

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

January 21, 2010

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

Present: Regents Bernal, De La Peña, Gould, Island, Kieffer, Kozberg, Lansing, Lozano, Makarechian, Marcus, Nunn Gorman, Ruiz, Schilling, Stovitz, Varner, 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, Interim Provost Pitts, Interim Executive Vice President Brostrom, Senior Vice President Dooley, Vice Presidents Lenz and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Kang, Katehi, White, and Yang, and Recording Secretary Johns

The meeting convened at 11:45 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 November 19 and the meetings of the Committee of the Whole of November 18 and 19, 2009 were approved.

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

President Yudof presented his report concerning University activities and individuals. The previous week, Secretary of Energy Chu announced that 69 scientists nationwide, including 15 associated with UC, will receive up to \$85 million in funding for five-year research grants, as part of the Department of Energy's Early Career Research Program. This new effort is designed to bolster the nation's scientific workforce by providing support to exceptional researchers during the crucial early career years when many scientists carry out their most formative work. Sixty-two researchers affiliated with UC have been elected fellows of the American Association for the Advancement of Science (AAAS), the world's largest general scientific society. They joined over 700 UC researchers who have been named fellows of the Association in the past. Chosen by their peers, AAAS fellows are recognized for their distinguished efforts to advance science and for significant contributions in research, teaching, technology, and administration. President Yudof stressed that these are the people who keep California at the cutting edge of scientific advancement. Their work contributes significantly to the economy and society in California, the nation, and the world.

President Yudof noted with pleasure that *Forbes* magazine recently included Chancellor Desmond-Hellmann in a list of the world's seven most powerful innovators. The magazine refers to her as a hero for her role in the development of the cancer drugs Avastin and Herceptin. Congratulations were also in order for Matthew Clawson, a senior undergraduate at UCLA, who has been awarded a Marshall Scholarship by the British government, one of only 35 U.S. students selected this year for this prestigious award. The scholarship allows graduating U.S. college students to pursue advanced degrees at academic institutions in the United Kingdom. Mr. Clawson plans to pursue a master's degree in international relations at Oxford University.

President Yudof noted with sadness the passing the previous month of Regent Emeritus William A. Wilson, who was appointed to the Board by Governor Reagan and served as a Regent for 16 years. His tenure on the Board was marked by a steadfast commitment to the University's mission of teaching, research, and public service; the University is better for his loyalty and dedicated service.

Faculty Representative Simmons called attention to the second page of the printed President's Report provided with the meeting materials. A short article on the UC Commission on the Future included the statement, "Dan Simmons, vice chair of the UC Academic Senate, said many faculty oppose adding more online classes and admitting more nonresident students." Mr. Simmons indicated his belief that this was an inaccurate quote and clarified his statement. Mr. Simmons added that he believes faculty are not opposed to adding more online courses; there is extensive consideration of this possibility at this time. Regarding nonresident students, Mr. Simmons stated his belief that the University should consider that nonresident fees may provide a financial incentive to enrolling nonresident students in a way that may not be appropriate. Mr. Simmons informed the Regents that he has asked two standing committees of the Academic Senate, the University Committee on Planning and Budget and the Coordinating Committee on Graduate Affairs, to examine this issue. Mr. Simmons stated that he is not opposed to admitting more nonresident students.

[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 – JOHN GARAMENDI**

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

WHEREAS, John Garamendi, the forty-sixth Lieutenant Governor of the State of California, who in carrying on a long and proud tradition of public service, has served with dedication and loyalty for two years as an ex officio Regent of the University of California, his beloved alma mater, giving generously of himself to the benefit of the University and the people of California; and

WHEREAS, he can well and truly be termed a public-minded servant and leader, as manifested by his decades-long service to and active participation in many diverse, important roles following his graduation from the Berkeley campus, including service as

a Peace Corps volunteer; a member of both the California Assembly and the State Senate; as Deputy Secretary at the United States Department of the Interior; as California's Lieutenant Governor, which included service as Chairman of the California Commission for Economic Development; as California's first elected Insurance Commissioner; and now as a member of the U.S. House of Representatives; and

WHEREAS, as a member of the Board of Regents and as a trustee of the California State University System, he has lent a keen understanding and valued perspective of public issues to both boards' deliberations, always with a deep commitment to the welfare of the higher education community in California; and

WHEREAS, during his tenure on the Board of Regents, he participated with great enthusiasm as an active member of numerous standing committees, bringing a questioning and probing mind to the discussion at hand and contributing incisive comment on a broad range of issues, most notably preserving student access and adequate support for the University; and

WHEREAS, his service to the Board has been marked by a deep and thoughtful concern for the University and for all of higher education, by an abiding commitment to the University's welfare, and by his strong desire to maintain and enhance the quality of the education it provides those exceptional students who pass through its doors;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to John Garamendi their appreciation for his dedicated service to the University, their gratitude for the benefits of his thoughtful counsel, and their admiration for his commitment to the values of higher education, and their good wishes as he assumes his new responsibilities to the state and the nation as a distinguished member of the United States House of Representatives;

AND BE IT FURTHER RESOLVED that the Regents direct that a suitably inscribed copy of this resolution be given to John and Patti Garamendi as an expression of the Board's warm regard and lasting friendship.

4. **RESOLUTION IN APPRECIATION – JOANNE C. KOZBERG**

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

WHEREAS, the Regents of the University of California wish to pay richly deserved tribute to their good friend and colleague, Joanne Kozberg, for her 12 years of meritorious service to higher education and to the University of California as one of the most respected members to hold the position of Regent; and

WHEREAS, a proud graduate of the Berkeley campus, she has exemplified the best in public service, with an unwavering loyalty and commitment to the University and the people of California as evidenced by her many years of quiet, effective leadership in furthering the University's standing as the nation's premier public university, one that

provides students an unsurpassed academic experience in a setting that values diversity, intellectual honesty, visionary thinking, and the pursuit of a better world; and

WHEREAS, her own impeccable reputation has enhanced the integrity with which the University serves the citizens of California, including her indispensable contributions as co-chair of the Task Force on UC Compensation, Accountability and Transparency, which evaluated the University's business practices and recommended ways to strengthen the public's faith in how the University operates, thus resulting in improved policies that will govern the University for decades to come, making it a better institution, one that has the confidence and trust of the public and lawmakers; and

