

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

February 5, 2009

The Regents of the University of California met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Present: Regents Blum, De La Peña, Garamendi, Gould, Hopkinson, Island, Johnson, Kozberg, Lansing, Lozano, Makarechian, Marcus, O’Connell, Pattiz, Reiss, Ruiz, Schilling, Scorza, Shewmake, Varner, Wachter, and Yudof

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, Executive Vice Presidents Darling and Lapp, Vice Presidents Broome, Dooley, Foley, Lenz, and Sakaki, Chancellors Block, Blumenthal, Fox, Vanderhoef, and White, and Recording Secretary Johns

The meeting convened at 11:30 a.m. with Chairman Blum presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the special meeting of October 21, of the meeting of November 20, and of the meetings of the Committee of the Whole of November 19 and 20, 2008 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 paid tribute to Regent Emeritus Nakashima, who recently passed away. He reported that 75 UC-affiliated researchers have been elected fellows of the American Association for the Advancement of Science (AAAS), the world’s largest general scientific society. Chosen by their peers, AAAS fellows are recognized for their distinguished efforts to advance science and for significant contributions in areas such as research, teaching, technology, or administration. Eight researchers affiliated with the University of California were among this year’s 67 recipients of the Presidential Early Career Awards for Scientists and Engineers, awarded to researchers who are at the start of their careers and whose work shows exceptional promise.

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

[The report was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

3. **RESOLUTION IN APPRECIATION – JUDITH L. HOPKINSON**

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

WHEREAS, the members of the Board of Regents of the University of California wish to express their deep and abiding gratitude to Judith L. Hopkinson for her committed and dedicated service to the University and the people of California, having served with great distinction and dedication as a Regent for the past ten years; and

WHEREAS, throughout her service on the Board, she has brought to bear her considerable professional experience and expertise in her devoted efforts to protect the foundation of the University's financial health, reform its investment practices, enhance its accountability measures, and strengthen its fiscal and budgetary management as a member and Chair of the Committees on Investments, Audit, and Finance; and

WHEREAS, during one of the most difficult and challenging times in the University's recent history, she served as the first Chair of the Committee on Compensation, forcefully advocating for fiscal integrity, devoting countless hours to providing rigorous direction, integrity, and stability in shaping a new framework and policies for compensation reforms, and bringing much-needed structure to management salaries; and

WHEREAS, having graduated from UC Berkeley with a degree in architecture, her creative insight, design expertise, business sensibility, and innate leadership abilities have proved invaluable in creating many new buildings and public spaces on UC campuses, as well as in the creation of the Merced campus, and in making the University's facilities and operations more sustainable; and

WHEREAS, she has been a passionate advocate for diversity in all its forms, playing a key role in the Regents' decision to rescind SP-1 and SP-2, as well as advocating for educational access for underserved students through her untiring support for the University's highly-regarded academic preparation programs, financial assistance policies, and its comprehensive review admissions policies; and

WHEREAS, the Regents' deliberations have been greatly enhanced by her critical thinking, keen eye for detail, tireless work, and deep commitment to the principles upon which the University was founded, all of which will be sorely missed;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Judy Hopkinson their deep gratitude and warmest appreciation for her enduring contributions to the University and the people of California, their gratitude for the extensive experience and thoughtful counsel she brought to the Board, their admiration for her unceasing emphasis on excellence, and their pleasure in her company;

AND BE IT FURTHER RESOLVED that the Regents extend to Judy their affectionate good wishes for the future, and direct that a suitably inscribed copy of this resolution be

presented to her as an expression of the Board's appreciation for her many contributions to the enhancement of the University and as a token of the Board's friendship and esteem.

Regent Pattiz recalled that Regent Hopkinson served on the Board of Regents with distinction for ten years. The University has benefited from her expertise in design and architecture, from her business sensibility, and her leadership abilities. This can be seen in the University's new buildings and public spaces. He pointed out Regent Hopkinson's role in making UC campuses more green and sustainable and emphasized her important contributions to the creation of the Merced campus. Regent Hopkinson served as Chair of the Committee on Investments and pursued reform of the University's investment practices and enhancement of accountability. At a particularly challenging time, Regent Hopkinson served as Chair of the Committee on Compensation and advocated forcefully for fiscal integrity and compensation reform. She has been a tireless advocate for diversity and educational access. Regent Pattiz expressed the University's gratitude to Regent Hopkinson for her service.

Regent Hopkinson noted that the University of California started her on her career path. She stated that it was a significant privilege and honor to have served as a Regent of the University of California.

4. **RESOLUTION IN APPRECIATION – STEVEN CHU**

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

WHEREAS, the members of the Board of Regents of the University of California wish to commend and thank Steven Chu for his distinguished service to the University, to the people of California, and to this nation as the sixth Director of the Lawrence Berkeley National Laboratory, a position in which he exhibited the highest standards of integrity and public commitment; and

WHEREAS, as distinguished alumnus of the Berkeley campus, a Nobel laureate, and a professor of physics and molecular and cell biology at the University of California, Berkeley, he is one of the nation's most respected advocates for innovative scientific solutions to the twin problems of global warming and the need for carbon-neutral renewable sources of energy, who, since assuming the directorship of the Berkeley Laboratory in August 2004, has put his words into action by focusing the Laboratory's considerable scientific resources on energy security, global climate change, and environmental stewardship, in particular the production of new fuels and electricity from sunlight through non-food plant materials and artificial photosynthesis; and

WHEREAS, while reinforcing the Laboratory's historic leadership in energy-efficient technologies and climate science, he also played a vital role in bringing the Joint BioEnergy Institute to the Bay Area and in creating the Energy Biosciences Institute; and

WHEREAS, an inspiring leader with a passion for education and science, his vision for how the scientific community can be mobilized to address energy, climate, and

environmental issues is reminiscent of how another UC physicist and Nobel laureate, E. O. Lawrence, mobilized the scientific community during the Second World War to address the major national security challenges facing the U.S. and its allies;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their heartfelt appreciation to Steven Chu for his highly effective leadership of the Lawrence Berkeley National Laboratory and congratulate him on the attainment of his Cabinet post in the new administration of President Barack Obama, firm in the belief that he will bring to his new responsibilities as Secretary of Energy the visionary leadership, scientific acumen, and sense of personal commitment that have been the hallmarks of his distinguished career;

AND BE IT FURTHER RESOLVED that the Regents extend to Steven and Jean Chu their affectionate good wishes for great success and adventure in our nation's capital, and direct that a suitably inscribed copy of this resolution be presented to him as an expression of the Board's enduring regard and esteem.

Regent Pattiz enumerated Steven Chu's accomplishments, expressed the University's gratitude to him for his leadership of the Lawrence Berkeley National Laboratory (LBNL), and congratulated him on the great honor of being asked to join the new administration of President Obama as Secretary of Energy. He expressed the University's best wishes to Steven Chu in this critical new endeavor.

Chairman Blum noted that Steven Chu's efforts led to new buildings at LBNL; they also made the Laboratory a global center for alternative energy research. He expressed the University's pride in Steven Chu's appointment in the Obama administration.

5. **RESOLUTION IN APPRECIATION – S. ROBERT FOLEY**

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

WHEREAS, the members of the Board of Regents of the University of California wish to express their profound appreciation to Admiral S. Robert Foley, USN (ret), who has served the University over the past five years with great distinction and dedication as Vice President–Laboratory Management, a position in which he exhibited the highest standards of integrity and public commitment; and

WHEREAS, he brought to the vice presidency not only extensive abilities as a strong and capable leader forged during a successful 35-year career in the United States Navy, but also vast experience in fashioning our country's national security and energy policies as Assistant Secretary of Energy for Defense Programs and as a senior executive for major energy and engineering corporations; and

WHEREAS, calling upon his vast knowledge and experience, he has endeavored to ensure that the University and its national laboratories met their national security responsibilities to great effect, at all times providing invaluable direction to UC's historic

stewardship of the Lawrence Berkeley, Lawrence Livermore, and Los Alamos National Laboratories on behalf of the U.S. Department of Energy; and

WHEREAS, highly respected throughout the University and in the halls of our nation's capital for his drive and thorough understanding of the nation's energy research needs, his knowledge and experience were critical to the University's efforts to enhance the laboratories' management environment and to the creation of historic new alliances with business that resulted in the University's sustaining its stewardship of laboratories that are major sources of scientific and technical strength for the nation in fields ranging from national security to basic physics, biotechnology, climate studies, high-performance computing, materials science, energy and the environment, and that contribute to the country's economic competitiveness through innovative research; and

WHEREAS, over the span of an illustrious career dedicated to the service of his country and, in the finest tradition of his Alma Mater, the United States Naval Academy, he has brought honor upon himself, the University of California, and our country through his committed and courageous efforts to ensure the security and well-being of our nation during a time of great challenge to world peace and national security;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Bob Foley their deep gratitude and warmest appreciation for his effective leadership in sustaining the scientific and technological breakthroughs that protect our nation and foster economic vitality and, on a more personal note, for his wry Irish wit, delivered with a twinkle in his eye, that often went to the very heart of the issue being discussed and that greatly enlivened many a meeting;

AND BE IT FURTHER RESOLVED that the Regents extend to Bob Foley their affectionate good wishes for a full and happy life in the years ahead, and direct that a suitably inscribed copy of this resolution be presented to him as an expression of the Board's enduring regard and esteem.

Chairman Blum recalled that Robert Foley has served the country for more than five decades. In the Navy he rose to the rank of Admiral in charge of the Pacific Fleet. He emphasized the important role of Vice President Foley in helping the University retain the management of Los Alamos National Laboratory. He expressed the University's gratitude for Vice President Foley's work.

6. REPORT OF THE COMMITTEE ON COMPLIANCE AND AUDIT

Regent Ruiz presented the following from the Committee's meeting of January 7, 2009:

There was one public speaker who addressed the Committee regarding a contract and fair wages for the University's service workers.

There was one action item and six information items:

A. ***Adoption of Identity Theft Prevention Implementation Plan***

The Committee recommended:

- (1) Adoption of the proposed University of California (“UC”) Identity Theft Prevention Implementation Plan (“Implementation Plan”), as shown in Attachment 1, pursuant to the Federal Trade Commission’s Red Flags Rule (“Rule”), which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”), and
- (2) Delegation of authority to the Senior Vice President/Chief Compliance and Audit Officer to oversee and administer the Implementation Plan, including authority to modify or amend the Implementation Plan.

B. ***Compliance Efforts, Irvine Campus***

Executive Vice Chancellor Michael Gottfredson discussed the Irvine campus’ efforts regarding sexual harassment prevention training. It is a legal obligation for public organizations to provide this training for individuals with supervisory responsibility. Additionally, the University of California has policies associated with that requirement. Mr. Gottfredson stated that UCI has a very high compliance rate. He also noted that the campus has established a cabinet level compliance committee which meets monthly. Vice Chancellor David Bailey briefly discussed quality, safety and regulatory compliance for the campus’ health care facilities and is exploring a new oversight structure to provide coordinated effort.

C. ***Ethics and Compliance Program Update***

Chief Compliance and Audit Officer Vacca discussed the compliance risk areas that were the focus of activity for the quarter and new federal compliance regulations. She noted changes in office resources, including the recruitment for a UC systemwide privacy officer. A new vendor has been secured for the whistleblower hotline service. She advised that the hotline is commonly used for whistleblower and improper governmental activity calls. However, more issues are coming forward, and she anticipates an increase in use of the hotline.

D. ***Update on Health Insurance Portability and Accountability Act (HIPAA)-Related Privacy Program Activities***

Chief Compliance and Audit Officer Vacca informed the Committee that, in response to two privacy breaches at UC medical centers, three strike teams have been established. To assist the campuses, the Office of Ethics, Compliance and Audit Services is working to centralize information and educational aspects of HIPAA compliance.

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

University Auditor Reed summarized internal audit activities for the quarter ended December 31, 2008. He noted that his department is currently understaffed and he is concerned about the hiring freeze going forward. His department has put together a plan to make its auditors available to UCOP departments to help them deal with control issues during restructuring. Mr. Reed briefly described two systemwide audits planned for the year – Effort Reporting, a review of the new effort reporting system and compliance testing, and Executive Compensation and Related Matters, including a review of the Annual Report of Executive Compensation.

F. ***Presentation of Internal Audit Services, Davis Campus***

Mr. Rick Catalano, Director of Internal Audit Services at UC Davis, described the audit program at Davis. The office of internal audit has 13 FTE's, including the director, three managers, one analyst and 8 auditors. Mr. Catalano cited some examples of how his office works with campus management in such areas as improving information systems controls and security and with principal investigators in improving accountability of research projects. UC Davis has an audit committee that is chaired by the provost and includes campus and health system senior managers. Although his office faces challenges similar to other audit units on campuses, such as difficulty recruiting and maintaining qualified staff and the increased demands of external requirements, Mr. Catalano noted the opportunities that his team is confronting, including the facts that budget reductions and regulatory examination will increase the value of audit services. This is an opportunity to streamline campus business processes and increase operational efficiency.

G. ***Presentation on Industry Trends in Higher Education***

PricewaterhouseCoopers' lead higher education partner John Mattie talked briefly about industry trends in higher education. In the current economic environment, an important question for universities to be asking is how they should prudently manage budget resources during a time of intense regulatory and compliance activities. At the federal level, there has been a strengthening of both financial and compliance controls. In addition, the concept of enterprise risk, or reputational risk, is a major focus of many governing boards of institutions of higher education. Other topics of concern are faculty conflict of interest and disclosure requirements for faculty.

