

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

September 17, 2009

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

Present: Regents Bass, Bernal, Blum, De La Peña, Garamendi, Gould, Island, Johnson, Kieffer, Kozberg, Lansing, Makarechian, Marcus, Nunn Gorman, Pattiz, Ruiz, Schilling, Stovitz, Varner, Wachter, Yudof, and Zettel

In attendance: Regents-designate Cheng, DeFreece, and Hime, Faculty Representatives Powell and Simmons, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Interim Provost Pitts, Interim Executive Vice President Brostrom, Executive Vice President Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Kang, Katehi, White, and Yang, and Recording Secretary Johns

The meeting convened at 11:35 a.m. with Chairman Gould presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meetings of July 15 and July 16 and the meetings of the Committee of the Whole of July 14, July 15, and July 16, 2009 were approved.

2. REPORT OF THE PRESIDENT

President Yudof presented the report concerning University activities and individuals. He drew the Regents' attention to a special honor. Regent Blum was selected as a recipient of a 2009 Jefferson Award for public service for his pivotal role in establishing the Blum Center for Developing Economies on the Berkeley campus. The Jefferson Awards are presented to ordinary people who do extraordinary things without expectation of recognition or reward. By honoring recipients, it is the goal of the Jefferson Award to inspire others to become involved in community and public service. Regent Blum was recognized for giving a new generation the tools to make significant changes around the world.

Upon motion of Chairman Gould, 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 – KATHERINE N. LAPP**

Upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, the Board of Regents of the University of California wish to express their profound gratitude to Katherine N. Lapp, who has served with distinction as Executive Vice President – Business Operations, upon the occasion of her departure for Harvard University, where she will assume a similar position leading that venerable institution's vast business operations; and

WHEREAS, she has provided strong and effective leadership for the University and the Office of the President during a time of great organizational change, leading efforts to streamline the central administration of the University, creating a culture of transparency and accountability, and designing financial plans to sustain the world-class excellence of the University of California in a time of unprecedented decline in the resources the University receives from the State of California; and

WHEREAS, throughout her tenure at UC, she has set an example of sound, confidence-inspiring leadership in her oversight of the budget, human resources, information resources, facilities administration, and institutional advancement functions of the systemwide administration; and

WHEREAS, from her appointment as Executive Vice President in 2007, she has exhibited a deep concern for others, exemplified by her tireless efforts to foster a sense of community and purpose throughout the Office of the President and to promote increased communication between administration and staff; and

WHEREAS, she has impressed all who have met her as a calm, fair, thoughtful, witty, and self-deprecating individual who exemplifies the best qualities of managerial leadership and whose departure from the University is seen as a great loss;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Katie Lapp their gratitude and warmest appreciation for her wise leadership, her sound decision-making, and strong record of accomplishment in inspiring change and confidence in the operations of the University of California;

AND BE IT FURTHER RESOLVED that the Regents extend to Katie their very best wishes for her continued success in higher education, in a place nearer family and friends, and direct that a suitably inscribed copy of this resolution be presented to her as an expression of the Board's admiration, affection, and heartfelt good wishes for happiness in the years ahead.

Chairman Gould recalled that Katie Lapp provided two-and-a-half years of service to the University that was extraordinary. He praised her leadership, judgment, and resolve to do what was best for the University. He expressed his and the Board's appreciation.

4. REPORT OF THE COMMITTEE ON COMPENSATION

The Committee presented the following from its meeting of September 17, 2009:

A. *Individual Compensation Actions*

The Committee recommended:

(1) *Appointment and Compensation for Mark S. Aldenderfer as Dean – Social Sciences, Humanities and Arts, Merced Campus*

Following a national search, Professor Mark S. Aldenderfer has been selected to fill the post of Dean of the School of Social Sciences, Humanities and Arts at an annual base salary of \$200,000 effective January 1, 2010. This position has been held on an interim basis since July 2006. Professor Aldenderfer is a 15-year veteran of the University of California, having served as a Professor of Anthropology as well as the Director of the Office of Information Technology at the Santa Barbara campus. Professor Aldenderfer is a distinguished scholar who is widely published and is an excellent educator. He is the recipient of numerous grants and awards and is held in high esteem by his peers. He also has a strong record of achievement in the administrative posts that he has held.

This position will be funded through State funds. The proposed base salary of \$200,000 is 27 percent below the current market median of \$253,300 and 1.5 percent below the average salary of \$202,900 for other UC Merced deans. Market data are provided by Mercer Human Resource Consulting using the 2008-09 College and Universities Professional Association (CUPA) Compensation Survey for All Doctorate Institutions. Furthermore, the proposed base salary is 9.4 percent below the midpoint of \$218,700 for SLCG Grade 107, 2.7 percent below other UC Merced SLCG Grade 107 average salaries, and 8.0 percent above the previous incumbent's salary of \$185,000.

Approval of the following items in connection with the appointment of Professor Mark S. Aldenderfer as Dean of the School of Social Sciences, Humanities and Arts at the Merced campus:

- a. Appointment of Mark S. Aldenderfer as Dean of the School of Social Sciences, Humanities and Arts at the Merced campus.
- b. Annual base salary of \$200,000 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- c. This appointment is at 100 percent time and will become effective January 1, 2010.

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 tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Per policy, a relocation allowance of 25 percent (\$50,000) of base salary, subject to a repayment requirement in the event that he resigns within the first four years of his appointment.
- Per policy, reimbursement of 100 percent of actual and reasonable moving expenses.
- Per policy, two round-trip coach class airfare trips, plus reasonable accommodation expenses to assist with house-hunting, subject to the limitations under policy for the candidate and his spouse/partner.
- Per policy, eligibility to participate in the University's Mortgage Origination Program. Participation will comply with all University/campus program parameters.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$210,800	\$253,300	\$310,300

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

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

The Riverside campus requests that an exception to policy be approved for the extension of the appointment of Sharon A. Duffy as Acting Dean – University Extension, from October 1, 2009 through September 30, 2010, for a total service period not to exceed three years. Due to ongoing difficulties with the financial crisis, Chancellor White has decided to place all non-mission critical searches on hold, including this one, and has asked

Ms. Duffy to continue in this acting role. There are no changes requested to her current compensation package.

This position is paid from non-State general funds. The proposed total annual compensation of \$184,000 is equivalent to the current market median of \$184,700. Market data provided by Mercer Human Resource Consulting include data from the College and University Professional Association (CUPA) Administrative Compensation Survey. The proposed base salary is slightly above the midpoint of the salary range for the position and is slightly above the average base salary of \$175,389 for the Dean – University Extension at the other University of California locations.

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

- a. As an exception to policy, an extension of the appointment for Sharon A. Duffy as Acting Dean – University Extension at 100 percent time. This action extends the acting appointment beyond the one year allowed by policy for a total duration of three years. This extension allows Ms. Duffy to serve until the search is concluded.
- b. Per policy, continued administrative stipend of 39.4 percent (\$52,006) to increase her adjusted faculty salary of \$131,994 to a total annual salary of \$184,000 (SLCG Grade 105: Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400). This stipend percentage is warranted due to the low adjusted faculty salary in relation to the salary range for the Dean position.
- c. If a change to the academic base salary is made prior to the termination of this acting role, the 39.4 percent stipend will be recalculated against the new adjusted base salary.
- d. Effective October 1, 2009 through September 30, 2010, or until the appointment of a permanent Dean – University Extension, whichever occurs first.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(3) ***Extension of Temporary Appointment Compensation for Phyllis A. Guze as Acting Vice Chancellor – Medical Sciences and Dean – School of Medicine, Riverside Campus***

Approval of the extension of temporary appointment compensation is requested for Phyllis A. Guze as Acting Vice Chancellor – Medical Sciences and Dean – School of Medicine, Riverside campus. This request is in response to the need to continue this appointment on a temporary basis while the campus continues its ongoing national recruitment for the permanent position and to continue the planning process for the new School of Medicine. Dr. Guze has been serving in this role since October 1, 2008 and there are no changes requested to her compensation package.

This position is funded from non-State general funds. Market data provided by Mercer Human Resource Consulting include data from the College and University Professional Association (CUPA) Administrative Compensation Survey. The proposed base salary, if annualized, is slightly below the average base salary (\$513,075) for the Vice Chancellor and Dean of medical schools at the other UC locations and above the market median of \$499,400.

Approval of the following items as an exception to policy in connection with the temporary appointment compensation for Phyllis A. Guze as Acting Vice Chancellor – Medical Sciences and Dean – School of Medicine, Riverside campus:

- a. As an exception to policy, extension of the temporary appointment compensation of \$306,933 for her 60 percent role as Acting Vice Chancellor – Medical Sciences and Dean – School of Medicine. This temporary appointment compensation, in addition to her 40 percent prorated compensation of \$96,000 for her role as Professor of Clinical Medicine, Los Angeles campus, results in total annual compensation of \$402,933. This constitutes an exception to policy which allows for acting appointments of up to 12 months.
- b. This administrative appointment of 60 percent time is to be effective October 1, 2009 through June 30, 2010 or until the

appointment of the permanent Vice Chancellor and Dean, whichever occurs first.

- c. Per policy, continued participation in the Health Sciences Compensation Plan (HSCP) for a total annual salary, inclusive of base salary and HSCP, of \$402,933.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$355,500	\$499,400	\$560,000

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(4) ***Appointment Salary for Alan Houston as Provost, Eleanor Roosevelt College, San Diego Campus***

UC San Diego has concluded a search for the Provost, Eleanor Roosevelt College and Alan Houston has been selected as the top candidate. The current Provost, Ann Craig, will be stepping down as Provost effective December 31, 2009. Mr. Houston has been a member of the faculty of UCSD since 1989. He is an internationally recognized scholar of early modern British and American political thought. He has been the recipient of fellowships from the American Philosophical Society, the National Endowment for the Humanities, and the UC President's Research Fellowship in the Humanities. Mr. Houston has made significant contributions to undergraduate and graduate education, serving on Academic Senate committees to evaluate college and university programs and curriculum.

This position is funded from UC general funds provided by the State. The proposed base salary of \$141,000 is 1.1 percent above the previous incumbent's base salary of \$139,400, 1.1 percent below the \$142,640

average salary of the other UCSD Provosts, and 1.4 percent above the midpoint of the salary range for the position.

Approval of the following items in connection with the compensation of Alan Houston as Provost, Eleanor Roosevelt College, San Diego campus:

- a. Per policy, appointment salary of \$141,000 (SLCG Grade 103: Minimum \$110,800, Midpoint \$139,000, Maximum \$167,100) as Provost, Eleanor Roosevelt College, San Diego campus. This represents a 15.1 percent increase (\$18,461) in Mr. Houston's adjusted faculty salary of \$122,539.
- b. This appointment is at 100 percent time and will become effective January 1, 2010.