WHEREAS, throughout a distinguished career, she has used her business acumen and passion for civic life in the furtherance of education, music and the arts, as well as for a wide range of philanthropic efforts, including participation on the Boards of the J. Paul Getty Trust and the California Community Foundation, as Chair and Director of the California Arts Council, as Executive Director of the Coro Foundation in Southern California, as Southern California Director of the NAACP Legal Defense and Education Fund, and as Secretary of the California State and Consumer Services Agency; and

WHEREAS, she has been a pivotal figure on the Board of Regents, chairing numerous standing committees and serving on others, including the Committees on Long Range Planning, Compensation, Finance, and Governance, where her wise counsel was always informed by a sincere interest in the long-term welfare of her beloved alma mater and its students, amply evidenced by the instrumental role she played in the development of an orientation program for incoming Regents that allows new members to smoothly transition into the critical work of guiding the University; and

WHEREAS, in recognition of her devoted service as a member of the Board of Regents of the University of California and in the hope that she will continue as an active and vital participant in the life of the University, the Regents do hereby confer upon Joanne C. Kozberg the title, Regent Emerita;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Joanne C. Kozberg their sincere appreciation for her dedicated service to the University, their gratitude for her effective leadership, their sincere regret that they will not share in the pleasure of her company to the same degree in the future, and, most especially, their abiding appreciation for the many ways her work on the Board will benefit the University for years to come;

AND BE IT FUTHER RESOLVED that the Regents extend to Joanne and Roger Kozberg their affectionate good wishes for continued happiness in the years ahead, rich in the company of family and good friends, and direct that a suitably inscribed copy of this resolution be presented to them as a token of the Board's affectionate good wishes and enduring friendship.

Chairman Gould stated that all the Regents recognize Regent Kozberg's 12 years of service to the Board and her commitment to public service. He noted her philanthropy in education, music, and the arts, and recalled working with her to shape public policy when she served as California Secretary of State and Consumer Services. Her varied background includes service as Executive Director of the Coro Foundation and as Southern California Director of the NAACP Legal Defense and Education Fund. In her 12 years as a Regent, she has played an important role as an advocate for the University and its students. Chairman Gould anticipated that Regent Kozberg will be best remembered for her role as co-chair of the Task Force on UC Compensation, Accountability and Transparency. At that time, there were fundamental questions raised about the future of the University. Regent Kozberg's perseverance and credibility in leading the Task Force were instrumental in reviving the confidence of the Legislature and the public in the Board of Regents. She was also instrumental in the development of an orientation program for new Regents. Her values are reflected in that program and they will guide the University for some time.

Regent Kozberg described her 12 years of service as an astonishing opportunity and that it has been a privilege to learn about this great institution. She recalled that President Abraham Lincoln sponsored the Morrill Act, which allowed the creation of the University of California, a unique institution in the world. Other universities look to the University of California as a flagship. The University must not squander this position, but treat it very carefully. The University is recognized for producing innovative thinking and for functioning as an economic and social driver. The value of a university education to an individual, and to an informed citizenry, is well known. Regent Kozberg remarked how often individuals are identified by the institution they graduate from. She stated that the task of the Regents will become more challenging, but underscored that it is a fight worth fighting. She called attention to the many Regents Emeriti who would like to continue to offer their help to the University. She thanked President Yudof for his contributions to the University and the chancellors for educating her and the Regents so that they could do a better job. Regent Kozberg acknowledged Secretary and Chief of Staff Griffiths, noting that the Chief of Staff position is a new one. She thanked Secretary and Chief of Staff Griffiths for improving the effectiveness of the Regents with a critical and sensitive eye.

Chairman Gould next recalled events planned for March 1 in Sacramento involving UC and California State University students. He informed the Regents that they would receive information subsequently about meetings to take place in Sacramento at that time.

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

The Committee presented the following from its meeting of January 21, 2010:

**A. *Individual Compensation Actions*****(1) *Stipend Extension for Helen K. Henry and Gail A. Yokote as Acting Co-University Librarians, Davis Campus*****Background to Recommendation**

Helen K. Henry and Gail A. Yokote have been serving as Acting Co-University Librarians since January 1, 2009 because the current University Librarian, Marilyn Sharrow, had to take an unexpected leave of absence. The Davis campus has received word that Ms. Sharrow will retire on March 1, 2010. Her retirement was announced November 20, 2009. Therefore, the campus is seeking approval to extend the stipends for Ms. Henry and Ms. Yokote as Acting Co-University Librarians for an additional one-year period, or until a permanent replacement is hired.

Both Ms. Henry and Ms. Yokote have received a merit adjustment since approval of their initial acting appointments, so this request reflects their adjusted academic base salaries. The stipend request remains at ten percent of their newly adjusted base salaries.

These positions are paid 100 percent from State General Funds.

**Recommendation**

The Committee recommended approval of the following in connection with administrative stipend extensions for the following individuals at the Davis campus:

- a. As an exception to policy, extension of the appointment duration for Helen K. Henry as Acting Co-University Librarian, effective January 1, 2010, through December 31, 2010, or until the hire of a permanent University Librarian, whichever occurs first. In addition:
  - i. As an exception to policy, extension of an administrative stipend of ten percent of base salary (\$12,076) to increase her current base salary of \$120,756 to an annual salary of \$132,382.

- ii. The stipend amount will be increased as the base salary is increased, so the stipend will equal ten percent of the base salary, at a 100-percent-time appointment.
  - iii. Per policy, standard pension and health and welfare benefits.
- b. As an exception to policy, extension of the appointment duration for Gail A. Yokote as Acting Co-University Librarian, effective January 1, 2010, through December 31, 2010, or until the hire of a permanent University Librarian, whichever occurs first. In addition:
  - i. As an exception to policy, extension of an administrative stipend of ten percent of base salary (\$13,122) to increase her current base salary of \$131,220 to an annual salary of \$144,342.
  - ii. The stipend amount will be increased as the base salary is increased, so the stipend will equal ten percent of the base salary, at a 100-percent-time appointment.
  - iii. Per policy, standard pension and health and welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral 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) ***Title Change for James Davis, from Associate Vice Chancellor – Information Technology to Vice Provost – Information Technology, Los Angeles Campus***

Background to Recommendation

The Los Angeles campus is requesting a title change for James Davis from Associate Vice Chancellor – Information Technology to Vice Provost – Information Technology. There are no changes to compensation proposed in this action. Mr. Davis has enhanced the role of information technology in teaching and research by effectively engaging faculty and staff to achieve information technology goals. His leadership in the development of the University of California computing grid is well known, as well as his service on the Board of the Corporation for Education Network Initiatives in California (CENIC). In the public and national view,

Mr. Davis has represented the UCLA campus in testifying to the U.S. Congress regarding security breaches and other matters.