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

7. REPORT OF THE COMMITTEE ON COMPENSATION

The Committee presented the following from its meeting of February 5, 2009:

A. *Individual Compensation Actions*

The Committee recommended:

(1) *Interim Re-Slotting and Appointment Salary for Jennifer R. Wolch as Dean – College of Environmental Design, Berkeley Campus*

Approval of the following items in connection with the interim re-slotting of the Dean – College of Environmental Design position and the appointment salary for Jennifer R. Wolch as Dean – College of Environmental Design, Berkeley campus:

- a. Interim re-slotting of Dean – College of Environmental Design position from SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000) to SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This interim re-slotting is consistent with the recommendation of Mercer Human Resource Consulting.
- b. Per policy, an appointment salary of \$273,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This appointment salary is consistent with new Senior Management Group (SMG) policy that indicates that appointment salaries will be within the salary range. Per policy, ineligible for any further merit or equity increase until October 2010.
- c. This appointment is at 100 percent time and effective July 1, 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, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured academic appointment.
- Per policy, reimbursement of moving expenses up to 100 percent of allowable expenses.
- Per policy, participation in the University of California Mortgage Origination Program up to the maximum loan amount (currently

\$1.33 million). Participation will comply with all University/Campus program parameters. Participation eligibility is available to be exercised within a period not to exceed 24 months from date of employment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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) ***Appointment Time Reduction Under Staff and Academic Reduction in Time (START) Program for Bruce W. Spaulding as Senior Vice Chancellor – University Advancement and Planning, San Francisco Campus***

Approval of the following compensation for Bruce W. Spaulding as Senior Vice Chancellor – University Advancement and Planning, San Francisco campus:

- a. Per Staff and Academic Reduction in Time (START) Program policy, a voluntary appointment time reduction to 55 percent time with commensurate reduction of annual salary to \$207,130, based on current annual base salary of \$376,600 (SLCG Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100).
- b. Per START Program policy, continued eligibility to participate in the Senior Management Supplemental Benefit Program at the rate of 5 percent of the reduced base salary of \$207,130.
- c. Per START Program policy, continued eligibility to receive standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, business travel accident insurance, and salary continuation for disability).
- d. Effective February 1, 2009 and ending no later than June 30, 2009.

Additional items of compensation include:

- Per policy, continued eligibility to receive an Executive Automobile Allowance in the amount of \$4,904 per annum, which reflects 55 percent of the maximum allowable rate.
- Per START program policies, continued vacation and sick leave accrual at the employee's pre-START rate.

- Per policy, continued participation in the University of California Home Loan Program. Participation to comply with all University/campus normal program parameters.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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) ***Interim Re-Slotting and Pre-emptive Retention Increase for Paul Staton as Chief Financial Officer – UCLA Hospital System, Los Angeles Campus***

Approval of the following items in connection with the compensation of Paul Staton as Chief Financial Officer – UCLA Hospital System, Los Angeles campus:

- a. An interim re-slotting of the position, as supported by Mercer Human Resource Consulting, from SLCG Grade 110 to SLCG Grade 112 (Minimum \$298,900, Midpoint \$385,300, Maximum \$471,500).
- b. Per policy, a retention increase of \$69,200 (22.3 percent) to increase his annual base salary from \$310,800 to \$380,000.
- c. Per policy, continued participation in the Clinical Enterprise Management Recognition Plan (CEMRP) with a maximum potential bonus of 25 percent (\$95,000).
- d. Per policy, continued participation in the Senior Management Supplemental Benefit Program.
- e. Effective February 1, 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, business travel accident insurance, and 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.

(4) ***Appointment and Compensation for Marsha Kelman as Associate Vice President – Policy and Analysis, Office of the President***

Approval of the following items in connection with the appointment of and compensation for Marsha Kelman as Associate Vice President – Policy and Analysis, Office of the President:

- a. Slotting of the new Senior Management Group position of Associate Vice President – Policy and Analysis at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400), as recommended by Mercer Human Resource Consulting.
- b. Appointment of Marsha Kelman as Associate Vice President – Policy and Analysis, Office of the President, at 100 percent time, effective March 9, 2009.
- c. Base salary of \$248,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- d. As an exception to current policy, reimbursement of actual and reasonable costs associated with temporary living expenses not to exceed \$15,000 over a period of three months. The proposed policy provides for up to 90 days, whereas the current policy only provides for up to 30 days of temporary housing expenses.
- e. As an exception to current policy, two house hunting trips, subject to the limitations under policy for the candidate and her spouse/partner. The proposed policy will provide for two trips.
- f. Per policy, 100 percent reimbursement of actual and reasonable relocation expenses.
- g. Per policy, a relocation allowance of 25.0 percent (\$62,000) of base salary.
- h. Per policy, eligibility to participate in the University's Mortgage Origination Program.

Additional items of compensation include:

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

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

- Per policy, a 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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 for S. Shankar Sastry as Dean – College of Engineering and Faculty Director – Blum Center for Developing Economies, Berkeley Campus***

Approval of the following items in connection with the addition of a stipend for S. Shankar Sastry as Faculty Director – Blum Center for Developing Economies, Berkeley campus:

- a. Per policy, a stipend of 9.1 percent (\$25,000), for service as Faculty Director of the Blum Center for Developing Economies, in addition to his salary of \$275,000 as Dean – College of Engineering, resulting in a total base salary of \$300,000, SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- b. This stipend is effective January 1, 2009, until such time as he steps down from the Faculty Director position.

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 tenured 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.

B. *Confirmation of Appointment and Approval of Total Compensation for Lawrence H. Pitts, M.D., as Interim Provost and Executive Vice President – Academic Affairs, Office of the President*

The Committee recommended approval of the following items in connection with the appointment of and compensation for Lawrence H. Pitts, M.D., as Interim Provost and Executive Vice President – Academic Affairs, Office of the President. This appointment coincides with the departure of the current Interim Provost and will provide ongoing leadership during the search for a permanent Provost.

- (1) As an exception to policy, appointment as Interim Provost and Executive Vice President – Academic Affairs at 100 percent time. This constitutes an exception to policy, exceeding the normal appointment maximum of 43 percent time for rehired retirees. Appointments in excess of 43 percent time require the endorsement of the President and approval of the Regents.
- (2) Base salary of \$350,000 (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100).
- (3) This appointment and compensation will be effective on or about February 9, 2009, and will continue until a permanent Provost is hired and for a reasonable transition period thereafter or until August 31, 2009, whichever occurs first.
- (4) According to the policy for rehired retirees, retirement pension benefits will be suspended when Dr. Pitts assumes this role. Under University policy, this will result in 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, Dr. Pitts be eligible for standard employee medical, dental, and vision coverage.

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.

C. ***Authorization to Amend the University of California Retirement Plan to Accommodate a Modification to the Staff and Academic Reduction in Time (START) Program***

The Committee recommended that authority be delegated to the Plan Administrator to amend the University of California Retirement Plan (UCRP) to accommodate a modification to the Staff and Academic Reduction in Time (START) Program that lowers the minimum allowable reduction in time from ten percent to five percent, effective March 1, 2009.

D. ***Approval of Proposed Compensation and Related Policies for Senior Management Group Members***

The Committee recommended approval of the following six policies applicable to Senior Management Group (SMG) members:

- Senior Management Group Hiring Bonus (Attachment 2)
- University-Provided Housing (Attachment 3)
- Senior Management Group Automobile Allowance (Attachment 4)
- Senior Management Group Moving Reimbursement (Attachment 5)
- Senior Management Group Relocation Allowance (Attachment 6)
- Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions (Attachment 7)

The Regents will have the authority to approve any policy revisions upon recommendation by the President. As described in the Approval Authority section of each of these policies, the Responsible Officer, e.g., Executive Vice President – Business Operations, may apply appropriate interpretations to clarify policy, provided that the interpretations do not result in substantive changes to the underlying policy. The Department of Human Resources and Benefits, Office of the President, will work with the Responsible Officer of each policy to implement each policy.

Upon motion of Regent Varner, duly seconded, the recommendations of the Committee on Compensation were approved, with Regent Garamendi not voting.

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

The Committee presented the following from its meeting of February 4, 2009:

A. ***Proposal on Eligibility Reform***

The Committee recommended that the Regents:

- (1) Adopt amendments to the Regents' Policy on Undergraduate Admissions Requirements consistent with the recommendations of the Academic Senate originally presented to the Regents in July 2008 (Attachment 8).
- (2) Rescind the policy on establishment of UC Eligibility in the Local Context (Attachment 9) because this policy will now be incorporated in the Undergraduate Admissions policy referenced above.

B. *Blue and Gold Opportunity Plan – New University of California Financial Aid Initiative*

The Committee recommended that the Regents:

- (1) Endorse the new “Blue and Gold Opportunity Plan,” under which the University of California will provide that eligible financially needy undergraduates with incomes up to the median for California households (currently \$60,000) and enrolled in their first four years (two if a transfer) will have UC systemwide fees covered by scholarship or grant awards.
- (2) Approve an increase in the percentage of new systemwide fee revenue used in 2009-10 to augment the University's undergraduate financial aid program from 33 percent to 36 percent.

C. *Implementation of SB 1370 (Yee): Policy on Employee and Student Protections Related to Student Press and Student Free Speech Rights*

The Committee recommended that the Regents adopt the following policy:

Policy on Employee and Student Protections Related to Student Press and Student Free Speech Rights

No University of California student shall be subject to disciplinary sanctions solely on the basis of speech or other communication that is protected from governmental restriction under the First Amendment to the United States Constitution, Section 2 of Article I of the California Constitution, or Section 66301 of the California Education Code, provided that nothing in this policy limits the University's authority to (1) evaluate student performance according to academic and curricular standards the University may establish; (2) establish and enforce constitutionally permissible regulation of the time, place, and manner of student speech on or in University buildings and grounds; (3) establish and enforce constitutionally permissible, non-content based regulation of the use by students of University-created designated public fora; (4) establish and enforce constitutionally permissible, non-viewpoint based regulation of the use by students of University-created limited public fora; (5) establish

and enforce non-discrimination policies; or (6) levy and disburse student fees. Furthermore, no University of California employee shall be dismissed, suspended, disciplined, reassigned, transferred, or subjected to a negative personnel action solely for acting to protect, or otherwise refusing to infringe upon, the rights of a University of California student protected under this Policy.

Upon motion of Regent Island, duly seconded, the recommendations of the Committee on Educational Policy were approved, with Regent Hopkinson abstaining on item A, above.

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

The Committee presented the following from its meeting of February 4, 2009:

A. ***Dates of Regents Meetings for 2010***

The Committee recommended that the following dates of Regents meetings for 2010 be approved:

2010
January 19-21
March 23-25
May 18-20
July 13-15
September 14-16
November 16-18

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

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

The Committee presented the following from its meeting of February 3, 2009:

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Student Athlete High Performance Center, Berkeley Campus***

The Committee recommended that:

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

From: Berkeley: Student Athlete High Performance Center – preliminary plans, working drawings, construction, and equipment – \$117,448,000, to be funded from gift funds (\$17,448,000) and external financing (\$100,000,000).

To: Berkeley: Student Athlete High Performance Center – preliminary plans, working drawings, construction, and equipment – \$153,000,000, to be funded from gift funds (\$17,000,000) and external financing (\$136,000,000).

Deletions shown by strikeout; additions by underscore

- (2) The President be authorized to obtain external financing not to exceed ~~\$100~~ \$136 million to finance the Student Athlete High Performance Center (SAHPC) project. The President shall require that:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - b. As long as the debt is outstanding, the Berkeley campus football program gross revenues ~~and the income earned on the SAHPC Initiative Funds,~~ shall be maintained in amounts to pay the debt service and to meet the related requirements of the authorized financing;
 - c. Among all the uses of the Berkeley campus football gross revenues, debt service will be the priority;
 - d. The general credit of the Regents shall not be pledged.
- (3) The President be authorized to obtain standby financing not to exceed ~~\$6,248,000~~ \$10.9 million, prior to awarding a construction contract for any gift funds not received by that time and subject to the following conditions:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - b. Repayment of any debt shall be from the Berkeley campus football program gross revenues and, as long as the debt is outstanding, the Berkeley campus football program gross revenues shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing;
 - c. The general credit of the Regents shall not be pledged.
- (4) Officers of the Regents be authorized to execute all documents necessary in connection with the above.

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

The Committee recommended that:

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

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

To: Berkeley: Biomedical and Health Sciences Building – preliminary plans, working drawings, and construction – \$266,953,000, to be funded from gifts (\$104,807,500), State funds (\$52,700,000), California Institute for Regenerative Medicine grant funds (\$17,602,500), campus funds (\$1,000,000), and external financing (\$90,843,000).

Deletions shown by strikeout; additions by underscore

- (2) The President be authorized to obtain external financing, not to exceed \$83,553,000 to finance the Biomedical and Health Sciences project. The President shall require that:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - b. As long as the debt is outstanding, the Berkeley campus' shares of the University Opportunity Fund and University Education fund shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing;
 - c. The general credit of the Regents shall not be pledged.
- (3) The President be authorized to obtain external financing, not to exceed \$7,290,000 to finance the Biomedical and Health Sciences project. The President shall require that:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;

- b. As long as the debt is outstanding, the Berkeley campus' share of the unrestricted earnings of Short Term Investment Pool shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing;
 - c. The general credit of the Regents shall not be pledged.
 - (4) The President be authorized to obtain standby financing not to exceed \$49,429,000 and interim financing not to exceed \$39,807,500 prior to awarding a construction contract for any gift funds not received by that time and subject to the following conditions:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - b. Repayment of any debt shall be from gift funds. If gift funds are insufficient, and some or all of the debt remains outstanding, then the Berkeley campus' share of the ~~University Opportunity Fund~~ Short Term Investment Pool shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing;
 - c. The general credit of the Regents shall not be pledged.
 - (5) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

C. ***Certification of Environmental Impact Report and Approval of Design, Health Sciences Graduate and Professional Housing Project, San Diego Campus***

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

- (1) Certification of the Environmental Impact Report;
- (2) Adoption of the Findings and Mitigation Monitoring and Reporting Program; and
- (3) Approval of the design of the Health Sciences Graduate and Professional Housing Project, San Diego campus.

[The Environmental Impact Report, Findings and Mitigation Monitoring and Reporting Program 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.]

