of the helipad; however, operation of the helipad will require separate approval after an evaluation and design of a sound reduction program.

regarding such efforts, concurrent with a more complete understanding of the anticipated State capital budget for 2009-2010 and beyond.

(3) Direct the President to present a report at the March 2009 meeting of the Regents summarizing the University's progress with regard to each program for abatement of seismic hazards undertaken in conjunction with the University Seismic Safety Policy (Policy); summarizing the University's response with regard to any recommendations made or exceptions noted by a consulting structural engineer retained under the Policy not otherwise incorporated in a program for abatement; and describing any other plans or actions to be taken, if any, to assure the University's compliance with the Policy; and

(4) Direct the President to amend the Policy to reflect current organizational responsibilities and otherwise to address any material developments since the date of the last Policy revision.

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

11. 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, <u>leases, ground leases </u>and other documents pertaining to the use of ~~facilities~~<u>real property</u> for University-related purposes with a term ~~(excluding options)~~ of not more than ~~ten~~<u>twenty</u> years <u>(excluding options when the University is the lessee but including options</u>

provided by the University as lessor).~~, provided that base rent shall not exceed $500,000 for the initial year, and annual rent increases for subsequent years shall be limited to either (i) the actual annual percentage increases in the Consumer Price Index for all Urban Consumers (CPI-U all items), or (ii) such amounts that, when the rent is aggregated over the lease term, the total base rent does not exceed $10 million.~~

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

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

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

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

…..

(gg) The President is authorized to approve the sale, purchase, receipt by gift, or other acquisition of all interests in real property used or to be used for University-related purposes when the consideration does not exceed $~~1~~20 million. The President is also authorized to approve the sale, purchase, receipt by gift, or other acquisition of all such interests in real property when the consideration exceeds $~~1~~20 million up to and including $~~2~~60 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken for these amounts under this authority be reported at the next meeting of the Board. ~~Amounts~~Such transactions with consideration exceeding $~~2~~60 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~~.

…..

Upon motion of Regent Schilling, duly seconded, the amendment of Standing Order 100.4 – Duties of the President of the University, was approved.

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

(1) ***Retention Contract Compensation for Kevin Grimes as Head Men's Soccer Coach, Berkeley Campus***

Approval of the following revised compensation terms for Kevin Grimes, Head Men's Soccer Coach, Berkeley campus, 100 percent time. Pending approval by the Regents of these compensation terms, Mr. Grimes' revised contract will be effective July 1, 2008 and terminate on June 30, 2013, unless terminated earlier pursuant to the term of the Employment Contract or unless the parties agree in writing to the terms of a successor contract or a contract extension prior to that date.

It was deemed necessary to enter into negotiations with Mr. Grimes concerning an enhancement and extension of his current contract to make a long-term commitment to him and retain him in his current position on the Berkeley campus. The current contract is extended by three years.

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

a. Base Salary: This contract increases Coach's annual base salary from $85,000 to:

Effective Dates	Amount	Percent Increase
07/01/08 – 06/30/09	$110,000	28.4 percent
07/01/09 – 06/30/10	$115,000	4.9 percent
07/01/10—06/30/11	$120,000	4.3 percent
07/01/11 – 06/30/12	$125,000	4.2 percent
07/01/12 – 06/30/13	$130,000	4.0 percent

b. Talent Fee: This contract provides for the addition of an annual talent fee:

Effective Dates	Amount	Percent Increase
07/01/08 – 06/30/09	$ 15,000	100.0 percent (New)
07/01/09 – 06/30/10	$ 15,000	0.0 percent
07/01/10—06/30/11	$ 15,000	0.0 percent
07/01/11 – 06/30/12	$ 15,000	0.0 percent
07/01/12 – 06/30/13	$ 15,000	0.0 percent

Additionally, this contract provides the opportunity to earn supplemental compensation of up to $220,900 per annum, as detailed below:

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

Accomplishment	Bonus Amount
Team wins 75% of regular season games	$1,000 (no change)
Team wins Conference of the Year	$1,000 (no change)
Coach wins National Coach of the Year	$2,000 (no change)
Team wins the Pac-10 Championship	$5,000 (25% increase)
Team participates in the NCAA Championship	$4,500 (50% increase)
Team participates in the NCAA 2nd Round	$4,000 (no change)
Team participates in the NCAA 3rd Round	$4,000 (no change)
Team participates in the NCAA 4th Round	$4,000 (no change)
Team participates in the NCAA Championship 5th Round	$5,000 (no change)
Team participates in the NCAA Cup Final	$5,000 (no change)
Team wins the NCAA Championship	$15,000 (200% increase)

Coach Grimes is eligible to receive identified bonuses for all levels of accomplishment achieved in a Contract Year.

(This revised contract removes bonus opportunity for $1,500 for team appearance at NCAA Tournament and $10,000 for the team winning the College Cup Championship which had been provided by income from apparel suppliers.)

d. Camps and Clinics: At the sole discretion of the Director of Intercollegiate Athletics, the University may offer Coach Grimes an assignment to participate in a University Men's Soccer camp or clinic. For each contract year in which Coach Grimes participates in a University Men's Soccer camp or clinic, Coach Grimes will receive a guaranteed minimum of $90,000 annually from the proceeds of the camp, but no more than $150,000. If the proceeds of the camp do not reach $90,000, the Department will fund the difference. (Changed from: potential not to exceed camp profit, up to $100,000.)

e. Courtesy Car Stipend: One courtesy vehicle or in the event that the University does not have a courtesy vehicle, Coach Grimes will receive a stipend of $450 per month/$5,400 per year. (No change)

f. Signing Bonus: Upon final execution of the contract, Coach Grimes will receive one-time signing bonus of $15,000. If Coach Grimes terminates his employment prior to June 30, 2013, he must repay the signing bonus in full. (New)

In the event Coach Grimes terminates his employment prior to the end of this Employment Contract, he shall pay to the University the sum of $50,000 per remaining contract year plus $50,000 prorated to any portion of a remaining contract year. This amount will be reduced to $25,000 if Sandy Barbour is no longer the Athletics Director. (New)

If the University terminates the contract early without cause, the University will owe the base salary in amounts noted above, paid out in monthly installments, a prorated portion of the talent fee for the remainder of the contract year, and any additional earned bonus income. The University will not be responsible for paying unearned bonus/stipend income in this circumstance. If Coach Grimes secures employment during this time, these payments will be reduced by such amounts. (New)

The compensation provided under this contract is funded exclusively from athletic department revenues and private fundraising and no State or general campus funds are used in this arrangement.

Additional elements of compensation include:

- Per contract and per policy, vacation accrued in accordance with Personnel Policy 41 (or equivalent in effect at the time). (No change)

- Per contract and per policy, 8 hours of sick leave are accrued each month of the contract. (No change)
- Per contract and per policy, eligible for standard health and welfare benefits. (No change)
- At the discretion of the Director of Intercollegiate Athletics, apparel with a value of approximately $3,000 per contract year from funds provided by an equipment apparel supplier to be used for apparel from said equipment apparel program. (No change)
- At the sole discretion of the Director of Intercollegiate Athletics, spouse or partner and family travel for intercollegiate athletic events outside the San Francisco Bay Area. (No change)

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) ***Stipend for George R. Mangun as Acting Dean – Social Sciences, Davis Campus***

Approval of the following items in connection with the appointment of George R. Mangun as Acting Dean – Social Sciences, Davis campus:

a. Per policy, an administrative stipend of 5.1 percent of his adjusted campus faculty salary. At 85 percent this stipend equals $11,914 annually for a total actual annualized salary of $246,599 for his Acting Dean appointment (SLCG Grade 107: Minimum $172,300; Midpoint $218,700; Maximum $265,000).

b. In addition to his Acting Dean salary of $246,599, he will also be receiving $28,401 for his 15 percent appointment at the School of Medicine, resulting in total compensation of $275,000.

c. If an adjustment to the base faculty salary is made prior to the termination of this acting appointment, the 5.1 percent stipend will be recalculated using the new faculty base salary.

d. This appointment is 85 percent time and effective August 1, 2008 through July 31, 2009.

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.
- Per policy, ineligible for participation in the Senior Management Supplemental Benefits Program due to dual appointment as a faculty member.

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

(3) ***Stipend for John M. Quigley as Acting Dean – Goldman School of Public Policy, Berkeley Campus***

Approval of the following items in connection with the appointment of John M. Quigley as Acting Dean – Goldman School of Public Policy, Berkeley campus:

a. As an exception to policy an administrative stipend of 19.0 percent ($54,000) of his adjusted faculty salary of $284,933 for a total annualized base salary of $338,933 to be paid out in three components as: 9-month faculty salary ($213,700), 3-summer ninths for summer research per academic policy ($71,233), and a monthly stipend of $4,500 (annualized to $54,000) for taking on the Acting Dean role. Prior to the addition of the administrative stipend, the current adjusted academic salary of $284,933 is above the SLCG 106 Maximum (Salary Grade 106: Minimum $154,200, Midpoint $195,200, Maximum $236,100).

b. If an adjustment to the base faculty salary is made prior to the termination of this acting appointment, the $4,500 monthly rate will remain unchanged.

c. This appointment is at 100 percent time and is effective July 1, 2008 and will continue through December 31, 2008, or until a new Dean assumes the position, whichever occurs first.

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.

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 Joseph W. Childers as Dean – Graduate Division, Riverside Campus***

Approval of the following items in connection with the appointment of Joseph W. Childers as Dean – Graduate Division, Riverside campus:

a. Per policy, an appointment salary of $172,000. This represents a 24.3 percent increase in Mr. Childers' current adjusted faculty salary of $138,383 (Salary Grade 105: Minimum $138,200, Midpoint $174,300, Maximum $210,400). The incumbent will not be eligible for merit consideration until October 2009.

b. This appointment is at 100 percent time and for a maximum of 3 years to be effective July 1, 2008 through June 30, 2011 or upon the appointment of a permanent dean, whichever occurs first. This is to allow the campus sufficient time to conduct a review of the organization and develop a framework for the establishment of a long range development plan. This will conclude with a nationwide search for this mission critical leadership position in fiscal year 2010-2011.

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 Senior Management Supplemental Benefits Program 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.

(5) ***Stipend for Alan L. Terricciano as Acting Dean – Claire Trevor School of the Arts, Irvine Campus***

Approval of the following items in connection with the appointment of Alan L. Terricciano as Acting Dean – Claire Trevor School of the Arts, Irvine campus:

a. As an exception to policy, an administrative stipend of $43,722 (37.6 percent). The stipend plus the adjusted faculty salary of $116,278 result in total compensation of $160,000 (Salary Grade 105: Minimum $138,200, Midpoint $174,300, Maximum $210,400). The need for this exceptional stipend is due to the low faculty salary.

b. If an adjustment to the base faculty salary is made prior to the termination of this acting appointment, the $43,722 stipend will be reduced to maintain the total compensation at $160,000.

c. This appointment is at 100 percent and is effective July 16, 2008 through June 30, 2009, or until the appointment of a permanent Dean – Claire Trevor School of the Arts, whichever occurs first.

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.

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) ***Salary Adjustment for Frieder Seible as Dean – Jacobs School of Engineering, San Diego Campus***

Approval of the following items in connection with the salary adjustment of Frieder Seible as Dean – Jacobs School of Engineering, San Diego campus.

a. Per policy, a base salary increase of $65,200 (25 percent) for a total annual salary of $326,100, effective September 1, 2008 (SLCG Grade 110: Minimum $239,700 Midpoint $307,200 Maximum $374,500).

b. Not eligible for consideration in the merit/equity program until October 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, accrual of sabbatical credits as member of faculty.

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

(7) ***Stipend Extension for Steven Gaines as Acting Dean – Division of Mathematical, Life and Physical Sciences, College of Letters and Science, Santa Barbara Campus***

Approval of the following items in connection with the extension of the appointment for Steven Gaines as Acting Dean – Division of Mathematical, Life and Physical Sciences, College of Letters and Science, Santa Barbara campus:

a. As an exception to policy, effective July 1, 2008 through September 30, 2008. This appointment is at 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 23.5 percent ($39,260) to increase his current adjusted faculty salary of $167,388 to an annual salary of $206,648 (SLCG Grade 107: Minimum $167,600, Midpoint $212,700, Maximum $257,800). This represents an exception to policy which allows for up to 15.0 percent.

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 to participate in the Senior Management Supplemental Benefit Program due to 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.

(8) ***Revised Appointment Terms for Mario R. Ehlers as Deputy Director, Clinical Trials Group, Immune Tolerance Network, School of Medicine, San Francisco Campus***

Effective July 1, 2008, approval of the following items in connection with the appointment terms for Mr. Mario R. Ehlers as Deputy Director of the Clinical Trials Group (CTG) in the Immune Tolerance Network (ITN), UCSF School of Medicine. Mr. Ehlers received a counter-offer from his current employer, and in response the campus has been negotiating revised UCSF appointment terms with Mr. Ehlers:

a. A base of $225,000, increasing the originally recommended base salary of $210,000 by 7.1 percent ($15,000).

b. Per policy, relocation allowance, accelerated from a four-year schedule to a one-time, lump-sum payment of 17.5 percent of base salary ($39,375), paid within the first month of employment, subject to a pro-rated repayment requirement in the event that Mr. Ehlers resigns within the first four years of employment.

c. As an exception to policy, participation in the University of California Supplemental Home Loan Program, available to be exercised within a period not to exceed 24 months from date of employment. Participation will comply with all University/campus normal program parameters (loan amount not to exceed $1,000,000).

d. Effective August 4, 2008.

Additional items of compensation previously approved include:

- Interim slotting to SLCG Grade 106 (Minimum $154,200, Midpoint $195,200, Maximum $236,100) as recommended by Mercer Human Resource Consulting.
- Per policy, eligibility to participate in the School of Medicine Management Incentive Plan (SOM MIP) with a maximum potential payout of up to 15.0 percent of base salary ($33,750).
- As an exception to policy, 100-percent reimbursement of all reasonable moving expenses. This is an exception as policy allows for 50-percent reimbursement for MSP-classified positions.
- 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.
- 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.
- 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.