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 tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(5) ***Promotion Compensation and Interim Re-Slotting for Certain Individuals at the San Diego Campus***

Approval is requested for promotion compensation for one individual at the San Diego campus and interim re-slotting for three individuals at the San Diego campus. This request is in response to an immediate need to announce a reorganization following the sudden resignation of Debra Neuman as Vice Chancellor – External Relations (VCER) effective August 1, 2009. In light of the current budgetary environment and campus efforts to reduce administrative costs, Chancellor Fox has decided to reassign Vice Chancellor Steven Relyea into the vacant Vice Chancellor – External Relations position and have him retain the majority of his existing functions as Vice Chancellor – Business Affairs on an interim basis for three to five years. The merger of External Relations and Business Affairs will allow UC San Diego to gain cost savings to help

address some of the budget reductions facing the campus. Elimination of one vice chancellor and supporting office staff positions will initially save at least \$800,000. Following the merger, additional efficiencies are anticipated as redundant Human Resources, Information Technology, Financial Administration and Space Management functions are assessed for reorganization.

Vice Chancellor – External Affairs and Interim Vice Chancellor – Business Affairs

Steven W. Relyea will assume all of the Vice Chancellor – External Relations functions, with the exception of University Communications and Public Affairs. On an interim basis for three to five years, he will retain the Vice Chancellor – Business Affairs responsibilities, with the exception of three of his current departments, which will move to Vice Chancellor Gary Matthews. Vice Chancellor Relyea was identified as the individual with the experience and ability to serve as both the senior advancement executive and chief business officer for the campus. He successfully served as the Interim Vice Chancellor – External Relations in 2008 during recruitment for that position. He has served as the chief business officer of UC San Diego for many years and in 2004 was honored as the nation's Distinguished Business Officer of the Year by the National Association of College and University Business Officers.

This position is funded from UC general funds provided by the State. The proposed base salary of \$295,000 is equal to the previous Vice Chancellor – External Relations' base salary and below the salary range midpoint of \$307,200. According to Mercer Human Resource Consulting, data from the College and University Professional Association (CUPA) Administrative Compensation Survey show a market median of \$312,300 for chief development officers. The proposed base salary is 12.8 percent above the average base salary (\$261,438) of the Vice Chancellors – External Relations at the other campuses, which recognizes the dual role of overseeing both External and Business Affairs, which is unique in the UC system. It is also below the salary of recent appointments for Vice Chancellors – External Relations at other campuses.

Vice Chancellor – Resource Management and Planning

In addition to his current scope of responsibility, Vice Chancellor Gary C. Matthews will now oversee Auxiliary and Plant Services, Environment, Health and Safety, and campus police. He also will assume the leadership for Strategic Energy Initiatives, the environmental sustainability activities ranging from employing alternative energy to meet the campus needs to UC San Diego's campus-wide recycling efforts. These areas were previously assigned to Vice Chancellor Relyea. Vice Chancellor Matthews

was identified as the best candidate to assume these new responsibilities given his track record as Acting Vice Chancellor and Vice Chancellor for the San Diego campus for the past two-and-a-half years, the six years prior when he successfully managed the Auxiliary and Plant Services departments as Assistant Vice Chancellor, as well as his extensive higher education leadership experience in managing campus police and environmental health and safety prior to joining the University of California.

This position is funded from UC general funds provided by the State. The proposed slotting at SLCG Grade 109 is supported by Mercer Human Resource Consulting which reported a market median of \$238,900. There will be no associated salary action at this time.

Chief Administrative Officer – University Strategic Communications and Public Affairs

In addition to her current scope of responsibility, Associate Chancellor and Chief of Staff Clare Kristofco will now oversee University Communications and Public Affairs and assume the new title of Chief Administrative Officer – University Strategic Communications and Public Affairs. In this role, she assumes oversight for all campus communications, including development of communications strategies, marketing, advocacy and State and local government affairs. She will oversee the campus publications and creative production units, as well as campus-wide special events and protocol. She will coordinate with University Development and Health Sciences Development regarding the Chancellor's central role in donor cultivation and fundraising.

Associate Chancellor and Chief of Staff Clare Kristofco was identified as the best candidate to assume these new responsibilities because of her leadership and expertise over the past five years in the development with the Chancellor's senior leadership team of communications strategies, her close working relationship with these units, and proven track record in successfully carrying out the Chancellor's initiatives.

Mercer Human Resource Consulting reported that there were no external market data available for this unique position, but proposed interim re-slotting from SLCG Grade 105 to SLCG Grade 107 based on internal comparators across the UC system. The proposed slotting recognizes the significant increase in the scope and responsibility of the position and appropriately aligns this leadership position within the overall UC San Diego structure across the administrative units. The interim re-slotting addresses internal campus equity issues, places the position two grade levels above the position's new direct report, and creates an appropriate differentiation between this position and Associate and Assistant

Chancellors at other locations with much narrower scopes of responsibility and supervision. This position is funded from UC general funds provided by the State. There will be no associated salary action at this time.

Approval of the following items in connection with the interim re-slotting, title changes, and promotion compensation for the following individuals at the San Diego campus:

- a. Approval of the following in relation to the promotion compensation for Steven W. Relyea as Vice Chancellor – External Affairs and Interim Vice Chancellor – Business Affairs.
 - i. Approval of interim re-slotting of the Vice Chancellor – External Affairs position to SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500), as supported by Mercer Human Resource Consulting.
 - ii. Per policy, a promotional salary of \$295,000, before the 2009-10 salary reduction is applied. This represents a 22.9 percent increase over Mr. Relyea's current base salary of \$240,000.
 - iii. This appointment is at 100 percent time and will become effective August 1, 2009, following approval by the Regents.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, annual automobile allowance of \$8,916.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$249,200	\$312,300	\$ 345,900

- b. Approval of interim re-slotting of the position held by Gary C. Matthews as Vice Chancellor – Resource Management and Planning.

Approval of interim re-slotting of the position from SLCG Grade 107 to SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700), as supported by Mercer Human Resource Consulting, effective August 1, 2009 following approval by the Regents.

Additional items of compensation include:

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

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$190,400	\$238,900	\$269,700

- c. Approval of interim re-slotting of the Chief Administrative Officer – University Strategic Communications and Public Affairs position held by Clare M. Kristofco.

Approval of interim re-slotting of the position from SLCG Grade 105 to SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000), as supported by Mercer Human Resource Consulting, effective August 1, 2009, following approval by the Regents.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

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

Mary J. Nisbet was appointed as Acting Dean – Undergraduate Education by the Regents effective September 1, 2008. The appointment was for one year or until the appointment of a new dean, whichever occurred first. A

search advisory committee was formed in June 2008 to begin a national search for a new Dean – Undergraduate Education that included a broad representation of faculty across disciplines. The committee devoted considerable time and energy to the search and interviewed several candidates; however, the search was unsuccessful. The campus is in the process of constituting a new search for the Dean – Undergraduate Education. In the interim, Ms. Nisbet has agreed to serve as Acting Dean for another year. Accordingly, the Santa Barbara campus is requesting an extension of the existing stipend of \$38,778 for Ms. Nisbet as Acting Dean – Undergraduate Education to be effective September 1, 2009.

This position is funded from UC general funds provided by the State. Market data provided by Mercer Human Resource Consulting include data from the 2008-09 College and University Professional Association (CUPA) Administrative Compensation Survey which indicate that the proposed total annual salary of \$168,038 (adjusted faculty salary of \$129,260 and 30 percent stipend of \$38,778) is below the market median of \$235,000. In addition, the proposed total annual salary is 21 percent above the midpoint of \$139,000 for SLCG Grade 103 and 2.3 percent above the former incumbent's total annual salary of \$164,300.

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

- a. As an exception to policy, continuation of the administrative stipend of 30 percent (\$38,778) to increase her base salary for a total annual salary of \$168,038, which exceeds the maximum for SLCG Grade 103 (Minimum \$110,800, Midpoint \$139,000, Maximum \$167,100).
- b. The stipend amount will be increased as the base salary is increased, so the stipend will equal 30 percent of the base salary.
- c. As an exception to policy, effective September 1, 2009 through August 31, 2010. This constitutes an exception to policy which allows for administrative stipends to be paid for up to 12 months. Ms. Nisbet has been serving in this acting appointment since September 1, 2008.

Additional compensation and related items 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 tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$191,400	\$235,000	\$262,000

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(7) ***Interim Re-Slotting and Promotion for Kay Harrison Taber as Associate Vice President – Business Operations, Agriculture and Natural Resources, Office of the President***

The President requests approval of a promotion for Kay Harrison Taber from Assistant Vice President – Administrative Services, Agriculture and Natural Resources to Associate Vice President – Business Operations, Agriculture and Natural Resources, effective October 1, 2009 due to a restructuring of the Division. The President requests a re-slotting of the position from SLCG Grade 104 to SLCG Grade 106 due to the responsibilities and complexities of the new job, which is supported by an assessment performed by Mercer Human Resource Consulting. In addition, the President requests that her compensation be increased to \$180,000, which represents a 20 percent increase in base salary. Restructuring of the senior leadership of the Division has resulted in savings of \$181,500 (UC general funds provided by the State) in Senior Management Group salaries and \$150,000 in Management and Senior Professional (MSP) salaries (UC general funds provided by the State). This restructuring is in addition to many other actions realigning programs that are also under way to focus Agriculture and Natural Resources' resources on high-priority activities while addressing budget reductions as well.

This position will be funded primarily with non-State funds, though a portion of the funding is from the UC general funds provided by the State. This portion of the funding will remain unchanged and the position change will result in no new State expenditures. The proposed promotional base salary of \$180,000 is significantly below the current market median of

\$212,200. The recommended grade and salary are based on market data as well as internal UC comparators. Market data are provided by Mercer Human Resource Consulting and include data from the College and University Professional Association (CUPA) Administrative Compensation Survey for the Full Comparison Group cut of UC comparators.

Approval of the following items in connection with a promotion for Kay Harrison Taber to Associate Vice President – Business Operations, Agriculture and Natural Resources:

- a. Promotion from Assistant Vice President – Administrative Services to Associate Vice President – Business Operations, Agriculture and Natural Resources, Office of the President.
- b. Interim re-slotting of the position as recommended by Mercer Human Resource Consulting from SLCG Grade 104 (Minimum \$123,800, Midpoint \$155,600, Maximum \$187,500) to SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).
- c. Per policy, promotional increase in compensation in the amount of \$30,000 (20 percent) for a total annual salary of \$180,000 due to the assumption of additional duties in the Division.

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 five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, eligibility to participate in the Mortgage Origination Program.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$160,100	\$212,200	\$220,000

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

and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(8) ***Interim Re-Slotting and Promotion for Barbara Allen-Diaz as Associate Vice President – Academic Programs and Strategic Initiatives, Agriculture and Natural Resources, Office of the President***

The President requests approval of a promotion for Barbara Allen-Diaz from Assistant Vice President – Programs, Agriculture and Natural Resources to Associate Vice President – Academic Programs and Strategic Initiatives, Agriculture and Natural Resources, effective October 1, 2009 due to a restructuring of the Division. The Office of the President requests a re-slotting of the position from SLCG Grade 105 to SLCG Grade 107 due to the responsibilities and complexities of the new job, which is supported by an assessment performed by Mercer Human Resource Consulting. In addition, the President requests that compensation be increased to \$225,000. Restructuring of the senior leadership of the Division has resulted in savings of \$181,500 (UC general funds provided by the State) in Senior Management Group salaries and \$150,000 in Management and Senior Professional (MSP) salaries (UC general funds provided by the State). This restructuring is in addition to many other actions realigning programs that are also under way to focus Agriculture and Natural Resources' resources on high-priority activities while addressing budget reductions as well.