D. ***Consideration of Environmental Impact Report Addendum and Approval of Design, Naval Architecture Building Restoration and Addition Project, Berkeley Campus***

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

- (1) Adoption of the Findings;
- (2) Approval of the design of the Naval Architecture Building Restoration and Addition, Berkeley campus; and
- (3) Paragraphs (1) and (2) are contingent upon approval by the Chairs of the Committee on Finance and the Committee on Grounds and Buildings, prior to execution, of a Memorandum of Understanding between the University and the donor, with the donor's project budget attached thereto.

[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.]

E. ***Approval of Design, Los Rios Community College District Davis Center, Davis Campus***

Upon review and consideration of the environmental consequences of the proposed action as evaluated in the 2003 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) and Addendum #1 thereto, the Committee reported its:

- (1) Adoption of the California Environmental Quality Act Findings; and
- (2) Approval of the design of the Los Rios Community College District Davis Center Building, Davis 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. ***Approval of Design, Brewery, Winery, and Food Pilot Facilities, Davis Campus***

Upon review and consideration of the environmental consequences of the proposed Brewery, Winery, and Food Pilot Facilities project as indicated in the Findings, the Committee reported its:

- (1) Adoption of the California Environmental Quality Act Findings; and

- (2) Approval of the design of the Brewery, Winery, and Food Pilot Laboratory, Davis 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.]

G. ***Adoption of Findings and Approval of Design, South Campus Student Center, Los Angeles Campus***

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

- (1) Determination of the South Campus Student Center project to be Categorically Exempt under the California Environmental Quality Act and adoption of the Findings; and
- (2) Approval of the design of the South Campus Student Center, Los Angeles 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.]

H. ***Adoption of Mitigated Negative Declaration and Approval of Design, Mission Bay Neurosciences Laboratory and Clinical Research Building (19A), San Francisco Campus***

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

- (1) Adoption of the Mitigated Negative Declaration;
- (2) Adoption of the Findings and adoption of the Mitigation Monitoring and Reporting Program; and
- (3) Approval of the design of the Mission Bay Neurosciences Laboratory and Clinical Research Building (19A), San Francisco campus.

[The Mitigated Negative Declaration, Findings and Mitigation Monitoring and Reporting Program 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.]

Upon motion of Regent Schilling, duly seconded, the recommendations of the Committee on Grounds and Buildings were approved, with Chairman Blum abstaining on item D, above.

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

The Committees presented the following from their meeting of February 5, 2009:

A. *Proposed Reinstatement of Contributions to the University of California Retirement Plan and Associated Amendment of the Defined Contribution Plan*

The Committee on Finance and the Committee on Compensation recommended that:

- (1) University contributions and member contributions be reinstated effective on or about April 15, 2010 as follows:

- (a) The University contribution rate for the fourth quarter of Plan Year 2009-2010 (starting on or about April 15, 2010) and for Plan Year 2010-2011 be as shown below:

Member Class	Number of Members July 1, 2008	University Contribution Rate on Covered Compensation	
		Fourth Quarter of Plan Year 2009- 2010*	Plan Year 2010-2011
Coordinated with Social Security	111,254	4%	TBD**
Noncoordinated	2,556	4%	TBD**
Safety	411	4%	TBD**
Tier Two	21	2%	TBD**

* Starting on or about April 15, 2010

**The University contribution rate for Plan Year 2010-2011 will be at least 4 percent and may be higher as decisions are made about moving towards the entire recommended total contribution rate.

- (b) The member contribution rates for the fourth quarter of Plan Year 2009-2010 (starting on or about April 15, 2010) and for Plan Year 2010-2011 be as shown below, subject to collective bargaining, if applicable, for represented members. These are the same as the current rates for member contributions that are being redirected to the Defined Contribution Plan.

Member Class	Member Contribution Rate on Covered Compensation for the Fourth Quarter of Plan Year 2009-2010* and for Plan Year 2010-2011
Coordinated with Social Security	2% up to Social Security wage base, then 4% over Social Security wage base, minus \$19/month
Noncoordinated	3% minus \$19/month
Safety	3% minus \$19/month
Tier Two	None

*Starting on or about April 15, 2010

- (2) The current redirection of member contributions to the Defined Contribution Plan be terminated effective on or about April 15, 2010, subject to collective bargaining, if applicable, for represented members.
- (3) The University contributions and the member contributions for the Lawrence Berkeley National Laboratory (LBNL) segment of UCRP be made on the same basis as determined for the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of the Law), effective on or about April 15, 2010, subject to the terms of the University's contract with the Department of Energy and subject to collective bargaining, if applicable, for represented members at LBNL.
- (4) For members participating in the Staff and Academic Reduction in Time (START) Program at any time between April 15, 2010 and June 30, 2010, the applicable University fund source be assessed and be liable for the additional amount of University contributions and member contributions that would have been contributed by and on the behalf of such members had such members not participated in the START program, in accordance with Regental approval of the START program.
- (5) UCRP be amended effective April 15, 2010 to allow members who are not vested in their basic retirement benefit to leave their contributions on deposit with the Plan following a break in service.
- (6) Authority be delegated to the Plan Administrator to amend UCRP and the Defined Contribution Plan as necessary to implement these changes.

Upon motion of Regent Varner, duly seconded, the recommendation of the Committee on Finance and the Committee on Compensation 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) ***Appointment Renewal for John R. Sandbrook as Interim Chief of Staff, Office of the President***

- a. In accordance with the original appointment request approved at the May 2008 Regents' meeting, renewal of the appointment effective January 1, 2009 through May 31, 2009 or until a permanent replacement is appointed, whichever is sooner. This appointment is at 100 percent time.
- b. Continued appointment salary of \$200,000.
- c. Continued reimbursement for actual expenses as follows:
 - i. As an exception to policy, temporary housing not to exceed \$3,800 per month.
 - ii. One coach airfare, round trip between Oakland and Los Angeles and ground transportation to and from the airport each week.
 - iii. Per policy, rental car as needed.

Additional items of compensation include:

- Standard health and welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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) ***Administrative Stipend for Jan de Vries as Acting Dean – Division of Social Sciences, College of Letters and Science, Berkeley Campus***

Approval of the following items in connection with the appointment of Jan de Vries as Acting Dean – Division of Social Sciences, College of Letters and Science, Berkeley campus:

- a. Per policy, an administrative stipend of 15 percent (\$34,478). The stipend plus the adjusted faculty salary of \$229,872 results in total compensation of \$264,350 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This stipend amount is

consistent with new SMG policy that indicates that appointment salaries will be within the salary range.

- b. This appointment is at 100 percent time and is effective November 1, 2008 through June 30, 2009 or until a new Dean is hired, whichever occurs first.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, eligible to accrue sabbatical credits due to dual academic appointment.

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

(3) ***Appointment of and Total Compensation for Mary Lynn Tierney as Associate Vice President – Communications, Office of the President***

Approval of the following terms in connection with the appointment and compensation for Mary Lynn Tierney as Associate Vice President, Communications, Office of the President:

- a. Appointment as Associate Vice President for Communications, Office of the President, at 100 percent time, effective no later than February 9, 2009.
- b. Base salary of \$239,000 per annum (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- c. Per policy, eligibility to participate in the University's Mortgage Origination Program.
- d. As an exception to policy, reimbursement of actual and reasonable costs associated with temporary living expenses, not to exceed \$15,000 over a period of four months.
- e. Per policy, 100-percent reimbursement of actual and reasonable relocation expenses.

Additional elements of compensation include:

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

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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) ***Appointment of and Total Compensation for Christopher F. Edley, Jr., as Special Advisor to the President, Office of the President***

Approval of the following items in connection with the appointment of and total compensation for Christopher F. Edley, Jr. as Special Advisor to the President, Office of the President:

- a. Per policy, an administrative stipend in the amount of \$43,000 (14.0 percent), increasing the current base salary of \$307,000 to \$350,000.
- b. Effective December 15, 2008 through December 14, 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.

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

Approval of the following in connection with the extension of the appointment of and total compensation for Robert D. Grey as Interim Provost, Office of the President:

- a. As an exception to policy, extension of appointment as Interim Provost, at 60 percent time. This constitutes an exception to policy that requires retired employees to be rehired with no more than a 43 percent appointment. Appointments in excess of 43 percent time require the endorsement of the President and approval of the Regents.
- b. A continued base salary rate of \$350,000 (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100). Actual salary will be \$210,000.
- c. This appointment extension will be effective on January 1, 2009, and will continue until a permanent Provost is hired and for a reasonable transition period thereafter, or until June 30, 2009, whichever occurs first.
- d. As an exception to policy, reimbursement for reasonable and actual expenses associated with housing and meals, up to \$2,400 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.
- e. 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. 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) ***Stipend Extension for Harold G. Levine as Associate Provost for Education Initiatives, Office of the President***

Approval of the following in connection with the stipend extension of Harold G. Levine as Associate Provost for Education Initiatives, Office of the President:

- a. Per policy, continuation of the administrative stipend of \$35,820 (20 percent) to increase his base salary of \$179,100, for a total annual salary of \$214,920.
- b. As an exception to policy, effective January 1, 2009 through March 31, 2009. This constitutes an exception to policy which allows for administrative stipends to be paid for up to 12 months. Mr. Levine has been serving in this acting appointment since September 1, 2006.

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.

(7) ***Stipend for Steven P. Raphael as Acting Dean – Goldman School of Public Policy, Berkeley Campus***

Approval of the following items in connection with the appointment of Steven P. Raphael as Acting Dean – Goldman School of Public Policy, Berkeley campus:

- a. Per policy, an administrative stipend of 25.0 percent (\$49,600) of his adjusted faculty salary of \$198,439 for total compensation of \$248,039 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000). This stipend amount is consistent with the new SMG policy that dictates that stipend amounts result

in appointment salaries within the salary range. The \$8,000 stipend provided for service as Associate Dean will be suspended.

- b. This appointment will be at 100 percent time and effective January 1, 2009 through June 30, 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.

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) ***Appointment of and Total Compensation for Tina W. Combs as Deputy General Counsel – Business and Land Use, Office of General Counsel, Office of the President***

Approval of the following terms in connection with the appointment and compensation for Tina W. Combs as Deputy General Counsel – Business and Land Use, Office of General Counsel, Office of the President:

- a. Appointment of Tina W. Combs as Deputy General Counsel – Business and Land Use, Office of General Counsel, Office of the President, effective no later than February 9, 2009.
- b. Base salary of \$244,900 per annum (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- c. Per policy, eligibility to participate in the University's Mortgage Origination Program.

Additional items of compensation include:

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

The 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) ***Amendment to Contract Compensation for Jeff Tedford as Head Football Coach, Berkeley Campus***

Approval of the following revised compensation terms for Head Coach of Football, Jeff Tedford, Berkeley campus.

Mr. Tedford's revised contract will be effective immediately and extend through the 2015 season, an extension of two years beyond the current agreement. Continuing from the current contract, these terms may be extended one year for each season (including the bowl season) that the University of California, Berkeley Football team wins nine games. Upon such extension, all terms and conditions of the contract will remain in place and unless otherwise agreed to in writing, the compensation will remain as approved for the 2015 contract year.

The campus undertook negotiations with Mr. Tedford, to enhance and extend his current contract when he was contacted by other universities to fill their head coach position.

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

a. Base Salary: There is no change to this element of Mr. Tedford's compensation:

01/01/08 – 12/31/08	\$225,000	no increase
01/01/09 – 12/31/09	\$225,000	no increase
01/01/10 – 12/31/10	\$225,000	no increase
01/01/11 – 12/31/11	\$225,000	no increase
01/01/12 – 12/31/12	\$225,000	no increase
01/01/13 – 12/31/13	\$225,000	no increase
01/01/14 – 12/31/14	\$225,000	no increase
01/01/15 – 12/31/15	\$225,000	no increase

b. Talent Fee: There is no change to Mr. Tedford's annual talent fee, except as noted in section 4, below, which could provide potentially significant additional compensation to these amounts.

01/01/08 – 12/31/08	\$1,575,000	no increase
01/01/09 – 12/31/09	\$1,575,000	no increase
01/01/10 – 12/31/10	\$1,575,000	no increase

01/01/11 – 12/31/11	\$1,575,000	no increase
01/01/12 – 12/31/12	\$1,575,000	no increase
01/01/13 – 12/31/13	\$1,575,000	no increase
01/01/14 – 12/31/14	\$1,575,000	no increase
01/01/15 – 12/31/15	\$1,575,000	no increase

- c. Deferred Compensation: The revised contract eliminates what was characterized as retention bonus payable in the following manner under the old contract if the Coach met certain conditions:

\$1,000,000 payable on January 8, 2009
 \$1,500,000 payable on January 8, 2012
 \$1,000,000 payable on January 8, 2014

The retention bonuses have been eliminated and replaced with the following:

- UC will pay \$500,000 as regular income to the Coach on January 8, 2009.
- UC will contribute \$500,000 on January 8, 2009 to the Deferred Compensation Plan on behalf of the Coach.
- On January 8 of each subsequent year the Coach is employed through the end of each season through 2015, including post-season play, UC will contribute \$500,000 to the Deferred Compensation Plan on behalf of the Coach.

In the event Coach becomes unable to provide services described in the contract and the contract is terminated, UC's contribution to the Deferred Compensation Plan will be a pro-rated amount based on the termination date.

- d. Additionally, this new contract provides opportunity to increase Mr. Tedford's talent fee by the amounts shown below, effective the year following the accomplishment. The maximum escalation over the length of the contract will be capped at \$1,000,000. Any escalated amounts will become additions to the talent fee in all subsequent years of the contract.