(9) ***Confirmation of Appointment of and Total Compensation for Robert D. Grey as Interim Provost, University of California, Office of the President***

Approval of the following items in connection with the appointment of and total compensation for Robert D. Grey:

a. An appointment salary of $350,000 (SLCG Grade 113: Minimum $333,900, Midpoint $431,500, Maximum $529,100).

b. This appointment will be effective on August 20, 2008, will continue until a permanent Provost is hired and for a reasonable transition period thereafter or until December 31, 2008, whichever occurs first. This appointment is at 100 percent time.

c. As an exception to policy, reimbursement for reasonable and actual expenses associated with housing and meals up to $4,000 per month for the duration of this appointment since Mr. Grey's primary residence is in Davis and he will be required to be in Oakland four days per week. Reimbursement using standard business travel policy will apply. Transportation costs between his home in Davis and the Oakland office will not be reimbursed.

d. 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 Interim Provost.

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.

B. 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:

(1) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and for Robbins Hall Renovation Phase I, Davis Campus***

Pursuant to Standing Order 100.4(q)

a. The President, subject to concurrence of the Chairman of the Board and the Chairman of the Committee on Grounds and Buildings, amends the 2008-09 Budget for Capital Improvements and the Capital Improvement Program to include:

From: Davis: Robbins Hall Renovation Phase 1 – preliminary plans, working drawings, and construction – $957,000 to be funded from external financing. (This project originally approved as part of the 2005-06 Deferred Maintenance and Capital Renewal Program – $6,100,000 funded from external financing).

To: Davis: Robbins Hall Renovation Phase 1 – preliminary plans, working drawings, and construction – $10,300,000 to be funded from campus funds ($9,343,000) and external financing ($957,000).

Pursuant to Standing Order 100.4(nn)

b. The President be authorized to obtain financing not to exceed $957,000 prior to awarding construction contracts:

i. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

ii. As long as the debt is outstanding, the Davis campus' share of the Federal indirect cost recovery deposited to Fund 19933 shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

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

c. 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.

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

(2) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Ocean Science Education Building Phase 1, Santa Barbara Campus***

Pursuant to Standing Order 100.4(q)

a. The President, subject to the concurrence of the Chairman of the Board and the Chairman of the Committee on Grounds and Buildings, amends the 2008-09 Budget for Capital Improvements and the Capital Improvement program to include:

Santa Barbara: Ocean Science Education Building Phase 1 – preliminary plans, working drawings, construction, and equipment – $11,108,000 to be funded from federal funds ($7,143,699) and gift funds ($3,964,301).

(3) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing, Cowell Student Health Center Expansion and Renovation, Santa Cruz Campus***

Pursuant to Standing Order 100.4(q)

a. The President, subject to concurrence of the Chairman of the Board and the Chairman of the Committee on Grounds and Buildings, amends the 2008-09 Budget for Capital Improvements and the Capital Improvement Program to include:

From: Santa Cruz: Cowell Student Health Center Expansion and Renovation – preliminary plans, working drawings, and construction – $11,012,000 to be funded from Registration Fee reserves ($250,000) and external financing ($10,762,000).

To: Santa Cruz: Cowell Student Health Center Expansion and Renovation – preliminary plans, working drawings, and construction – $12,309,000 to be funded from Registration Fee reserves ($250,000) and external financing ($12,059,000).

Pursuant to Standing Order 100.4(nn)

Deletions shown by strikeout; additions by underscore

b. The President approve and authorize external financing not to exceed $12,059,000 ~~$10,762,000~~ to finance the Cowell Student Health Center Expansion and Renovation project ~~listed in (1) above~~, subject to the following conditions:

i. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;

ii. ~~Repayment of any financing shall be from the Santa Cruz campus' Student Health Center Facilities Fee and revenues from the Health Center Fee for Service~~ As long as the debt is outstanding, the Santa Cruz campus' Student Health Center Facilities Fee approved by student vote in spring 2005 and approved by the President in July 2005, and the Student Health Center Green Building Fee approved by student vote in May 2008 and approved by the President in June 2008, shall be maintained in amounts sufficient to pay debt service and to meet related requirements of the authorized financing; and

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

~~c. 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.~~

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

13. REPORT OF ACTIONS TAKEN UNDER THE DELEGATION OF AUTHORITY FOR RECRUITING AND NEGOTIATION PARAMETERS FOR CERTAIN ATHLETIC POSITIONS AND COACHES, SYSTEMWIDE

Attachment 10 provides the September 2008 report to the Regents in response to *Establishment of Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches*, as passed by the Regents at their July 2007 meeting. This delegation of authority is specific and limited to the following circumstances, terms and conditions:

A. Approval of delegations to negotiate compensation contracts for coaches, as defined below, to be used in two specific circumstances.

(1) Pre-emptive or Active Retention – When the Chancellor, or his/her designee, needs to negotiate with an incumbent coach as a result of that coach receiving an expression of serious interest of employment from another entity, or an actual offer of employment from another entity.

(2) Replacement – After the termination of a coach either by his/her own choice or by the department's choice, the Chancellor, or his/her designee, must immediately negotiate with candidates as a replacement for the coach who is terminating.

B. Approval of the following parameters for delegation of authority:

(1) Guaranteed Compensation – Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed Compensation under the new and old contracts.

(2) Maximum Bonus – Authority to negotiate an increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.

(3) Deferred Compensation – Authority to negotiate an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.

(4) Camps – Authority to negotiate an increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for camp income under the new and old contracts.

(5) Benefits – Authority to offer the same system-wide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.

(6) Other – Authority to negotiate providing courtesy vehicles (supplied by donors/contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.

C. Approval of delegation of authority under the defined parameters, above, for all men’s and/or women’s coaches and football offensive/defensive coordinators whose new potential total cash compensation exceeds the Indexed Compensation Level.

D. It is proposed that this specific set of delegations will be reviewed by The Regents annually, along with a full reporting of all coaches whose total cash compensation exceeds the Indexed Compensation Level. In addition, any actions taken under this delegation by Chancellors will be reported publicly at the next Regents' meeting in the same manner as interim actions. The Office of the President will be responsible for providing corresponding updated market and comparability data to The Regents as part of the annual process.

Any proposals exceeding the levels or parameters noted above continue to require submission to and advance approval by The Regents. In addition, if the new contract includes exceptions to policy, advance approval by The Regents will be required.

Termination and liability clauses limiting the University's obligations will be used in all contracts. Each final contract will require the review and sign off by Office of the General Counsel.

If the funding of a coach's contract comes from sources other than athletic department revenues (including athletic equipment supplier agreements) or private fundraising, this will require Regental review and approval.

14. **REPORT OF ACTION TAKEN WITHIN RECRUITING AND NEGOTIATION PARAMETERS IN THE APPOINTMENT OF NIKKI CALDWELL AS HEAD WOMEN'S BASKETBALL COACH, LOS ANGELES CAMPUS**

In accordance with authority previously delegated by the Regents, interim action was taken on routine or emergency matters as follows:

A. The Chair of the Committee on Compensation and the President of the University approved the maximum compensation negotiation threshold for the recruitment of the head women's basketball coach, Los Angeles campus in April 2008. Approval of the possible compensation elements and maximum compensation amounts were intended to facilitate successful contract negotiation with the desired candidate.

The commitment to the Regents provided that once the contract had been signed by both parties, a report would be made to the Regents disclosing the final terms of the agreement. The following are the final terms of the agreement between the University of California and Nikki Caldwell which are within the threshold for recruitment and do not include the maximum amount in every category of compensation per the prior commitment to the Regents.

The compensation provided under this contract shall be funded exclusively from athletic department revenues and private fundraising, and no State or general campus funds will be used.

(1) Base Salary and Talent Fee:

a. The annual base salary is $250,000.

b. The annual talent fee is $49,500.

(2) Other Incentive Pay:

An annual maximum of up to $100,000 could be earned for such accomplishments as academic achievement, PAC-10 performance, and participation in national championship.

(3) Summer Camp Pay:

An annual maximum of up to $50,000 could be earned for services performed in conjunction with summer camps under a revenue-sharing arrangement determined at the sole discretion of the Director, Intercollegiate Athletics.

(4) Other Elements of Compensation:

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

b. Eligible for participation in the Mortgage Origination Program (MOP) or the Supplemental Home Loan Program (SHLP) with a loan of up to $1,000,000 fixed at 3 percent for the term of the Head Coach Agreement.

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

(5) Contract Duration:

Five (5) years, two months (2) and twelve (12) days effective April 18, 2008 through June 30, 2013. The contract term slightly exceeds the five years authorized by The Regents in April 2008, but is consistent with the industry standard end date of June 30th reflected in most coaches' contracts.

(6) Termination Clause:

Consistent with the recruiting and negotiation parameters, this contract contains a penalty clause for early termination by the coach, such that, if the Coach terminates the agreement, she will owe UCLA $125,000 for each year remaining in the contract term.

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 retains 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, 100 percent of the base salary for the remaining term of the contract, paid over the remaining term of the contract (in which case a portion of the remaining contract amount will be offset, where appropriate, by future income earned by the Coach in subsequent employment during the remaining contract period) or, at the option of the Coach, a one time payment of 50 percent of the base salary for the remaining term of the contract paid within 90 days of termination. 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.

15. 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 July 17, 2008 meeting. There was no roll call vote taken on this action.

> Appointment of Alan L. Hoffman as Senior Vice President for External Relations, Office of the President, effective no later than August 11, 2008.

16. REPORT OF OUTSIDE PROFESSIONAL ACTIVITIES

As Secretary and Chief of Staff Griffiths reported to the Board in July, 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 President Mark Yudof as a member of the Board of Directors for HealthTronics, Inc. of Austin, Texas.

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.

President Yudof was paid $52,000 in cash compensation in 2007 for his service on the HealthTronics Board of Directors. In addition, President Yudof and all other non-management members of the Board of Directors were granted a stock option in December 2006 covering 100,000 shares of HealthTronics common stock, worth an estimated $85,457 for financial statement reporting purposes for the year ended December 31, 2007. However, the option currently has no compensable value as HealthTronics stock is selling below the option purchase price.

President Yudof's total compensation from outside professional activities will also be separately reported in the Annual Report on Outside Professional Activities presented to The Regents at the March meeting.

17. **REPORT OF COMMUNICATIONS RECEIVED**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in reports dated August 1 and September 2, 2008.

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

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

To Members of the Committee on Health Services

A. Medical Center Activity and Financial Status Report for the ten months ended April 30, 2008. (July 9, 2008)

B. Medical Center Activity and Financial Status Report for the eleven months ended May 31, 2008. (July 25, 2008)

To The Regents of the University of California

C. Report of communications received subsequent to the June 2, 2008 report of communications. (July 1, 2008)

D. Update on the University's negotiations with the American Federation of State, County and Municipal Employees. (July 3, 2008)

E. Letter from the President regarding the wildfire in Santa Barbara and the upcoming Board of Regents meeting. (July 7, 2008)

F. Copies of the letter from the Acting City Clerk of Berkeley and subsequent responses from Vice Chancellor Nathan Brostrom and President Yudof regarding the health of those occupying the trees at Memorial Stadium on the Berkeley campus. (July 10, 2008)

G. Copy of the University of California's *2008-09 Budget for Current Operations, Budget Detail*, the companion document to the *2008-09 Budget for Current Operations*, *Summary of the Budget Request.* (July 10, 2008)

H. Copy of the press release regarding the temporary restraining order issued against the American Federation of State, County and Municipal Employees prohibiting its announced strike at UC facilities. (July 11, 2008)

I. Update and copy of the UC statement regarding the American Federation of State, County and Municipal Employees strike. (July 14, 2008)

J. Update about developments concerning the American Federation of State, County and Municipal Employees. (July 21, 2008)

K. Quarterly Report on Major Donors (gifts of $1 million and more); Quarterly Report on Namings that have been approved by the President; and Endowed Chairs that have been approved by the President. (July 22, 2008)

L. Update on the outcome of court proceedings in connection with the American Federation of State, County and Municipal Employees strike. (July 23, 2008)

M. Copy of the communication from the President to UC employees regarding potential state pay cuts. (July 24, 2008)

N. Update that the American Federation of State, County and Municipal Employees union has agreed to return to the bargaining table July 28-30 to continue negotiations concerning an agreement for service employees. (July 25, 2008)

O. At the request of Nobel Laureate and UC Santa Barbara Professor Walter Kohn, copies of the DVD, *The Power of the Sun*, brochures of the same name, and copies of his September 2004 and July 2008 presentations to the Board of Regents. (July 30, 2008)

P. Report of communications received subsequent to the July 1, 2008 report of communications. (August 1, 2008)

Q. Letter and statement from the President regarding the two attacks on members of the UC Santa Cruz community. (August 4, 2008)

R. Letter from the Secretary and Chief of Staff reporting the appointment of Alumni Regents-designate Nunn Gorman and Stovitz as advisory members of the Special Committee on Student Life and Alumni Affairs. (August 7, 2008)

S. Letter regarding Provost and Executive Vice President Hume's new position at United Arab Emirates University. (August 13, 2008)

T. Letter to Lieutenant Governor Garamendi from the President in response to the Lieutenant Governor's letter regarding Laboratory Management Fees and the allocation of funding to the UC Institute on Global Conflict and Cooperation. (August 14, 2008)

U. Announcement of activities to mark the 100th anniversary of the Davis campus. (August 14, 2008)

V. Announcement of the appointment of Robert D. Grey as Interim Provost of UC. (August 18, 2008)

W. Brief update on the State budget situation from the President. (August 20, 2008)

X. Report on the fee levels for self-supporting professional degree programs approved for 2008-09, consistent with Regental action at the November 1998 meeting. (August 22, 2008)

Y. Fact sheet concerning a proposed change to the default investment fund for the UC Defined Contribution Plan, the UC Tax-Deferred 403(b) Plan, and the UC 457(b) Deferred Compensation Plan from the UC Savings Fund to the UC Pathway Funds, effective January 30, 2009. (August 22, 2008)

Z. Higher Education excerpt from the Governor’s Budget May Revision for 2008-09 issued by the Governor May 14, which includes the proposal to restore $98.5 million to the University’s budget. (August 28, 2008)

AA. Fact sheet from the UC Office of Strategic Communications summarizing some of the recent higher education rankings that have been issued. (August 28, 2008)

BB. Letter from the Secretary and Chief of Staff reporting the appointment of Student Regent-designate Jesse Bernal as Advisory Member to the Committees on Finance, Grounds and Buildings, Health Services, and Investments. (August 29, 2008)

CC. Report of communications received subsequent to the August 1, 2008 report of communications. (September 2, 2008)

Regent Hopkinson pointed out that UC students and alumni won 13 gold, 24 silver, and six bronze medals in the Beijing Olympic games, which she described as phenomenal.