This position will be funded 100 percent by non-State general funds. No external market comparisons were found for this position; therefore internal UC comparators were used.

Approval of the following items in connection with a promotion for Barbara Allen-Diaz to Associate Vice President – Academic Programs and Strategic Initiatives, Agriculture and Natural Resources:

- a. Promotion from Assistant Vice President – Programs to Associate Vice President – Academic Programs and Strategic Initiatives, Agriculture and Natural Resources, Office of the President.
- b. Interim re-slotting of the position as recommended by Mercer Human Resource Consulting from SLCG Grade 105 (Minimum \$134,000, Midpoint \$169,600, Maximum \$204,700) to SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- c. Per policy, promotional increase in compensation in the amount of \$45,000 (25 percent) for a total annual salary of \$225,000 due to the assumption of additional duties in the Division.

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 tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Per policy, eligibility to participate in the Mortgage Origination Program.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

B. *Amendments to Freeze of Senior Management Group Salaries and Suspension of Bonus and Certain Other Variable Pay Plans*

The Committee recommended that the *Proposal to Freeze Senior Management Group Salaries and Suspend Bonus and Certain Other Variable Pay Plans* (Item C1), approved at the January 2009 special meeting of the Regents, be amended as shown in Attachment 1.

Upon motion of Regent Varner, duly seconded, the recommendations of the Committee on Compensation were approved, with Regent Garamendi voting "no" on all items and Regent Stovitz abstaining on item A. (2) above.

5. REPORT OF THE COMMITTEE ON FINANCE

The Committee presented the following from its meeting of September 16, 2009:

Authorization for Restructuring of a Portion of the University's Long-Term Debt

The Committee recommended:

- A. A partial restructuring of the Regents' long-term debt portfolio for fiscal year 2009-10 and fiscal year 2010-11 in an amount not to exceed \$150 million in debt service of such long-term debt plus additional related refinancing costs.
- B. The President is authorized to take all necessary actions related to the long-term debt restructuring and to execute and deliver related financing documents.

Upon motion of Regent Varner, duly seconded, the recommendation of the Committee on Finance was approved.

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

The Committee presented the following from its meeting of September 17, 2009:

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External and Interim Financing, Helios Energy Research Facilities and Former California Department of Health Services Demolition and Site Clearance, Berkeley Campus***

The Committee recommended that:

- (1) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Helios Energy Research Facility – preliminary plans, working drawings, and construction – \$198,246,000 to be funded from State lease revenue bonds (\$70,000,000), external financing (\$113,246,000), grant funds (\$10,000,000) and gift funds (\$5,000,000).

To: Berkeley: Helios Energy Research Facilities – West site project: preliminary plans, working drawings, and construction – \$143,846,000 to be funded from State lease revenue bonds (\$40,000,000), external financing (\$98,846,000) and gift funds (\$5,000,000). East site project: preliminary plans, working drawings, and construction – \$54,400,000 to be funded from State lease revenue bonds (\$30,000,000) and gifts and grants (\$24,400,000).

- (2) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Berkeley: Former California State Department of Health Services (DHS) Demolition and Site Clearance – working drawings and construction – \$10,355,000 to be funded from external financing.

Deletions shown by strikeout; additions by underscore

- (3) The President be authorized to obtain external financing not to exceed ~~\$113,246,000~~ \$109,201,000 to finance the *Helios Energy Research Facility* ~~Facilities~~ and Former California State Department of Health

Services (DHS) Demolition and Site Clearance projects. The President requires 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 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.
- (4) The President be authorized to obtain standby financing not to exceed \$10,000,000 and interim financing not to exceed ~~\$5,000,000~~ \$19,400,000, for a total of ~~\$15,000,000~~ \$29,400,000 prior to awarding a construction contract for any gift funds not received by that time and subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - b. Repayment of any debt shall be from gift funds. If the gift funds are insufficient, and some or all of the debt remains outstanding, then the Berkeley campus' share of the University Opportunity Fund shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - c. The general credit of the Regents shall not be pledged.
- (5) The President be authorized to execute all documents necessary in connection with the above.

B. *Adoption of Mitigated Negative Declaration and Approval of Design, Health Sciences Research Facility 2, San Diego Campus*

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

- (1) Adoption of the Initial Study/Mitigated Negative Declaration.
- (2) Adoption of the Mitigation Monitoring and Reporting Program and Findings.

- (3) Approval of the design of the Health Sciences Biomedical Research Facility 2, San Diego campus.

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

C. ***Adoption of Mitigated Negative Declaration and Approval of Design, Parking Structure III, Davis Medical Center, Davis Campus***

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

- (1) Adoption of the Mitigated Negative Declaration.
- (2) Adoption of the Mitigation Monitoring and Reporting Program and Findings.
- (3) Approval of the design of the Parking Structure III project, Davis campus.

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

D. ***Adoption of Findings and Approval of Design, Science and Engineering Building 2, Merced Campus***

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

- (1) Adoption of the Mitigation Monitoring and Reporting Program and Findings.
- (2) Approval of the design of the Science and Engineering Building 2 project, Merced campus.

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

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, California Memorial Stadium (CMS) Seismic Corrections and West Program Improvements, Berkeley Campus***

The Committee recommended that:

- (1) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: California Memorial Stadium (CMS) Seismic Corrections and West Program Improvements – preliminary plans – \$18,300,000 to be funded entirely from interim financing.

To: Berkeley: California Memorial Stadium (CMS) Seismic Corrections and West Program Improvements – preliminary plans, working drawings and construction – \$321,000,000 to be funded entirely from external financing.

Deletions shown by strikeout; additions by underscore

- (2) The President be authorized to obtain ~~interim financing~~ external financing not to exceed ~~\$18,300,000~~ \$321,000,000 to finance the *California Memorial Stadium (CMS) Seismic Corrections and West Program Improvements* project. The President requires that:
- a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - b. Repayment of any debt shall be from the Berkeley campus ~~football~~ Athletics program gross revenues and, as long as the debt is outstanding, the Berkeley campus ~~football~~ Athletics 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. Among all the uses of the Berkeley campus ~~football~~ Athletics program gross revenues, debt service will be the priority.
 - d. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

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

7. REPORT OF THE COMMITTEE ON INVESTMENTS

The Committee presented the following from its meeting of September 10, 2009:

A. *Approval of Performance Objectives for Fiscal Year 2009-10 for the Treasurer's Annual Incentive Plan (AIP)*

The Committee recommended that the asset class investment performance objectives, shown in Attachment 2, be adopted for fiscal year 2009-10.

B. *Recommendation to Change Investment Guidelines for the Short Term Investment Pool (STIP)*

The Committee recommended that the investment guidelines for the Short Term Investment Pool (STIP) be amended as follows, and as shown in Attachment 3:

The Policy Benchmark, formerly the income return on a constant maturity two (2) year Treasury note, will now be a weighted average of the income return on a constant maturity two (2) year Treasury note and the return on U.S. 30 day Treasury Bills. The weights for the two constituents will be the actual average weights of the bond and cash equivalent components of the pool. The Benchmark will be re-balanced monthly. This change will be effective October 1, 2009.

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

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

The Committee presented the following from its meeting of September 17, 2009:

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

The Committee recommended that the President be authorized to execute a modification to the provisions of Lawrence Berkeley National Laboratory (LBNL) contract DE-AC02-05CH11231 in order to incorporate clause updates and one clause addition.

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

9. **REPORT OF INTERIM ACTIONS**

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

- A. The Chairman of the Board of Regents and the President of the University approved the following recommendation:

Authorization to Obtain Commercial Paper Financing and Purchase Private Placement State of California General Obligation Bonds to Provide Interim Financing for Specified State-Funded Capital Projects and Execute All Related Documents

- (1) That the President be authorized to obtain commercial paper financing to purchase State of California General Obligation bonds in order to provide interim financing for certain high-priority State General Obligation bond-funded projects listed in Attachment 4.

The President shall require that:

- a. Commercial paper interest only, based on the amount of commercial paper issued for this purpose, shall be paid through the tender and/or redemption date of the General Obligation bonds.
 - b. The general credit of the Regents shall not be pledged.
- (2) That the President be authorized to purchase State General Obligation bonds in a private placement in an amount not to exceed \$207 million, issued by the State for the purpose listed in (1) above and to fund related bond issuance costs.
- a. Interest earnings on the General Obligation bonds shall be applied first to make interest payments on the related commercial paper until the tender and/or redemption date of the General Obligation bonds.
 - b. Through the tender and/or redemption date of the General Obligation bonds, revenues as shown in Attachment 5 from each campus shall be maintained in amounts sufficient to pay net interest expense and to meet the related requirements of the authorized financing.
 - c. If the State of California does not redeem its General Obligation bonds in full at or before the Mandatory Tender Date, each campus shall be responsible for its share of the commercial paper principal and interest associated with the projects.
- (3) That the President or Executive Vice President – Chief Financial Officer be authorized to execute all documents necessary in connection with the above.

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

(1) ***Appointment and Total Compensation for Alice H. Issai as Chief Operating Officer – Medical Center, Irvine Campus***

Action under interim authority was requested for approval of the appointment and salary for Alice H. Issai as Chief Operating Officer (COO) – Medical Center, Irvine campus. This request is in response to an immediate need to fill this position and the need for Ms. Issai to provide immediate notice to her current employer. The COO position is currently vacant, without an acting incumbent. Due to this vacancy in a key senior leadership position and without oversight from an experienced operations officer, it is imperative that the UC Irvine Medical Center appoint a permanent incumbent immediately. From a competitive pool of applicants, the selection committee unanimously chose Ms. Issai as the best candidate for the position.

This position is funded from Medical Center operating revenue, rather than UC general funds provided by the State. The proposed base salary of \$340,000 is significantly below the previous incumbent's base salary of \$453,300. The proposed base salary is below the midpoint of the salary range for the position and is less than the average base salary (\$522,150) for the chief medical officers at the other UC medical centers.

Approval of the following items in connection with the appointment of Alice H. Issai as Chief Operating Officer – Medical Center, Irvine campus:

- a. Appointment salary of \$340,000 (SLCG Grade 112: Minimum \$289,900, Midpoint \$385,300, Maximum \$471,500).
- b. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) up to 25 percent (\$85,000) of her base salary, beginning fiscal year 2009-10.
- c. This appointment is at 100 percent time and is effective on or about July 13, 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, a five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(2) ***Appointment and Total Compensation for Meredith Michaels Jed as Vice Chancellor – Planning and Budget, Irvine Campus***

Action under interim authority was requested for approval of the appointment and salary for Meredith Michaels Jed as Vice Chancellor – Planning and Budget, Irvine campus. This request is in response to an immediate need to fill this position and the need for Ms. Michaels Jed to provide immediate notice to the Santa Cruz campus. Ms. Michaels Jed will replace the current incumbent, who retired effective June 30, 2009. Ms. Michaels Jed is currently, and has been for the last nine years, the Vice Chancellor – Planning and Budget at the Santa Cruz campus. Ms. Michaels Jed has extensive experience in the UC system with over 20 years of service in various positions at UC Santa Cruz, the Office of the President, and UC San Francisco. The 15 percent salary increase proposed is justified due to the dramatic increase in scope and complexity in the Irvine position compared to her current position. The Irvine campus budget is over double that of the Santa Cruz campus.

