The Regents of the University of California

COMMITTEE ON GOVERNANCE
March 4, 2008
Open Session

A meeting of the Committee on Governance was held by teleconference on the above date at the following locations: 2121 Avenue of the Stars, Los Angeles; 1130 K Street, Sacramento; 180 Geary Street, San Francisco.

Members present: Regents Gould, Lansing, and Schilling

In attendance: Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, and Recording Secretary Bryan

The meeting convened at 4:10 p.m. with Committee Chair Lansing presiding.

1. **PUBLIC COMMENT**

UC Professor Emeritus Charles Schwartz referred to a recent news article that focused on charges that the Regents' intrusion into the administrative workings of the University were creating obstacles in the search for a new University President. He urged the Committee to undertake a public examination of the allegations raised and provide clarity in order to rebuild and maintain trust among the University's constituents.

Due to the unanticipated inability to attend of two Committee members, the Committee lacked a quorum. For that reason, the Committee took no action on the recommendations contained in items 2 through 7.

2. **PROPOSED REVISIONS TO THE SCHEDULE OF REPORTS TO THE REGENTS**

The President recommended that the Schedule of Reports, as amended (Attachment 1), be approved.

[Background material was sent to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

3. **DATES OF REGENTS MEETINGS FOR 2009**

The President recommended that the following dates for Regents meetings in 2009 be approved:

2009
January 20-22
March 17-19
May 5-7
July 14-16
September 15-17
November 17-19

[Background material was sent to the Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

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

Regent Ruiz recommended that, with the concurrence of the Committee on Audit, following service of appropriate notice, Bylaws 12.1, 21.5, 10.1, and 10.4 be amended, as shown in Attachments 2, 3, and 4.

[Background material was sent to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

5. **AMENDMENT OF REGENTS' POLICY ON CHARTER OF THE COMMITTEE ON AUDIT**

Regent Ruiz recommended that, with the concurrence of the Committee on Audit, the Charter of the Committee on Audit be amended, as shown in Attachment 5, to reflect more specific oversight responsibilities for the Committee regarding the Senior Vice President–Chief Compliance and Audit Officer, the Corporate Compliance program, and the new administrative reporting relationship between the University Auditor and the Senior Vice President–Chief Compliance and Audit Officer.

[Background material was sent to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

6. **ADOPTION OF REGENTS' POLICY ON APPOINTMENT OF EXPERT ADVISORS TO THE COMMITTEE ON AUDIT AND AMENDMENT OF REGENTS' POLICY ON DEFENSE AND INDEMNIFICATION OF REGENTS IN CIVIL PROCEEDINGS**

Regent Ruiz recommended approval of the following, with the concurrence of the Committee on Audit: (a) adoption of a Regents' Policy on Appointment of Expert Advisors to the Committee on Audit and (b) amendment of the Regents' Policy on Defense and

Indemnification of Regents in Civil Proceedings to make conforming changes, as shown in Attachments 6 and 7.

[Background material was sent to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

7. **ADOPTION OF REGENTS' POLICY ON BOARD EDUCATION AND ASSESSMENT AND AMENDMENT OF REGENTS' POLICY ON STATEMENT OF EXPECTATIONS OF THE MEMBERS OF THE BOARD OF REGENTS**

Regents Lansing and Schilling recommended that:

A. A formal orientation program be established for newly appointed Regents to assist them to perform their duties. The program shall provide information regarding the University's history and structure, the individual campuses, the broad range of policy issues expected to come before the Board as well as the recent history of issues before the Board, and the laws and policies that govern a Regent's fiduciary duties. Orientation sessions also shall be open to continuing Regents as appropriate.

B. The Chair of the Committee on Governance, in consultation with the Chairman of the Board, assign continuing Regents to act as mentors for newly appointed Regents. In addition, Committee chairs shall consult with Regents newly appointed to their Committees to determine if a committee mentor is appropriate.

C. The Board conduct periodic Board retreats to discuss governance and planning issues as needed. The Chairman of the Board, after consulting with the President and Board members, shall determine the timing, location, and agenda of the retreat.

D. The Board evaluate Board performance through an appropriate process, determined by the Committee on Governance. The evaluation may be conducted in conjunction with a Board retreat or separately.

E. The Statement of Expectations of the Members of the Board of Regents be amended as shown in Attachment 8.

[Background material was sent to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Regent Schilling recalled that the first recommendation was for formal orientation programs, the design of which is well under way. She believed that both new and continuing Regents could benefit from the program. The orientation program will likely be divided into segments.

Committee Chair Lansing supported the idea of having a formal orientation program. She believed that the extent of the program should be based upon the needs of the individual Regent, based on the assessment of his or her mentor. The mentor will be heavily involved in the program.

Regent Gould suggested that the role of the mentor should be clarified to show that a mentor would be someone who is both involved in the orientation and able to provide ongoing support to the individual Regent.

Regent Schilling believed that retreats would provide time to discuss issues that there is not time to discuss in regular meetings. It is intended that the first retreat be held later in the year.

Regent Schilling noted that boards which have formal evaluation processes seem to operate more effectively. Regent Lansing asked how the process would work. Regent Schilling suggested that a questionnaire could be sent to board members with respect to the coverage and effectiveness of individual committees. Regent Lansing suggested examining the processes used by other boards in order to develop a system that was workable and comfortable for board members. Regent Schilling responded that the Secretary and Chief of Staff's Office was in the process of contacting other boards to assess their willingness to share information about their evaluation processes. A proposal will be assembled for the Committee's review.

Regent Schilling noted that each Regent received a statement of expectations upon his or her appointment to the Board. Amendments are suggested to the original statement in order to bring it up to date.

Regent Gould emphasized the importance of developing specific timetables for achieving the goals listed. Regent Schilling reported that the retreat is being planned, the formal orientation program is being augmented, and mentors will be chosen as soon as new Regents are appointed. The Board evaluation form and process will be proposed at an upcoming Committee meeting. It was agreed that the first Board evaluation could take place at the first retreat.

Having considered the opinions of those Committee members present with respect to the recommendations presented in items 2 through 7, and determining specifically that there was unanimous support for each recommendation, Committee Chair Lansing indicated that, in consultation with General Counsel, the recommendations will be brought forward for action by the full Board at the March meeting.

The meeting adjourned at 4:44 p.m.

Attest:

Secretary and Chief of Staff