Regent Hopkinson asked that, in the future, the reports on recruitment and negotiation actions taken for certain athletic positions, now included in the final section of the packet of agenda materials distributed to Regents, first be referred to the appropriate committee.

The meeting adjourned at 11:30 a.m.

Attest:

Secretary and Chief of Staff

Location	Last Name, First Name	Interim Slotting	Title	Current Annual Base Salary (100% Equivalent)	Phase 1 Annual Base Salary Increase ($)	Phase 1 Annual Base Salary Increase %	Proposed Base Salary Effective 9/1/08	Additional Cash Compensation
Oakland	BLAIR,JEFFREY A	105	Senior Counsel & Acting Deputy General Counsel	$ 164,220	$11,601	7.06%	$ 175,821	Acting Stipend :Resultant Base Salary of $228,200
Oakland	BIRNBAUM,DAVID MARK	105	Senior Counsel & Acting Deputy General Counsel	$ 167,045	$10,330	6.18%	$ 177,375	Acting Stipend : Resultant Base Salary of $225,000
Oakland	BEAM,JOANNA MCKEE	106	Principal Counsel & Acting Deputy General Counsel	$ 200,200	$2,160	1.08%	$ 202,360	Acting Stipend : Resultant Base Salary of $225,000
UCD	Drown, Steven	108	Chief Campus Counsel	$ 178,300	$26,745	15.00%	$ 205,045	
UCSD	Park, Dan	108	Chief Campus Counsel	$ 185,000	$22,500	12.16%	$ 207,500	
UCI	Geocaris, Diane F.	108	Chief Campus Counsel	$ 196,900	$26,145	13.28%	$ 223,045	
UCSF	Canning, Marcia	108	Chief Campus Counsel	$ 217,200	$17,010	7.83%	$ 234,210	SRDP Nominee
SLCG GRADE	Minimum	Mid Point	Maximum					
105	$ 138,200.00	$ 174,300.00	$ 210,400.00					
106	$ 154,200.00	$ 195,200.00	$ 236,100.00					
108	$ 192,300.00	$ 244,900.00	$ 297,400.00					

*Target subject to reevaluation (re merit, market, funding etc.)

University of California Compensation Policy # 2.110

Senior Management Group Salary and Appointment

8/26/08

Responsible Officer: Associate Vice President–Human Resources and Benefits

Responsible Office: Human Resources and Benefits Policy and Program Design

Effective Date: January 1, 2009

Next Review Date: To be determined

Who Is Covered: Members of the Senior Management Group, including those with underlying academic appointments [Note: an effort is underway by Academic Advancement to review compensation and related policies and to develop appropriate monitoring and reporting processes for Deans. Until those policies and processes are developed and approved by The Regents, Deans remain in the Senior Management Group and are covered by the applicable SMG polices and procedures.]

CONTENTS

I. POLICY SUMMARY

This policy provides direction and authority for appointing and classifying Senior Management Group members and establishing, approving, reviewing and revising any salary and/or Salary Grade changes for Senior Management Group (SMG) members.

II. POLICY DEFINITIONS

Senior Management Group: *Individuals whose career appointment is in the Senior Management Group personnel program. Employees with a dual academic appointment at 0%, shall be considered to possess a career appointment in the Senior Management Group.*

Salary Grade: One of the classes, levels or groups into which SMG jobs of the same or similar value are grouped for compensation purposes. All jobs in a salary grade have the same pay range: minimum, midpoint and maximum.

Salary Range: A range of salaries delineated with a minimum, midpoint and maximum rate of pay assigned to a given Salary Grade. This represents the competitive range of base salaries for the position.

Compensable Factors: Information and data specific to a job or position that is used to evaluate against external market data or internal comparable positions to determine an appropriate Salary Grade.

Performance: The fulfillment of job responsibilities and individual goals and objectives assigned to the incumbent.

Exception to Policy: An action that exceeds what is allowable under current policy or that is not expressly provided for under policy. Any such action must be treated as an exception and must be reviewed and approved by the Regents.

Top Business Officer: Executive Vice President Business Operations for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location's financial reporting and payroll as designated by the Executive Officer.

Executive Officer: The President for the Office of the President, Chancellor, or Laboratory Director.

III. POLICY TEXT

A. Salary Grades and Ranges

1. Establishment of Salary Grades

The University has established a set of salary grades for SMG positions. A position's Salary Grade is established by:

a. determining the position's key functions, responsibilities, and other Compensable Factors.

b. evaluating and comparing the subject job's Compensable Factors to relevant market data and internal comparable positions.

A position will undergo a review to determine an appropriate Salary Grade if the duties change substantially or if a new position is created. Salary Grade assignments, including changes to Salary Grades for SMG positions or the creation of a new SMG position, must be approved by The Regents. Please refer to Section IV of this policy for additional information.

2. <u>Purpose of Salary Ranges</u>

The salary ranges allow the University to administer and manage the salaries of its SMG members in a manner that is competitive with relevant external comparator groups, fosters appropriate internal consistency, and facilitates budget control.

3. <u>Adjustments of Salary Ranges</u>

Salary ranges are reviewed annually and may be adjusted periodically by the Regents to reflect market movement of salaries for comparable positions.

Adjustments to salary ranges do not automatically result in an increase in the salary paid to an SMG member. If the salary ranges are adjusted and an incumbent's salary falls below the minimum of the new salary range, adjustments may be recommended to bring the salary above the minimum, if sustained performance and contributions are at or above "Satisfactory" levels. Adjustments may be made in one or more transactions over a period of time to bring the salary above the range minimum and are processed in conjunction with the merit and equity process and as part of that budget allocation.

Adjustments to the Salary Ranges must be approved by The Regents. Please refer to Section IV of this policy for additional information.

4. <u>Position in Salary Range</u>

The University's ability to pay competitively (total compensation) in regional and national marketplaces ultimately affects our ability to attract, motivate and retain the talent necessary to achieve the University's mission. It is the University's objective to offer competitive salary opportunities which are reflected in market competitive Salary Ranges. A number of factors will be considered to determine appropriate pay and position in the salary range for individuals, including documented sustained performance and contribution, internal peer comparability, external market comparability, scope and breadth of experience and responsibilities, as well as other factors. Please note that there are no automatic salary adjustments for individuals whose pay does not comport with the following guidelines. Any adjustments must be managed through existing programs and protocol, as outlined in the policy sections B - J, below.

Generally, salaries above the minimum and below the midpoint reflect an individual who may be learning the job's requirements and still improving his or her performance and contribution.

Salaries within 10 percent of the midpoint of the assigned salary range generally reflect competitive salaries in the marketplace for a fully competent, knowledgeable individual with sustained and documented successful performance.

Salaries above the midpoint and below the maximum generally reflect an incumbent who has significant experience in the position, who is proficient in the required skills, adept at managing the typical responsibilities, and who has demonstrated, sustained high levels of performance.

Placement above the Salary Range maximum may occur in unusual circumstances. Since the Salary Ranges reflect the full scope of market competitive salary rates for a position, if a proposed salary would be above the range maximum, the position should first be evaluated to ensure the grade assigned to the position reflects an up-to-date, market-competitive range of pay. In situations where a proposed action would place the salary above the range maximum, and the Salary Range appropriately reflects competitive pay, the specific facts and circumstances of the recommendation would need to be evaluated. In the event an incumbent's base salary exceeds the salary range maximum, the person's performance reviews, internal and external comparability reviews, and other considerations are to be assessed in conjunction with the justification.

B. Appointments

1. Criteria for Appointment

   Senior Management Group openings shall be filled through the appointment of applicants who, in the judgment of the hiring authority, possess the qualifications required to perform the position's duties most effectively.

   Refer to the *Policy on Appointment of Chancellors* and the *Procedures for Appointment of Laboratory Directors* for additional appointment information. Procedures for appointment of academic Deans and Provosts are specified in *Academic Personnel Policy 240, Deans and Provosts*.

2. Authority for Individual Appointment

   Individual appointments to all Senior Management Group positions shall be approved by The Regents. Management and Senior Professional (MSP) personnel program members who assume a position in the Senior Management Group personnel program will be considered appointees.

3. Authority to Establish or Abolish Senior Management Positions

   Establishment or abolishment of Senior Management Group positions and assignment of Senior Management Group titles shall be approved by The Regents.

4. Nature of Appointment

   A Senior Management appointee serves at-will and an SMG appointment may be terminated at any time with or without cause. A Senior Manager's at-will status cannot be altered except by amendment of this Policy.

   An appointment as a Senior Manager is normally at 100 percent time. A career appointment may be at less than 100 percent time, but cannot be less than 50 percent time, upon approval of The Regents.

5. Assignment of Titles

   A working title shall be assigned to each Senior Management positions that conveys the organizational level of the position and the nature and scope of the responsibilities assigned. The Regents provide approval of all Senior Management Group titles.

6. Appointment Salary

The salary of a newly appointed SMG member should be within the salary range for the position. The position in the salary range, as described in section 4 above, at the time of appointment is based on the following factors:

a. Prior relevant job experience.

b. Internal salary equity with similar SMG positions.

c. Internal appointments should include relevant documented performance assessments and appraisals.

d. The availability of funding.

e. Market competitive base salary rates.

Appointment salaries must be approved by The Regents. Please refer to Section IV of this policy for additional information.

C. Merit Increase

1. <u>Basis for Merit Increase</u>

SMG members are eligible for consideration of an annual merit increase in accordance with University procedures and funding. The merit budgeting process will be conducted annually as part of the larger budgeting process for UC. Market assessments will be conducted to determine the competitive position and budget necessary to properly position UC base salaries with our competition. Allocations will be based on relative need to achieve that market position and to reward employee contributions.

Annual Merit Budgets will be approved by The Regents. Please refer to Section IV of this policy for additional information.

The amount of an individual's merit increase award is based on the following factors:

a. The SMG member's annual written performance appraisal and contribution against predetermined goals and objectives.

b. The SMG member's current position within the salary grade range and his or her salary relative to internal comparable positions.

c. The availability of approved merit funding.

d. The SMG member should have an appointment date no later than the first day of the final fiscal quarter (April 1) to be eligible for merit increase consideration. If the appointment occurs on or after April 1, the appointment salary or promotional increase of a SMG member should take into consideration his/her merit and contribution in the former position. Please refer to Section A4 of this policy for proper salary placement in the range.

Merit increases must be approved by The Regents. Please refer to Section IV of this policy for additional information.

2. Performance Appraisal

An SMG member's most recent annual performance appraisal must be at least "Satisfactory" in order to receive a merit increase.

3. Merit Increase Timing

The SMG budget and effective date of annual merit increases are established and approved by The Regents each year and communicated systemwide through Human Resources.

D. Promotional Increase

1. Basis for Promotional Increase

A promotion is defined as either a transfer of an SMG member from an existing SMG position to another SMG position at a higher salary grade, or assignment of a higher salary grade to the SMG member's current position to reflect significantly new and higher level responsibilities. Factors to consider in granting a promotional increase include:

a. Prior relevant experience, performance which is at least "A*bove Expectations"*, and demonstrated capability in meeting the new position's requirements.

b. The recommended salary in relation to the new Salary Range midpoint. Generally, a promotional increase should position the incumbent's salary below the midpoint if he or she is still learning the job and is not yet fully competent in all aspects of the job requirements. Salaries within 10 percent of the midpoint of the salary range reflect a fully functioning individual with sustained performance.

c. The SMG member's recommended salary in comparison with others in the same or a similar position.

Promotions and/or promotional increases must be approved by The Regents. Please refer to Section IV of this policy for additional information.

2. <u>Limitation on Promotional Increase</u>

a. A promotional increase may not be awarded as a substitute for all or part of a merit increase.

b. An SMG member's most recent annual performance appraisal rating must be at least "A*bove Expectations"* to receive a promotional increase.

E. Equity Increase

An equity increase may be granted to correct a significant salary inequity in individual circumstances that results from any number of causes; e.g., rapidly changing external market conditions or a disparity created by new hires in the same or substantially similar jobs who have comparable levels of skills and experience and higher salaries. Equity increases may also be appropriate for individuals whose salary is below the midpoint of their salary range, and whose sustained documented performance is consistently rated at least "Satisfactory".

Equity increases must be approved by the Regents. Please refer to Section IV of this policy for additional information.

When equity funds are made available, they are typically made available systemwide once per year. The timing and budget of the annual equity increase program is established and approved by The Regents and communicated systemwide through Human Resources. Equity increases outside the annual program will be reviewed on a case-by-case basis and must be approved by The Regents.

F. Retention Increase

Retention increase recommendations are rare and must be based on all of the following factors:

1. The SMG member is considered a finalist for another position, and his/her immediate departure would result in severe operational, service, or functional disruption in accomplishing the mission of the University and;

.

2. The SMG member's most recent annual performance rating was at least "*Satisfactory*".

Any retention increase recommendation must be approved by The Regents. Please refer to Section IV of this policy for additional information.

G. Order of Salary Increases

If more than one salary increase is effective on the same date, actions are processed in the following order:

1. Apply a merit increase, and then
2. A promotional increase
3. Apply any equity increase based upon the appropriate position in the salary range.