This position is funded from UC general funds provided by the State. The proposed base salary of \$225,000 is below the previous incumbent's base salary of \$232,000. The proposed base salary is slightly above the midpoint of the salary range for the position and is less than the average base salary (\$231,271) for the Vice Chancellors for Planning and Budget at the other UC campuses.

Approval of the following items in connection with the appointment of Meredith Michaels Jed as Vice Chancellor – Planning and Budget, Irvine campus:

- a. Appointment salary of \$225,000 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000). This reflects a 15 percent increase to her current salary of \$195,700. Ms. Michaels Jed will not be eligible for annual merit/equity consideration until October 2010.
- b. This appointment is at 100 percent time and is effective August 17, 2009.

- c. Per policy, 100 percent of actual and reasonable moving expenses.
- d. Per policy, eligibility to participate in the Mortgage Origination Program (MOP), up to \$1 million.

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 five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(3) ***Interim Re-Slotting and Promotional Increase for Gretchen S. Bolar as Vice Chancellor – Finance and Business Operations, Riverside Campus***

Action under interim authority was requested for approval of the interim re-slotting, change in title from Vice Chancellor – Academic Planning and Budget to Vice Chancellor – Finance and Business Operations, and promotional salary increase for Gretchen S. Bolar due to significant expansion of her responsibilities. This request is in response to an administrative redesign at the Riverside campus. The administrative redesign is necessary to eliminate inefficiencies and increase effectiveness in core services. This position is an amalgamation of the Vice Chancellor – Academic Planning and Budget and Vice Chancellor – Administration positions. This change in the organizational structure will realize the campus a savings in administrative salaries of approximately \$204,500.

This position is funded from UC general funds provided by the State. The proposed base salary of \$237,100 is below the current market median of \$254,700. Market data provided by Mercer Human Resource Consulting include data from the College and University Professional Association (CUPA) Administrative Compensation Survey. The proposed base salary is slightly below the midpoint of the salary range for the position and is slightly above the average base salary (\$222,475) for the Vice Chancellor – Administration (the closest comparator position) at the other UC locations.

Approval of the following items in connection with the interim re-slotting, title change and promotional salary increase for Gretchen S. Bolar as Vice Chancellor – Finance and Business Operations, Riverside campus:

- a. Interim re-slotting at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400), as recommended by Mercer Human Resource Consulting. The title will change from Vice Chancellor – Academic Planning and Budget to Vice Chancellor – Finance and Business Operations.
- b. Per policy, a promotional salary increase of \$39,500 (20 percent) from \$197,600 to \$237,100. The salary amount is consistent with new Senior Management Group (SMG) policy that indicates that salaries will be within the salary range.
- c. This appointment is at 100 percent time and is effective retroactive to June 8, 2009.

Additional items of compensation include:

- Per policy, continuation of standard pension and health and welfare benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, continuation of a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, continued eligibility to participate in the University's Mortgage Origination Program.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$219,600	\$254,700	\$341,800

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(4) ***Interim Re-Slotting and Stipend for Lori Donaldson as Acting Chief Financial Officer, UC San Diego Medical Center, San Diego Campus***

Action under interim authority was requested for the approval of the interim re-slotting and stipend for Lori Donaldson as Acting Chief Financial Officer (Acting CFO), UC San Diego Medical Center. This request is in response to the urgency of appointing a replacement for Robert Hogan who retired July 1, 2009. Following a failed search to appoint Mr. Hogan's successor, Lori Donaldson has agreed to serve as Acting CFO until a new CFO is identified. Ms. Donaldson has been with the San Diego campus since 1990 and has served as Financial Controller for over 12 years.

This position is funded from Medical Center operating revenue, rather than UC general funds provided by the State. The proposed compensation, inclusive of the stipend (\$233,982), is approximately 33.1 percent below the median of market data (\$349,600), as provided by Mercer Human Resource Consulting using the Health Care Executive Compensation Survey by Clark Consulting for "Integrated Academic Health Care Organizations" for institutions of comparable size. The proposed compensation is 45 percent below the average base salary (\$425,100) of the chief financial officers at the other larger (and higher graded) UC medical centers. The proposed compensation is 16.4 percent below that of the previous incumbent.

Approval of the following items in connection with the appointment and compensation of Lori Donaldson as Acting Chief Financial Officer (Acting CFO) at the UC San Diego Medical Center, San Diego campus:

- a. Per policy, an interim re-slotting of the position from SLCG Grade 110 to SLCG Grade 111 (Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100) as supported by Mercer Human Resource Consulting.
- b. Per policy, a 20 percent annual administrative stipend of \$35,997 for an annualized base salary of \$215,983.
- c. This appointment is at 100 percent time, effective July 1, 2009 and continuing through June 30, 2010, or the appointment of the new CFO, whichever comes first.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, eligibility to participate in the UC San Diego Medical Center Leader's Incentive Plan, with incentive potential up to

10 percent of base salary, pending approval by the President.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$296,000	\$349,600	\$376,800

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(5) ***Re-Slotting and Appointment Compensation for Joseph Rudnick as Dean – Division of Physical Sciences, College of Letters and Science, Los Angeles Campus***

Action under interim authority was requested for approval of the re-slotting and appointment compensation for Joseph Rudnick as Dean – Division of Physical Sciences, College of Letters and Science, Los Angeles campus, effective August 1, 2009, following completion of a nationwide search process. Interim action was required to support leadership continuity within the College. Mr. Rudnick has been serving as Acting Dean since October 2006. UCLA's Physical Sciences division is the largest and most complex in the UC system.

This position is funded from UC general funds provided by the State, as is the case for all campus academic deans, and is proposed to be slotted at SLCG Grade 110, as recommended by Mercer Human Resource Consulting using the 2007-08 College and Universities Professional Association (CUPA) Compensation Survey for All Doctoral Institutions. The proposed salary is 11.46 percent below the salary range midpoint for SLCG Grade 110 and 4.5 percent below other Los Angeles campus comparator positions. In addition, this position will be subject to any salary reduction/furlough plans approved by the Regents. Mr. Rudnick's highly regarded administrative experience in the Dean's role as well as his research excellence will provide effective leadership for the Division of Physical Sciences at the Los Angeles campus, particularly during these difficult budgetary times.

Approval of the following items in connection with the appointment and compensation of Joseph Rudnick as Dean – Division of Physical Sciences, College of Letters and Science, Los Angeles campus:

- a. Re-slotting of the position to SLCG Grade 110 (Minimum

\$239,700, Midpoint \$307,200, Maximum \$374,500), as supported by Mercer Human Resource Consulting.

- b. An appointment salary of \$272,000. Per policy, ineligible for any further merit or equity increase until October 2010.
- c. This appointment is at 100 percent time and is effective August 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 tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Per policy, eligibility to participate in the University of California Home Loan Program. Participation is subject to funding availability and current program policies and guidelines. (Although not currently participating, the candidate has participated previously in the Supplemental Home Loan Program.)

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$234,400	\$260,800	\$297,100

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(6) ***Re-Slotting and Appointment Compensation for Victoria Sork as Dean – Division of Life Sciences, College of Letters and Science, Los Angeles Campus***

Action under interim authority was requested for approval of the re-slotting and appointment compensation for Victoria Sork as Dean – Division of Life Sciences, College of Letters and Science, Los Angeles campus, effective September 1, 2009. This request is in response to an immediate need to fill the position following completion of a nationwide

search. Ms. Sork is currently Chair and Professor in the Department of Ecology and Evolutionary Biology.

This position is funded from UC general funds provided by the State, as is the case for all campus academic deans, and is proposed to be slotted at SLCG Grade 110, as recommended by Mercer Human Resource Consulting using the 2007-08 College and Universities Professional Association (CUPA) Compensation Survey for All Doctoral Institutions. The proposed salary is 20 percent below the salary range midpoint for SLCG Grade 110 and 13.9 percent below other Los Angeles campus comparators. In addition, this position will be subject to any salary reduction/furlough plans approved by the Regents. Ms. Sork's administrative experience at UCLA and her research excellence will provide effective leadership for the Division of Life Sciences at the Los Angeles campus.

Approval of the following items in connection with the appointment and compensation of Victoria Sork as Dean – Division of Life Sciences, College of Letters and Science, Los Angeles campus:

- a. Re-slotting of the position to SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500), as supported by Mercer Human Resource Consulting.
- b. An appointment salary of \$245,200. Per policy, ineligible for any further merit or equity increase until October 2010.
- c. This appointment is at 100 percent time and is effective September 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 tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Per policy, eligibility to participate in the University of California Home Loan Program. Participation is subject to funding availability and current program policies and guidelines. Candidate is currently participating in this program.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$234,400	\$260,800	\$297,100

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(7) ***Interim Re-Slotting and Appointment Compensation for Carol L. Moss as Vice Chancellor – Development, University Advancement and Planning, San Francisco Campus***

Action under interim authority was requested for the approval of the interim re-slotting, appointment, and compensation for Carol L. Moss as Vice Chancellor – Development, San Francisco campus, effective subsequent to approval by the Regents at a date determined upon suitable transition notice to Ms. Moss' current employer. UCSF has concluded a national search for the Vice Chancellor – Development, and Ms. Moss has been selected as the top candidate. Postponing his impending retirement, Senior Vice Chancellor Bruce W. Spaulding reduced his schedule to 55 percent time under the Staff and Academic Reduction in Time (START) program, effective March 1, 2009 through June 30, 2009, as approved by the Regents on February 5, 2009. At the request of Chancellor-Designate Susan Desmond-Hellmann, Senior Vice Chancellor Spaulding again postponed his retirement plans and extended his reduced 55 percent time appointment (START) through no later than October 31, 2009, which is pending approval by the Regents. With Senior Vice Chancellor Spaulding's impending retirement and the Senior Vice Chancellor position being eliminated, the Vice Chancellor – Development position will report directly to the Chancellor, and the scope of operations will be expanded to assume development duties previously managed by the Senior Vice Chancellor. Based on the expanded scope of duties, the criticality of the Vice Chancellor – Development function to sustained operations at UCSF, and the current market competition for highly qualified development officers, the campus proposes increasing the position slotting to SLCG 111.

The proposed base salary of \$376,600 is equivalent to the previous incumbent's base salary and reflects the extremely difficult market for fundraising talent in higher education. Market data provided by Mercer Human Resource Consulting include data from the College and University Professional Association (CUPA) Administrative Compensation Survey and show a market median of \$312,300. This position will not be funded through State funds; it will be funded through philanthropic income.

Approval of the following items in connection with the appointment and interim slotting of Carol L. Moss as Vice Chancellor – Development, San Francisco campus:

- a. Interim re-slotting at SLCG Grade 111 (Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100), as recommended by Mercer Human Resource Consulting.
- b. Per policy, appointment salary of \$376,600, at 100 percent time.
- c. Per policy, a 25 percent (\$94,150) relocation allowance with installment payments spread over a period of three years. Payments to be issued monthly on a declining balance totaling 60 percent (\$56,490) in year one, 30 percent (\$28,245) in year two and 10 percent (\$9,415) in year three.
- d. Effective subsequent to approval by the Regents at a date determined upon suitable transition notice to Ms. Moss' current employer.