The title of Vice Provost clarifies both Mr. Davis' leadership status and his focus on academic issues concerning faculty, students, academic programs, and research. As Vice Provost, Mr. Davis would be empowered to continue implementing campus information technology strategy through the exercise of his authority and the allocation of information technology resources.

The position is funded through State resources and is subject to the salary reduction/furlough plan.

#### Recommendation

The Committee recommended approval of the following title change for James Davis as Vice Provost – Information Technology, Los Angeles campus:

- a. A title change from Associate Vice Chancellor – Information Technology to Vice Provost – Information Technology, Los Angeles campus. There are no proposed changes in compensation.
- b. Effective January 1, 2010.

Additional items of compensation include:

- Annual base salary of \$223,900 in SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, continued participation in the Supplemental Home Loan Program.

This position is paid 100 percent from State General Funds.

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) ***Stipend Extension for Dallas L. Rabenstein as Acting Executive Vice Chancellor and Provost, Riverside Campus***

Background to Recommendation

Dallas Rabenstein has served as Acting Executive Vice Chancellor and Provost for the Riverside campus since February 16, 2009. The campus recently launched a national search for an individual to fill the position on a permanent basis. An extension of Mr. Rabenstein's appointment and administrative stipend is requested through August 31, 2010 to provide continuity of leadership. Mr. Rabenstein is a highly respected, seasoned administrator who has served the Riverside campus well during his acting appointment.

This position is paid 100 percent from State General Funds.

Recommendation

The Committee recommended approval of the following items in connection with the stipend extension for Dallas L. Rabenstein as Acting Executive Vice Chancellor and Provost, Riverside campus:

- a. As an exception to policy, an extension of the appointment for Mr. Rabenstein as Acting Executive Vice Chancellor and Provost, Riverside campus. This change extends the acting appointment beyond the one year allowed by policy for a total duration of 18.5 months. This extension allows Mr. Rabenstein to provide continuity of leadership and serve until the search to fill the position on a permanent basis is concluded.
- b. As an exception to policy, continued administrative stipend of 19.8 percent (\$41,339) to increase Mr. Rabenstein's current adjusted faculty salary of \$208,661 to a total annual salary of \$250,000 (SLCG Grade 109: Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700). The incumbent will not be eligible for merit consideration.
- c. This appointment is at 100 percent time and will be effective February 16, 2010 through August 31, 2010, or until the appointment of a permanent Executive Vice Chancellor and Provost, whichever occurs first.

Additional items of compensation include:

- Per policy, continued eligibility for 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.

(4) ***Contract Amendment for James A. Wooldridge as Head Coach – Men's Basketball, Riverside Campus***

Background to Recommendation

The proposed contract amendment for James A. Wooldridge as Head Coach – Men's Basketball, Riverside campus provides opportunity to earn up to \$10,000 in camp or clinic income. Pending approval by the Regents of these compensation terms, Mr. Wooldridge's contract amendment will be effective January 21, 2010 and terminate on June 30, 2014, unless terminated earlier pursuant to the terms of the Employment Contract or unless the parties agree in writing to the terms of a successor contract or a contract extension prior to that date.

This position is paid 100 percent from State General Funds. The proposed potential total cash compensation is \$358,000 per annum. This reflects a 2.8 percent increase from the current contract.

The contract amendment is deemed necessary to complete negotiations of a long-term commitment with Mr. Wooldridge and retain him in his current position on the Riverside campus.

Regental approval is required for this contract amendment because it is outside the Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide.

Recommendation

The Committee recommended that the following terms and conditions be reflected in the contract amendment for James A. Wooldridge as Head Coach – Men's Basketball, Riverside campus:

Camp Compensation: in Section 5 of the Contract Addendum, an additional employment clause will be added to the terms of the contract agreement as outlined below:

Coach shall be eligible to conduct camps and clinics at the University, with scheduling as mutually agreed to by Coach and Director of Athletics. Coach, at his option, may be paid up to 50 percent of the net profit from any camp or clinic conducted up to \$10,000 per annum. The net profit shall be calculated by subtracting all approved expenses from all revenue. Should Coach opt not to be paid 50 percent of the net profit from any camp or clinic conducted, any balance may be allocated by the Director of Athletics, after consultation with Coach, in accordance with University policies and procedures. The financial operations of the camp or clinic shall be conducted through the Department of Athletics Business Office and conform to all University and NCAA policies, rules and regulations.

Additional items of compensation include:

- Per contract and per policy, eligible for standard health and welfare benefits.

The compensation set forth in the Contract Addendum described above and in the underlying contract with Mr. Wooldridge, except as expressly modified by the Contract Addendum, shall constitute the University's total commitment until modified by the Regents and shall supersede all other 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) ***Merit Increases for Certain Senior Management Group Members at the Lawrence Berkeley National Laboratory***

Background to Recommendation

On August 13, 2009, the Lawrence Berkeley National Laboratory received approval from the Department of Energy for a salary budget allocation of 3.5 percent for fiscal year 2009-10. The allocation includes 2.5 percent for merit increases and one percent for reclassifications, promotions, and equity adjustments throughout the year.

The Laboratory, in attempting to balance the need to remain competitive with the need to control costs, has used only 2.76 percent of the allocated budget. Merit increases across the Laboratory totaled 2.45 percent of payroll and only 0.31 percent was used for equity, promotions, and

reclassifications. None of these actions were at the Senior Management Group level.

### Recommendation

The Committee recommended that merit increases for Senior Management Group (SMG) members at the Lawrence Berkeley National Laboratory, as proposed by the Laboratory Director, and as presented below, be approved.