H. Potential Transfers Between Locations (campus, Laboratory, Office of the President)

A potential transfer between locations occurs when an SMG member considers accepting another comparable SMG position at a location other than their present location. Any salary action recommendations must be based on Position in the Salary Range concepts as presented in Section A4 of this policy, including documented sustained performance and contribution. In such an event, and following the member's tentative acceptance of the offer from the new location, the member's current location will be provided with an opportunity to meet, but not exceed the wage offer of the new location for a comparable position. This section of the salary administration policy does not apply to situations in which an SMG member is contemplating another position which is not deemed to be comparable to their current position (e.g. a promotional opportunity or significant departure from their current profession). The intent of this arrangement is to emphasize the career opportunities being presented in each offer and deemphasize the competing salary offers. The Office of the President will serve as the broker of such transfer considerations and discussions.

Any increases or other actions must be approved by The Regents. Please refer to Section IV of this policy for additional information.

I. Transfers and Reclassifications Within the Same Location (campus, Laboratory, Office of the President)

A transfer within the same location occurs when an SMG member changes from one position to another position in the same salary grade. While such lateral moves may be valuable to develop skills or enhance future promotion opportunities, typically they are not accompanied by an increase in pay at the time of transfer unless there is a significant increase in position scope and responsibilities and documented, sustained performance and contribution.

A reclassification occurs when an incumbent's job changes, with functions added or eliminated, but the majority of the job's functions remain intact. This may or may not result in a grade change. Each situation will be reviewed on a case-by-case basis to determine if a salary increase or decrease is warranted. Documented, sustained performance of at least "*Satisfactory*" and contribution are a consideration in such determinations.

Transfer and reclassification salary increases or other actions must be approved by The Regents. Please refer to Section IV of this policy for additional information.

J. Salary Decrease Upon Reduction in Salary Grade

When an individual transfers from an existing SMG position to another SMG position at a lower salary grade, or when an individual's current SMG position is assigned to a lower salary grade, any recommendation for a salary decrease is at the discretion of the President, Chancellor, or Laboratory Director. Documented, sustained performance of at least "*Satisfactory*" and contribution are a consideration in such determinations. Salary decreases must be approved by The Regents in accordance with Section IV of this policy.

K. Temporary Assignments and Administrative Stipends

An employee may be asked to temporarily assume an SMG position. An SMG member may be asked to temporarily assume an SMG position at a salary grade higher than their career appointment. In rare instances, an SMG member may be asked to temporarily assume only a portion of the responsibilities of another SMG position in addition to their current responsibilities. In these circumstances, when the temporarily assumed responsibilities are deemed to be *significantly greater in scope and level* and when the employee is held fully accountable for the temporary responsibilities, the individual may receive a stipend so long as their documented performance evaluations warrants such.

These assignments and the accompanying stipends (if appropriate) may be approved up to twelve months in duration. Extensions of such arrangements constitute an exception to policy and may only be granted in intervals not to exceed twelve additional months. The purpose of such limitations is to ensure that adequate measures are being undertaken to install permanent stewardship of senior leadership positions.

The determination of the stipend amount, if any, shall be based upon guidance provided earlier in this policy regarding incumbent range placement. Additionally, the temporary assignment of a faculty member to an SMG position shall take into account their adjusted faculty salary which is inclusive of an assumption of two and one-half summer ninths. An administrative stipend shall not be included in the determination of the base salary for purposes of calculating an incumbent's merit increase.

Any stipends or other actions must be approved by The Regents. Please refer to Section IV of this policy for additional information.

L. Salary Restriction

An SMG member who is appointed at 100% time shall not receive additional cash compensation from an entity managed exclusively by the University (e.g. Lawrence Berkeley National Laboratory, a UC campus or UC medical center) for any work or services, regardless of source or type of payment. However, allowable circumstances in which an SMG member may receive additional compensation are as follows:

1. Payments for teaching University Extension courses (UNEX).
2. Administrative stipends payable under Section K. of this policy.
3. Incentive and recognition awards payable in accordance with approved incentive plans and recognition awards provisions described in the *Cash Incentive and Recognition Awards Policy* [link]. Health Science Compensation Plan participants are not eligible for additional incentive awards outside of APM 670.
4. Payments and income derived through Outside Professional activities, in accordance with the *Outside Professional Activities Policy* [link].
5. Academic Deans and Provosts may receive a 1/12 payment for summer research based on their annual Senior Management salary. In such instances, accrued vacation is forfeited for the year in which the 1/12 compensation for research is received

Actions or payments as noted above must be approved by The Regents. Please refer to Section IV of this policy for additional information.

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

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

B. 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 Associate Vice President–Human Resources and Benefits has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* [link] and *Standing Orders* [link] of The Regents.

The Executive Vice President–Business Operations has the authority to ensure that policies are regularly reviewed and updated, and are consistent other governance policies [link].

C. Approval of Actions

All salary and appointment actions (actions within this policy, that exceed this policy, or that are not expressly provided for under any policy) must be approved by The Regents. It is expected that an appropriate compensation study will accompany any request for an individual's salary increase.

V. COMPLIANCE

A. Compliance with the Policy

The Associate Vice President–Human Resources and Benefits is accountable for monitoring compliance with this policy.

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

The Top Business Officer and/or the Executive Officer at each location will designate the local office to be responsible for the ongoing reporting of policy compliance, including collecting all relevant compensation package activity, and creating specified regular compliance reports (such as a monthly compensation compliance report) for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports (such as a monthly compensation compliance report) for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits 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 (such as a monthly compensation compliance report), and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.

The Associate Vice President–Human Resources and Benefits is accountable for reviewing the administration of this policy. The Senior Vice President–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* [link] and *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews* [link].

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

REVISION HISTORY

As a result of the issuance of this policy, the following documents are obsolete:

- Personnel Policies for Senior Managers II-30 (Salary), dated July 1, 1996,
- Personnel Policies for Senior Managers II-21 (Appointment)
- Delegation of Authority 2113 (as it applies to SMG members), dated February 14, 2000

IMPLEMENTATION PROCEDURES [link]

RELATED POLICIES

- Cash Incentive and Recognition Awards Policy (referenced in paragraph L. of the **Policy Text** section of this policy)
- Outside Professional Activities Policy (referenced in paragraph L. of the **Policy Text** section of this policy)

- Bylaws of The Regents *[include the specific Bylaws that are applicable]* (referenced in paragraph B. of the **Approval Authority** section of this policy)
- Standing Orders of The Regents *[include the specific Standing Orders that are applicable]* (referenced in paragraph B. of the **Approval Authority** section of this policy)
- *Specified Other Governance Policies?* (referenced in paragraph C. of the **Approval Authority** section of this policy)
- Guidelines for Corrective Actions Related to Compensation Practices (referenced in paragraph B. of the **Compliance** section of this policy)
- Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews (referenced in paragraph B. of the **Compliance** section of this policy)

~~FREQUENTLY ASKED QUESTIONS~~

Temporary Assignments and Administrative Stipends

~~Individuals serving in an SMG position on an acting or inte~~rim basis retain their membership in the personnel program associated with their career appointment. If the employee's career appointment is included in the Management and Senior Professional (MSP) personnel program and the employee agrees to serve in a SMG position on an acting basis, the employee continues to be covered by the provisions of the MSP personnel program.

Attachment 3

University of California Policy #2.325:

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

8/21/08 Draft

Responsible Officer: Associate Vice President–Human Resources and Benefits

Responsible Office: Human Resources and Benefits Policy and Program Design

Effective Date: January 1, 2009

Next Review Date: January 1, 2011

Who is Covered: All UC retired employees (Senior Management Group members, including Deans; staff employees; and academic appointees) who are reemployed into Senior Management Group positions or staff positions. Recall appointments for academic appointees are governed by Academic Personnel Policy 200-22 and Academic Personnel Policy 200, Appendices A and B, and the *Guidelines for Rehire of UC Retirees.* Retired employees with underlying faculty appointments who are rehired into SMG or staff positions retain all rights and privileges connected with their underlying faculty appointments.

CONTENTS

I. POLICY SUMMARY

This policy governs the reemployment of all Retired Employees (as defined in Section II. below) into Senior Management Group (SMG) or staff positions.

II. POLICY DEFINITIONS

Career Appointment: An appointment established at a fixed or variable percentage of time at 50 percent or more of full-time, which is expected to continue for one year or longer.

COBRA: The Consolidated Omnibus Budget Reconciliation Act (COBRA), which gives University employees and their covered family members the right to temporarily continue their UC-sponsored group health coverage in situations that would ordinarily cause the individual to lose coverage.

Executive Officer: The President for the Office of the President, Chancellor, or Laboratory Director.

Normal Retirement Age: Normal retirement age under UCRP means age 50 with a minimum of 5 years of service credit for Safety Members and age 60 with a minimum of 5 years of service credit for all other Members.

Retired Employees: Former University employees (SMG members, staff employees, and academic appointees) who have separated from University service and elected monthly retirement income or a lump sum cashout under the University of California Retirement Plan.

Senior Management Group: As defined by Regents Action Item on Governance, dated ___________, 2008.

Top Business Officer: Executive Vice President–Business Operations for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location's financial reporting and payroll as designated by the Executive Officer.

III. POLICY TEXT

A. Scope

Retired Employees may be reemployed by the University in accordance with the provisions of this policy, which incorporates requirements developed [1] to address legal concerns regarding preservation of the tax-qualified status of the University of California Retirement Plan (UCRP) as described in Section B. below and [2] to address the University's concerns regarding operation of a public retirement plan, administrative feasibility, and compliance as described in Section C. below.

B. IRS Restrictions for Preserving the Tax-Qualified Status of UCRP

The Internal Revenue Code imposes restrictions on the timing of the distribution of benefits to participants in defined benefit plans such as UCRP. Generally, payments are permitted when an employee retires or attains normal retirement age. Otherwise, retirement benefits should remain in the plan so they will be available to provide support to participants after they cease working. Failure to satisfy the distribution timing restrictions could disqualify the plan, which could cause the vested benefits of UCRP members to become immediately taxable.

If an employee retires before reaching the normal retirement age under a pension plan, the Internal Revenue Service (IRS) may question whether the employee's retirement is a true separation from service or a strategy to access retirement funds that otherwise would not be available to the employee.

Normal retirement age under UCRP means age 50 with a minimum of 5 years of service credit for Safety members and age 60 with a minimum of 5 years of service credit for all other members. Once an employee attains normal retirement age, the IRS no longer is concerned about an employee's access to retirement funds because those funds were intended to be available at that age.

The following factors support a determination that a true separation from service has occurred for an employee who has not reached normal retirement age:

- The employee and the employer did not engage in discussions regarding reemployment before the employee's separation from service. The IRS has singled out this factor as critical to support the occurrence of a true separation. Therefore, for employees who have not reached normal retirement age, discussions about reemployment are prohibited until after the employee has received his or her first monthly payment or lump sum cashout or 30 days after separation, whichever is later. (For employees who have reached normal retirement age, discussions about reemployment prior to actual separation are not prohibited.)
- The length of the break in service before reemployment is reasonable
- Both the employer and the employee intended that a separation from service occur and that it be permanent
- Upon separation from service, the employee surrendered something of value, such as seniority rights or access to benefits available only to active employees
- The employer processed the employee as if he or she were separating from service. For example, a COBRA election or information on retiree health insurance coverage was provided to the employee upon separation, or benefits not available to anyone other than active employees were terminated, or a separation date was entered into the payroll/personnel system
- The employee is reemployed into a position that requires different skills from those used in his or her prior position or is with a different department or supervisor
- The employee was employed by an unrelated employer prior to reemployment

C. University Policy Restrictions

Subject to the exceptions described in Section C.5. below, the following restrictions on the reemployment of Retired Employees are based on University policy.

1. Exigent Circumstances

   Reemployment must be as a result of exigent circumstances, such as the Retired Employee possesses skills that are critical to the mission of the University and the University was not able to find a suitable replacement. For situations in which a Retired Employee is reemployed into the same position held before retirement or another vacant position, the job must be posted and a search begun within 30 days of the vacancy being created and a minimum 30-day recruitment period must be held.

Situations in which a Retired Employee is not reemployed into the same position held before retirement or is not reemployed into another vacant position do not require a recruitment. Exigent circumstances in such situations include, but are not limited to, the need to train a replacement or to provide transition assistance.

Written documentation on exigent circumstances must be provided for all reemployment actions, including specification of the duration of the appointment in order to support the existence of exigent circumstances.

The President must endorse a request based on exigent circumstances before submission to The Regents for approval for Retired Employees reemployed into SMG positions, and for Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the current Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a “full-time equivalent” amount, e.g., at 100% percent.)

For staff positions, the local campus, medical center, or laboratory Chief Human Resources Officer (CHRO), as applicable, must review and sign off on a request based on exigent circumstances prior to submission to the location’s Executive Officer for approval.

2. <u>Break in Service</u>

A Retired Employee must not be reemployed until there has been a break in service of at least 30 days, but preferably 90 days. The break in service restriction is not required to preserve the tax-qualified status of UCRP if the Retired Employee has reached normal retirement age at the time of separation from service; however, this policy requires that the break in service restriction be applied to all Retired Employees.

3. <u>Appointment Percentage</u>

Due to potential Medicare complications, this policy requires that Retired Employees be rehired with no more than a 43% appointment. Appointments at 43.75% time or more provide eligibility to Retired Employees for UC-sponsored employee medical coverage, which makes Medicare become the secondary payer.

It is the intent of this policy that Retired Employees be reemployed with limited appointments that do not qualify them for active employee health and welfare benefits, regardless of whether the Retired Employee has elected monthly retirement income or a lump sum cashout.

Appointment at no more than 43% also ensures that Retired Employees who elected monthly retirement income are reemployed with limited appointments and do not become active members in UCRP.

If reemployment must exceed a 43% appointment, the request must be approved as follows:

- The President must endorse the request prior to submission to The Regents for approval for Retired Employees reemployed into SMG positions and Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the current Indexed Compensation Level.

(The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a "full-time equivalent" amount, e.g., at 100 percent.)