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, annual automobile allowance of \$8,916.
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, 100 percent reimbursement of all reasonable moving expenses.
- Per policy, two house-hunting trips, subject to the limitations under policy for the candidate and his/her spouse/partner.
- Per policy, 60-day temporary housing assistance, reimbursed within normal policy limits.
- Per policy, eligibility to participate in the University of California Home Loan Program, available to be exercised within a period not to exceed 24 months from date of employment. Participation will comply with all University/campus program parameters.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$249,200	\$312,300	\$345,900

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(8) ***Appointment Compensation Amendment for Peter A. Hayashida as Vice Chancellor – University Advancement, Riverside Campus***

After a national search, the Riverside campus recently recruited and hired Peter A. Hayashida as Vice Chancellor – University Advancement, Riverside campus. He was appointed to this position effective July 1, 2009. The campus now wishes to revise the original appointment compensation to include reimbursement of temporary housing expenses for up to 90 days. Providing reimbursement for temporary housing will eliminate Mr. Hayashida's long daily commute from his current place of residence to the campus, while he continues to seek permanent housing in the Riverside area.

This position is funded from UC general funds provided by the State. The approved base salary of \$265,000 is below the current market median of \$300,000. Market data provided by Mercer Human Resource Consulting include data from the College and University Professional Association (CUPA) Administrative Compensation Survey. The approved base salary is slightly above the midpoint of the salary range for the position and is slightly above the average base salary (\$264,311) for the Vice Chancellor – University Advancement at the other UC locations.

Approval of the following item as an addition to the compensation for Peter A. Hayashida as Vice Chancellor – University Advancement, Riverside campus:

- a. Per policy, reimbursement of actual and reasonable costs associated with temporary living expenses for a period of up to 90 consecutive days after the start of Mr. Hayashida's employment.

Additional items of compensation already approved on May 28, 2009 include:

- Per policy, an appointment salary of \$265,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- This appointment is at 100 percent time and is effective July 1, 2009.
- 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 five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, annual automobile allowance of \$8,916.
- Per policy, eligibility to participate in the University's Mortgage Origination Program.
- Per policy, 100 percent reimbursement of actual and reasonable relocation expenses, to be completed within one year of assuming the position of Vice Chancellor – University Advancement.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

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

Approval of the following item in connection with the payment of additional compensation for summer month salary:

Per policy, payment of additional compensation in the amount of \$18,975 (approximately equivalent to one month of salary) to John C. Hemminger at the Irvine campus. In accordance with Senior Management Group Policy 2.110.L.5, Mr. Hemminger will forfeit 22 days of vacation beginning on July 6, 2009 to August 4, 2009. Mr. Hemminger has two research projects which are funded by the National Science Foundation and the Department of Energy. The first research project concerns how the chemistry of nanometer-sized platinum particles changes as the particles are made smaller. The second research project concerns design structures that will have potential applications in plasmonic devices for use in solar energy conversion systems, involving new methods for the assembly of ordered arrays of metal particles on surfaces.

The compensation described above shall constitute the University's total commitment regarding summer salary until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(10) ***Extension of Appointment and Compensation for Lawrence H. Pitts, M.D., as Interim Provost and Executive Vice President, Academic Affairs, University of California, Office of the President***

Action under interim authority was requested for approval of the following items in connection with the extension of the appointment of and compensation for Lawrence H. Pitts, M.D. as Interim Provost and Executive Vice President, Academic Affairs, Office of the President. The search for a permanent Provost is still under way, and this appointment extension will provide the ongoing leadership needed.

This position is funded 50 percent from UC general funds provided by the State and 50 percent from non-State common funds. The proposed base salary of \$350,000 is significantly below the last permanent incumbent's base salary of \$425,000 and is below the current market median of \$416,000. Market data are provided by Mercer Human Resource Consulting and include data from the College and University Professional Association (CUPA) Administrative Compensation Survey.

Approval of the following items in connection with the appointment of and total compensation for Lawrence H. Pitts, M.D., as Interim Provost and Executive Vice President, Academic Affairs, University of California, Office of the President:

- a. As an exception to policy, continued appointment as Interim Provost, 100 percent time. This constitutes an exception to policy exceeding the normal appointment maximum of 43 percent time for re-employed retirees. Appointments in excess of 43 percent time require the endorsement of the President and approval of the Regents.
- b. Base salary of \$350,000, before the 2009-10 salary reduction plan is implemented (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100).
- c. This appointment and compensation will be effective September 1, 2009 and will continue until a permanent Provost is hired and for a reasonable transition period thereafter or until August 31, 2010, whichever occurs first.
- d. Per 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, standard employee medical, dental, and vision coverage.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$345,600	\$416,000	\$494,900

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

- C. The Chair of the Committee on Compensation approved the following recommendation:

Appointment of Nathan Brostrom as Interim Executive Vice President – Business Operations, Office of the President

Action under interim authority was requested for the appointment of Nathan Brostrom as Interim Executive Vice President – Business Operations, Office of the President, to be effective September 8, 2009. This urgent request was in response to the impending departure of the current incumbent. It is imperative that the Business Operations division have strong leadership to continue the budget and cost reduction reviews currently under way. Mr. Brostrom will report directly to the President, with all functions currently under the Executive Vice President continuing to report to Mr. Brostrom in his interim role.

This position is funded 100 percent by UC general funds provided by the State. Mr. Brostrom, who is currently serving as Vice Chancellor – Administration for UC Berkeley, will continue to provide support to the Berkeley campus at 20 percent time, with the remaining 80 percent time dedicated to the Business Operations function at the Office of the President; the Office of the President will provide proportionate funding of the salary costs. There will be no change in Mr. Brostrom's current compensation, which is \$283,100 per annum. Mr. Brostrom's compensation is below the minimum of the grade assigned for the position being assumed (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100) and below the compensation of the current incumbent.

Approval of the following items in connection with the appointment of Nathan Brostrom as Interim Executive Vice President – Business Operations, Office of the President:

- (1) Per policy, appointment at 80 percent time as Interim Executive Vice President – Business Operations, Office of the President, effective September 8, 2009 through December 31, 2009.
- (2) Per policy, continuation of existing salary of \$283,100 per annum, prorated for the 80 percent interim appointment at the Office of the President.

Additional items of compensation include:

- Per policy, continuation of standard pension and health and welfare benefits.
- Per policy, continuation of participation in the Senior Management Benefits Program, including a five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

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

Modification of Regents Standing Committee Membership

- (1) That Regent Nunn Gorman be appointed to the Committee on Health Services, effective August 7, 2009 through June 30, 2010.
- (2) That Regent Bernal and Regent Nunn Gorman be removed from the Committee on Educational Policy, effective August 7, 2009.

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

Amendment of the Budget for Capital Improvements and the Capital Improvement Program for the Graduate School of Management and Conference Center Project, Davis Campus

Pursuant to Standing Order 100.4(q)

- (1) The President, subject to the concurrence of the Chair of the Board and the Chair of the Committee on Grounds and Buildings, amend the 2008-09 Budget for Capital Improvements and the Capital Improvement Program as follows:

From: Davis: Graduate School of Management and Conference Center – preliminary plans, working drawings, and construction – \$34,500,000, to be funded from external financing (\$31,500,000) and gifts (\$3,000,000).

To: Davis: Graduate School of Management and Conference Center – preliminary plans, working drawings, and construction – \$40,435,000, to be funded from external financing (\$37,435,000) and gifts (\$3,000,000).

Pursuant to Standing Order 100.4(nn)

- (2) The President be authorized to obtain external financing not to exceed \$37,435,000 to finance the Graduate School of Management and Conference Center project. The President requires:
 - 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 Davis campus' share of the University's Education Funds (\$14,967,500), facility revenues and funds available to the Chancellor (\$22,467,500) shall generate net revenues sufficient to pay debt service and to meet all related financing requirements of authorized financing.
 - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

10. SUPPLEMENTAL 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 Oversight of the Department of Energy Laboratories, the Chair of the Committee on Compensation, and the President of the University approved the following recommendation:

Compensation for William R. Frazer as a Member of the Executive Committee of the Board of Governors of the Limited Liability Company Known as Los Alamos National Security, LLC (LANS)

Action under interim authority was requested for the confirmation of compensation. The Regents previously approved compensation for Dr. Frazer's service as a non-UC employee University Governor on the Executive Committee of the Board of Governors of LANS, LLC. Dr. Frazer's compensation for this service was commensurate with his expected work in comparison to the rate of compensation of other LANS non-Executive Committee Governors. Subsequently, Dr. Frazer was appointed by the Regents in July 2007 to the Executive Committee of the Board of Governors of Lawrence Livermore National Security, LLC (LLNS). The source of funds will be the fee earned by the University under the terms of the LANS contract.

- (1) Per policy, compensation not to exceed \$60,000 annually, prorated for any partial year performance, for Dr. Frazer's work as a University representative on the Executive Committee of the Board of Governors of LANS, LLC.

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

- (1) ***Appointment and Compensation for Samuel Hawgood as Dean – School of Medicine and Vice Chancellor – Medical Affairs, San Francisco Campus***

Action under interim authority was requested for the approval of the appointment and compensation for Samuel Hawgood as Dean – School of Medicine and Vice Chancellor – Medical Affairs, San Francisco campus, effective upon approval of the Regents. The San Francisco campus has concluded a national search for the Dean – School of Medicine and Vice Chancellor – Medical Affairs, and Dr. Hawgood has been selected as the top candidate. The Dean – School of Medicine and Vice Chancellor – Medical Affairs position will report directly to the Chancellor. Based on the scope of duties, the criticality of the Dean – School of Medicine and Vice Chancellor – Medical Affairs function, and the current market competition, slotting will continue as SLCG Grade 114.

The proposed base salary of \$450,000 is 10 percent less than the previous incumbent's base salary and 9.9 percent below the market median of \$499,400. Market data are provided by Mercer Human Resource Consulting using the 2008-09 College and Universities Professional Association (CUPA) Compensation Survey for UC's Full Comparison Group. The funding structure of this position will consist of both discretionary funds (76.76 percent) and State funds (23.24 percent).

Approval of the following items in connection with the appointment of Samuel Hawgood as Dean – School of Medicine and Vice Chancellor – Medical Affairs, San Francisco campus:

- a. Appointment of Samuel Hawgood as Dean – School of Medicine and Vice Chancellor – Medical Affairs, San Francisco campus.
- b. Per policy, total cash compensation for Dr. Hawgood will be \$645,475, which is 13.4 percent above his current total cash compensation of \$569,200. This is comprised of the following elements:
 - i. Per policy, an annual base salary of \$450,000 (SLCG Grade 114: Minimum \$372,900, Midpoint \$483,400, Maximum \$593,800), representing a 20.4 percent increase from his current faculty salary plus the administrative stipend as Acting Dean, or 134 percent from Dr. Hawgood's faculty salary.
 - ii. Per policy, continued participation in the Health Sciences Compensation Plan (HSCP) maintained at the current level of \$195,475.
- c. This appointment is at 100 percent time and is effective upon approval by the Regents.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(2) ***Appointment and Total Compensation for Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz Campus***

Action under interim authority was requested for the appointment of Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz campus, to be effective August 17, 2009. This urgent request was in response to the departure of Meredith Michaels Jed, Vice Chancellor – Planning and Budget, who accepted a position at UC Irvine effective August 17, 2009. The Santa Cruz campus intends to begin a search for the permanent position in January 2010, and it is imperative that the Planning and Budget division have strong leadership in place during this transitional period.