In accordance with the approval authority guidelines approved by the Regents at their September 2008 meeting, and with the SMG Salary and Appointment Policy, also approved by the Regents at their September 2008 meeting, compensation for SMG employees at the Laboratory is presented for Regental approval. Additional merit increases under the authority of the President and Laboratory Director will be presented in the March 2010 Bi-monthly Transaction Monitoring Report.

All merit increases at the Laboratory will be paid for by funds provided by the Department of Energy's 3.5 percent salary budget allocated for fiscal year 2009-10, including 2.5 percent for merit increases. The average increase for the SMG population listed below is 2.38 percent. The effective date of these increases is October 1, 2009.

NAME	JOB TITLE	PREVIOUS BASE SALARY	PERCENT INCREASE	NEW BASE SALARY
Fernandez, Jeffrey A.	Management IV – Chief Financial Officer	\$259,980	2.5 %	\$266,480
Gray, Joe W.	Assoc Laboratory Director – Life & Environmental Sciences	\$313,488	2.5 %	\$321,325
Krupnick, James T.	Assoc Laboratory Director – Chief Operating Officer	\$300,744	2.38 %	\$307,910
Siegrist, James L.	Assoc Laboratory Director – General Sciences	\$278,016	2.0 %	\$283,576
Simon, Horst D.	Assoc Laboratory Director – Computational Research	\$293,556	2.5 %	\$300,895

(6) ***Appointment of and Compensation for Terry A. Belmont as Chief Executive Officer – Medical Center, Irvine Campus***

Background to Recommendation

The Irvine campus is requesting approval for the appointment of and compensation for Terry A. Belmont as Chief Executive Officer (CEO) for the UC Irvine Medical Center, effective January 1, 2010. This request is in response to the immediate need to permanently fill the CEO position in order to establish leadership in the medical center. Mr. Belmont was engaged by UCI when the previous incumbent retired; his contract with UCI expires in March 2010.

This position will be funded by medical center operating revenue. The proposed base salary of \$630,000 represents a 4.6 percent reduction to Mr. Belmont's current base salary of \$659,000 and is 5.2 percent below the current market median of \$663,000. 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 below the grade midpoint by 7.8 percent and below the average base salary for other UC medical center CEOs by 5.7 percent. Mr. Belmont will be eligible to participate in the Clinical Enterprise Management Recognition Plan at the same level as all other UC medical center CEOs. Additionally, the proposed salary will be reduced by ten percent to \$567,000 during participation in the salary reduction/furlough plan.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Terry A. Belmont as Chief Executive Officer, UC Irvine Medical Center, Irvine campus:

- a. Appointment of Terry A. Belmont as Chief Executive Officer, UC Irvine Medical Center.
- b. Per policy, appointment salary of \$630,000 (SLCG Grade 117: Minimum \$522,300, Midpoint \$679,000, Maximum \$835,800).
- c. Per policy, eligibility for additional non-base building incentive pay as an eligible participant of the Clinical Enterprise Management Recognition Plan with a target of 20 percent and a maximum of up to 30 percent of annual base salary to be awarded based on meeting performance objectives.

- d. This appointment is at 100 percent time and is effective January 1, 2010.

**Recommended Compensation****Effective Date:** January 1, 2010**Base Salary:** \$630,000**Clinical Incentive Plan:** \$126,000 (at target)**Grade Level:** Grade 117:

Min \$522,300 Mid \$679,000 Max \$835,800

**Median Market Data:** \$663,000 (base salary for CEO position)**Funding Source:** medical center operating revenue**Percentage Difference from Market:** -5.2%**Budget &/or Prior Incumbent Data****Title:** Chief Executive Officer**Base Salary:** \$650,000**Clinical Incentive Plan:** \$130,000 (at target)**Funding Source:** medical center operating revenue

Additional items of compensation include:

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

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.

**Submitted by:** UCI Chancellor Drake**Reviewed by:** President Yudof**Compensation Committee Chair Varner  
Office of the President, Human Resources**

(7) *Compensation for James M. Shultz as Executive Director and Chief Operating Officer – Physician Support Services, Health System, Los Angeles Campus*

Background to Recommendation

James M. Shultz assumed significant additional responsibilities, in addition to his current portfolio as Executive Director and Chief Operating Officer – Physician Support Services, when the Faculty Practice Group (FPG) President left UCLA effective September 2, 2009 for an appointment at another academic medical institution, outside UC. These additional responsibilities are related to information technology investment requirements and financing alternatives. In addition, Mr. Shultz will be the primary executive leader for a large revenue cycle project to be transferred from consultants. As a result of these additional duties, the UCLA Health System is requesting additional compensation of 15 percent (\$35,730) for Mr. Shultz effective September 1, 2009 until June 30, 2010, or upon the appointment of a new Faculty Practice Group President if that occurs sooner.

The proposed annual salary for this term is \$273,930 and is well below the market median of \$415,853 for the President position. Market data are taken from the 2009 survey conducted by Medical Group Management Association. The proposed compensation is funded 100 percent by medical center operating revenue. No State General Funds are used for this position. This position is subject to the University's salary reduction/furlough plan.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for James M. Shultz as Executive Director and Chief Operating Officer – Physician Support Services, Health System, Los Angeles campus:

- a. An annual salary of \$273,930, reflecting the assignment of additional temporary responsibilities for the term effective September 1, 2009 through June 30, 2010 or until a new Faculty Practice Group President is hired, whichever occurs first.

Recommended Compensation

**Effective Date:** September 1, 2009

**Base Salary:** \$273,930

**Clinical Incentive Plan:** \$35,730 (at target, applied to former base salary only)

**Grade Level:** Grade 108: Min \$192,300 Mid \$244,900 Max \$297,400

**Median Market Data:** \$415,853 (base only for President position; \$259,200 for Exec Dir/COO)

**Funding Source:** Medical center operating revenue

**Percentage Difference from Market:** -34.1% for the President role; 5.7% for the Exec Dir/COO role

**Budget &/or Prior Incumbent Data**

**Title:** Faculty Practice Group President

**Base Salary:** \$525,000

**Clinical Incentive Plan:** \$78,750 (at target)

**Funding Source:** Medical center operating revenue

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) with a target of 15 percent and a maximum potential payout of up to 25 percent of base salary.
- 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.