- The Chief Human Resources Officer must review and sign off on the request prior to submission to the Executive Officer for approval for Retired Employees reemployed into staff positions,

4. Duration of Reemployment

   Reemployment in one or multiple positions must not exceed a total of 12 months. If reemployment is to exceed a total of 12 months, the request must be approved as follows:

   - The President must endorse the request prior to submission to The Regents for approval for Retired Employees reemployed into SMG positions and Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a "full-time equivalent" amount, e.g., at 100% percent.)
   - The Chief Human Resources Officer must review and sign off on the request prior to submission to the Executive Officer for approval for Retired Employees reemployed into staff positions,

5. Reemployment into Career Appointments

   In cases of reemployment into a Career Appointment, following regular UC recruitment procedures and after an appropriate break in service, a Retired Employee who is receiving UCRP monthly retirement income, but agrees to suspend such payments, shall not be subject to the policy restrictions in sections 1, 3 and 4 above but shall be subject to section 2. This does not apply to Retired Employees who took a lump sum cashout for whom all sections (1, 2, 3 and 4) apply.

D. Reporting Requirements and Disclosure

For Retired Employees reemployed into non-Career Appointments in staff positions, the locations must submit the following information to the Associate Vice President–Human Resources and Benefits at the time the Retired Employee is reemployed:

1. All local approval documents and supporting documentation of exigent circumstances for each individual including any reappointments or extensions to previous appointments; and
2. Completed *UCRP Retired Employee Election Form* [link] for each reemployed Retired Employee (not required for Retired Employees who received a lump sum cashout).

In addition, every six months the locations must submit a summary report to the Associate Vice President – Human Resources and Benefits no later than June 30 and December 31 that incorporates a list of all reemployed Retired Employees, noting appointments greater than 43% or for more than a total of 12 months (when the employee has not selected suspension of UCRP monthly retirement income), and/or appointments for which other types of variations from policy have been approved.

Disclosure:

Per University policy, persons inside or outside the University shall have access to information in employees' personnel records in conformance with state statutes and University policies on records. The Executive Officer shall establish procedures for the release of information. Examples of information which is public information and which should be released upon request include name, current salary, retirement compensation and appointment type.

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

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

B. 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 Associate Vice President–Human Resources and Benefits has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* [link] and *Standing Orders* [link] of The Regents.

The Executive Vice President–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* [link] and other governance policies [link].

C. Approval of Actions

The President must endorse, and The Regents must approve, all reemployment actions (actions authorized by this policy, that exceed this policy, or that are not expressly provided for under any policy) for:

- Retired Employees reemployed into SMG positions
- Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a “full-time equivalent” amount, e.g., at 100 percent.) (Normal appointment approval shall be followed for a Retired Employee reemployed into a Career Appointment, following regular UC recruitment procedures and after an appropriate break in service, who elects suspension of UCRP monthly retirement income.)

For Retired Employees reemployed into staff positions, actions authorized by this policy must be approved in accordance with local procedures, which must include a provision for review and sign off by the local Chief Human Resources Officer prior to approval by the location’s Executive Officer. The Executive Officer may delegate authority to approve actions authorized by this policy, but remains accountable for all reemployment actions and for submission of timely and accurate reports in compliance with Section V.A. of this policy. Documentation of the delegation of authority must be submitted to the Associate Vice President—Human Resources and Benefits. The Office of the President will conduct periodic audits of delegations and reemployment actions.

D. Approval of Variations From Policy

Unless there is explicit and specific authorization for an action by this policy, the action is considered to be a variation from the policy and must be approved as follows:

The President must endorse, and The Regents must approve, the variation to the policy for:

- Retired Employees reemployed into SMG positions
- Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the current Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a "full-time equivalent" amount, e.g., at 100 percent.)

For Retired Employees reemployed into staff positions, requests for approval for variations from this policy must be reviewed and signed off on by the local Chief Human Resources Officer and documented and approved by the location's Executive Officer.

V. COMPLIANCE

A. Compliance with the Policy

The Associate Vice President–Human Resources and Benefits is accountable for monitoring compliance with this policy.

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

The Top Business Officer and/or the Executive Officer at each location will designate the local office to be responsible for the ongoing reporting of policy compliance, including collecting all relevant compensation package activity, and creating specified regular compliance reports (such as a monthly compensation compliance report) for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports (such as a monthly compensation compliance report) for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits 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 (such as a monthly compensation compliance report), and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.

The Associate Vice President–Human Resources and Benefits is accountable for reviewing the administration of this policy. The Senior Vice President–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* [link] and *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews* [link].

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

REVISION HISTORY

As a result of the issuance of this policy, the following documents are rescinded as of the effective date of this policy and are no longer applicable for Senior Management Group and staff rehired Retired Employees, and academic appointees rehired into SMG or staff positions:

- *Guidelines for Rehire of UC Retirees*
- *Reappointment Guidelines for Rehired Retirees*

IMPLEMENTATION PROCEDURES [link]

RELATED DOCUMENTS

- *UCRP Retired Employee Election Form* (referenced in Section III.D.1. of this policy)
- *Bylaws of The Regents* [include the specific Bylaws that are applicable] (referenced in Section IV.B. of this policy)
- *Standing Orders of The Regents* [include the specific Standing Orders that are applicable] (referenced in Section IV.B. of this policy)
- *Senior Management Group Compensation Policy Principles* (referenced in Section IV.B. of this policy)
- *Other Governance Policies* (referenced in Section IV.B. of this policy)
- *Guidelines for Corrective Actions Related to Compensation Practices* (referenced in Section V.B. of this policy)
- *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews* (referenced in Section V.B. of this policy)
- *Returning to UC Employment After Retirement Factsheet and Election Form*

- *Medicare Factsheet for Employees and Retirees*
- *Recall Appointments for Academic Appointees* -- Academic Personnel Policy 200-22 (APM - 200-22)
- *Pre-Retirement Recall Guidelines for Faculty Recalled for Post-Retirement Teaching* -- Academic Personnel Policy 200 (APM - 200), Appendix A
- *UCRP Reappointment Guidelines for Rehired Retirees* -- Academic Personnel Policy 200 (APM - 200), Appendix B

FREQUENTLY ASKED QUESTIONS

Proposed Regulations Governing Conduct of Non-Affiliates in the Buildings and on the Grounds of the University of California

TABLE OF CONTENTS

Page

Proposed Regulations (California Education Code § 92440.5)

I. INTRODUCTION.

The following regulations are promulgated under California Education Code section 92440.5, which authorizes The Regents of the University of California to enact regulations addressing the conduct of persons who are not students, officers, or employees of the University of California when that conduct is a threat to persons or property or constitutes interference with functions or activities of the University. Violation of regulations promulgated under section 92440.5 is punishable as a misdemeanor. Pursuant to section 92440.5, these regulations do not apply to the conduct of students, officers, or employees of the University; their conduct is governed by other University regulations. These regulations may not be utilized to impinge upon the lawful exercise of constitutionally protected rights of freedom of speech or assembly, or the constitutionally protected right of personal privacy.

II. DEFINITIONS.

The following definitions shall apply to terms used in these Regulations:

A. "Non-affiliate" means any person who is not any of the following: a student, officer, official volunteer, employee, Regent, or emeritus of the University of California or a member of a household authorized to reside in University Property. As used in this definition:

1. "student" means any person who (a) is enrolled in or registered with an academic program of the University; (b) has completed the immediately preceding term, is not presently enrolled, and is eligible for re-enrollment; or (c) is on an approved educational leave or other approved leave status, or is on filing-fee status.

2. "official volunteer" means any person who is: (a) listed as an officer of the recognized campus alumni association, including its committees or related clubs; (b) listed as an officer of a support group formally recognized by the particular campus; or (c) formally registered through the relevant Campus Human Resources/Staff Personnel office and authorized to provide volunteer services on behalf of the University in campus facilities (e.g., hospitals, museums, etc.).

3. "employee" means any person who is listed in the campus payroll system, regardless of the percentage of time associated with the person's employment, including a staff retiree who has been recalled for University employment and other individuals to whom the University is contractually obligated to provide access to University property equivalent to that allowed to University employees.

4. “emeritus” means any person who holds the title of “emeritus” pursuant to Regents Standing Order 103.5 and section 120 of the University of California Academic Personnel Manual.

B. “University Property” means buildings and grounds that are operated by, or under the control of, the Regents of the University of California.

C. “Person” includes natural persons, corporations, firms, partnerships, joint stock companies, associations and other organizations of persons.

D. “Designated University Official” means the University official delegated authority over the relevant operation from the Chancellor or chief administrative officer of the facility.

III. ENFORCEMENT.

When enforcing these Regulations, an officer or employee authorized to maintain order on the campus or facility should make a reasonable attempt to warn and advise a non-affiliate subject to cease the prohibited conduct or activity before citing and/or arresting the non-affiliate subject for violation of these Regulations, except where the conduct violating these Regulations reasonably appears to create a threat to or endanger health, safety or property.

IV. ALCOHOL.

No non-affiliate shall drink or consume any alcoholic beverage, or possess an alcoholic beverage in an open container, on University property out of doors, except as an invited guest at an event or activity sponsored by the University at which the Designated University Official has approved the consumption of alcoholic beverages.

V. APPROVAL FOR ACTIVITY ON UNIVERSITY OF CALIFORNIA PROPERTY.

A. Approval for Gatherings or Demonstrations: No non-affiliate shall hold or conduct any demonstration or gathering in or upon any University property without prior approval from the Designated University Official, and subject to such requirements regarding time, place, and manner as the Designated University Official may impose.

B. Approval for Structures or Equipment: No non-affiliate shall build, construct, set up, place or maintain or attempt such, in or upon any University of California owned or operated property, any tent, platform, booth, bench, table, building, sound system, or other structure, without prior approval from the Designated University Official, and subject to such requirements regarding time, place, and manner as the Designated University Official may impose.

C. Approval for Amplified Sound: No non-affiliate may use amplified sound on University Property, without prior approval from the Designated University Official, and subject to such requirements regarding time, place, and manner as the Designated University Official may impose.

D. Criteria for approval of activities in this section shall be content-neutral and specified in advance.

VI. CAMPING AND STORAGE OF PERSONAL BELONGINGS.

No non-affiliate on University property shall, without authorization from a Designated University Official:

A. Camp, occupy camp facilities, use camp paraphernalia, or store personal property on University property.

B. Bring any tent or other housing structure on University property, or occupy any such tent or housing structure.

C. Set up a household or campsite on University property.

D. Bring, leave, or dump furniture, mattresses, or other large household items on University property, or bring or maintain large personal belongings or large amounts of personal belongings on University property, except as authorized by the Designated University Official. For purposes of this section, "large household items," “large personal belongings,” and “large amounts of personal belongings,” means anything that cannot be reasonably carried on the person or reasonably used for personal purposes.

E. Store personal possessions on University property. For purposes of this section, “storage of personal possessions” means leaving items unattended, that is, not in the owner’s immediate personal custody and control.

F. Bring onto University property any unauthorized carts, carriages, trailers, or other vehicles of conveyance designed for, or used to transport property, except for: (1) baby carriages actually used to transport infants, or (2) wheelchairs or other wheeled conveyances necessary for disabled access.

VII. COMMERCIAL ACTIVITIES.

No non-affiliate shall solicit, hawk or otherwise peddle or rent any goods, wares, merchandise, liquids or edibles for human consumption or services on University property, operate any commercial enterprise, or give any lessons, classes or instruction on University property whether for profit or otherwise, except as specifically authorized by the Designated University Official. For purposes of this section, soliciting and selling shall include the leafleting or distribution of advertisements or other promotional devices.

VIII. CURFEW.

No non-affiliate shall enter or otherwise remain on University Property between the hours of midnight to 6:00 a.m., or at such other times as published or posted by the campus or University location. This curfew shall not apply to University housing residents or their invited guests, invited guests of University faculty, emeritus or staff, persons possessing valid written authorization from the Designated University Official, or those on legitimate University related business or attending a specific University sponsored event. Those persons possessing a valid written authorization, or attending a specific event, shall be allowed to remain and use the facilities as specified in their authorization or through the duration of the specific event, after which time they shall leave the property without any appreciable delay. This curfew also shall not apply to people proceeding directly across a roadway or path that has been designated by the Designated University Official as open to the public during curfew hours.

IX. DANGEROUS MATERIALS.

No non-affiliate shall bring any explosive material (as defined by section 12000 of the California Health and Safety Code) or flammable material (as defined by section 12504 of the California Health and Safety Code) or any hazardous or flammable materials (as defined by the regulations adopted pursuant to section 2402.7 of the California Vehicle Code) onto University property, regardless of whether or not the material is burning, except such materials that are transported in approved containers and necessary for the conduct of the business of the University or are approved by the Designated University Official or are contained in any tank used only to carry fuel necessary for the operation of a vehicle or any equipment of the vehicle.

X. DOGS, CATS AND OTHER ANIMALS.

No non-affiliate, having ownership, custody or control of any dog, cat or other animal, except for animals (as described in California Penal Code section 365.5) assisting persons with disabilities, shall cause, suffer or permit such animal on University property without authorization, unless (1) the animal remains on a leash or under the hand control of a responsible person at all times, (2) the animal is not left unattended, and (3) the animal remains at all time in outdoor areas designated by the University. Any non-affiliates having ownership, custody or control of any animal on University property must promptly remove and properly dispose of any droppings left by such animal.

XI. FIRES.

Non-affiliates shall not start or maintain campfires, portable stoves, open fires and other fires on University property except as expressly authorized by the Designated University Official, and subject to such requirements regarding location, time, and fire safety precautions as the Designated University Official may impose.

XII. NUDITY.

No non-affiliate shall be nude on University property in any place open to the public or any place visible from a place open to the public including offices and classrooms, except for specifically designated "clothing optional areas" of campus gymnasiums and pools, dressing rooms, changing rooms, and restrooms. "Nude" within the meaning of this section means the absence of an opaque covering which covers the genitals, pubic hair, buttocks, perineum, anus or anal region of any person or any portion of the breast at or below the areola thereof of any female person.