<u>Accomplishment</u>	<u>Amount</u>
<u>National Championship</u>	
Team wins National Championship (AP or Coaches' Poll)	\$1,000,000
Team plays in National Championship	\$750,000

Post-Season Play

The highest of the following accomplishments would be paid:

Team wins the Pac-10 Championship or participates in the Rose Bowl	\$500,000
Team participates in a BCS Bowl other than the Rose Bowl, but does not win the Pac-10	\$400,000
Team ties for the Pac-10 Championship but not selected for a BCS Bowl game	\$250,000
Team participates in the Holiday Bowl	\$ 60,000
Team participates in the Sun Bowl	\$ 40,000
Team participates in any other non-BCS bowl	\$ 30,000

Regular Season Achievements have not changed under the proposed contract

Team wins nine games during the regular season	\$ 25,000
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Coaching Achievements have not changed under the proposed contract
(The highest of the following:)

Coach is named National Coach of the Year; or	\$100,000
Coach is named Pac-10 Coach of the Year	\$ 50,000

Support of Educational Objectives

The new contract proposes increasing to \$20,000 each (from \$25,000 total) achieving an 80 percent graduation rate, 950 APR and a 2.8 GPA.

- e. Other Incentive Pay has not changed from the previous contract.

Based on performance of Coach, annual non-base building bonus as determined by the Athletic Director during Contract Year 1 (01/01/07-12/31/07) and Contract Years 4-5 (01/01/10-12/31/11): \$4,000 - \$10,000

Based on performance of Coach, annual non-base building bonus as determined by the Athletic Director during Contract Year 2 and 3 (01/01/08-12/31/08 and 01/01/09-12/31/09): \$14,000 - \$20,000

The Stadium Renovation Bonus remains unchanged from the original contract as follows:

- Coach remains as Head Cal Football Coach until team fully occupies the Simpson High Performance Center (amount due within 30 calendar days following game): \$250,000
- Coach remains as Head Cal Football Coach on the date team plays its first home football game subsequent to the completion of the West Side Improvements (amount due within 30 calendar days following game): \$250,000

Termination Clause:

This contract contains a penalty clause for early termination. If Mr. Tedford terminates before the expiration of the agreement and before the football program fully occupies the Student-Athlete High Performance Center (SAHPC), he shall pay, within 30 days of leaving employment, \$150,000 for each contract year remaining in the agreement, inclusive of the year he leaves. If Mr. Tedford terminates before the expiration of the agreement and after the football program fully occupies the SAHPC, he shall pay, within 30 days of leaving employment, \$300,000 for each contract year remaining in the agreement, inclusive of the year he leaves.

Furthermore, once the team fully occupies the Simpson High Performance Center, Mr. Tedford agrees that he will not be employed by any Pac-10 school during the term of this contract.

If the University terminates the contract early without cause, the campus will owe the base salary, retention bonus, and talent fee in amounts noted above, paid out in monthly installments, and any additional earned bonus income as set out by the contract. The University will not be responsible for paying unearned bonus/stipend income in this circumstance. If Mr. Tedford secures employment during this time, these payments will be reduced by such amounts.

The maximum total potential payout under this contract occurs in year five in the amount of \$4,285,000. Payment of this amount is dependent upon Mr. Tedford achieving all goals, including all those in the "Accomplishments" section, above.

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 currently provided and will continue to be provided include:

- Per contract, 20 working days of vacation at the beginning of each contract year. Coach may not have more than 40 working days of

accrued vacation leave at any time during the employment contract. When 40 days of accrued vacation is reached, Coach will cease to earn additional vacation leave until accrued vacation balance is reduced to 20 working days.

- Per contract and policy, 12 days of sick leave during each twelve-month period of the contract.
- Per policy, eligible for standard health and welfare benefits.
- Consistent with practice, two courtesy vehicles will be provided. These courtesy vehicles may be withdrawn at any time at the sole discretion of the Director-Intercollegiate Athletics.
- Country Club Membership with a value of approximately \$7,080.
- Football Tickets – 30 season and 5 parking passes with a potential value of approximately \$10,000.
- In accordance with University policies and regulations governing travel and subject to approval by the Athletic Director, University will pay spouse travel for required events outside the San Francisco Bay Area.

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) ***Total Compensation for A. Paul Alivisatos as Interim Laboratory Director, Lawrence Berkeley National Laboratory***

Approval of the compensation for A. Paul Alivisatos as Interim Laboratory Director, Lawrence Berkeley National Laboratory (LBNL) to facilitate a smooth transition in leadership following the confirmation and swearing-in of Steven Chu as Secretary of Energy:

- a. Per policy, a 14 percent administrative stipend of \$49,980 to increase his base salary of \$357,000 to \$406,980 (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100).
 - i. As provided under the University's contract with the Department of Energy (DOE), any compensation amount approved by the Regents that is over the compensation amount approved by DOE will be paid from the fee earned under the contract.
 - ii. Mr. Alivisatos' current salary of \$357,000 (approved by the Regents in November 2008) has been approved for

reimbursement by the Department of Energy (DOE) in the amount of \$338,000. The unreimbursed amount will be paid by UC, from the fee earned under the DOE contract.

- iii. This stipend will be in effect for up to twelve months from the date of Mr. Alivisatos' interim appointment.
 - iv. The stipend amount will be increased as the base salary is increased, so the stipend will equal 14 percent of the base salary, at a 100 percent appointment.
- b. Per policy, an annual car allowance of \$8,916.
 - c. Per policy, accrual of sabbatical credits as a member of tenured faculty.
 - d. Per policy, an Administrative Fund for official entertainment and other purposes that comply with University policy.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, eligibility for participation in the University of California Mortgage Origination Program up to the maximum loan amount (currently \$1,330,000). The loan will comply with all normal Mortgage Origination Program parameters.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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) ***Administrative Stipend for John Melack as Acting Dean, Donald Bren School of Environmental Science and Management, Santa Barbara Campus***

Approval of the following items in connection with the appointment of John Melack as Acting Dean, Donald Bren School of Environmental Science and Management, Santa Barbara campus:

- a. Per policy, administrative stipend of \$30,571 (15.0 percent) to increase his annual adjusted faculty base salary from \$203,806 to \$234,377 (SLCG Grade 106: Minimum \$154,200 Midpoint \$195,200 Maximum \$236,100). This is a 100 percent time appointment.
- b. The stipend amount will be increased as the base salary is increased, so the stipend will remain 15.0 percent of the adjusted faculty base salary.
- c. Effective January 1, 2009 through December 31, 2009 or upon completion of a transition period after the interim duties are transferred to the new Dean, whichever comes 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. 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. The Chairman of the Board and the President approved the following recommendation:

Change in Dates and Location of the January 2009 Regents Meeting

That the dates of the January 2009 Regents meeting be changed from January 13-15 to February 3-5, 2009 and that the location be changed from the UC Berkeley campus to UCSF – Mission Bay, San Francisco.

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

(1) ***Authorization for Minor Capital Expenditure, President's Residence***

Authorization of the expenditure of up to \$15,000 plus tax, in non-State funds, to install air conditioning equipment at the rental residence of President and Mrs. Yudof.

(2) ***Authorization for the Amendment of the Lease Agreement, President's Residence***

Authorization of the amendment of the lease agreement for the President's residence to include the monthly rental costs of \$2,650 for the estimated 1,200 square foot unit on Level 2 of the residence, effective February 1, 2009, in order to provide appropriate office space for the House Manager, previously assigned to Blake House and now assigned to the Yudof's residence, as well as to increase the available space at the residence for catering needs for large group meetings/events. An estimated monthly credit of \$765.00 will be recognized by the owner against the monthly rental amount through June 2010 to offset the costs of the installation of air conditioning equipment at the residence which is necessary to ensure that the security system being installed at the residence can operate effectively. The net additional monthly rental amount will be an estimated \$1,885.00 through June 2010.

Modification of the November 12, 2008 Interim Regental Action Item which authorized the expenditure of up to \$50,000 in non-State funds to install a security system at the President's residence by reducing the authorized amount to up to \$25,000 for the security system installation, monthly monitoring fees and certain capital improvements to the residence to enhance security.

Modification of the November 21, 2008 Interim Regental Action Item, which authorized the expenditure of non-State funds to install air conditioning equipment at the President's residence on the master bedroom level in order to accommodate the security system, to reflect the agreement that the University will be reimbursed for those costs by monthly offsets against the monthly rent for the unit on Level 2 referenced above.

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

Amendment of the Previous Action to Grant an Exception to Regents' Policy on Bonding Capital Projects, Mt. Zion Medical Office Building, San Francisco Campus

That the Regents amend the action taken September 19, 2007 at a joint meeting of the Committee on Finance and the Committee on Grounds and Buildings as follows:

Additions shown by underscore

.....

- (12) Approve a change to the authorization for this project to allow the San Francisco campus to accept a performance bond wherein the University is not a beneficiary (i.e., does not have a right to sue to enforce the bond).

13. **REPORT OF COMMUNICATIONS RECEIVED**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received summaries of communications in reports dated December 1, 2008 and January 5, 2009.

14. **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 Committees:

To Members of the Committee on Compensation

- A. From the President, report of salary actions taken for Professors since March 5, 2008. (November 13, 2008)

To Members of the Committee on Compliance and Audit

- B. From Chairman Ruiz, the Information Security Status Report. (November 17, 2008)

To Members of the Committee on Educational Policy

- C. From the President, Quarterly Report on Major Donors; Quarterly Report on Namings approved by the President; and Quarterly Report on Endowed Chairs approved by the President. (December 8, 2008)

To Members of the Committee on Grounds and Buildings

- D. From the President, the Major Capital Projects Implementation Report for fiscal year 2007-08. (December 2, 2008)

To Members of the Committee on Health Services

- E. From the President, Medical Center Activity and Financial Status Report for the three months ended September 30, 2008. (December 10, 2008)
- F. From the President, Medical Center Activity and Financial Status Report for the four months ended October 31, 2008. (January 20, 2009)

To The Regents of the University of California

- G. From the President, announcement of Senior Vice President Alan Hoffman's departure from the University. (November 5, 2008)
- H. From the President, the Governor's proposal for mid-year actions to be deliberated by the special session of the Legislature. (November 6, 2008)
- I. From Chief Investment Officer Berggren, letter and report concerning UC's investment performance for October 2008. (November 24, 2008)
- J. From the Secretary and Chief of Staff, summaries of communications received subsequent to the November 3, 2008 report of communications. (December 1, 2008)
- K. From the President, letter and public statement regarding the Voluntary Separation Program previously offered at the Office of the President. (December 2, 2008)
- L. From the President, letter and attachment regarding an ad in *The New York Times* suggesting a proposal from the higher education community to the Obama administration. (December 16, 2008)
- M. From the President, letter regarding appointment of Christopher F. Edley, Jr. as Special Advisor to the President. (December 17, 2008)
- N. From the President, letter concerning action taken by the Pooled Money Investment Board. (December 18, 2008)
- O. From the President, annual summary of University-operated housing fees to be charged in fiscal year 2008-2009. (December 19, 2008)
- P. From the President, copy of the *University of California Office of the President, Department of Financial Management, Office of Risk Services Annual Report FY 2008*. (December 19, 2008)
- Q. From the President, letter regarding the Governor's Executive Order S-16-08 affecting State employees, effective February 1. (December 22, 2008)
- R. From Chief Investment Officer Berggren, update on UC investment performance. (December 22, 2008)
- S. From the Secretary and Chief of Staff, summaries of communications received subsequent to the December 1, 2008 report of communications. (January 5, 2009)
- T. From the President, letter and attachments regarding the Governor's proposed 2009-2010 State Budget. (January 5, 2009)

- U. From the President, letter announcing the date of the inauguration of Tim White as Chancellor of UC Riverside. (January 9, 2009)
- V. From the President, letter and press release regarding the items for the special Regents' meeting being held January 14. (January 9, 2009)
- W. From Executive Vice President Lapp, update concerning recent negotiations with the American Federation of State, County and Municipal Employees. (January 16, 2009)
- X. From the President, letter and errata pages for the 2009-10 budget document. (January 20, 2009)
- Y. From the President, correspondence regarding a new financial aid program, *Blue and Gold Opportunity Program*. (January 20, 2009)
- Z. From the President, letter and enclosure regarding Assembly Constitutional Amendment 7 (Hernandez, as introduced), which would remove the public school system and the University of California from the scope of Proposition 209. (January 21, 2009)
- AA. From the President, letter and attachment concerning fall 2009 preliminary undergraduate application counts for the University of California. (January 22, 2009)
- BB. From the President, letter and press release regarding the appointment of Paul Alivisatos as the Interim Director of Lawrence Berkeley National Laboratory. (January 22, 2009)

The meeting adjourned at 11:45 p.m.

Attest:

Secretary and Chief of Staff

The University of California Identity Theft Prevention “Red Flags Rule” Implementation Plan

Overview

In compliance with Part 681 of the Code of Federal Regulations implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003 and pursuant to the Federal Trade Commission's Red Flags Rule (“Rule”), the University of California Board of Regents has adopted the following Identity Theft Prevention Implementation Plan (“Implementation Plan”) as developed by the Office of Ethics, Compliance and Audit Services (“ECAS”) with support from the Office of General Counsel and integrated into the University of California (“UC”) Ethics and Compliance Program Plan (“Program”). The objective of this Implementation Plan is to establish processes at the campuses and UC Office of the President (“UCOP”) to:

- Identify relevant Red Flags applicable to UC accounts and incorporate those into this Implementation Plan;
- Continually review UC accounts to detect those Red Flags that have been incorporated into the Implementation Plan;
- Respond appropriately to any Red Flags that have been identified to prevent and mitigate identity theft; and
- Ensure the Implementation Plan is periodically updated to identify new or changed risks to our relevant constituents.

This Implementation Plan has been designed to include, as appropriate, any existing UC systemwide and campus-specific policies and procedures currently in place that control reasonably foreseeable risks associated with identify theft.