**Submitted by:** UCLA Chancellor Block

**Reviewed by:** President Yudof

**Compensation Committee Chair Varner**

**Office of the President, Human Resources**

- (8) *Appointment of and Compensation for A. Eugene Washington, M.D. as Vice Chancellor – Health Sciences and Dean of the David Geffen School of Medicine, Los Angeles Campus*

**Background to Recommendation**

Approval is requested for the appointment of and compensation for A. Eugene Washington, M.D., M.Sc., as Vice Chancellor – Health Sciences and Dean – David Geffen School of Medicine, Los Angeles campus, effective February 1, 2010. The UCLA campus has concluded a

national search and Dr. Washington has been selected as the top candidate for this position. Dr. Washington emerged as the leading candidate because of his extensive experience in the academic medical enterprise setting, and his national leadership in areas such as assessing medical technologies, developing clinical practice guidelines and establishing disease prevention policies, particularly for women's health. He is an internationally renowned clinical investigator and health policy analyst who has been actively engaged in the training of medical students, residents, fellows, and junior faculty at the University of California, San Francisco. Dr. Washington was elected to the Institute of Medicine of the prestigious National Academy of Sciences in 1997. He has received numerous other national and international honors and forms of recognition.

The proposed annual base salary is \$515,000 and is 3.12 percent above the market median of \$499,400. Market data were provided by Mercer Human Resource Consulting using the 2008/2009 College and University Professional Association (CUPA) Administrative Compensation Survey for UC's Full Comparison Group. The proposed base salary is funded 100 percent by UC general funds provided by the State. Health Sciences Compensation Plan funds are derived from medical enterprise revenue. This position is subject to the University's salary reduction/furlough plan.

#### Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Dr. A. Eugene Washington as Vice Chancellor – Health Sciences and Dean – David Geffen School of Medicine, Los Angeles campus:

- a. Appointment of A. Eugene Washington as Vice Chancellor – Health Sciences and Dean – David Geffen School of Medicine, Los Angeles campus, at 100 percent time, effective February 1, 2010.
- b. An appointment salary of \$515,000 and Health Sciences compensation (under the Health Sciences Compensation Plan) of \$185,000, for total annual cash compensation of \$700,000.

#### Recommended Compensation

**Effective Date:** February 1, 2010

**Base Salary:** \$515,000

**Health Sciences Compensation:** \$185,000

**Grade Level:** Grade 114: Min \$372,900 Midpt \$483,400 Max \$593,800

**Median Market Data:** \$499,400 (base only)

**Funding Source:** UC General Funds for base salary and medical enterprise revenue for HSCP

**Percentage Difference from Market:** 3.12%

**Budget &/or Prior Incumbent Data**

**Base Salary:** \$530,000

**Health Sciences Compensation:** \$207,000

**Grade Level:** Grade 114

**Funding Source:** Combination of UC General Funds and medical enterprise revenue

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, reimbursement of costs associated with two trips to secure housing in the Los Angeles area up to a total of \$2,500 for coach airfare, meals and lodging for the candidate and his spouse.
- Per policy, a 25 percent relocation allowance of \$128,750, to be paid in annual installments over three years: 50 percent (\$64,375) in year one, 30 percent (\$38,625) in year two, and 20 percent (\$25,750) in year three. The relocation allowance is subject to repayment on a pro-rated basis, should the appointee leave the University prior to the completion of three consecutive years of service.
- Per policy, reimbursement of temporary housing expenses for up to three months at \$4,000 per month, not to exceed \$12,000 total.
- Per policy, reimbursement of 100 percent of reasonable and allowable expenses associated with moving.
- Per policy, eligibility to participate in the Mortgage Origination Program for a loan of up to \$1.33 million.

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.

**Submitted by:** UCLA Chancellor Block  
**Reviewed by:** President Yudof

**Compensation Committee Chair Varner  
Office of the President, Human Resources**

(9) ***Appointment of and Compensation for Sally J. Marshall as Acting Executive Vice Chancellor and Provost, San Francisco Campus***

Background to Recommendation

Approval is requested for the appointment of and compensation for Sally J. Marshall as Acting Executive Vice Chancellor and Provost (EVCP) at the San Francisco campus. Dr. A. Eugene Washington, current EVCP, has accepted the position of Vice Chancellor for Health Sciences and Dean of the David Geffen School of Medicine at UCLA effective February 1, 2010, pending approval by the Regents. While the search is being conducted for a permanent appointment, primary EVCP responsibilities will be reassigned to Ms. Marshall, UCSF Vice Provost – Academic Affairs, to ensure the operational continuity of the University’s research and education missions. In recognition of the complexity and criticality of the additional duties assigned, a 20 percent increase in appointment salary is requested to bring base salary from \$244,900 to \$293,880, effective January 1, 2010, through December 31, 2010, or until the effective date of the appointment of a permanent EVCP, whichever occurs first, and including up to a three-month transition period.

The increase in salary will be funded from State funds and is approximately 23.7 percent less than the previous incumbent’s base salary as well as the midpoint of SLCG Grade 112. The proposed base salary of \$293,880 is also well below the market median of \$355,620, as taken from the College and University Professional Association (CUPA) – Administrative Compensation Survey (Full Comparison Group).

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Sally J. Marshall as Acting Executive Vice Chancellor and Provost, San Francisco campus:

- a. Appointment of Sally J. Marshall as Acting Executive Vice Chancellor and Provost, San Francisco campus.
- b. Per policy, appointment salary of \$293,880. This represents a temporary 20 percent increase in Ms. Marshall’s current salary of \$244,900. Continued classification at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). Slotting for Acting EVCP is SLCG Grade 112 (Minimum \$298,900, Midpoint

\$385,300, Maximum \$471,500).

- c. Per policy, continued participation in the Health Sciences Compensation Plan (HSCP) at an annual rate of \$16,300.
- d. This appointment is at 100 percent time and effective January 1, 2010, through December 31, 2010, or until the effective date of the appointment of a permanent EVCP, whichever occurs first, and including up to a three-month transition period.

**Recommended Compensation**

**Effective Date:** January 1, 2010

**Base Salary:** \$293,880

**Health Sciences Compensation Plan:** \$16,300

**Grade Level:** Grade 112: Minimum \$298,900, Midpoint \$385,300, Maximum \$471,500

**Median Market Data:** \$355,620

**Funding Source:** State Funds

**Percentage Difference from Market:** -17.4%

**Budget &/or Prior Incumbent Data**

**Title:** Executive Vice Chancellor and Provost

**Base Salary:** \$385,300

**Health Sciences Compensation Plan:** \$52,300

**Funding Source:** State Funds

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.