This prohibition does not apply to: (1) individuals or groups participating in visual or performing arts productions or academic programs or classes scheduled or sponsored by campus academic units or departments or under the auspices of programs approved by the Designated Campus Official for the sponsorship or presentation of visual or performing arts productions, as determined and formally approved by the departmental chair, unit or program director; or (2) any female exposing her breast to the extent such exposure is necessary to breast-feed a child.

XIII. PASSAGE ON UNIVERSITY PROPERTY.

No non-affiliate shall remain on University property if directed to leave that University property by the chief administrative officer of the campus or facility, or an officer or employee designated by the chief administrative officer to maintain order on the campus or facility, upon the reasonable determination of that officer or employee that the non-affiliate is committing an act that is likely to interfere with the peaceful conduct of the activities of the campus or facility or has entered the campus or facility with the purpose of committing any such act.

XIV. PROHIBITED CONDUCT.

No non-affiliate on University property shall:

A. Knowingly and willfully interfere with the peaceful conduct of the activities of the campus or facility by intimidating, harassing or obstructing any University employee, student, or any other person.

B. Delay or linger without lawful purpose for being on the property and for the purpose of committing a crime or violation of these policies as opportunity may be discovered.

C. Use University facilities not generally open to the public, including but not limited to, showers, storage lockers, study lounges or recreational facilities, without authorization of a Designated University Official.

D. Rummage through or remove any discarded item from any recycling container or any designated University waste or recycling center without authorization of a Designated University Official.

E. Urinate or defecate in any place other than a designated restroom or other facility designed for the sanitary disposal of human waste.

F. Wear a mask, personal disguise, or otherwise conceal his/her identity with the intent of intimidating any person or group, or for the purpose of evading or escaping discovery, recognition, or identification in the commission of violations of University policy, University regulations or municipal, state, or federal laws.

G. Disturb plants and wildlife in any way, including climbing or placing objects in trees or bushes or attaching items to them without authorization of a Designated University Official.

H. Attempt to engage in any of the above offenses.

XV. SIGNS, POSTERS, PLACARDS, BANNERS, HANDBILLS, DISPLAYS/ STRUCTURES.

Non-affiliates' ability to speak and communicate on campus adds to the vibrant exchange of ideas at the University. At the same time, reasonable content-neutral regulations regarding the time, place, and manner of such speech help preserve University property for the functions for which it is dedicated.

A. No non-affiliate shall carry, transport or use signs, posters, placards or banners exceeding thirty inches (30") by thirty inches (30") in size, in or on any University property unless prior written permission has been obtained from Designated University Official.

  1. The size of the handles or supports for such signs, posters, placards, or banners shall be limited to one-fourth inch (1/4") in thickness by three-fourths inch (3/4") in width and shall extend no more than eighteen inches (18") beyond a single exterior edge of such signs, posters, placards or banners.

  2. All such handles or supports shall be made of wood without exception.

B. No non-affiliate shall, on University property, without authorization from the Designated University Official: in any way affix, fasten, or attach to the premises any signs, posters, placards or banners; nor shall they be self-supporting and placed for display; nor leaned against any wall, partition or other portion of University property.

C. No non-affiliate shall carry signs, posters, placards or banners in a way that obstructs or interferes with the normal movement of any vehicular traffic or pedestrian movement on University property.

D. No non-affiliate shall post or affix, or cause to be posted or affixed, on any University property any handbill, circular, booklet, card, pamphlet, sheet or written or printed notice except in such locations and in the time and manner explicitly established by the University for such purpose, without prior authorization of the Designated University Official.

E. No non-affiliate shall distribute any written or printed matter in violation of established campus directives regarding time, place and manner.

F. No non-affiliate shall erect any structure or display, or bring a structure or display on to University property without prior written authorization from the Designated University Official. For purposes of this paragraph, "structure or display" means any object larger than two feet in any dimension that is intended to be placed or displayed in a public area, or is left unattended in a public area. It does not include objects entirely supported or carried by a single person that do not extend more than one foot from that person (e.g., a signboard supported over someone's shoulders).

G. Where the Designated University Official is permitted to authorize exceptions to the regulations set forth in this section, the criteria for such authorization shall be content-neutral and specified in advance.

XVI. **WEAPONS.**

No non-affiliate shall, on University property, carry upon his/her person or have in his/her possession or under his/her control any Dangerous Weapon. For purposes of this Section, "Dangerous Weapon" means and includes, but is not limited to:

A. Any firearm in violation of the Gun-Free School Zone Act of 1995, California Penal Code section 626.9.

B. Any knife having a blade two and one-half inches or more in length.

C. Any folding knife with a blade that locks into place.

D. Any ice pick or similar sharp tool that can be used as a stabbing implement capable of inflicting serious bodily injury.

E. Any razor with an unguarded blade.

F. Any cutting, stabbing or bludgeoning weapon or device capable of inflicting serious bodily injury.

G. Any dirk or dagger.

H. Any taser, stun gun, or other similar electronic device.

I. Any instrument that expels a metallic projectile such as a BB or a pellet, through the force of air pressure, CO2 pressure, or spring action, or any spot marker gun.

This section shall not apply to a duly appointed peace officer as defined in Chapter 4.5 (commencing with section 830 of the California Penal Code), a full-time paid peace officer of another state or the federal government who is carrying out official duties while in this state, a person summoned by any officer to assist in making arrests or preserving the peace while the person is actually engaged in assisting any officer, a security guard authorized to carry a loaded firearm pursuant to California Penal Code section 12031 or to an honorably retired peace officer authorized to carry a concealed or loaded firearm pursuant to California Penal Code sections 12027(a) or (i), or California Penal Code section 12031(b)(1) or (8), or a member of the military forces of this state or the United States who is engaged in the performance of his or her duties

This section shall not apply if, at the time of the alleged violation, the instrument or device alleged to be a Dangerous Weapon was in good faith carried upon the person or in his/her custody or control for use in his/her lawful occupation or employment.

XVII. **AUTHORITY CITED.**

Authority cited: California Education Code section 92440.5(a)

Notwithstanding any other provision of law, to the extent that the Regents adopt or amend a rule or regulation pertaining to the governance and maintenance of the buildings and grounds of the University of California pursuant to this section, addressing the conduct of persons who are not students, officers, or employees of the University of California when that conduct is a threat to persons or property or constitutes interference with the functions or activities of the University, the violation of that rule or regulation is a misdemeanor.

PROPOSED AMENDMENTS TO STANDING ORDERS AND REGENTAL POLICY

The following amendments of the Standing Orders and the Regents' Policy govern capital projects on campuses approved by the Regents' Committee on Grounds and Buildings for inclusion in the Pilot Phase. All amendments are subject to a sunset provision indicating that they shall become inoperative and are repealed on March 31, 2010, unless a later Regents' action, that becomes effective on or before March 31, 2010, deletes or extends the dates on which they become inoperative and are repealed.

Deletions shown by strikeout; additions shown by underscore

****

1. Standing Order 100.4(q) is amended as follows:

(q)(1)

Except as provided in paragraph (q)(2) below, the President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed $10 million. The President is also authorized to approve amendments to the Capital Improvement Program for projects exceeding $10 million up to and including $20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Grounds and Buildings and also provided that all actions taken in excess of $10 million up to and including $20 million under this authority be reported at the next following meeting of the Board. However, the following shall be approved by the Board: (1) projects with a total cost in excess of $20 million, (2) for projects in excess of $20 million, any modification in project cost over standard cost-rise augmentation in excess of 25%, or (3) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications.

(q)(2)

This paragraph shall apply exclusively to capital projects on campuses approved by the Committee on Grounds and Buildings for inclusion in the Pilot Phase of Process Redesign for Capital Improvement Projects.

The President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed $60 million. However, the following shall be approved by the Board: (1) projects with a total cost in excess of $60 million, (2) for projects in excess of $60 million, any modification in project cost over standard cost-rise augmentation in excess of 25%, or (3) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications.

This paragraph shall become inoperative and is repealed on March 31, 2010, unless a later Regents' action, that becomes effective on or before March 31, 2010, deletes or extends the date on which it becomes inoperative and is repealed.

****

2. Standing Order 100.4(nn) is amended as follows:

(nn)(1)

Except as provided in paragraph (nn)(2) below, The President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including $10 million for the planning, construction, acquisition, equipping, and improvement of projects. The President is also authorized to obtain external financing for amounts in excess of $10 million up to and including $20 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 to obtain external financing for amounts in excess of $10 million up to and including $20 million be reported at the next following meeting of the Board. External financing in excess of $20 million requires Board approval. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

(nn)(2)

This paragraph shall apply exclusively to capital projects on campuses approved by the Committee on Grounds and Buildings for inclusion in the Pilot Phase of Process Redesign for Capital Improvement Projects.

The President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including $60 million for the planning, construction, acquisition, equipping, and improvement of projects. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

This paragraph shall become inoperative and is repealed on March 31, 2010, unless a later Regents' action, that becomes effective on or before March 31, 2010, deletes or extends the date on which it becomes inoperative and is repealed.

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3. Section 1 of *The Regents Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act* is amended as follows:

(1) The Regents designates the following categories of projects as requiring design approval by the Committee on Grounds and Buildings:

(a) Except as provided in subparagraph (c), building projects with a total project cost in excess of $10,000,000, except when such projects consist of the following:

i. alterations or remodeling where the exterior of the building is not materially changed;
ii. buildings or facilities located on agricultural, engineering, or other field stations; or
iii. agriculture-related buildings or facilities located in areas of a campus devoted to agricultural functions.

(b) Capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.

(c) Building projects on campuses approved by the Committee on Grounds and Buildings for inclusion in the Pilot Phase of Process Redesign for Capital

Improvement Projects with a total project cost in excess of $60,000,000 subject to the same exclusions as subparagraph (a). This subparagraph shall become inoperative and is repealed on March 31, 2010, unless a later Regents' action, that becomes effective on or before March 31, 2010, deletes or extends the date on which it becomes inoperative and is repealed.

Attachment 6

UNIVERSITY OF CALIFORNIA RETIREMENT PLAN

INVESTMENT POLICY STATEMENT

Originally approved March 19, 2008~~May 17, 2007~~
This version dated ~~March 19, 2008~~September 17, 2008

UNIVERSITY OF CALIFORNIA RETIREMENT PLAN
INVESTMENT POLICY STATEMENT

APPENDIX 1
Effective: ~~July 1, 2008~~October 1, 2008
Replaces Version Effective: July 1, 2008: ~~May 17, 2007~~

ASSET ALLOCATION, PERFORMANCE BENCHMARKS, AND REBALANCING POLICY

Based on the risk budget for the Retirement Fund, the Committee has adopted the following asset allocation policy, including asset class weights and ranges, benchmarks for each asset class, and the benchmark for the total Retirement Fund.
Criteria for including an asset class in the strategic policy include:

- Widely recognized and accepted among institutional investors
- Has low correlation with other accepted asset classes
- Has a meaningful performance history
- Involves a unique set of investors.

The Current Policy Allocation recognizes the current underinvestment in illiquid asset classes (private equity and real estate) and the corresponding need to set rebalancing ranges around this effective policy allocation until such time as long-term policy weights in these classes are achieved. The allowable ranges for each asset class and in total have been chosen to be consistent with budgets and ranges for total and active risk (see Appendix 2).

A. Strategic Asset Allocation and Ranges

	Long-Term Target Allocation	Current Policy Allocation	Allowable Ranges Minimum	Allowable Ranges Maximum
U.S. Equity	~~26~~23%	~~36~~34.5%	~~31~~29	~~41~~39
Developed Non US Equity	22	22	19	25
Emerging Mkt Equity	5	4	1	7
Global Equity	5	2	0	5
US Fixed Income	12	12	9	15
High Yield Fixed Income	3	3	0	6
Non USD Fixed Income	3	3	0	6
Emerging Mkt Fixed Income	3	3	0	6
TIPS	6	6	3	9
Private Equity	~~5~~6	4	1	7
Real Estate	~~5~~7	3	0	6
Absolute Return Strategy	5	~~2~~3.5	0	~~5~~6
Liquidity	0	0	0	10
	100%	100%		
Combined Public Equity	~~58~~55	~~64~~62.5	~~57~~55	~~71~~69
Combined Fixed Income	27	27	22	32
Combined Alternatives	~~15~~18	~~9~~10.5	~~4~~5	~~14~~15

UNIVERSITY OF CALIFORNIA RETIREMENT PLAN
INVESTMENT POLICY STATEMENT

B. Asset Class Performance Benchmarks

The Committee has adopted the following performance benchmarks for each asset class. Criteria for selection of a benchmark include:

- Unambiguous: the names and weights of securities comprising the benchmark are clearly delineated
- Investable: the option is to forego active management and simply replicate the benchmark
- Measurable: it is possible to readily calculate the benchmark's return on a reasonably frequent basis
- Appropriate: the benchmark is consistent with the Committee's investment preferences or biases
- Specified in Advance: the benchmark is constructed prior to the start of an evaluation period
- Reflects Current Investment Opinion: investment professionals in the asset class should have views on the assets in the benchmark and incorporate those views in their portfolio construction

Asset Class	Benchmark
U.S. Equity	Russell 3000 Tobacco Free Index
Developed Non US Equity	MSCI World ex-US (Net Dividends) Tobacco Free
Emerging Mkt Equity	MSCI Emerging Market Free (Net Dividends)
Global Equity	MSCI All Country World Index Net – IMI – Tobacco Free
Fixed Income	Citigroup Large Pension Fund Index
High Yield Fixed Income	Merrill Lynch High Yield Cash Pay Index
Non USD Fixed Income	Citigroup World Government Bond Index ex-US
Emg Mkt Fixed Income	33% times JP Morgan Emerging Market Bond Index – Global Diversified, plus 67% times the JP Morgan Global Bond Index – Emerging Markets – Global Diversified
TIPS	Lehman Brothers TIPS Index
Absolute Return Strategy	1 Month T Bill + 450 bp
Private Equity	N/A (see below note 2)
Real Estate	Public: 50% times the FTSE EPRA NAREIT US Index plus 50% times the FTSE EPRA NAREIT Global ex-US Index Private (core strategies): NCREIF Property Index Private (non-core strategies): N/A (see below note 3)

Notes on asset class benchmarks:
1. Global Equity: The Treasurer will determine what constitutes a tobacco company based on standard industry classification of the major index providers (e.g., Russell, MSCI) and communicate this list to investment managers annually and whenever changes occur.
2. Private Equity: *Long-term* portfolio returns will be compared to investable public equity alternatives as well as non-investable peer group indices. There is no appropriate market benchmark to use for *short-term* performance evaluation or decision making.
3. Private Real Estate (non-core strategies only): similar to Private Equity

C. Total Retirement Fund Performance Benchmark

This is the composition of the total Fund performance benchmark referred to in the Investment Policy Statement, Part 4(d). The percentages below add to 100%.