This position is funded 100 percent from UC general funds provided by the State. The campus is proposing a total annual compensation of \$204,150. The proposed compensation is 1.7 percent below the median of \$207,700, as provided by Mercer Human Resource Consulting using the College and Universities Professional Association (CUPA) Compensation Survey for All Doctoral Institutions. In addition, the proposed compensation is 4.6 percent above the midpoint of \$195,200 for SLCG Grade 106, and 2.9 percent above the average base salary of \$198,313 for the Vice Chancellor – Planning and Budget at the other UC locations.

Approval of the following items in connection with the appointment salary of Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz campus:

- a. Per policy, appointment salary of \$204,150 at 100 percent time (SLCG Grade 106: Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).
- b. This appointment is effective August 17, 2009 through August 31, 2010, or until the appointment of a permanent Vice Chancellor – Planning and Budget, whichever occurs first.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25th Percentile</u>	<u>50th Percentile</u> (median)	<u>75th Percentile</u>
\$165,600	\$207,700	\$234,500

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

11. REPORT OF COMMUNICATIONS RECEIVED

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in a report dated August 3, 2009.

12. REPORT OF MATERIALS MAILED BETWEEN MEETINGS

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

To Members of the Committee on Health Services

- A. From the President, the Medical Center Activity and Financial Status Report for the ten months ended April 30, 2009. (July 7, 2009)
- B. From the President, the Medical Center Activity and Financial Status Report for the nine months ended March 31, 2009. (July 15, 2009)
- C. From the President, the Medical Center Activity and Financial Status Report for the eleven months ended May 31, 2009. (July 16, 2009)

To the Regents of the University of California

- D. From the Secretary and Chief of Staff, copy of letter from Chairman Gould to President Yudof regarding future agenda. (July 1, 2009)
- E. From the President, letter and report regarding freshman and transfer enrollment data. (July 7, 2009)
- F. From the Secretary and Chief of Staff, materials regarding Lawrence Livermore National Laboratory retirees, sent on behalf of Regent Garamendi. (July 8, 2009)
- G. From the Secretary and Chief of Staff, letter regarding the Task Force on UC Compensation, Accountability, and Transparency. (July 9, 2009)
- H. From the Secretary and Chief of Staff, copy of letter from Californians for an Independent UC, sent on behalf of Chairman Gould. (July 10, 2009)

- I. From the Secretary and Chief of Staff, opinion piece in the *Riverside Press-Enterprise*, written by Regent Varner. (July 13, 2009)
- J. From the Secretary and Chief of Staff, copy of the response from Executive Vice President Lapp to a communication from Professor Charles Schwartz regarding President Yudof's budget reduction plan. (July 13, 2009)
- K. From the Secretary and Chief of Staff, letter regarding the University of California Commission on the Future, sent on behalf of Chairman Gould. (July 16, 2009)
- L. From the President, letter requesting assistance in the search for the next Director of the Lawrence Berkeley National Laboratory. (July 22, 2009)
- M. From the Secretary and Chief of Staff, report of communications received subsequent to the July 1, 2009 report of communications. (August 3, 2009)
- N. From the Secretary and Chief of Staff, email regarding UC Berkeley's California Alumni Association's efforts in opposition to two legislative proposals to modify UC's legal status, sent on behalf of Regent-designate DeFreece. (August 4, 2009)
- O. From the President, copy of letter regarding honorary degrees to World War II veterans who left the University to serve or who died in the service of their country. (August 4, 2009)
- P. From the Secretary and Chief of Staff, letter regarding UC Commission on the Future working groups, sent on behalf of Chairman Gould. (August 4, 2009)
- Q. From the Secretary and Chief of Staff, news report regarding budget cuts to California higher education, sent on behalf of Regent Reiss. (August 5, 2009)
- R. From the Secretary and Chief of Staff, opinion piece in the *San Francisco Chronicle*, written by Chairman Gould and Regent Varner. (August 12, 2009)
- S. From the President, letter and *Sacramento Bee* article regarding the issuance of the report by the State of Illinois Admissions Review Commission. (August 11, 2009)
- T. From the President, letter announcing the departure of Executive Vice President Lapp. (August 20, 2009)
- U. From the President, article concerning the financing of public colleges. (August 24, 2009)

The meeting adjourned at 11:40 a.m.

Attest:

Secretary and Chief of Staff

Attachment 1

This document shows the original text as approved on January 14, 2009. Deletions approved in March 2009 are shown by double strikeout. Additions approved in March 2009 are shown by double underscore. Deletions proposed for September 2009 are shown by single strikeout. Additions proposed for September 2009 are shown by single underscore.

RECOMMENDATION

The President recommends that the Committee on Compensation recommend to the Regents that a salary freeze be imposed on members of the Senior Management Group (SMG) for fiscal year 2008-09 and fiscal year 2009-10 as outlined below, and that certain additional restrictions be imposed on participation in bonus and variable pay programs for that same time period.

As part of an overall budget reduction strategy to address these problems, the President is proposing the following plan to freeze SMG member salaries and to curtail participation in bonus and variable pay plans for fiscal year 2008-09 and fiscal year 2009-10:

1. Freeze salaries for the following SMG members, disallowing any consideration for merit, equity or retention increases:
 - a. The President
 - b. Chancellors
 - c. All Vice Chancellors and above at the campuses
 - d. Medical Center Chief Executive Officers
 - e. All Vice Presidents and above at the Office of the President
 - f. Treasurer, Chief Investment Officer & Vice President Investments at the Office of the President
 - g. Senior Vice President, Chief Compliance and Audit Officer at the Office of the President
 - h. General Counsel and Vice President for Legal Affairs at the Office of the President

If an individual is offered a new position (in any of those listed above) resulting in a higher grade with different or expanded responsibilities, a promotional increase may be considered on a case-by-case basis. If an individual temporarily assumes one of the positions listed above, a stipend, in addition to the base salary, may be considered on a case-by-case basis. Promotional increases and stipends will be subject to the President's review and Regental approval.

2. The salaries for all other SMG positions not set forth above will also be frozen, disallowing any consideration for merit or equity increases. Consistent with the standards and guidance provided in Section One above, stipends or promotional increases may be considered on a case-by-case basis. If an individual in this group receives a bona fide offer of employment, a retention increase may be considered on a case-by-case basis. The recommendation must be accompanied by supporting justification including documentation of the competing offer. Any recommendations for stipends, or promotion or retention increases will be subject to President's review and Regental approval.

Compensation offers for all newly recruited SMG members will be governed by market and internal comparisons and will be subject to Presidential review and Regental approval.

If an SMG member holds an academic appointment in addition to his/her staff role, and receives an academic merit increase which results in the faculty salary exceeding his/her staff salary, the staff salary may be adjusted to match the faculty salary subject to President's review and Regental approval.

3. The Staff Development and Recognition Program (SRDP) is amended, along with locally-funded bonus and other similar programs, for fiscal year 2008-09 and fiscal year 2009-10, to limit participation in SRDP and the locally funded programs to only those non-SMG staff with annual base salary of less than \$100,000. Total bonus payments for any recipient will be limited to no more than \$1,000 per year.
4. Maintain the current Clinical Enterprise Management Recognition Plan (CEMRP), any substantially similar locally-funded clinical incentive programs, for fiscal year 2008-09 and fiscal year 2009-10, and defer the Treasurer's Annual Incentive Plan for fiscal year 2008-09 including other substantially similar locally funded clinical incentive programs, as follows:
 - a. The CEMRP and substantially similar locally-funded clinical incentive programs ~~Plans~~ will continue for fiscal year 2008-09 for SMG and non-SMG participants.
 - b. For fiscal year 2009-10, such programs ~~the plans~~ will limit individual award payouts as follows:
 - i. For all CEMRP participants and SMG participants in substantially similar locally funded clinical programs, and non-SMG participants so that each participant's total cash compensation (base and CEMRP) and will not exceed the compensation the dollar amount of any award received by a participant will not exceed the dollar amount of any award received by that participant in 2008-09.
 - ii. For all non-SMG participants in substantially similar locally-funded clinical incentive programs in fiscal year 2009-10, the awards will be determined in accordance with the terms of the respective programs without the above limitation.

Note: ~~This CEMRP and the substantially similar locally-funded programs~~ is are funded through clinical revenue and do not use State Funds.

- c. In addition, the Payment of any awards recommended under the Regentally-approved Treasurer's Annual Incentive Plan for fiscal year 2008-09 will continue unchanged since this program directly links reward levels to investment management results and other performance criteria. These incentives represent key elements of total cash compensation for the participants and represent competitive remuneration. The Regents' Committee on Investments will continue to monitor this plan. be considered for approval by the Regents in November 2009, but payments will be

recommended for deferral to the end of fiscal year 2009-10. Annual incentive awards for members of the Treasurer's Office for fiscal years 2006-07 and 2007-08, previously approved by the Regents, will continue to be paid.

5. Payments for staff participants ~~Payouts~~ that are currently pending from fiscal year 2007-08 and any payments attributable to fiscal year 2008-09 in all bonus, incentive or variable pay plans other than the plans addressed in paragraph 4 of Item C1 approved at the January 2009 Special Meeting of the Regents, ~~for staff participants in other bonus or incentive plans~~ are subject to the following actions:

- a. For SMG members, all pending bonus payments for fiscal year 2007-08 and any such payments attributable to fiscal year 2008-09 and 2009-10 are cancelled. ~~All pending payouts are cancelled for SMG members in any bonus or incentive plan.~~
- b. For non-SMG members whose total cash compensation is above \$205,000, all pending bonus payments for fiscal year 2007-08 are cancelled. ~~All pending bonus payments will be cancelled for non-SMG members whose total cash compensation is above \$205,000.~~
- c. For all staff members, consideration of any incentive or variable pay plan payments for fiscal year 2007-08 will be deferred until the end of fiscal year 2009-10, at which time this suspension will be reviewed. ~~Any pending incentive payments will be processed for non-SMG participants.~~
- d. For all staff members, consideration of any incentive or variable pay plan payments attributable to fiscal years 2008-09 and 2009-10 will be deferred until the end of fiscal year 2009-10, at which time this suspension will be reviewed.

~~If legal or contractual obligations are identified thereby requiring processing of a payout, the Regents' approval will be required for any SMG awards. If legal or contractual obligations are identified thereby requiring processing of a payout, the Regents' approval will be required.~~

6. Notwithstanding the provisions of Subparagraphs 3-5 of Item C1, as originally approved at the January 2009 Special Meeting of the Regents and as subsequently amended in March, payouts may be made, subject to Regental approval, if legal or contractual obligations are identified that require processing of a payout. Actions taken pursuant to any of the provisions of Item C1, as originally approved at the January 2009 Special Meeting of the Regents and as subsequently amended in March, will be taken in compliance with the Higher Education Employer-Employee Relations Act (HEERA).