<b>Submitted by:</b>	<b>UCSF Chancellor Desmond-Hellmann</b>
<b>Reviewed by:</b>	<b>President Yudof</b>
	<b>Compensation Committee Chair Varner</b>
	<b>Office of the President, Human Resources</b>

(10) *Appointment of and Compensation for John E. Plotts as Senior Vice Chancellor – Finance and Administration, San Francisco Campus*

Background to Recommendation

Approval is requested for the appointment of John E. Plotts as Senior Vice Chancellor – Finance and Administration (SVC-F&A) at the San Francisco campus. UC San Francisco has concluded a national search for the SVC-F&A and Mr. Plotts has been selected as the top candidate. The SVC-F&A position will report directly to the Chancellor. Based on the scope of duties, the criticality of the Senior Vice Chancellor function, and current market competition, slotting will continue at SLCG Grade 111.

Mr. Plotts is currently the Assistant Vice President of Financial Management at the UC Office of the President. The proposed base salary of \$350,000 for the SVC-F&A position reflects the extremely competitive market for this level of talent in higher education. It is 1.7 percent above the SLCG Grade 111 range midpoint and below the previous incumbent's base salary of \$360,800 by approximately three percent. College and University Professional Association (CUPA) Administrative Compensation Survey data for public and private higher education institutions show a median base salary of approximately \$300,000. This position will be funded by State General Funds.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for John E. Plotts as Senior Vice Chancellor – Finance and Administration, San Francisco campus:

- a. Appointment of John E. Plotts as Senior Vice Chancellor – Finance and Administration, San Francisco campus.
- b. Per policy, an appointment salary of \$350,000 (SLCG Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100). This position is subject to the salary reduction/furlough plan with a ten percent salary reduction.
- c. Per policy, eligibility to participate in the Financial and Administrative Services Incentive Plan (FAS) with a maximum potential payout of up to ten percent of base salary (\$35,000). The FAS Incentive Plan is suspended for fiscal year 2009-2010 pending further budgetary considerations.

- d. This appointment is at 100 percent time and will be effective subsequent to approval by the Regents at a date determined upon suitable transition notice to Mr. Plotts' current supervisor.

**Recommended Compensation**

**Effective Date:** Upon approval of Regents

**Base Salary:** \$350,000

**FAS (10%):** \$35,000

**Grade Level:** Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100

**Median Market Data:** \$300,000 (base only)

**Funding Source:** State Funds

**Percentage Difference from Market:** 16.7%

**Budget &/or Prior Incumbent Data**

**Base Salary:** \$360,800

**FAS (10%):** \$36,080

**Grade Level:** Grade 111

**Funding Source:** State Funds

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.

**Submitted by:** UCSF Chancellor Desmond-Hellmann  
**Reviewed by:** President Yudof  
Compensation Committee Chair Varner  
Office of the President, Human Resources

B. *Approval of Compensation for Senior Management Group Participants of the Clinical Enterprise Management Recognition Plan for Fiscal Year 2008-09*

**Background to Recommendation**

It is common practice, prior to the beginning of each fiscal year, for the five UC medical centers to establish a series of financial and non-financial measures

consistent with the mission and goals of each clinical enterprise and those of the system. The measures fall into the following categories and are commonly used among medical enterprises as a way of driving performance improvements:

- Quality Improvements
- Financial Performance
- Patient Satisfaction
- People and Other Resource Management
- Key Achievements Against the Strategic Plan

The systemwide goals established for fiscal year 2008-09 included (1) achievement of financial savings through joint purchasing, (2) increase in net revenue, and (3) a patient safety metric of a reduction in the catheter associated blood system infections. The medical centers were successful in all of these areas. The aggregate net revenue systemwide was double the projected amount, and the patient safety metric was improved by 50 percent.

The Clinical Enterprise Management Recognition Plan (CEMRP) is an incentive plan that provides financial awards based on meeting or exceeding targets for quality of care, financial performance and other goals such as patient satisfaction for the health sciences and services system. The plan drives alignment of the five UC medical centers on the achievement of institutional, organizational and individual goals. Eligible participants are defined as the senior leadership of the clinical enterprise who have significant strategic impact and a broad span of control with the ability to affect enterprise-wide change and performance. Additional, parallel incentive programs that are aligned with this plan provide incentive opportunities to all levels of employees at the medical centers, including more than 22,000 represented and other staff – nurses, patient care technicians, service and other staff members – ensuring alignment of effort and performance throughout the enterprise. Incentive awards under all plans totaled \$33,705,034 for fiscal year 2008-09. This includes the awards recommended in this action, which total \$3,118,519, only 9.25 percent of the overall cost for all incentive plans at the medical centers.

The incentive payouts recommended for the 38 Senior Management Group (SMG) employees represented in the chart below will bring their total cash compensation to a market competitive level. It is common practice among UC's competitors to provide incentive opportunities to hospital employees. It is important to note that CEMRP puts a larger portion of pay at risk compared to the comparator institutions. As an example, a recent review of market data shows that the median total cash compensation for chief executive officers in the market leads the average base salaries of UC chief executive officers by 26.3 percent. However, after factoring in the incentive pay recommended below, the market median for total compensation for CEOs leads the UC average by just 1.8 percent. This pay-at-risk incentive concept allows the University to pay out awards only if

goals are attained, thereby rewarding for performance and improvements that benefit the system and the patients.

This incentive plan is funded exclusively through clinical revenue and no State funds are used in the payment of these awards.

### Recommendation

The Committee recommended that awards under the Clinical Enterprise Management Recognition Plan (Plan), as proposed by the medical centers for 38 eligible Senior Management Group (SMG) participants and totaling \$3,118,519, be approved.

In accordance with the approval authority guidelines approved by the Regents at their September 2008 meeting, and with the SMG Salary and Appointment Policy, also approved by the Regents at their September 2008 meeting, SMG Plan participants are presented for Regental approval. Additional CEMRP payouts under the authority of the chancellors will be presented in the Bi-monthly Transaction Monitoring Report.