Percentage	Benchmark
45% - [A]	× Russell 3000 Tobacco Free Index
22%	× MSCI World ex-US (Net Dividends) Tobacco Free
4%	× MSCI Emerging Market Free (Net Dividends)
2%	× MSCI All Country World Index Net – IMI – Tobacco Free
12%.	× Citigroup Large Pension Fund Index
3%	× Merrill Lynch High Yield Cash Pay Index
3%	× Citigroup World Government Bond Index ex-US
3%	× 33% times JP Morgan Emerging Market Bond Index – Global Diversified, plus 67% times the JP Morgan Global Bond Index – Emerging Markets – Global Diversified
6%	× Lehman Brothers TIPS Index
Actual Weight [A.R.]	× 1 Month T Bill + 450 bp
Actual Weight [P.E.]	× Actual return of private equity portfolio
Actual Weight [public R.E.]	× 50% times the FTSE EPRA NAREIT US Index plus 50% times the FTSE EPRA NAREIT Global ex-US Index
Actual Weight [core private R.E.]	× NCREIF Property Index (lagged 3 Months)
Actual Weight [non-core private R.E.]	× Actual return of private real estate portfolio

where
[A] = Actual A.R. Weight + Actual P.E. Weight + Actual Total R.E. Weight

Notes on total fund benchmark:
1. The benchmark for private equity is replaced by the private equity portfolio's actual performance. This has the effect of neutralizing the active performance of this class for purposes of total fund performance evaluation.
2. The total fund benchmark contains the actual weights of Absolute Returns, Private Equity and Real Estate, rather than their policy weights. This is in recognition of the difficulty in quickly increasing or decreasing allocations in these illiquid asset classes. The difference between policy and actual weight is added to the US equity percentage, as shown. Thus the percentage to US Equity = ~~36~~34.5% + ~~2~~3.5% (abs. return) + 4% (private equity) + 3% (real estate) = 45%.
3. The calculation of the total fund benchmark will assume a monthly rebalancing methodology.
4. In the event of a significant change in asset allocation, The Regents' generalist consultant may specify an alternative weighting scheme to be used during a transition period.

D. Rebalancing Policy

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

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

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

UNIVERSITY OF CALIFORNIA
GENERAL ENDOWMENT POOL

INVESTMENT POLICY STATEMENT

Originally approved March 19, 2008~~May 17, 2007~~
This version dated September 17, 2008~~March 19, 2008~~

UNIVERSITY OF CALIFORNIA GENERAL ENDOWMENT POOL
INVESTMENT POLICY STATEMENT

APPENDIX 1
Effective: October 1, 2008~~July 1, 2008~~
Replaces Version Effective: July 1, 2008~~May 17, 2007~~

ASSET ALLOCATION, PERFORMANCE BENCHMARKS, AND REBALANCING POLICY

Based on the risk budget for the GEP, the Committee has adopted the following asset allocation policy, including asset class weights and ranges, benchmarks for each asset class, and the benchmark for the total GEP.
Criteria for including an asset class in the strategic policy include:

- widely recognized and accepted among institutional investors
- has low correlation with other accepted asset classes
- has a meaningful performance history
- involves a unique set of investors

The Current Policy Allocation recognizes the current under-investment in illiquid asset classes (private equity and real estate) and the corresponding need to set rebalancing ranges around this effective policy allocation until such time as long-term policy weights in these classes are achieved. The allowable ranges for each asset class and in total have been chosen to be consistent with budgets and ranges for total and active risk.

A. Strategic Asset Allocation and Ranges

	Long-Term Target Allocation	Current Policy Allocation	Allowable Ranges Minimum	Allowable Ranges Maximum
U.S. Equity	18%	20%	15	25
Developed Non US Equity	17	18	15	21
Emerging Mkt Equity	5	5	2	8
Global Equity	5	2	0	5
US Fixed Income	5	~~8~~6.5	~~5~~3	~~11~~9
High Yield Fixed Income	2.5	3	0	6
Non USD Fixed Income	2.5	~~3~~2.5	0	6
Emerging Mkt Fixed Income	2.5	~~3~~2.5	0	6
TIPS	2.5	~~6~~5	3	9
Absolute Return	~~20~~23.5	~~20~~23.5	~~17~~20	~~23~~26
Private Equity	~~7.5~~9	7	4	10
Real Estate	7.5	5	2	8
Other Real Assets	~~5~~0	0	NA	NA
Liquidity	0	0	0	10
	100%	100%		

Combined Public Equity	45	45	38	52
Combined Fixed Income	15	~~23~~19.5	~~18~~14	~~28~~24
Combined Alternatives	40	~~32~~35.5	~~27~~30	~~37~~35

* Alternatives category including, but not limited to: Real Estate, Private Equity, and Absolute Return Strategies

B. Asset Class Performance Benchmarks

The Committee has adopted the following performance benchmarks for each asset class. Criteria for selection of a benchmark include:

- Unambiguous: the names and weights of securities comprising the benchmark are clearly delineated
- Investable: the option is to forego active management and simply replicate the benchmark
- Measurable: it is possible to readily calculate the benchmark's return on a reasonably frequent basis
- Appropriate: the benchmark is consistent with The Committee's investment preferences or biases
- Specified in Advance: the benchmark is constructed prior to the start of an evaluation period
- Reflecting Current Investment Opinion: investment professionals in the asset class should have views on the assets in the benchmark and incorporate those views in their portfolio construction

Asset Class	Benchmark
U.S. Equity	Russell 3000 Tobacco Free Index
Non US Eq. Devel.	MSCI World ex-US Net Tobacco Free
Emerging Mkt Eq	MSCI Emerging Market Free Net
Global Equity	MSCI All Country World Index Net – IMI – Tobacco Free
Fixed Income	Lehman Aggregate Bond Index
High Yield Fixed Income	Merrill Lynch High Yield Cash Pay Index
Non USD Fixed Income	Citigroup World Government Bond Index ex-US
Emg Mkt Fixed Income	33% times JP Morgan Emerging Market Bond Index – Global Diversified, plus 67% times the JP Morgan Global Bond Index – Emerging Markets – Global Diversified
TIPS	Lehman TIPS Index
Absolute Return	1 Month T-Bill + 450 bp
Private Equity	N/A (see below note 1)
Real Estate	Public: 50% times the FTSE EPRA NAREIT US Index return plus 50% times the FTSE EPRA NAREIT Global ex-US Index return Private (core strategies): NCREIF Property Index, lagged 3 months Private (non-core strategies): N/A (see below note 2)

Notes on asset class benchmarks:
1. Private Equity: *Long term* portfolio returns will be compared to investable public equity alternatives as well as non-investable peer group indices. There is no appropriate market benchmark to use for *short term* performance evaluation or decision making.
2. Private Real Estate (non-core strategies only): similar to Private Equity

C. Total GEP Performance Benchmark

This is the composition of the total GEP performance benchmark referred to in the Investment Policy Statement, Part 4(b). The percentages below add to 100%.

Percentage	Benchmark
52% - [A]	× Russell 3000 Tobacco Free Index
18%	× MSCI World ex-US Net Tobacco Free
5%	× MSCI Emerging Market Free Net
2%	× MSCI All Country World Index Net – IMI – Tobacco Free
8%	× Lehman Aggregate Bond Index
3%	× Merrill Lynch High Yield Cash Pay Index
3%	× Citigroup World Government Bond Index ex-US
3%	× 33% times JP Morgan Emerging Market Bond Index – Global Diversified, plus 67% times the JP Morgan Global Bond Index – Emerging Markets – Global Diversified
6%	× Lehman TIPS Index
Actual Weight [A.R.]	× 1 Month T Bill + 450 bp
Actual Weight [P.E.]	× Actual return of private equity portfolio
Actual Weight [public R.E.]	× 50% times the FTSE EPRA NAREIT US Index return plus 50% times the FTSE EPRA NAREIT Global ex-US Index return
Actual Weight [core private R.E.]	× NCREIF Property Index, lagged one quarter
Actual Weight [non-core private R.E.]	× Actual return of private real estate portfolio

where
[A] = Actual A.R. Weight + Actual P.E. Weight + Actual Total R.E. Weight

Notes on Total Fund benchmark:
1. The benchmark for private equity is replaced by the private equity portfolio's actual performance. This has the effect of neutralizing the active performance of this class for purposes of total fund performance evaluation.
2. The total fund benchmark contains the actual weights of Absolute Return Strategies, Private Equity and Real Estate, rather than their policy weights. This is in recognition of the difficulty in quickly increasing or decreasing allocations in these illiquid asset classes. The difference between policy and actual weight is added to the US equity percentage, as shown. Thus the

percentage to US Equity = 20% + 20% (absolute return) + 7% (private equity) + 5% (real estate) = 52%.

3. The calculation of the Total Fund benchmark will assume a monthly rebalancing methodology.

4. In the event of a significant change in asset allocation, The Regents' generalist consultant may specify an alternative weighting scheme to be used during a transition period.

D. Rebalancing Policy

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

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

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

APPENDIX 7K
Effective: September 17, 2008~~March 19, 2008~~
Replaces Version: March 19, 2008~~May 17, 2007~~

PRIVATE EQUITY INVESTMENT GUIDELINES

The purpose for portfolio guidelines is to clearly define performance objectives and to control risk. Portfolio guidelines to control risk should be subject to ongoing review.

Performance Objectives:
The objective of the private equity portfolio is to earn a return, after adjusting for risk, that exceeds the Russell 3000 Index return on a consistent basis over time.

Portfolio Guidelines:

1. Permissible investments include partnerships that invest in U.S venture capital, U.S. buyouts, and non-U.S. private equity. Permissible investments also include co-investments and direct equity investments.

~~2. 2. Co-investment and dDirect investments are not permitted at this time.~~

2. ~~3.~~ Fund-of-funds partnerships are permitted, and the commitment to any individual fund-of-funds partnership is recommended not to exceed 35 percent of the total capital raised by the partnership. The maximum of 35 percent represents the ownership percentage of the partnership at each closing.

3. ~~4.~~ The policy allocation to U.S. buyouts is 45 percent of the private equity portfolio with a minimum allocation of 30 percent and maximum allocation of 70 percent. U.S. buyouts are broadly defined as leveraged buyouts, growth capital buyouts, special situations, restructuring, and mezzanine funds. Real estate funds are not included.

4. ~~5.~~ The policy allocation to U.S. venture capital is ~~45~~ 40 percent of the private equity portfolio with a minimum allocation of ~~30~~ 25 percent and maximum allocation of ~~70~~ 65 percent. U.S. venture capital includes early, middle, and late stage private investments in new high growth businesses.

5. ~~6.~~ The policy allocation to non-U.S. private equity is 10 percent of the private equity portfolio with a minimum allocation of 0 percent and maximum allocation of 20 percent. Non-U.S. private equity includes private equity and venture capital partnerships operating in Europe, Asia, and Latin America.

6. The policy allocation to co-investments / direct equity investments is 5 percent of the private equity portfolio with a minimum allocation of 0 percent and a maximum allocation of 10 percent.

7. No single partnership commitment (including co-investments / direct equity investments) can represent, at the time of commitment, more than 5 percent of the current private equity allocation defined as the most recent quarter book value plus unfunded commitments plus approved target commitment for the current (one) year.

8. Investment in multiple funds of the same general partner is permitted. However, the total commitment to partnerships with the same general partner (including co-investments / direct equity investments), at the time of commitment, can not exceed 15 percent of the budgeted three year private equity allocation defined as current book value plus unfunded commitments plus approved commitment level for the current year and two subsequent years.

9. The commitment to any individual partnership is recommended not to exceed 20 percent of the total capital raised by the partnership. The maximum of 20 percent represents the ownership percentage of the partnership at each closing. Notwithstanding these limitations, commitments to any fund-of-funds partnership are recommended not to exceed 35 percent of the total capital raised by the partnership.

10. The private equity portfolio should be diversified across time as well. At the time the budget is set, no more than 30 percent of the budgeted three year private equity allocation (defined in the same way as in guideline #8 above) can be committed to partnerships in any one year.

11. No single co-investment company can represent, at the time of commitment, more than $15 million at cost. No single co-investment company combined with UC's share of the same portfolio company from partnership investments can represent, at the time of commitment, more than $30 million at cost.