Actions

Each campus and UCOP will be responsible for implementing the following:

- I. **Identify Covered Accounts** - ECAS developed and disseminated a Red Flags Rule Inventory Grid (“Grid”) to the campuses and UCOP to use as a tool for documenting applicable covered accounts across the UC system. It is the campuses’ and UCOP’s responsibility to:
 - A. Ensure the information contained within the Grid is accurate; and
 - B. Update the Grid quarterly to reflect current campus practices and activities to highlight evolving account activity risks.
- II. **Identify Relevant Red Flags** - In an effort to identify relevant Red Flags which may include, but not be limited to a pattern, practice or specific activity that indicates the possible

existence of identity theft, campuses should consider a) the types of accounts it offers and maintains, b) methods to open and/or access accounts, and c) previous experiences with identity theft. The following list outlines several examples of potential sources to identify Red Flags:

- A. notifications and warnings from credit reporting agencies and other third parties;
- B. suspicious documents;
- C. unusual use of accounts; and
- D. Suspicious identifying information.

- III. **Review Mechanisms for Detection of Red Flags** - Campuses will review their current policies/procedures and systems to address detection of Red Flags for each covered account and/or processes within a identified account with a key focus on verifying identity, authenticating customers, monitoring transactions, and verifying the validity of address changes.
- IV. **Review Mechanisms for Responses to Identity Theft** - Campuses will establish processes to periodically review control mechanisms put into place to prevent and mitigate identity theft. These reviews will be reported to the Campus Ethics and Compliance Risk Committees in a timeframe defined by the campuses.
- V. **Integrate Red Flags Rule into Current Compliance Program Activities** - Once campuses have completed the steps above, here forward the campuses' activities around this area will be integrated into their compliance program efforts on an ongoing basis. At a minimum, quarterly monitoring on the Rule will occur on each campus through the Campus Ethics and Compliance Risk Committee to identify detection, prevention and mitigation efforts. The Systemwide Ethics and Compliance Risk Council will periodically review the monitoring efforts and identify trends related to these areas.
- VI. **Ensure Contract Compliance.** Campuses will review their current policies/procedures and systems to ensure appropriate and effective oversight of service providers. Each campus must further verify that vendors providing services in connection with covered accounts have established their own identity theft prevention programs and that such programs shall be subject to the campuses' periodic review and reporting requirements.
- VII. **Provide Employee Training** - Campus management and staff responsible for the covered accounts will be trained at the campus department level through their normal compliance training efforts related to their specific processes for the prevention, detection and response to identity theft issues, and contracting with vendors providing services in connection with covered accounts.
- VIII. **Provide Oversight and Review of the Program** - The UC Ethics and Compliance Program at the campus and system levels will provide oversight and assurance that these activities are

Identity Theft Prevention Implementation Plan

occurring (assurance activities may be delegated but the Campus Ethics and Compliance Risk Committee will maintain oversight):

- A. Administering the Implementation Plan on their respective campus;
- B. Ensuring appropriate training of campus staff on the Implementation Plan;
- C. Reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating identity theft;
- D. Determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Implementation Plan; and
- E. At a minimum, evaluating the effectiveness of their policies and procedures in addressing the risk of identity theft in connection with covered accounts.
Recommendations for material changes will be provided and considered in this area as determined by each Campus Ethics and Compliance Risk Committee.

The UC Systemwide Ethics and Compliance Risk Council will periodically validate with the campus level oversight, progress and efforts made related to compliance with these rules. The Office of Ethics, Compliance and Audit Services will provide the status of system compliance with the Rule in the Annual Report to The Board of Regents through the Committee on Compliance and Audit.

Senior Management Group Hiring Bonus



Responsible Officer: [Vice President – Human Resources](#).

Responsible Office: Human Resources

Effective Date: To be determined [by the Responsible Officer](#).

Next Review Date: [\[The Responsible Officer will review the policy annually for update purposes, and will conduct a full review at least every three years.\]](#)~~To be determined.~~

Who Is Covered: External candidates for Senior Management Group positions. The Hiring Bonus policy and procedures do not apply to external candidates for SMG positions at the Lawrence Berkeley National Laboratory (LBNL). See [LBNL Hiring Bonus Program](#) [link].

CONTENTS

I. Policy Summary

II. Policy Definitions

III. Policy Text

IV. Approval Authority

V. Compliance

Revision History

Implementation Procedures

Related Policies

Frequently Asked Questions

I. POLICY SUMMARY

This policy provides the direction and authority for granting hiring bonuses to external candidates as part of the University's hiring offer. Hiring bonuses support the University's objective to attract talented external candidates for Senior Management Group positions. ~~The hiring bonus --by including a non-base building cash payment -- as part of the hiring offer. The hiring bonus~~ is intended to make the hiring offer market-competitive and to assist in ~~securing the candidate's acceptance of the offer~~~~the new appointee's transition~~.

II. POLICY DEFINITIONS

Difficult-to-Fill Positions: Positions that may remain open despite extensive recruiting efforts due to high competitive demand, as evidenced by factors such as labor market shortages and aggressive growth in compensation levels.

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 the~~ Regents.

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

Hiring Bonus: A monetary payment intended to provide an external candidate an additional inducement to the offer of employment.

Mission Critical Positions: Positions that directly and significantly influence and impact the University's ability to fulfill its mission.

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. Eligibility

To be eligible for a hiring bonus, a candidate for a Senior Management Group position must meet all the following eligibility conditions. Eligibility is restricted to:

1. Qualified external candidates who are offered employment for the benefit of the University.
2. Candidates who are not currently employed by the University, and who have not been employed by the University during the 12 month period preceding the proposed rehire date.
3. Candidates for positions regarded by Department Heads as being ~~mission critical, as defined above, and that have proven to be extremely~~ difficult to fill

despite extensive recruiting efforts (e.g., labor market shortages, aggressive growth in compensation levels for particular positions).

4. Candidates ~~for whom where there is~~ a documented reason ~~exists indicating to believe~~ the University's offer will not be accepted without a hiring bonus. For example, it may be necessary to offer a hiring bonus in situations where the candidate is forfeiting base salary, annual bonus or any other type of compensation, from their current employer, in accepting the University's employment offer.

~~Contract employees, with the exception of staff physicians and dentists, are not eligible for hiring bonuses.~~

A hiring bonus is intended to make a hiring offer market-competitive and to assist in the new appointee's ~~acceptance of the offer transition~~. A relocation allowance, when offered, is intended to offset a portion of the candidate's costs associated with accepting the University's employment offer and relocating, in accordance with the SMG Relocation Allowance Policy [link].

Before offering a hiring bonus, the hiring manager ~~shall~~~~should~~ document the business justification for the bonus and confirm that the justification and the bonus amount are consistent with local practice.

B. Bonus Amounts

~~4. If the candidate meets the eligibility criteria, the hiring~~ Hiring bonus amounts ~~should be determined will vary~~ based on ~~specific circumstances including the following assessment~~:

1. ~~determination by the hiring authority that the appointee to the open position is critical to the University's mission;~~
 - a. difficulty in filling the position after prolonged and extensive recruitment efforts to attract market-competitive candidates;
 - b. competing offers under consideration by the prospective candidate;
 - c. market prevalence for these types of bonuses within specific occupations; and
 - d. compensation (e.g., deferred compensation, annual incentive) the candidate may be forfeiting in leaving his or her current position.
2. The total hiring bonus amount cannot exceed a maximum of ~~up to~~ 20% of the proposed starting base salary. If both a hiring bonus and relocation allowance are offered to a potential candidate, the combined ~~total amounts~~ cannot exceed 30% of the proposed starting base salary. Direct moving and relocation expenses are to be reimbursed in accordance with the SMG Moving Reimbursement Policy [link].

C. Payment Provisions

Granting of a hiring bonus is at the sole discretion of the University. Before offering a hiring bonus, the employing department must confirm the availability of funds and

the specific determinative criteria cited in Section III.A of this policy. Any hiring bonus amount granted along with payment and repayment provisions shall be detailed in the candidate's offer letter. By signing such agreement, the candidate agrees to all payment and repayment provisions of this policy.

The hiring bonus payments are payable in either a lump sum payment (e.g., within 30 days of hire date) or as installment payments spread over a period of two, three or four years. ~~Installment payments are generally advisable.~~ If a recipient separates from UC, all future installment payments will be forfeited. If a lump sum payment is provided, then repayment provisions are required, as described in Section III.D of this policy.

D. Repayment Provisions

1. The candidate's offer letter ~~shall~~should contain the specific details of the repayment provisions, including the number of years of service that must be completed and the ~~amount~~ (percentage or actual amount) of repayment required if separation occurs prior to the completion of each year of service.
2. If the employee receives a lump sum hiring bonus and separates from UC prior to completing the agreed upon period of service (at least two years is required), the employee will be required to pay back a pro-rata portion of the hiring bonus payment.
3. Any unpaid hiring bonus amounts are forfeited at the time of separation ~~from~~of employment.

E. Funding Sources

Hiring bonus payments, if approved, are funded by the hiring department.

F. Treatment for Benefit Purposes

Hiring Bonus amounts under this policy are not considered to be compensation for University benefit purposes, such as the University of California Retirement Plan, Retirement Savings Program, or employee life insurance programs. [A Description of Service \(DOS\) code of "HBO" has been established for paying hiring bonuses approved in accordance with this policy.](#)

G. Tax Treatment and Reporting

Under Internal Revenue Service Regulations, payment of a hiring bonus must be included in the employee's income as wages subject to withholding in the year paid for federal and state income taxes and applicable FICA taxes. The payment is reportable on the employee's Form W-2 in the year paid.

Any payments to SMG members under this policy will be reported to the President and The Regents in the *Annual Report on Executive Compensation*.

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. [The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources, will work with the Responsible Officer of each policy to implement each 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 Vice President–Human Resources 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.

C. Approval of Actions

All actions within this policy, that exceed this policy, or that are not expressly provided for under any policy must be approved by The Regents.

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 [management](#) 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 Vice President–Human Resources 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 least three times per fiscal year.
~~each Regents' meeting.~~

REVISION HISTORY

IMPLEMENTATION PROCEDURES

RELATED POLICIES

- [LBNL Hiring Bonus Program](#)
- [SMG Moving Reimbursement](#)
- [SMG Relocation Allowance](#)
- [Senior Management Group Compensation Policy Principles](#)
- [Guidelines for Corrective Actions Related to Compensation Practices](#)
- [Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews](#)

FREQUENTLY ASKED QUESTIONS

University-Provided Housing



Responsible Officer: Executive Vice President—Business Operations

Responsible Office: Business Operations

Effective Date: To be determined [by the Responsible Officer.](#)

Next Review Date: [\[The Responsible Officer will review the policy annually for update purposes, and will conduct a full review at least every three years.\]](#)~~To be determined~~

Who Is Covered: The President and Chancellors

CONTENTS

I. Policy Summary

II. Policy Definitions

III. Policy Text

IV. Approval Authority

V. Compliance

Revision History

Implementation Procedures

Related Policies

Frequently Asked Questions

I. POLICY SUMMARY

The objective of this policy is to describe the requirements for the President and the Chancellor of each campus to live in University-provided housing as a condition of employment. It outlines the criteria, procedures and approval authority for requesting alternative housing arrangements when University-provided housing is unsuitable or uninhabitable, and describes the requirements for moving arrangements, both in and out of the residence.

II. POLICY DEFINITIONS

Capital Improvement Project: [Land or real property, construction, or capital equipment for construction included as a project in the University of California Capital Improvement Program. A project includes the erection, construction, alteration, repair, or improvement of any University of California structure, building, road, or other improvements.](#)

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.

Executive Officer: The President [for the Office of the President](#), or the Chancellor.

Members of the Household: The Internal Revenue Service (IRS) Regulations Section 1.217-2(b)(10) defines "members of the household" as other individuals who are members of the taxpayer's household, and who had the taxpayer's former residence and the [taxpayer's](#) new residence as their principal place of abode. A member of the taxpayer's household includes any individual residing at the taxpayer's residence who is neither a tenant nor an employee of the taxpayer.

Primary Residence: The dwelling where the Executive Officer actually lives and is considered as his/her legal residence for income tax purposes.

Temporary Housing Allowance: Funds approved by The Regents for an Executive Officer to use in covering temporary housing-related expenses (e.g., furnished temporary lodging, residential parking fees) when University-provided housing is unsuitable or uninhabitable. The terms and conditions for using the allowance will be determined 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.](#)

III. POLICY TEXT

In recognition of the unique roles of the President and Chancellors (Executive Officers) in representing the University, The Regents of the University of California require Executive Officers, as a condition of their employment, to live in residences suitable for

carrying out their roles and required official duties. As part of their official duties, Executive Officers are responsible for extending official hospitality to important visitors and guests in conjunction with official functions (i.e., campus activities, alumni and development events, etc.).

The University, therefore, provides Executive Officers and members of their households with suitable housing [as their primary residence](#) to perform the administrative, ceremonial and social duties required of their respective positions. [This policy does not apply to Executive Officers serving in an approved acting or interim capacity.](#)

A. Taxability of Housing Benefit and Reporting Requirements

In accordance with IRS regulations issued under Internal Revenue Code section 119, the value of University-provided housing is not taxable to the Executive Officer because Executive Officers are required to occupy University-provided housing for the convenience of the University. Although housing is not taxable, some housing-related expenses, including those associated with support staff and equipment may be taxable.

Detailed IRS rules determine whether the University must report certain expenses as taxable income. For additional information regarding tax treatment and reporting requirements, as well as information on housing-related expenses that are taxable, refer to [Business and Finance Bulletin G-45, Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors](#) [link]. Executive Officers should consult a personal tax advisor with questions about these requirements.

B. Renovation and Remodeling of Executive Officers' Residences

All capital improvements to the President's residence in excess of \$25,000 require the prior approval of The Regents. Capital improvements under \$25,000 require the prior approval of the Senior Vice President-Chief Compliance and Audit Officer.