Last Name	First Name	Title	Base Salary (as of 6/30/09)	Award as % of Base	Award Amount	Total Base + Award
<b><i>Irvine Campus</i></b>						
Zehntner	Maureen	CEO & AVC Health Affairs	\$ 555,000	15.00%	\$83,250	\$638,250
King	Ron	Chief Financial Officer	\$ 431,500	19.00%	\$83,903	\$515,403
Reiser	Lisa	Chief Patient Care Services Officer	\$ 243,000	18.00%	\$44,550	\$287,550
Rayburn	Susan	Executive Director, Contracting Svcs	\$ 212,700	19.00%	\$41,358	\$254,058
Spiritus	Eugene	Chief Medical Officer	\$ 310,000	15.00%	\$46,500	\$356,500
<b><i>Davis Campus</i></b>						
Madden Rice	Ann	Director/CEO	\$ 584,300	28.75%	\$ 167,986	\$752,286
McGowan	Bill	Chief Financial Officer	\$ 419,700	25.00%	\$ 104,925	\$524,625
Johnson	Vincent	COO	\$ 450,000	22.00%	\$ 99,000	\$549,000
Siefkin	Allan	Executive Dir., Clinical Affairs	\$ 342,000	25.00%	\$ 85,500	\$427,500
Minear	Michael	Chief Information Services Officer	\$ 310,000	23.13%	\$ 71,688	\$381,688
Duruissseau	Shelton	Chief Pt. & Admin. Services Officer	\$ 278,320	22.50%	\$ 62,622	\$340,942
Robinson	Carol	Chief Pt. Care Services Officer	\$ 273,300	20.32%	\$ 55,548	\$328,848
<b><i>Los Angeles Campus</i></b>						
Feinberg	David	CEO UCLA Medical Center	\$ 739,695	29.57%	\$ 218,728	\$958,423
Rubin	Amir	COO, UCLA Medical Center	\$ 547,599	24.78%	\$ 135,695	\$683,294

Rosenthal	J. Thomas	CMO, UCLA Medical Center	\$ 431,506	23.78%	\$ 102,612	\$534,118
Staton	Paul	CFO, Hospital System	\$ 380,016	24.78%	\$ 94,168	\$474,184
Crooks	Heidi	Senior Associate Director, Patient Care Services	\$ 266,805	22.78%	\$ 60,778	\$327,583
Shultz	James	COO, Practice Plan	\$ 238,199	24.78%	\$ 59,026	\$297,225
Carpenter	Posie	CAO, SMUCLA Medical Center	\$ 266,805	21.78%	\$ 58,110	\$324,915
Rothman	Judith	Associate V Chanc, Med Sciences/Sr Associate Fin & Admin	\$ 244,300	23.78%	\$ 58,095	\$302,395

***San Diego Campus***

Liekweg	Richard	CEO	\$ 660,500	20.62%	\$ 136,174	\$796,674
Jackiewicz	Thomas	Associate Vice Chancellor	\$ 490,000	23.12%	\$ 113,267	\$603,267
Mcafee	Thomas	Dean of Clinical Affairs	\$ 447,200	23.12%	\$ 103,374	\$550,574
Sonnenshein	Mona	COO	\$ 514,700	19.76%	\$ 101,711	\$616,411
Scioscia	Angela	Medical Director - Med Center	\$ 375,800	18.93%	\$ 71,132	\$446,932
Babakanian	Edward	Chief Information Officer	\$ 284,200	19.76%	\$ 56,161	\$340,361
Hogan	Robert	CFO-Retired but Remains Eligible	\$ 258,500	18.93%	\$ 48,929	\$307,429
Baggett	Margarita	CNO	\$ 252,000	18.93%	\$ 47,699	\$299,699
Giddings	Leland	Medical Director - Mgd Care	\$ 233,200	19.76%	\$ 46,083	\$279,283
Moran	Dennis	Chief Professional Services	\$ 212,700	14.16%	\$ 30,120	\$242,820

***San Francisco Campus***

Laret	Mark	Chief Executive Officer	\$ 739,700	24.50%	\$181,227	\$920,927
Jones	Ken	Chief Financial Officer (Interim COO)	\$ 470,200	18.96%	\$89,162	\$559,362
Lotenero	Larry	Chief Information Officer	\$ 310,800	21.25%	\$66,045	\$376,845
Harris	John	Chief Strategy and Business Development Officer	\$ 298,800	21.15%	\$63,196	\$361,996
Moore	Susan	Director, Finance (Interim CFO)	\$ 234,500	22.71%	\$53,261	\$287,761
Antrum	Sheila	Chief Nursing/Patient Care Svcs Officer	\$ 250,000	19.86%	\$49,656	\$299,656

***Office of the President***

Stobo	John	Senior Vice President - Health Sciences	\$ 580,000	15.00%	\$87,000	\$667,000
Munoz	Santiago	Associate Vice President – Clinical Services Development	\$ 201,400	20.00%	\$40,280	\$241,680

The compensation described above shall constitute the University's total commitment regarding incentive compensation 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. *Approval of Appointment of and Compensation for Nathan E. Brostrom as Executive Vice President – Business Operations, Office of the President*

Background to Recommendation

Nathan E. Brostrom has been the interim Executive Vice President – Business Operations while maintaining his responsibilities as Vice Chancellor, Administration at UC Berkeley. No salary increase was given when he assumed these additional responsibilities in September 2009. During this time, Mr. Brostrom has overseen the successful completion of a number of organizational and budgetary initiatives at the Office of the President and across the UC system.

The President launched a national search in September last year, attracting highly qualified candidates from higher education, private enterprise, and the government/public sector. The search has concluded and Mr. Brostrom has been selected as the successful candidate.

Mr. Brostrom's unique experiences in the public and private sectors caused him to emerge as the clear choice for this position. He was extremely effective as Vice Chancellor, Administration for the Berkeley campus; his appointment began in March 2006. In this capacity he was responsible for the campus budget, finances and related processes, as well as human resources, procurement, campus safety, transportation, environment, recreation, counseling and health, and other business services. He had significant accomplishments in all these areas.