Proposed Performance Objectives FY 2009-10

Attachment 2

Treasurer's Office Annual Incentive Plan (AIP)

Performance Objectives for FY 2009-10⁽¹⁾

ENTITY UC TREASURER	Benchmark	Performance Objectives Relative to Benchmark (1)		
		Threshold	Target	Maximum
GEP, UCRP, UCRSP ⁽²⁾ , STIP & TRIP	Asset Weighted Policy Benchmark	4 bp	32 bp	70 bp
ASSET CLASS:				
PUBLIC EQUITY				
Combined Equity	Asset Weighted Policy Benchmark (Equity)	15 bp	80 bp	170 bp
PRIVATE EQUITY				
Private Equity - Asset Class	Venture Economics Vintage Year Indices	50 bp	100 bp	200 bp
FIXED INCOME				
Combined Fixed Income	Asset Weighted Policy Benchmark (Fixed Income)	5 bp	40 bp	80 bp
ABSOLUTE RETURN				
Absolute Return	50% HFRX AR Index + 50% HFRX MD Index	75 bp	200 bp	375 bp
403b ICC FUND				
ICC Fund	US 5-year Treasury Notes Income Return	5 bp	30 bp	60 bp
SECTOR:				
INCOME FUNDS				
Short Term Investment Pool (STIP)	US 2-year Treasury Notes Income Return	5 bp	30 bp	60 bp
Savings Fund	US 2-year Treasury Notes Income Return	5 bp	30 bp	60 bp
FIXED INCOME GOVERNMENT SECTOR				
Treasury Inflation Protected Securities	Barclays Capital US TIPS Index	5 bp	12 bp	24 bp
Gov't Sponsored - UCRP	Gov't Sponsored Sector of Barclays Aggregate	5 bp	30 bp	60 bp
Gov't Sponsored - GEP	Gov't Sponsored Sector of Barclays Aggregate	5 bp	30 bp	60 bp
Gov't Sponsored - 403b Bond Fund	Gov't Sponsored Sector of Barclays Aggregate	5 bp	30 bp	60 bp
TRIP Government	Gov't Sponsored Sector of Barclays Aggregate	5 bp	30 bp	60 bp
FIXED INCOME COLLATERAL SECTOR				
Collateral - UCRP	Collateral Sector of Barclays Aggregate	5 bp	25 bp	50 bp
Collateral - GEP	Collateral Sector of Barclays Aggregate	5 bp	25 bp	50 bp
Collateral - 403b Bond Fund	Collateral Sector of Barclays Aggregate	5 bp	25 bp	50 bp
TRIP Collateral	Collateral Sector of Barclays Aggregate	5 bp	25 bp	50 bp
FIXED INCOME CREDIT SECTOR				
Credit - UCRP	Credit Sector of Barclays Aggregate	5 bp	30 bp	60 bp
Credit - GEP	Credit Sector of Barclays Aggregate	5 bp	30 bp	60 bp
Credit - 403b Bond Fund	Credit Sector of Barclays Aggregate	5 bp	30 bp	60 bp
TRIP Credit	Credit Sector of Barclays Aggregate	5 bp	30 bp	60 bp
High Yield Bonds - UCRP	ML High Yield Cash Pay Index	12 bp	65 bp	130 bp
High Yield Bonds - GEP	ML High Yield Cash Pay Index	12 bp	65 bp	130 bp
TRIP High Yield	ML High Yield Cash Pay Index	12 bp	65 bp	130 bp
Emerging Market Debt - UCRP	J P Morgan Emg Market Bond Index Plus	25 bp	125 bp	250 bp
Emerging Market Debt - GEP	J P Morgan Emg Market Bond Index Plus	25 bp	125 bp	250 bp
REAL ESTATE SECTOR				
Global REITS	50% FTSE/NAREIT Global ex US Index + 50% FTSE	25 bp	125 bp	250 bp
Open End Funds - Core	NFI-ODCE Index	5 bp	35 bp	70 bp
Open End Funds - Value Add	NFI-ODCE Index	25 bp	100 bp	200 bp
REFERENCE -- USED IN WEIGHTED PUBLIC EQUITY AND FIXED INCOME CALCULATIONS				
US Equity -UCRP	Russell 3000 Tobacco-Free Index	15 bp	75 bp	150 bp
US Equity -GEP	Russell 3000 Tobacco-Free Index	15 bp	75 bp	150 bp
Developed Non US Equity - UCRP	MSCI World ex US Net Tobacco Free Index	18 bp	100 bp	200 bp
Developed Non US Equity - GEP	MSCI World ex US Net Tobacco Free Index	18 bp	100 bp	200 bp
Emerging Markets Equity - UCRP	MSCI Emerging Markets Free Net Index	25 bp	125 bp	250 bp
Emerging Markets Equity - GEP	MSCI Emerging Markets Free Net Index	25 bp	125 bp	250 bp
Bonds - UCRP	Barclays Aggregate	5 bp	30 bp	60 bp
Bonds - GEP	Barclays Aggregate	5 bp	30 bp	60 bp
403(b) Bonds	Barclays Aggregate	5 bp	30 bp	60 bp

1: Excess performance targets refer to 1, 2, or 3 year investment results as appropriate; all performance objectives are based on total return, net of all management fees

2: UC Retirement Savings Plan = 403(b), 457, and Defined Contribution plan options managed by Treasurer

UNIVERSITY OF CALIFORNIA

APPENDICES TO

INVESTMENT POLICY

STATEMENTS

OF UCRP and GEP



Approved May 7, 2009
Replaces version approved February 24, 2009

UNIVERSITY OF CALIFORNIA
APPENDICES TO INVESTMENT POLICY STATEMENTS

TABLE OF CONTENTS

These Appendices are applicable to the UC Retirement Plan (UCRP) and General Endowment Pool (GEP), and are incorporated by reference into the Investment Policies of both UCRP and GEP (hereinafter referred to as “the Fund”). The term “constituents” is used to generically refer to the Pension’s participants and beneficiaries, and the Endowment’s donors.

	<u>Page</u>
Appendix 4: Derivatives Policy	3
Appendix 5: Proxy Voting Policy	10
Appendix 6: Investment manager selection, evaluation, and termination	13
Appendix 7: Asset Class Guidelines	15
7A) US Equity Guidelines	16
7B) Developed Market Non US Equity Guidelines	20
7C) Emerging Market Equity Guidelines	24
7D) Global Equity Guidelines	28
7E) Long Duration Fixed Income Guidelines.....	32
7F) Core Fixed Income Guidelines	37
7G) TIPS Guidelines	42
7H) Non Dollar Denominated Fixed Income Guidelines	45
7I) High Yield Fixed Income Guidelines.....	50
7J) Emerging Market Debt Guidelines	55
7K) STIP Guidelines	60
7L) Private Equity Guidelines	64
7M) Real Estate Guidelines	66
7N) Public Real Estate Securities Guidelines	69
7O) Absolute Return Strategies Guidelines	72
7P) Cash Collateral Guidelines	75
Appendix 8: Definitions	78

**UNIVERSITY OF CALIFORNIA
APPENDICES TO INVESTMENT POLICY STATEMENTS**

APPENDIX 7K

Last approved: August 16, 2005

This Version: February 14, 2006

**SHORT TERM INVESTMENT POOL (STIP)
INVESTMENT GUIDELINES**

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

1. Investment Policy

a. Background:

The STIP is a cash investment pool established by The Regents and is available to all University groups, including retirement and endowment funds. The STIP allows fund participants to maximize income on their short-term cash balances by taking advantage of the economies of scale of investing in a larger pool and investing in a broader range of maturities.

b. Investment Objective

The Objective of the Program is to maximize returns consistent with safety of principal, liquidity, and cash flow requirements. The primary investment objective is to generate ~~an~~ income from investments in short duration US dollar denominated bonds and cash equivalents. ~~which exceeds the income return on a constant maturity two (2) year Treasury note (“Benchmark”).~~ Because the liquidity needs of the University are subject to large and uncertain changes, the fund may materially increase its investments in highly liquid, cash equivalent securities from time to time.

Accordingly, the Benchmark will be a weighted average of the income return on a constant maturity two (2) year Treasury note and the return on US 30 day Treasury Bills. The weights for the two constituents will be the actual average weights of the bond and cash equivalent components of the pool. The Benchmark will be re-balanced monthly.

c. Investment Strategy

The Program shall be implemented by the Treasurer internal fixed income staff (“Manager”). The Treasurer will monitor the Program’s adherence to these Guidelines.

d. Performance Objectives

The performance objective of the Program is to meet or exceed the return of the Benchmark, on a consistent basis over time, net of all costs and fees.

e. Risk Objective

UNIVERSITY OF CALIFORNIA APPENDICES TO INVESTMENT POLICY STATEMENTS

The Program shall be managed so that its annualized tracking error budget shall be 75 basis points. ~~Each Manager will have a unique active risk budget, relative to its style benchmark, which is appropriate to its individual strategy, and specified in its guidelines, and which will reflect the risk return profile of its specific investment objectives.~~

f. Other Constraints and Considerations

- Managers shall comply with applicable State and Federal laws and regulations and the prudence requirement described in section 3(a) of the Policy.
- Manager shall act solely in the interest of the Fund's owners.
- Implementation of this Program shall comply with the Fund's Policy.

2. **Investment Guidelines**

a. Asset Allocation

The portfolio will be invested primarily in marketable, publicly traded, investment grade short term fixed income instruments, notes and debentures denominated in U.S. dollars.

b. Types of Securities

The Program will be invested in a diversified portfolio of fixed income securities, subject to restrictions noted below in section 2c.

The following list is indicative of the investment classes which are appropriate for the Program, given its Benchmark and risk budget. It should not be construed to be an exhaustive list of "allowable" asset types. Security types and/or strategies not specifically enumerated, but which the Treasurer and Regents' Investment Consultant believe are appropriate and consistent with the Investment Policy may also be held, subject to the restrictions in 2c. and 2d. below.

The Program may purchase securities on a when-issued basis or for forward delivery.