Capital [improvement](#) projects [of a Chancellor's residence costing over \\$5,000,000 involving Chancellorial residences under \\$25,000](#) require the prior approval of ~~The Regents~~ [the Executive Vice President – Business Operations](#). [Capital improvement projects between All capital improvements involving Chancellorial residences that cost \\$25,000 to \\$5,000,000 inclusively](#) require the prior approval of the [University President](#). [Capital improvement projects greater than \\$5,000,000 require the prior approval of The Regents](#). In approving projects, [the approving authority must consider the University President will consider](#) the need and extent of the improvements and their benefit to the University. A list of such capital projects will be reported [annually](#) to The Regents ~~annually~~. [Capital improvements under \\$25,000 require the prior approval of the Executive Vice President – Business Operations.](#)

C. Alternative Housing Arrangements

If the President determines that the University-provided housing is [not unsuitable or uninhabitable](#) for supporting the Executive Officer's required range of duties [or is not habitable as a personal residence as a result of disrepair or other like reason](#), the President may [make a recommendation](#) to The Regents that the Executive Officer be [granted provided](#) other housing until [the University-provided housing is repaired](#)

~~or otherwise improved to suitable standards. the situation is remedied.~~ The President may make a request to The Regents for an alternative housing arrangement on his/her own behalf if he/she deems the University-provided housing is unsuitable ~~or uninhabitable~~ for the performance of presidential duties or is not habitable.

In evaluating such ~~a request~~s, The Regents will consider, among other factors, decide whether to approve the terms and conditions of the proposed alternate housing, the appropriateness for another housing arrangement, including the approval of a temporary housing allowance and the fund-source of funds used to pay for the requested alternate housing, as appropriate.

D. Reimbursement of Expenses Associated with Moving In and Moving Out of University Housing

Upon commencement or termination of an Executive Officer's appointment or, if necessary, due to the nature of renovations to the Executive Officer's University-provided housing, the University will reimburse actual and reasonable expenses, as allowable under the SMG Moving Reimbursement Policy [link], related to removing the household goods and personal effects of the Executive Officer and members of his/her household to or from University-provided housing.

The reimbursement of actual and reasonable expenses associated with an Executive Officer's arrival into or removal from University-provided housing requires the approval of The Regents. In recommending reimbursement, the President will provide The Regents an estimate of moving expenses.

Procedures for reimbursement of expenses under this subsection are in accordance with the Implementation Procedures set forth in the SMG Moving Reimbursement Policy [link].

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

Executive Vice President—Business Operations is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources, will work with the Responsible Officer of each policy to implement each 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.

Executive Vice President—Business Operations 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.

C. Approval of Actions

Approval of proposed actions covered by this policy is provided by the President and The Regents in accordance with Sections III – B, C, and D above.

V. COMPLIANCE

A. Compliance with the Policy

~~Executive Vice President—Business Operations 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 [management](#) 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 Executive Vice President—Business Operations 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 Executive Vice President—Business Operations 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 least three times per fiscal year.
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:

- Regents Policy on University-Provided Housing, approved in December 10, 1992 and amended September 22, 2005
- Renovation and Remodeling of Chancellors' Residences and Offices, letter to the chancellors from President Dynes, dated March 22, 2006
- Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors, letter and attachment to the chancellors from former Senior Vice President Mullinix, dated December 15, 2005

IMPLEMENTATION PROCEDURES

RELATED POLICIES

- *SMG Moving Reimbursement Policy*
- *Business and Finance Bulletin G-45 Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors*
- *Senior Management Group Compensation Policy Principles*
- *The Regents' Guidelines for Corrective Actions Related to Compensation Policies*
- *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews*
- *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews*

FREQUENTLY ASKED QUESTIONS

Q: *Is the Executive Officer's spouse/domestic partner considered a member of the household for tax purposes? (Described in the **Definitions** section.)*

A: Members of the household for University-provided housing are defined by the Internal Revenue Service (IRS) Regulations Section 1.217-2(b)(10) as other individuals who are members of the taxpayer's household, and who had the taxpayer's former residence and have the new residence as their principal place of abode. A member of the taxpayer's household includes any individual residing at the taxpayer's residence who is neither a tenant nor an employee of the taxpayer.

Q: *Is the value of University-provided housing taxable to the Executive Officer?
(Described in paragraph A. of the **Policy Text** section.)*

A: Because Executive Officers are required to occupy University-provided housing for the convenience of the University, the value of such housing is not taxable to the Executive Officer.



Senior Management Group Automobile Allowance

Responsible Officer: Vice President–Finance

Responsible Office: Financial Management

Effective Date: To be determined [by the Responsible Officer.](#)

Next Review Date: [\[The Responsible Officer will review the policy annually for update purposes, and will conduct a full review at least every three years.\] To be determined](#)

Who Is Covered: The following designated Senior Management Group (SMG) members:

- President
- Executive Vice Presidents
- [Senior Vice Presidents](#)
- Principal Officers of The Regents
- Chancellors
- Laboratory Director
- Council of Vice Chancellors–Academic Affairs
- Vice Chancellors for Development (or equivalent Vice Chancellor position)
- Medical Center Directors
- Individuals in an Acting Role ~~for one of~~ the [President, Chancellors, or Laboratory Director covered positions](#)

CONTENTS

I. Policy Summary

II. Policy Definitions

III. Policy Text

IV. Approval Authority

V. Compliance

Revision History

Implementation Procedures

Related Policies

Frequently Asked Questions

SMG Automobile Allowance — Policy 2.730

I. POLICY SUMMARY

This policy provides direction and authority for granting automobile benefits to designated Senior Management Group (SMG) members.

II. POLICY DEFINITIONS

Acting Role: An individual assuming 100% of the role and responsibilities of one of the covered positions under this policy.

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

Executive Officer: The [University](#) President ~~for the Office of the President~~, Chancellor, or Laboratory Director.

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. *Approval of Automobile Allowance by The Regents*

Any SMG position that is recommended ~~to receive~~~~for designation for~~ an automobile allowance must be submitted by the President to The Regents for approval.

B. *Automobile Allowance*

Designated SMG members¹ receive a monthly cash allowance from the University, the amount of which will be announced annually by the Vice President–Finance in accordance with changes in the Consumer Price Index. For the current maximum cash allowance, see [Maximum Amounts for University-Leased Vehicles and Monthly Cash Allowances](#). [link] The cash allowance is paid to the SMG member as additional taxable wages in accordance with the procedures contained in [Accounting Manual E-821: Senior Manager Automobile Policy and Procedures Section III](#). [link]

C. *Reimbursement for Use of Privately-Owned Vehicle*

Designated SMG members who receive an automobile allowance will not receive additional reimbursement for the first 12,000 business miles traveled in a calendar year. Only business miles in excess of 12,000 miles a year will be reimbursed. The SMG member must provide mileage log documentation that the maximum yearly mileage has been exceeded.

¹ Includes all incumbent employees who currently receive an automobile allowance but ~~whose title is~~~~who are~~ not ~~designated-eligible~~ for an allowance under this policy.

SMG Automobile Allowance — Policy 2.730

Bridge and road tolls, parking fees, and other expenses set forth in *[Business and Finance Bulletin G-28, Policy and Regulations Governing Travel](#)* [link] may be reimbursed.

Procedures for reimbursement of University business travel and mileage reimbursement rates, as well as procedures required for insurance coverage and the reimbursement of collision damage costs related to the use of a privately-owned vehicle for official University business, are set forth in *[Business and Finance Bulletin G-28, Policy and Regulations Governing Travel, Section VII.C.](#)* [link] and *[Appendix A.](#)* [link]

D. Funding

Each location is responsible for funding its SMG automobile program. Laboratory SMG automobile allowances are provided by the Laboratory Administration Office. General Funds [\(19900\)](#) may not be used to support the SMG automobile program.

E. Treatment for Benefit Purposes

Amounts that are treated as wages under this policy are not considered to be compensation for University benefit purposes, such as the University of California Retirement Plan, Retirement Savings Program, or employee life insurance programs. [A Description of Service \(DOS\) code of “EAA” has been established for paying automobile allowances approved in accordance with this policy.](#)

F. Tax Treatment and Reporting

Under Internal Revenue Service (IRS) Regulations, payment of an automobile allowance must be included in the employee's income as wages subject to withholding for federal and state income taxes and applicable FICA taxes. The payment is reportable on the employee's Form W-2 in the year paid.

Any payments to SMG members under this policy will be reported to the President and The Regents in the *Annual Report on Executive Compensation*.

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

The Vice President–Finance is the Responsible Officer for this policy and has the authority to implement the policy. [The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources, will work with the Responsible Officer of each policy to implement each 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.

SMG Automobile Allowance — Policy 2.730

The Vice President–Finance 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.

C. Approval of Actions

All actions within this policy, that exceed this policy, or that are not expressly provided for under any policy must be approved by The Regents.

V. COMPLIANCE**A. Compliance with the Policy**

~~The Vice President–Finance 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 [management](#) 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 Vice President–Finance 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 this policy, 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]

SMG Automobile Allowance — Policy 2.730

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 [least three times per fiscal year.](#)
~~each Regents' meeting.~~

REVISION HISTORY

As a result of the issuance of this policy, the following document is rescinded as of the effective date of this policy and is no longer applicable:

- Revised University Policy Concerning Senior Management Automobiles, issued by President Dynes on January 29, 2007

IMPLEMENTATION PROCEDURES

RELATED POLICIES

- *Maximum Amounts for University-Leased Vehicles and Monthly Cash Allowances*
- *Accounting Manual E-821: Senior Manager Automobile Policy and Procedures Section III*
- *Business and Finance Bulletin G-28: Policy and Regulations Governing Travel, and Appendix A*
- *Senior Management Group Compensation Policy Principles*
- *Guidelines for Corrective Actions Related to Compensation Practices*
- *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews*

FREQUENTLY ASKED QUESTIONS

[Q: Is the Associate of the Chancellor/President covered by the policy?](#)

[A: The Associates are not covered under the policy, nor are they eligible to receive an automobile benefit under any other policy, but they are eligible to be reimbursed for their mileage when traveling on behalf of the University.](#)

Q: Under what circumstances can an SMG member covered under this policy be reimbursed for the use of a privately-owned vehicle for University business purposes?

SMG Automobile Allowance — Policy 2.730

A: Once an SMG member has exceeded 12,000 University business miles in a year, he/she may be reimbursed for the use of his/her own vehicle [in accordance with rates published in Business and Finance Bulletin G-28](#). No reimbursement will be granted if University business mileage is less than 12,000 miles per year. See Section III.C. of the policy.

Senior Management Group Moving Reimbursement



Responsible Officer: Vice President– Finance

Responsible Office: Financial Management

Effective Date: To be determined by the Responsible Officer.

Next Review Date: [The Responsible Officer will review the policy annually for update purposes, and will conduct a full review at least every three years.] ~~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 policies and procedures.]

The SMG Moving Reimbursement policy and procedures do not apply to Senior Management Group employees at the Lawrence Berkeley National Laboratory (LBNL). See *LBNL Regulations and Procedures Manual §4.01- Relocation Policy* [link].

CONTENTS

I. Policy Summary

II. Policy Definitions

III. Policy Text

IV. Approval Authority

V. Compliance

Revision History

Implementation Procedures

Related Policies

Frequently Asked Questions

I. POLICY SUMMARY

This policy describes requirements and process for the reimbursement of moving and relocation expenses for Senior Management Group employees. It clarifies who is eligible to receive reimbursement of moving and relocation expenses, defines what types of expenses are reimbursable, and outlines the process for obtaining reimbursement. The policy supports the University's objective to attract and retain talented individuals by offering competitive and fair benefits to help offset the costs associated with moving a Senior Management Group appointee to a new location.

II. POLICY DEFINITIONS

Common Carrier: An organization that offers its services to the public to transport goods from one place to another.

Domestic Partner: A domestic partner ~~means the is an~~ individual designated as an employee's domestic partner under one of the following methods:

- 1) Registration of the partnership with the State of California;
- 2) Establishment of a same-sex legal union, other than marriage, formed in another jurisdiction that is substantially equivalent to a State of California-registered domestic partnership; or
- 3) Filing of a Declaration of Domestic Partnership form with the University.

If an individual has not been designated as an employee's domestic partner by any of the foregoing methods, the following criteria are applicable in defining domestic partner:

- each individual is the other's sole domestic partner in a long-term, committed relationship with the intention to remain so indefinitely;
- neither individual is legally married, a partner in another domestic partnership, or related by blood to a degree of closeness that would prohibit legal marriage in the State of California;
- each individual is 18 years of age or older and capable of consenting to the relationship;
- the individuals share a common residence; and
- the individuals are financially interdependent.

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.

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

~~Members of the household: Any person residing at the appointee's former primary residence, other than a tenant or appointee of the tenant, who moves to the new primary residence, including an appointee's domestic partner.~~

Members of the Household: The Internal Revenue Service (IRS) Regulations Section 1.217-2(b)(10) defines "members of the household" as other individuals who are members of the taxpayer's household, and who had the taxpayer's former residence and the taxpayer's new residence as their principal place of abode. A member of the taxpayer's household includes any individual residing at the taxpayer's residence who is neither a tenant nor an employee of the taxpayer.

Moving Expenses: Reasonable expenditures for transporting the appointee, members of his or her household, household goods and personal effects from his or her former primary residence to his or her new primary residence.

Primary Residence: The dwelling where the employee actually lives and is considered as the legal residence for income tax purposes.

Relocation: A change in the location of a current employee or new appointee's primary residence due to a new appointment with the University. To be considered a qualified moving expense and not reportable as additional taxable income, the distance between an appointee's new primary place of work and his or her former primary residence must be at least 50 miles or more than the distance between the appointee's previous primary place of work and his or her former primary residence,

Relocation Expenses: Reasonable expenditures other than moving expenses incurred in the process of relocating the appointee and members of his or her household to the location of the appointee's new appointment (e.g. house hunting trips, return trips to the employee's former residence, etc.)