Attachment 2

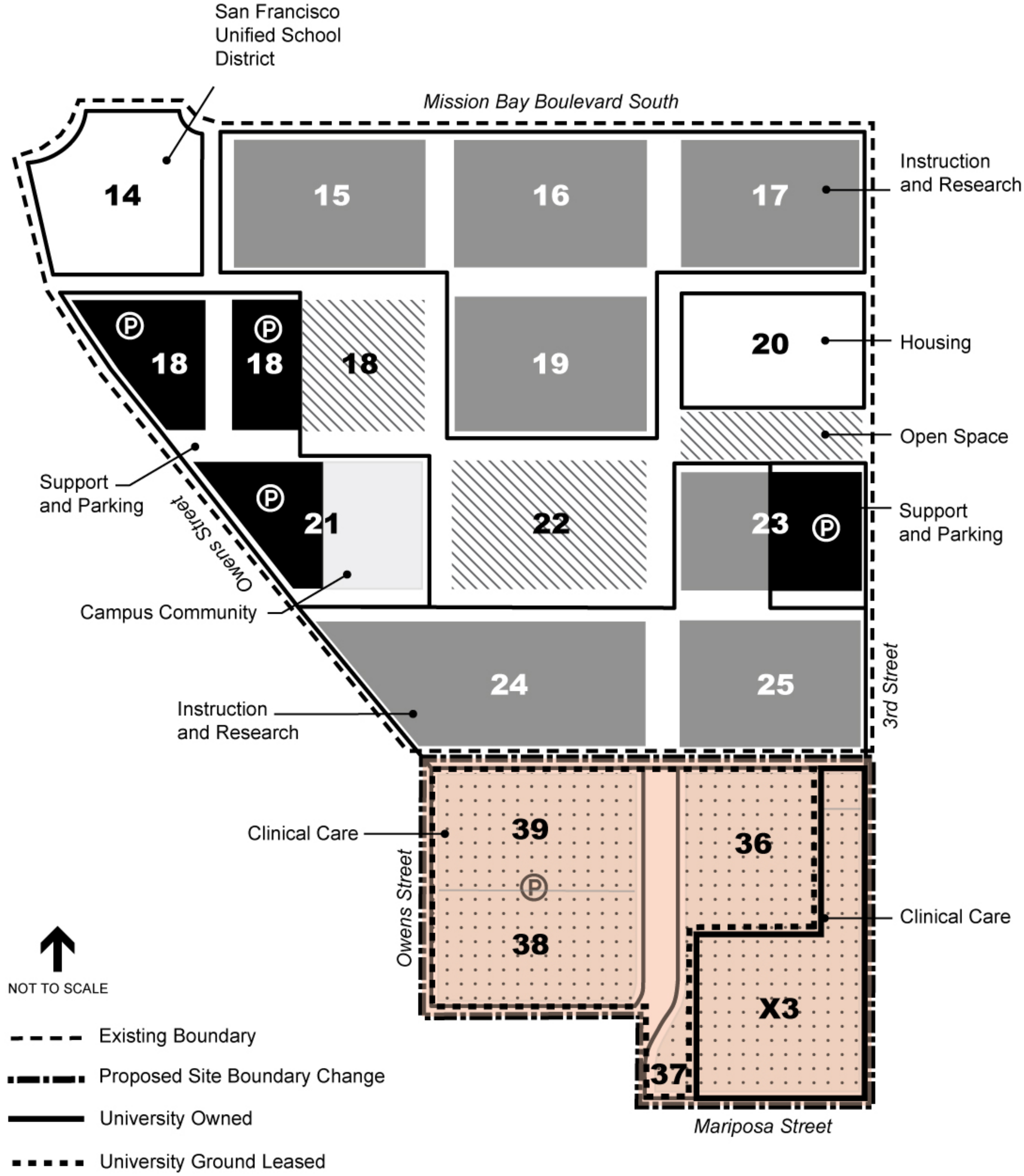

Figure 16 Functional Zone and Campus Site Expanded Boundary

TABLE 29A: MISSION BAY PROPOSED SPACE PROFILE (GSF)

Type of Space	GSF /a/	Percent of Total
ORIGINAL CAMPUS SITE		
Instruction	160,000	4%
Research	1,220,000	27%
Clinical	0	0%
Support:		
Academic Support	265,000	6%
Academic/Campus Administration	265,000	6%
Campus Community	170,000	4%
Logistics	170,000	4%
Subtotal Support	870,000	20%
Housing	400,000	9%
Subtotal	**2,650,000**	**60%**
EXPANSION AREA /b/		
Clinical /c/	1,787,000	40%
TOTAL /d/	**4,437,000**	**100%**

/a/ The distribution of space within the Mission Bay space profile may be subject to change as a result of further analyses through the on-going planning and programming process, and as projects are implemented.
/b/ GSF for the expansion area is assumed to be the Rentable Square Feet (RSF) entitlement for the parcels plus a grossing factor of 10%.
/c/ Clinical space includes clinical uses, plus all Medical Center offices, conference rooms and associated services space.
/d/ Excludes parking.

REPORT TO THE REGENTS

September 2008

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CONTRACT COMPENSATION FOR CHUCK BULLOUGH AS ASSISTANT COACH - FOOTBALL, LOS ANGELES CAMPUS

Terms and Conditions of the Contract	Duration		Guaranteed Compensation (2)a				Maximum Bonus (2)b			Deferred Compensation (2)c			Camps[1] (2)d			Benefits (2)e			Other (2)f			
Location/Name/Title/ Effective dates of the contract			Itemize	Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed compensation under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.			Authority to negotiate an increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camp income under the new and old contracts.			Authority to offer the same system-wide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.			Itemize	Authority to negotiate providing courtesy vehicles (supplied by donors/ contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.		
Los Angeles Campus	Before	After		Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Change		Before	After	Percent Change
Chuck Bullough, Assistant Football Coach	1/1/07 - 6/30/08	1/1/08 - 6/30/09	**Total Guaranteed Compensation**	**$240,000**	**$285,000**	**18.75%**	**$20,000**	**$20,000**	**0.00%**	**$0**	**$0**	**0.00%**	**$10,000**	**$10,000**	**0.00%**	**Standard/ No Vac/Sick Accrual**	**Standard/ No Vac/Sick Accrual**	**No Change**	**Auto[2]**	**$5,748**	**$5,748**	**0.00%**

Itemized Total Guaranteed Compensation			
Base Salary	$240,000	$285,000	18.75%
Talent Fee	$0	$0	n/a

NOTES: 1) Payment for camp formula as per the discretion of the Head Football Coach and Athletic Director and is maximized at $10,000. Coach received $4,000 in Jun 08.

2) Contract calls for one courtesy automobiles. Current value of car is used.

REPORT TO THE REGENTS

September 2008

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CONTRACT COMPENSATION FOR BILLY MARTIN AS HEAD COACH - MEN'S TENNIS, LOS ANGELES CAMPUS

Terms and Conditions of the Contract	Duration		Guaranteed Compensation (2)a				Maximum Bonus (2)b			Deferred Compensation (2)c			Camps[1] (2)d			Benefits (2)e			Other (2)f			
Location/Name/Title/ Effective dates of the contract			Itemize	Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed compensation under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.			Authority to negotiate an increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camp income under the new and old contracts.			Authority to offer the same system-wide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.			Itemize	Authority to negotiate providing courtesy vehicles (supplied by donors/ contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.		
Los Angeles Campus	Before	After		Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Change		Before	After	Percent Change
Billy Martin, Head Men's Tennis Coach	**7/1/06 - 6/30/08**	**7/1/08 - 6/30/10**	**Total Guaranteed Compensation**	**$182,000**	**$209,000**	**14.84%**	**$20,000**	**$20,000**	**0.00%**	**$0**	**$0**	**0.00%**	**$210,784**	**$210,784**	**0.00%**	**Standard/ No Vac/Sick Accrual**	**Standard/ No Vac/Sick Accrual**	**No Change**	**Auto[2]**	**$13,224**	**$0**	**n/a**

Itemized Total Guaranteed Compensation			
Base Salary	$182,000	$209,000	14.84%
Talent Fee	$0	$0	n/a

NOTES:
1) Payment for camp formula: Up to 90% of net, at discretion of Athletic Director; $210,784 is shown for last year, representing actual amount for that year.
2) Previous contract included a courtesy automobile which is no longer provided in new contract.

REPORT TO THE REGENTS

September 2008

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CONTRACT COMPENSATION FOR WALTER "TODD" HOWARD AS ASSISTANT COACH - FOOTBALL, LOS ANGELES CAMPUS

Terms and Conditions of the Contract	Duration		Guaranteed Compensation (2)a				Maximum Bonus (2)b			Deferred Compensation (2)c			Camps[1] (2)d			Benefits (2)e			Other (2)f			
Location/Name/Title/ Effective dates of the contract			Itemize	Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed compensation under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.			Authority to negotiate an increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camp income under the new and old contracts.			Authority to offer the same system-wide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.			Itemize	Authority to negotiate providing courtesy vehicles (supplied by donors/ contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.		
Los Angeles Campus	Before	After		Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Change		Before	After	Percent Change
Walter "Todd" Howard, Assistant Football Coach	**1/1/07 - 6/30/08**	**1/1/08 - 6/30/09**	**Total Guaranteed Compensation**	**$232,500**	**$285,000**	**22.58%**	**$20,000**	**$20,000**	**0.00%**	**$0**	**$0**	**0.00%**	**$10,000**	**$10,000**	**0.00%**	**Standard/ No Vac/Sick Accrual**	**Standard/ No Vac/Sick Accrual**	**No Change**	**Auto[2]**	**$8,175**	**$8,175**	**0.00%**

Itemized Total Guaranteed Compensation			
Base Salary	$232,500	$285,000	22.58%
Talent Fee	$0	$0	n/a

NOTES:

1) Payment for camp formula as per the discretion of the Head Football Coach and Athletic Director and is maximized at $10,000. Coach received $4,000 in Jun 08.

2) Contract calls for one courtesy automobiles. Current value of car is used.

REPORT TO THE REGENTS

September 2008

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CONTRACT COMPENSATION FOR TRAVIS DE CUIRE AS COACH - MEN'S BASKETBALL, BERKELEY CAMPUS*

*** (Incumbent replaces previous coach)**

Terms and Conditions of the Contract	Duration		Guaranteed Compensation (2)a				Maximum Bonus (2)b			Deferred Compensation (2)c			Camps[2] (2)d			Benefits (2)e			Other (2)f			
Location/Name/Title/ Effective dates of the contract			Itemize	Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed compensation under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.			Authority to negotiate an increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camp income under the new and old contracts.			Authority to offer the same system-wide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.			Itemize	Authority to negotiate providing courtesy vehicles (supplied by donors/ contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.		
Berkeley Campus	Before	After		Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Change		Before	After	Percent Change
Travis de Cuire, Assistant Coach - Men's Basketball	**6/1/07 - 5/31/08[1]**	**4/17/08- 5/31/09**	**Total Guaranteed Compensation**	**$145,000**	**$130,000**	**-10.34%**	**$46,250**	**$42,500**	**-8.11%**	**$0**	**$0**	**0.00%**	**$80,000**	**$75,000**	**-6.25%**	**yes[2]**	**yes[2]**	**No change**	**Moving Expenses[3]**	**yes**	**yes**	**No change**
																			Car[4]	**yes**	**yes**	**No change**

Itemized Total Guaranteed Compensation			
Base Salary	$125,000	$130,000	4.00%
Talent Fee	$20,000	$0	-100.00%

NOTES:
1) Previous incumbent's contract was the same from year to year. Some overlap due to transition timing.
2) Standard Benefits provided
3) In accordance with contract and standard practice, full moving expenses provided
4) In accordance with contract and standard practice, 1 courtesy vehicle or a $5400 stipend in lieu.

REPORT TO THE REGENTS

September 2008

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CONTRACT COMPENSATION FOR DONNIE DANIELS AS ASSISTANT COACH - MEN'S BASKETBALL, LOS ANGELES CAMPUS

Terms and Conditions of the Contract	Duration		Guaranteed Compensation (2)a				Maximum Bonus (2)b			Deferred Compensation (2)c			Camps[1] (2)d			Benefits (2)e			Other (2)f			
Location/Name/Title/ Effective dates of the contract			Itemize	Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed compensation under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.			Authority to negotiate an increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camp income under the new and old contracts.			Authority to offer the same system-wide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.			Itemize	Authority to negotiate providing courtesy vehicles (supplied by donors/ contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.		
Los Angeles Campus	Before	After		Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Change		Before	After	Percent Change
Donnie Daniels, Assistant Men's Basketball Coach	**7/1/07 - 6/30/08**	**7/1/08 - 6/30/09**	**Total Guaranteed Compensation**	**$173,200**	**$200,000**	**15.47%**	**$0**	**$0**		**$0**	**$0**		**$10,000**	**$10,000**	**0.00%**	**Standard/ No Vac/Sick Accrual**	**Standard/ No Vac/Sick Accrual**			**$0**	**$0**	**0.00%**

Itemized Total Guaranteed Compensation			
Base Salary	$173,200	$200,000	15.47%
Talent Fee	$0	$0	n/a

NOTES: 1) Payment for camp formula as per the discretion of the Head M Basketball Coach and the Athletic Director and is maximized at $10,000. This is not identified in his contract but the department will restrict it to $10,000. Coach received $10,000 in Jun 2007.

REPORT TO THE REGENTS

September 2008

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CONTRACT COMPENSATION FOR ROBERT PALCIC AS ASSISTANT COACH - FOOTBALL, LOS ANGELES CAMPUS

Terms and Conditions of the Contract	Duration		Guaranteed Compensation (2)a				Maximum Bonus (2)b			Deferred Compensation (2)c			Camps[2] (2)d			Benefits (2)e			Other (2)f			
Location/Name/Title/ Effective dates of the contract			Itemize	Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed compensation under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.			Authority to negotiate an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.			Authority to negotiate an increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camp income under the new and old contracts.			Authority to offer the same system-wide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.			Itemize	Authority to negotiate providing courtesy vehicles (supplied by donors/ contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.		
Los Angeles Campus	Before	After		Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Percent Change	Before	After	Change		Before	After	Percent Change
Robert Palcic, Assistant Football Coach	**2/19/07 - 6/30/08[1]**	**1/9/08 - 6/30/09**	**Total Guaranteed Compensation**	**$239,167**	**$295,556**	**23.58%**	**$20,000**	**$20,000**	**0.00%**	**$0**	**$0**	**0.00%**	**$10,000**	**$10,000**	**0.00%**	**Standard/ No Vac/Sick Accrual**	**Standard/ No Vac/Sick Accrual**	**No Change**	**Auto[3]**	**$6,497**	**$7,025**	**8.13%**

Itemized Total Guaranteed Compensation			
Base Salary	$205,000	$295,556	44.17%
Talent Fee	$34,167	$0	n/a

NOTES:
1) Bob Palcic replaced Bob Connelly.
2) Payment for camp formula as per the discretion of the Head Football Coach and Athletic Director and is maximized at $10,000. Coach received $4,000 in Jun 08.
3) Contract calls for one courtesy automobiles. Current value of car is used.