1. Fixed income instruments

- a. Obligations issued or guaranteed by the U.S. Federal Government, U.S. Federal Agencies or U.S. government-sponsored corporations and agencies
- b. Obligations of U.S. and foreign corporations such as corporate bonds, notes and debentures, and bank loans
- c. Mortgage-backed and asset-backed securities
- d. Obligations of international agencies, supranational entities, and foreign governments (or their subdivisions or agencies)
- e. Obligations issued or guaranteed by U.S. local, city and state governments and agencies
- f. Private Placements or Rule 144A securities, issued with or without registration rights

2. Short term fixed income instruments (having maturity of less than 13 months)

- a. US Treasury and Agency bills and notes
- b. Certificates of deposit
- c. Bankers acceptances
- d. Commercial paper
- e. Repurchase and reverse repurchase agreements (must be fully collateralized with approved collateral, using approved counterparties only)
- f. Eurodollar CD's, TD's, and commercial paper

UNIVERSITY OF CALIFORNIA APPENDICES TO INVESTMENT POLICY STATEMENTS

- g. US and Eurodollar floating rate notes
- h. Money market funds managed by the custodian

c. Restrictions

The following security types are **not** permitted:

- Interest rate derivative contracts, including options and futures
- Equity like securities, including but not limited to convertible bonds, preferred stocks, warrants, equity linked notes, and commodities
- Bonds issued in currencies other than US Dollar
- Foreign currency linked notes

The Manager may **not**:

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

d. Diversification and Concentration

The Program’s investments will be appropriately diversified to control overall risk. The following limitations apply in order to manage risk within acceptable ranges:

- **Interest rate risk**
 - No security may have a maturity of more than 5 ½ years
- **Credit risk**
 - No more than 5% of the Program’s investments, measured by market value, should be below “investment grade”, i.e. rated lower than the following standards or their equivalent by all major NRSRO’s
 - Standard & Poor’s and Fitch (BBB-)
 - Moody’s (Baa3)
 - Commercial Paper must have a rating of at least A-1, P-1, D-1, or F-1
 - The Program’s investments should exhibit an average credit quality of A (or equivalent) or better. Split-rated credits are considered to have the higher credit rating as long as the higher rating is given by one of the NRSRO’s
 - No more than 5% of the Program’s allocation to commercial paper may be invested in any single issuer.
 - Except for securities issued by the US Treasury or Agencies of the US Government, no more than 3% of the Program’s market value (exclusive of commercial paper) may be invested in any single issuer.
- **Liquidity risk**

UNIVERSITY OF CALIFORNIA
APPENDICES TO INVESTMENT POLICY STATEMENTS

- No more than 10% of the Program's market value may be invested in Private Placements or Rule 144A securities
- The Programs' investments in aggregate of any security may not exceed 20% of that security's outstanding par value, without a written exception approved by the Treasurer.

Subject to the limitations above, the investment manager has complete discretion with regard to choosing sector weights, issuers, and maturities.

- e. Managers shall employ best execution. Transactions shall be directed to brokers/dealers designated by the Treasurer at the Manager's discretion when best execution is available.

3. Evaluation and Review

a. Policy and Guideline Review

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

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

4. Reporting

On a quarterly basis, the Treasurer shall provide the following reports to the Committee:

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

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

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

5. Definitions: See Appendix 8

ATTACHMENT 4
State of California General Obligation Bonds
Private Placement with University of California

Project Location	Project Name	Project Amount
UC Davis	Telemedicine Resource Center and Rural-PRIME Facility	\$ 33,375,000
	Telemedicine Resource Center and Rural-PRIME Facility / Additional Equipment	750,000
	Statewide Telemedicine Services Expansion	1,000,000
	Total for Campus:	<u>35,125,000</u>
UC Irvine	Biological Sciences Unit 3	1,868,000
	Computer Science Unit 3	200,000
	Engineering Unit 3	3,092,000
	Statewide Telemedicine Services Expansion	1,000,000
	Total for Campus:	<u>6,160,000</u>
UC Los Angeles	Telemedicine and PRIME Facilities Phase 1	18,165,000
	Statewide Telemedicine Services Expansion	1,000,000
	Total for Campus:	<u>19,165,000</u>
UC Riverside	Materials Science and Engineering Building	4,620,000
	Total for Campus:	<u>4,620,000</u>
UC San Diego	Telemedicine and PRIME-Health Equity Education Facility	32,740,000
	Music Building	604,000
	Statewide Telemedicine Services Expansion	1,000,000
	Total for Campus:	<u>34,344,000</u>
UC San Francisco	Telemedicine and PRIME-Urban Underserved Education Facilities	31,375,000
	Statewide Telemedicine Services Expansion	1,000,000
	Total for Campus:	<u>32,375,000</u>
UC Santa Barbara	Education and Social Sciences Building	2,590,000
	Total for Campus:	<u>2,590,000</u>
UC Santa Cruz	Biomedical Sciences Facility	70,760,000
	Digital Arts Facility	1,022,000
	Total for Campus:	<u>71,782,000</u>
TOTAL:		<u>\$ 206,161,000</u>

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Campus: Davis**Estimated Project Cost**

Telemedicine Resource Center & Rural PRIME Facility	\$ 33,375,000
Telemedicine Resource Center & Rural PRIME Facility - Additional Equipment	750,000
Statewide Telemedicine Services Expansion	<u>1,000,000</u>
	\$ 35,125,000

Proposed Sources of Funding

Estimated Par Amount of State General Obligation Bonds:	\$ 35,125,000
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Proposed Interim Financing Terms

Interim Financing of State General Obligation Bond Purchase	
Interim Financing Feasibility Rate:	5.00%
Estimated General Obligation Bond Earnings:	<u>(3.50)</u>
Estimated Net Interest Cost:	1.50%
Duration: 4 years	

Estimated Annual Debt Service

Interim Financing – Estimated Net Interest Cost only	\$ 527,000
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Sources of Repayment (FY 2009-10 to FY 2012-13)¹:

Annual Estimated Hospital Available Funds (2009-10)	\$ 527,000
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1. Expected term of State Put Bond

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Campus: Irvine**Estimated Project Cost**

Biological Sciences Unit 3 - Equipment	\$ 1,868,000
Computer Science Unit 3 - Equipment	200,000
Engineering Unit 3 - Equipment	3,092,000
Statewide Telemedicine Services Expansion	<u>1,000,000</u>
	\$ 6,160,000

Proposed Sources of Funding

Estimated Par Amount of State General Obligation Bonds:	\$ 6,160,000
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Proposed Interim Financing Terms

Interim Financing of State General Obligation Bond Purchase	
Interim Financing Feasibility Rate:	5.00%
Estimated General Obligation Bond Earnings:	<u>(3.50)</u>
Estimated Net Interest Cost:	1.50%
Duration: 4 years	

Estimated Annual Debt Service

Interim Financing – Estimated Net Interest Cost only	\$ 92,400
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Sources of Repayment (FY 2009-10 to FY 2012-13)¹:

Estimated Annual Campus Share of University Opportunity and Education Funds	\$ 92,400
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1. Expected term of State Put Bond

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Campus: Los Angeles**Estimated Project Cost**

Telemedicine and PRIME Facilities Phase 1	\$18,165,000
Statewide Telemedicine Services Expansion	<u>1,000,000</u>
	\$19,165,000

Proposed Sources of Funding

Estimated Par Amount of State General Obligation Bonds:	\$19,165,000
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Proposed Interim Financing Terms

Interim Financing of State General Obligation Bond Purchase	
Interim Financing Feasibility Rate:	5.00%
Estimated General Obligation Bond Earnings:	<u>(3.50)</u>
Estimated Net Interest Cost:	1.50%
Duration: 4 years	

Estimated Annual Debt Service

Interim Financing – Estimated Net Interest Cost only	\$ 290,000
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Sources of Repayment (FY 2009-10 to FY 2012-13)¹:

Estimated Annual Campus Share of University Opportunity Fund	\$ 290,000
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1. Expected term of State Put Bond

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Campus: Riverside

Estimated Project Cost

Material Sciences and Engineering Building - Equipment	\$4,620,000
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Proposed Sources of Funding

Estimated Par Amount of State General Obligation Bonds:	\$4,620,000
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Proposed Interim Financing Terms

Interim Financing of State General Obligation Bond Purchase	
Interim Financing Feasibility Rate:	5.00%
Estimated General Obligation Bond Earnings:	<u>(3.50)</u>
Estimated Net Interest Cost:	1.50%
Duration: 4 years	

Estimated Annual Debt Service

Interim Financing – Estimated Net Interest Cost only	\$ 69,300
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Sources of Repayment (FY 2009-10 to FY 2012-13)¹:

Estimated Annual Campus Share of University Opportunity and Education Funds	\$ 69,300
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1. Expected term of State Put Bond

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Campus: San Diego**Estimated Project Cost**

Telemedicine and PRIME-HEq Education Facility	\$32,740,000
Music Building - Equipment	604,000
Statewide Telemedicine Services Expansion	<u>1,000,000</u>
	\$34,344,000

Proposed Sources of Funding

Estimated Par Amount of State General Obligation Bonds:	\$34,344,000
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Proposed Interim Financing Terms

Interim Financing of State General Obligation Bond Purchase	
Interim Financing Feasibility Rate:	5.00%
Estimated General Obligation Bond Earnings:	<u>(3.50)</u>
Estimated Net Interest Cost:	1.50%
Duration: 4 years	

Estimated Annual Debt Service

Interim Financing – Estimated Net Interest Cost only	\$ 515,000
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Sources of Repayment (FY 2009-10 to FY 2012-13)¹:

Estimated Annual Campus Share of University Opportunity and Education Fund	\$ 9,000
Clinical Enterprise Development Funds	<u>506,000</u>
	\$ 515,000

1. Expected term of State Put Bond

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Campus: San Francisco

Estimated Project Cost

Telemedicine & PRIME-Urban Underserved Education Facilities	\$31,375,000
Statewide Telemedicine Services Expansion	<u>1,000,000</u>
	\$32,375,000

Proposed Sources of Funding

Estimated Par Amount of State General Obligation Bonds:	\$32,375,000
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Proposed Interim Financing Terms

Interim Financing of State General Obligation Bond Purchase	
Interim Financing Feasibility Rate:	5.00%
Estimated General Obligation Bond Earnings:	<u>(3.50)</u>
Estimated Net Interest Cost:	1.50%
Duration: 4 years	

Estimated Annual Debt Service

Interim Financing – Estimated Net Interest Cost only	\$ 485,600
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Sources of Repayment (FY 2009-10 to FY 2012-13)¹:

Campus Available Funds	\$ 485,600
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1. Expected term of State Put Bond

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Campus: Santa Barbara

Estimated Project Cost

Education and Social Sciences Building - Equipment	\$ <u>2,590,000</u>
	\$ 2,590,000

Proposed Sources of Funding

Estimated Par Amount of State General Obligation Bonds:	\$ 2,590,000
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Proposed Interim Financing Terms

Interim Financing of State General Obligation Bond Purchase	
Interim Financing Feasibility Rate:	5.00%
Estimated General Obligation Bond Earnings:	<u>(3.50)</u>
Estimated Net Interest Cost:	1.50%
Duration: 4 years	

Estimated Annual Debt Service

Interim Financing – Estimated Net Interest Cost only	\$ 39,000
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Sources of Repayment (FY 2009-10 to FY 2012-13)¹:

Estimated Annual Campus Share of University Education Fund	\$ 39,000
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1. Expected term of State Put Bond

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Campus: Santa Cruz

Estimated Project Cost

Biomedical Sciences Facility	\$ 70,760,000 ¹
Digital Arts Facility	<u>1,022,000</u>
	\$ 71,782,000

Proposed Sources of Funding

Estimated Par Amount of State General Obligation Bonds:	\$ 71,782,000
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Proposed Interim Financing Terms

Interim Financing of State General Obligation Bond Purchase	
Interim Financing Feasibility Rate:	5.00%
Estimated General Obligation Bond Earnings:	<u>(3.50)</u>
Estimated Net Interest Cost:	1.50%
Duration: 4 years	

Estimated Annual Debt Service

Interim Financing – Estimated Net Interest Cost only	\$ 1,077,000
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Sources of Repayment (FY 2009-10 to FY 2012-13)²:

Estimated Annual Campus Share of University Opportunity Fund	\$ 1,077,000
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1. Maximum amount.

2. Expected term of State Put Bond