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. Eligibility for Reimbursement of Moving and Relocation Expenses

Reimbursement of moving and/or relocation expenses is at the sole discretion of the University. Reimbursement of moving and/or relocation expenses should be offered when necessary to attract a potential appointee to the University or to encourage a current employee to accept an appointment at a new location. Before offering reimbursement of moving expenses, the employing department must confirm the availability of funds and the presence of the specific determinative criteria cited in this policy. The appropriate approval authority should be consulted before the hiring unit offers such benefits.

Moving and relocation expenses that are not specifically addressed in this policy may be reimbursed or paid by the University only if approved by The Regents.

To be eligible for reimbursement of moving and/or relocation expenses, an appointee must meet all of the following criteria:

- The appointee must be a new hire or a current employee being assigned to a new location; ~~in either case, the appointment must be for the benefit of the University;~~
- The appointee must be qualified for and have accepted and intend to fulfill his or her new appointment for at least one year from the date the appointment commences;
- The appointee must be in active status in the payroll system prior to reimbursement of moving or relocation expenses, unless the appointee has been approved for an advance to cover anticipated expenditures pursuant to Section III.G – Advances; and
- The appointee must be relocating his/her primary residence in order to accept the new appointment.

B. Reimbursable Moving Expenses

All or part of the following moving expenses may be reimbursed, subject to the required approvals and availability of funds:

1. Moving of Household Goods and Personal Effects

Household goods and personal effects are limited to one household move per appointee. However, if the University appoints both an individual and his or her spouse or domestic partner, both appointees may be eligible for reimbursement of moving expenses from a former primary residence to the new primary residence. All moves of the employee and members of his or her household should be completed within one year of the date an appointee first reports to the new job, even if his or her appointment date was effective prior to the report date.

The University will reimburse actual and reasonable expenses for common carrier transportation related to moving household goods and personal effects from the former primary residence to the new primary residence for the appointee and members of his or her household, including packing, crating, transporting, unpacking, and uncrating household goods and personal effects. The appointee must use a common carrier from the University's preferred vendors list. Assembly and disassembly of unusual items such as swing sets, swimming pools, satellite dishes, etc. may also be reimbursed if authorized by the hiring authority.

Expenses related to moving professional/scholarly books, records and equipment, including laboratory supplies, should be documented separately. Prior to incurring these expenses, the appointee should discuss with the appropriate hiring authority whether these expenses are reimbursable and what documentation is required for reimbursement.

If the appointee elects to move ~~his or her~~ household goods and personal effects on his or her own, costs of renting a moving van, truck, or trailer and moving equipment (e.g., hand truck) are reimbursable, as are moving supplies (e.g., packing materials and boxes).

Costs associated with moving the following items are not reimbursable:

- Animals (except for household pets consisting of domesticated animals normally and ordinarily kept or permitted in the appointee's personal residence),

- Plants,
- Motorized recreational vehicles, including boats, kayaks, canoes, airplanes, camping vehicles, trailers, snow machines, jet skis,
- Canned, frozen, and bulk foodstuffs,
- Building supplies,
- Storage sheds,
- Farm equipment, and
- Firewood.

2. Transportation of Motor Vehicles

The University will reimburse actual and reasonable expenses related to moving two personal motor vehicles per household (which may include motorcycles but excludes vehicles listed in the preceding section). The vehicles may be shipped or driven. If the vehicle is driven by the appointee or a member of the appointee's household, the appointee will be reimbursed in accordance with *Business and Finance Bulletin G-28, Policy and Regulations Governing Travel* [link].

3. Storage and Insurance

The University will reimburse actual and reasonable expenses related to insurance for the household goods and personal effects while in transit, if incurred within any 30-day period after removal of the household goods and effects from the former primary residence. The University will also reimburse actual and reasonable storage costs for household goods and personal effects for up to 90 ~~60~~ days immediately after their removal from the primary residence.

4. En Route Travel Expenses for the Appointee and Members of Household

The University will reimburse actual and reasonable expenses (such as coach airfare) related to traveling to the new primary residence by the appointee and members of his or her household. Meals and lodging while en route to the new primary residence are reimbursable, including one day's lodging in the area of the former primary residence if the residence is not suitable for occupancy due to the move, and one day's lodging on the date of arrival ~~from the former primary residence~~ to the new primary residence. Reimbursement of these costs is made in accordance with *Business and Finance Bulletin G-28, Policy and Regulations Governing Travel* [link].

5. Household Pets

The University will reimburse reasonable expenses related to transportation of household pets (consisting of domesticated animals normally and ordinarily kept or permitted in the appointee's personal residence) but not those associated with kenneling such pets.

6. Utilities

The University will reimburse expenses for connecting and disconnecting utilities but not for associated refundable deposits.

7. Appointee's Passport Processing Expenses

The University will reimburse the filing fee and cost of photos for a non-U.S. Citizen appointee when passport expenses are incurred in connection with the commencement of his or her work in the United States.

C. Reimbursable Relocation Expenses

The University may reimburse limited relocation expenses actually and reasonably incurred by the appointee and his or her spouse or domestic partner. The following relocation expenses may be reimbursable:

1. House-Hunting Trips

The University may reimburse actual and reasonable expenses associated with looking for new living accommodations for the appointee and his or her spouse or domestic partner, ~~in accordance with the reimbursement limits outlined with Section III.C,~~ for:

- Cost of transportation (e.g., coach airfare, car rental, parking fees, tolls, gas),
- Meals, and
- Lodging.

The appointee and his or her spouse or domestic partner are limited to two house hunting trips each. Travel must be in accordance with *Business and Finance Bulletin G-28, Policy and Regulations Governing Travel* [link]. The maximum number of nights of reimbursable lodging is (10) ten.

2. Limited Housing-Related Expenses

The University may reimburse the following limited housing-related expenses, if actually and reasonably incurred while the appointee and/or members of his or her household seek permanent housing, ~~in accordance with the reimbursement limits outlined with Section III.C:~~

- Penalty paid to terminate the contract (e.g. lease or mortgage) on the appointee's former primary residence if the termination was a result of relocation,
- Cost of furnished temporary lodging (e.g., hotel, apartment, short-term rentals), up to 90 days,
- Reasonable residential parking fees, up to 90 days, and
- Meals for the first 30 days of residence in temporary quarters that do not have cooking facilities.

Temporary lodging and meal expenses will be reimbursed in accordance with *Business and Finance Bulletin G-28, Policy and Regulations Governing Travel* [link].

At the discretion of the University, the University may provide a temporary cash allowance to the relocating employee to offset limited housing-related expenses in lieu of reimbursement. This allowance would be paid through the University payroll system and would be subject to withholding for income and FICA taxes.

3. Return Trips to Former Residence

The University may reimburse actual and reasonable costs of transportation, ~~in accordance with the reimbursement limits outlined with Section III.C,~~ if an appointee needs to return to his or her former primary residence to help with a move or because the appointee has been separated from household members for more than one month. The appointee is limited to two return trips. Reimbursable expenses related to transportation costs may include coach airfare or other actual costs of transportation (e.g. car rental, parking fees, tolls, gas). Return trips made in an appointee's personal vehicle will be reimbursed in accordance with *Business and Finance Bulletin G-28, Policy and Regulations Governing Travel* [link].

4. Professional Relocation Services

The University may reimburse actual and reasonable expenses related to professional relocation services, ~~in accordance with the reimbursement limits outlined with Section III.C,~~ which may include providing local destination information, home sale assistance, home search at destination, and location of rental or temporary housing.

D. Supporting Documentation

In order to be eligible for reimbursement, all expenses must be supported by original receipts.

E. Tax Treatment and Reporting of Moving and Relocation Expenses

IRS rules determine whether payment of moving and relocation expenses by an employer is includable as taxable income that must be reported. Some reimbursements and advances of "qualified moving expenses" are not reportable as additional income. To be considered a qualified moving expense and not reportable as additional taxable income, an expense must meet the following criteria:

- The move must be made in connection with the commencement of work at a new job location and the moving expenses must be incurred within one year from the time the appointee first reports to the new job,
- During the 12-month period immediately following the move, the individual must be employed full time for at least 39 weeks,
- The distance between an appointee's new primary place of work and his or her former primary residence must be at least 50 miles or more than the distance between the appointee's previous primary place of work and his or her former primary residence,
- The expenses must be for transportation of household goods and personal effects, including packing, insurance and in-transit storage for periods of up to 30 days from the former primary residence to the new primary residence, and
- The expenses must be for travel and lodging costs (but excluding meals) incurred in traveling from the former primary residence to the new primary residence.

~~Detailed rules affect whether specific amounts are taxable or eligible for a deduction; appointees should consult their tax advisors. Detailed IRS rules determine whether the University must report certain expenses as taxable income.~~ Taxable

reimbursements made by the University are subject to withholding for payroll taxes, which will be deducted from the employee's regular wages. -For additional information regarding tax treatment and reporting requirements, please refer to the Accounting Manual, Chapter D-371-12.1 [link]. Appointees should consult a personal tax advisor with questions about these requirements.

Any payments to SMG members under this policy will be reportedsubject to reporting to the President and The Regents in the *Annual Report on Executive Compensation*.

F. Repayment Provisions

An appointee who voluntarily separates from the position prior to completing one year of service, or accepts an appointment at another University location within 12 months from his or her initial date of appointment, will be required to pay back 100 percent of the moving and relocation expenses.

This provision will be included in the offer letter of the appointee.

G. Advances

The University, in its sole discretion, may elect to advance an amount to cover anticipated expenditures. Advances may only be used to cover reimbursable expenses and must be approved by the Chancellor.Executive Officer. An appointee receiving such an advance must sign an agreement for repayment as described below under Implementation Procedures. The hiring unit is responsible for ensuring that advances are accounted for within a reasonable period of time after the move is completed. See Business and Finance Bulletin G-28, Policy and Regulations Governing Travel [link] for procedures applicable to recording uncleared advances.

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

The Vice President – Financial Management is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply has the authority to make appropriate interpretations amendments to clarify policy provisions provided that the interpretations changes do not result in substantive changes to the underlying policy. The Office of the President Human Resources, will work with the Responsible Officer of each policy to implement each 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 Vice President – Financial Management 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.

C. Approval of Actions

All actions within this policy, that exceed this policy, or that are not expressly provided for under any policy must be approved by The Regents.

V. COMPLIANCE

A. Compliance with the Policy

~~The Vice President—Financial Management 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 management 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 Vice President – Finance 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 least three times per fiscal year.
~~each Regents' meeting.~~

REVISION HISTORY

IMPLEMENTATION PROCEDURES

Required Documentation and Disclosure

When an offer is made to pay moving and relocation expenses, a letter of authorization ~~should~~shall be given to the appointee ~~being relocated~~. The letter ~~should~~shall specify the reimbursable expenses and the maximum actual expenses that will be paid by the University, including any amount exceeding the amount authorized by this policy. The offer ~~should~~shall also specify any advances authorized and confirm repayment provisions and any expenses subject to tax reporting and withholding.

An appointee seeking reimbursement must submit a completed [form name] to the [approving authority or department head] no later than one year after beginning employment. Original receipts and price quotations, when applicable, must be submitted in support of an appointee's claims.

Once the approving authority or department head has verified that claims submitted are supported by appropriate documentation and comply with the requirements of this policy, the approving authority or department head will forward the claims to the accounting department.

RELATED POLICIES

- *LBNL Regulations and Procedures Manual §4.01- Relocation Policy*
- *Accounting Manual, Chapter D-371-12.1, Disbursements: Accounting for and Tax Reporting of Payments Made Through the Vendor System*
- *Business and Finance Bulletin G-28, Policy and Regulations Governing Travel*
- *Senior Management Group Compensation Policy Principles*
- *Guidelines for Corrective Actions Related to Compensation Practices*
- *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews*

FREQUENTLY ASKED QUESTIONS

Senior Management Group Relocation Allowance



Responsible Officer: [Vice President – Human Resources](#)

Responsible Office: Human Resources [and Benefits Policy and Program Design](#)

Effective Date: To be determined [by the Responsible Officer](#)

Next Review Date: [\[The Responsible Officer will review the policy annually for update purposes, and will conduct a full review at least every three years.\] To be determined](#)

Who Is Covered: Members of the Senior Management Group and external candidates for Senior Management Group positions. [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 policies and procedures.]

The SMG Relocation Allowance policy and procedures do not apply to Senior Management Group employees at the Lawrence Berkeley National Laboratory (LBNL) or candidates for SMG positions at LBNL. See [LBNL Regulations and Procedures Manual §4.01 – Relocation Policy](#) [link].

CONTENTS

I. Policy Summary

II. Policy Definitions

III. Policy Text

IV. Approval Authority

V. Compliance and Reporting

Revision History

Implementation Procedures

Related Policies

Frequently Asked Questions

I. POLICY SUMMARY

This policy provides the direction and authority for granting a relocation allowance to offset a portion of an external or internal Senior Management Group candidate's costs associated with accepting the University's employment offer or with relocating at the request of the University. A relocation allowance supports the University's objective to attract and retain talented candidates who might otherwise decline the University's employment or relocation offer.

II. POLICY DEFINITIONS

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

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.

Primary Residence: The dwelling where the employee actually lives and is considered as the legal residence for income tax purposes.

Relocation: A change in the location of an appointee's primary residence due to a new appointment with the University.

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. *Eligibility*

To be eligible for a relocation allowance, a candidate for a Senior Management Group position must meet the following eligibility conditions:

1. The candidate must be a new hire or a current employee being assigned to a new location; ~~in either case, the appointment, transfer or promotion must be for the benefit of the University;~~ and,
2. The candidate must be qualified for and have accepted and intend to fulfill his/her new appointment for at least one year from the date the appointment commences; and
3. The candidate ~~will experience~~ is expected to incur costs associated with accepting the University's employment offer or with relocating at the request of the University.

~~A relocation allowance is intended to offset a portion of the candidate's costs associated with accepting the University's employment offer and relocating. A hiring~~

~~bonus, when offered, is intended to make a hiring offer market competitive and to assist in the new appointee's transition, in accordance with SMG Policy 2.120—Hiring Bonus [link].~~

Consult the appropriate hiring authority before offering a relocation allowance. See Section IV Approval Authority.

B. Relocation Allowance Amounts

1. A relocation allowance is granted at the sole discretion of the University, is dependent on the availability of funds, is not guaranteed to be made available to all eligible candidates, and is not guaranteed to offer total reimbursement for all increased costs that may be incurred by the candidate's acceptance of the appointment and the candidate's relocation.
2. Allowance amounts will vary based on specific circumstances including the following:
 - ~~a. amount of costs associated with the appointee's relocation that are not covered by the SMG Moving Reimbursement Policy;~~
 - ~~b. determination by the hiring authority that the appointee to the open position is critical to the University's mission;~~
 - a. ~~difficulty in filling the position after prolonged [link]; and extensive recruitment efforts to attract market competitive candidates;~~
 - ~~d. competing offers under consideration by the prospective candidates; and~~
 - b. market prevalence for these allowances within specific occupations.
3. The relocation allowance amount cannot exceed a maximum of 25% of the proposed starting base salary—for the SMG position. If both a hiring bonus and relocation allowance are offered to a potential candidate, the combined amount cannot exceed 30% of the proposed starting base salary. Direct moving and relocation expenses are to be reimbursed in accordance with the SMG Moving Reimbursement Policy [link].

C. Payment Provisions

Granting of a relocation allowance is at the sole discretion of the University. Before offering a relocation allowance, the employing department must confirm the availability of funds and the specific determinative criteria cited in Section III.B.2 of this policy. Any relocation allowance amount granted along with payment and repayment provisions shall be detailed in the candidate's offer letter. By signing such agreement, the candidate agrees to all payment and repayment provisions of this policy.

The relocation allowance payments are payable in either a lump sum payment (e.g., within 30 days of hire date) or as installment payments spread over a period of two, three or four years. Installment payments are generally advisable. If a recipient separates from UC, all future installment payments will be forfeited. If a lump sum payment is provided, then repayment provisions are required, as described in Section D of this policy.

D. Repayment Provisions

1. The candidate's offer letter should contain the specific details of the repayment provisions, including the number of years of service that must be completed and the amount (percentage or actual amount) of repayment if separation occurs prior to the completion of each year of service.
2. If the employee receives a lump sum relocation allowance and separates from UC prior to completing the agreed upon period of service (at least two years), the employee will be required to pay back a pro-rata portion of the relocation allowance payment.
3. Any unpaid relocation allowance amounts are forfeited at the time of separation of employment.

E. Funding Sources

Relocation allowance payments, if approved, are funded by the hiring department.

F. Treatment for Benefit Purposes

Relocation allowance amounts under this policy are not considered to be compensation for University benefit purposes, such as the University of California Retirement Plan, Retirement Savings Program, or employee life insurance programs. A Description of Service (DOS) code of "RIP" has been established for paying relocation allowances approved in accordance with this policy.

G. Tax Treatment and Reporting

Under Internal Revenue Service Regulations, payment of a relocation allowance must be included in the employee's income as wages subject to withholding in the year paid for federal and state income taxes and applicable FICA taxes. The payment is reportable on the employee's Form W-2 in the year paid.

Any payments to SMG members under this policy will be reported to the President and The Regents in the *Annual Report on Executive Compensation*.

H. Relation with other policies

Senior Management Group appointees who hold an academic appointment and receive a relocation allowance under the terms of this policy are not eligible for the Faculty Recruitment Allowance Program as set forth in APM 190 – Appendix E.

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the policy. The Office of the President Human Resources, will work with the Responsible Officer of each policy to implement each 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 Vice President–Human Resources 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.

C. Approval of Actions

All actions within this policy, that exceed this policy, or that are not expressly provided for under any policy must be approved by The Regents.

V. COMPLIANCE AND REPORTING

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 [management](#) 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 Vice President–Human Resources 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 [least three times per fiscal year.](#)
[each Regents' meeting.](#)

REVISION HISTORY

As a result of the issuance of this policy, [provisions in](#) the following document ~~is that are applicable to SMG employees are~~ rescinded as of the effective date of this policy ~~and is no longer applicable~~:

- [Business and Finance Bulletin G-13 -- Policy & Regulations Governing Moving & Relocation](#) [link]

IMPLEMENTATION PROCEDURES**RELATED POLICIES**

- [LBNL Regulations and Procedures Manual §4.01 – Relocation Policy](#)
- [SMG Moving Reimbursement](#)
- [SMG Hiring Bonus](#)
- [UC Business and Finance Bulletin G-28 \(Policies and Regulations Governing Travel\)](#)
- [UC Business and Finance Bulletin G-45 \(Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors\)](#)
- [Senior Management Group Compensation Policy Principles](#)
- [Guidelines for Corrective Actions Related to Compensation Practices](#)
- [Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews](#)

FREQUENTLY ASKED QUESTIONS

Q: How are moving-related expenses not covered by this policy reimbursed?

A: See *SMG Moving Reimbursement Policy* [link]

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



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~~ The Responsible Officer will review the policy annually for update purposes and will conduct a full review at least every three years.

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*. This policy is applicable to retired academic appointees who are rehired into SMG or staff positions; however, it does not apply to academic appointees recalled into faculty teaching or academic research appointments.

CONTENTS

I. Policy Summary

II. Policy Definitions

III. Policy Text

IV. Approval Authority

V. Compliance

Revision History

Implementation Procedures

Related Documents

Frequently Asked Questions

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

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 [University](#) 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

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

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

The following restrictions on the reemployment of Retired Employees are based on University policy [which has been developed to reflect responsible stewardship of the University related to the perception of individuals drawing a retirement benefit and another UC income simultaneously, and to provide public accountability, transparency, and sound succession planning](#). Individuals receiving UCRP monthly retirement income who are reemployed into career appointments and suspend their monthly retirement payments are exempted from complying with certain restrictions as delineated in paragraph 5 below.

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions**1. Exigent Circumstances University Need**

Reemployment must be as a result of exigent circumstances University need, 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.~~ and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement; or the hiring department anticipates that the Retired Employee will assist a replacement to acquire necessary skills and knowledge. For situations in which a Retired Employee is reemployed on a temporary basis into ~~the same a career~~ position (such as the same position held before retirement or another vacant career 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 University need must be provided for all reemployment actions, including specification of the duration of the appointment in order to support the existence of exigent circumstances University need.

The President must endorse a request based on exigent circumstances University need 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), or designee, as applicable, must review and sign off on a request based on exigent circumstances University need prior to submission to the location's Executive Officer for approval.

2. Break in Service

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. ~~regardless of whether or not they have reached normal retirement age.~~

In addition, employees who have not reached normal retirement age must not engage in discussions concerning reemployment until after they have received their first monthly payment or lump sum cashout or 30 days after separation, whichever is later.

3. Appointment Percentage

Due to potential Medicare complications and to minimize situations where individuals draw a retirement benefit and another UC income simultaneously, this policy requires that Retired Employees be reemployed with an appointment of no more than 43% during any 12 month period-rehired with no more than a 43% appointment. Appointments may not normally exceed 12 months. Appointments in excess of 43%

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

time may be requested by following the process outlined later in this section.
Extensions beyond 12 months may be requested by following the process outlined in section 4, below. 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 is to 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 or designee 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~~ necessary after 12 months has expired, 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 or designee 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

A Retired Employee who is receiving UCRP monthly retirement income, but agrees to suspend the payments, may be reemployed into a career appointment subsequent to an appropriate recruitment and break in service, and is not subject to the above policy restrictions ~~regarding exigent circumstances, appointment percentage, and duration of reemployment in~~ (Sections 1, 3 and 4) above, but is subject to Section 2.

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

A Retired Employee who took a lump sum cashout may not be reemployed into a career appointment and is subject to the above Sections 1, 2, 3 and 4 [above](#).

D. Reporting Requirements and Disclosure**1. Reporting Requirements**

For [each](#) Retired Employees reemployed into ~~non-career appointments in a~~ staff positions, the locations must submit [a completed UCRP Retired Employee Election Form \[link\] \(not required for Retired Employees who received a lump sum cashout\)](#) the following information to the [Associate](#) Vice President–Human Resources ~~and Benefits~~ at the time the Retired Employee is reemployed:

- a. ~~all local approval documents and supporting documentation of exigent circumstances for each individual including any reappointments or extensions to previous appointments; and~~
- b. [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, the locations must submit a summary report semi-annually by June 30 and December 31 of each year to the [Associate](#) Vice President–Human Resources ~~and Benefits~~ that [provides incorporates](#) a list of all reemployed Retired Employees, ~~noting with identification of~~ appointments greater than 43% ~~or for more than a total of within a 12-months period (when the employee has not elected to suspend UCRP monthly retirement income); and/or~~ appointments for which other types of variations from policy have been approved, [and provide documentation that required approvals were obtained](#).

2. Disclosure

In accordance with University policy, individuals inside or outside the University are entitled to have access to information in employees' personnel records in conformance with State of California statutes and University records policies. The Executive Officer is to establish procedures for the release of information. Examples of information which is public information and is to 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. [The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources, will work with the Responsible Officer of each policy to implement each 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.

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

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.

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

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 [management](#) 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 [least three times per fiscal year 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*

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

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

ATTACHMENT 8

Deletions shown by strikeout; additions shown by underscore

Policy on Undergraduate Admissions Requirements

A. Academic Achievement

(1) Freshman applicants will be required to complete a minimum of 16 high school year-long courses to be taken during grades 9 through 12. Of these, at least fifteen must be academic or college preparatory courses approved by the University and consisting of courses in a) history/social science (2 courses); b) English (4 courses); c) mathematics (3 courses including elementary algebra, geometry, and intermediate algebra); d) laboratory science (2 courses to be taken from two disciplines); e) foreign language (2 courses); f) visual and performing arts (1 course); and g) ~~approved~~ college preparatory elective courses (1 course, to be chosen from the fields listed above) (As amended March 19, 1999). At least seven ~~Eleven~~ academic or college preparatory courses must be completed by the end of 11th grade. At least seven must be taken during the last two years of high school;

(2) The GPA shall reflect:

- a. Grades in all approved a-g courses taken in the 10th and 11th grade; and
- b. Extra grade points for grades received in approved honors level courses to a maximum of four courses, including a maximum of two courses taken in the 10th grade (as amended May 18, 1990). The extra points are to be calculated on a scale of A=5, B=4, C=3.
- c. Effective for freshmen entering the University in fall 2007, the minimum grade point average required for students Eligible in the Statewide Context and Eligible in the Local Context shall be increased to 3.0 (as amended September 23, 2004)

and

~~(2)~~ (3) Transfer applicants will be required to complete the equivalent of freshman entrance requirements in English and mathematics, effective with respect to applicants for Fall Quarter 1984.

(4) Test Scores¹

- a. Applicants for admission as freshmen must submit scores on an approved test of Mathematics, Language Arts, and Writing.
- b. The applicant must also submit scores for approved supplementary subject matter tests to be taken in two different “a-f” subject areas listed in paragraph A(1). This requirement shall become inoperative and is repealed effective with the application and admissions process for fall 2012.

¹ Testing requirements recommended by the Academic Senate were approved by the Board on July 17, 2003 but never incorporated into the policy. Consequently, the entire section is shown as an addition to policy. The proposed action repeals subsection (b) of the current testing requirements, the subject matter tests.

ATTACHMENT 8

Deletions shown by strikeout; additions shown by underscore

- c. Approval of tests shall be determined by the Academic Senate through its Board of Admissions and Relations with Schools. The minimum scores acceptable shall be determined by the Academic Senate through its Board of Admissions and Relations with Schools.

B. Entitled to Review

Effective for students entering in fall 2012, all freshman applicants who meet the Academic Achievement criteria described in Paragraph A(1), (2) and (4) will be entitled to review (ETR) at each UC campus to which they apply, but will not be guaranteed admission to any UC campus as a result of their ETR status (see Policy on Comprehensive Review in Undergraduate Admissions.)

C. Students Eligible in the Statewide Context and Eligible in the Local Context

- (1) Effective for students entering UC as freshmen for fall 2001, four percent of the eligible students will be identified on the basis of superior academic performance in the context of their own high school as Eligible in the Local Context. This subparagraph shall become inoperative and is repealed effective with the application and admissions process for fall 2012.
- (2) Effective for students entering in fall 2012, freshman applicants who meet the Academic Achievement criteria described in Paragraph A (1), (2) and (4) and whose combined high school GPA and test scores would place them in the top nine percent of California public high school graduates will be identified as Eligible in the Statewide Context.
- (3) Effective for students entering UC as freshmen for fall 2012, students in each participating California high school who are in the top nine percent of their class at the end of the 11th grade and meet the requirements described in A(1) and (2) will be identified as Eligible in the Local Context.
- (4) Freshman applicants deemed Eligible in the Statewide Context or Eligible in the Local Context who are not admitted to any campus where they apply will be offered admission at a UC campus with available space.
- (5) Students identified as Eligible in the Statewide Context or Eligible in the Local Context shall complete the University's course and test-taking requirements by the end of their senior year in high school to be deemed fully eligible to enroll.

D. Reporting

- (1) The Academic Senate, through its Board of Admissions and Relations with Schools (BOARS) will evaluate and report annually and at five-year intervals on the academic and fiscal impact of this policy; and

ATTACHMENT 8

Deletions shown by strikeout; additions shown by underscore

- (2) Based on the results of these ongoing studies, the Academic Senate should periodically consider recommending adjustments to the guarantee structure.

ATTACHMENT 9

Deletions shown by strikeout [policy is repealed]

~~Establishment of UC Freshman Eligibility in the Local Context~~

~~Effective for students entering UC as freshmen for fall 2001, four percent of the eligible students will be identified on the basis of superior academic performance in the context of their own high school.~~

~~Students identified as Eligible in the Local Context shall complete the University's course and test-taking requirements by the end of their senior year in high school to be deemed fully eligible, consistent with current requirements for students Eligible in the Statewide Context.~~