Before joining UC, Mr. Brostrom was the Manager, Western Region Public Finance Group for J.P. Morgan Securities in San Francisco, a position he held for nearly three of his ten years with the firm. Prior to this, Mr. Brostrom held increasingly responsible roles with Merrill Lynch Capital Partners, J.P. Morgan, the California State Treasurer's Office, and Quarterdeck Investment Partners. Mr. Brostrom has his B.A. from Stanford and M.S. from Princeton University. In his capacity as the head of the Western Region Public Finance Group for J.P. Morgan, Mr. Brostrom oversaw the largest municipal deal in U.S. history at that time, an \$11.3 billion bond sale for the State of California. He also worked for then California State Treasurer Kathleen Brown, managing financings and helping to develop economic development programs in underserved areas of California.

Market data provided by Hewitt Associates include data from the College and University Professional Association (CUPA) Administrative Compensation Survey. These data show a median base salary of \$433,630. Mr. Brostrom's proposed compensation of \$375,000 will be 13.5 percent below the market median and 9.9 percent below the salary of the previous incumbent. In addition, market data reflect additional incentive pay ranging from 10 to 20 percent of base

salary at other educational institutions; there is no incentive pay for this appointment.

This position is also subject to the systemwide salary reduction/furlough plan, which will result in Mr. Brostrom's effective salary being \$337,500 while the furlough plan is in effect. This position is funded 100 percent by UC general funds.

#### Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Nathan E. Brostrom as Executive Vice President – Business Operations, Office of the President:

- (1) Appointment of Nathan E. Brostrom as Executive Vice President – Business Operations, Office of the President.
- (2) An appointment salary of \$375,000 (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100).
- (3) This appointment is at 100 percent time and will be effective February 1, 2010.

Additional items of compensation include:

- Per policy, continuation of standard pension and health and welfare benefits.
- Per policy, continuation of the Senior Management benefits including a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, an annual automobile allowance of \$8,916.

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. *Approval of Proposed Outside Professional Activities Policy for Senior Management Group Members***

The Committee recommended:

- (1) Approval of the proposed Policy on Senior Management Group Outside Professional Activities and the format of the annual report to be submitted to the Regents on compensated outside professional activities (OPA), effective January 1, 2010, as shown in Attachment 1.

- (2) Rescission of the Policy on Outside Professional Activities of the President, Principal Officers of the Regents, and Officers of the Regents, effective January 1, 2010, as shown in Attachment 2.
- (3) Rescission of the Interim Policy on Outside Professional Activities for University Officers and Designated Staff, effective January 1, 2010, as shown in Attachment 3.

Upon motion of Regent Varner, duly seconded, the recommendations of the Committee on Compensation were approved, with Regent Zettel abstaining on item 5.B above.

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

The Committee presented the following from its meeting of January 21, 2010:

A. ***Amendment of Bylaw 12.6 and Standing Order 100.4 and Regents Policies to Conform to Current University Relationship with the Department of Energy National Laboratories***

The Committee recommended that, following service of appropriate notice:

- (1) Bylaw 12.6 and Standing Order 100.4 be amended, as shown in Attachment 4.
- (2) The Policy on University of California Legal Services, the Policy on Appointment of the President of the University, the Principles for Review of Executive Compensation, the Senior Leadership Compensation Policy, the Policy on Extended Administrative Leaves with Pay, and the Policy on Payroll Deductions for Charitable Contributions and Development Programs be amended, as shown in Attachment 5.

This item itself constitutes the notice of proposed amendments that is required pursuant to Bylaw 30.1 and Standing Order 130.1. Final action to approve these amendments will be recommended at the March 2010 meeting.

B. ***Dates of Regents Meetings for 2011***

The Committee recommended that the following dates of Regents meetings for 2011 be approved:

2011  
January 18-20  
March 15-17  
May 17-19  
July 12-14

Sept 13-15  
Nov 15-17

C. ***Revisions to the Schedule of Reports to The Regents***

The Committee recommended that the Schedule of Reports be amended, as shown in Attachment 6.

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

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

The Committee presented the following from its meeting of January 19, 2010:

A. ***Amendment of Standing Order 100.4 and Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act***

The Committee recommended that, following service of appropriate notice, Standing Order 100.4(q)(2); Standing Order 100.4(nn)(2); and the Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act be amended, as shown in Attachment 7. This item constitutes the notice of proposed amendments that is required pursuant to Standing Order 130.1. Final action to approve these amendments will be recommended at the next regularly scheduled meeting of the Regents.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Mission Bay Infrastructure in Support of Blocks 19A, 15, 16 and 18, San Francisco Campus***

The Committee recommended that:

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

San Francisco: Mission Bay Infrastructure in Support of Blocks 19A, 15, 16, and 18 – preliminary plans, working drawings and construction – \$37,000,000, to be funded from external financing.

- (2) The President be authorized to obtain external financing not to exceed \$37,000,000 to finance the *Mission Bay Infrastructure in Support of Blocks 19A, 15, 16, and 18* 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. As long as the debt is outstanding, the San Francisco campus' share of the Federal Indirect Cost Recovery deposited to Fund 19933, shall be maintained in amounts sufficient to pay debt service and to meet the related requirements of the authorized financing.

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

(3) The President be authorized to execute all documents necessary in connection with the above.

C. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Amendment of External Financing, Health Sciences Biomedical Research Facility 2, San Diego Campus*

The Committee recommended that:

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

From: San Diego: Health Sciences Biomedical Research Facility 2 – preliminary plans, working drawings, construction, and equipment – \$150,890,000, to be funded from external financing (\$146,890,000) and campus funds (\$4,000,000).

To: San Diego: Health Sciences Biomedical Research Facility 2 – preliminary plans, working drawings, construction, and equipment – \$179,580,000, to be funded from external financing (\$175,080,000) and campus funds (\$4,500,000).

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

(2) A change of scope to the Health Sciences Biomedical Research Facility 2 project as follows: an addition of 40,775 gross square feet of laboratory and research space to the previously approved scope of 155,200 gross square feet for a total of 195,975 gross square feet.

~~(2)~~ (3) The President be authorized to obtain external financing not to exceed ~~\$146,890,000~~ \$175,080,000 to finance the *Health Sciences Biomedical Research Facility 2* project. 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 San Diego campus' share of the University Opportunity and Education Funds shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

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

~~(3)~~ (4) The President be authorized to execute all documents necessary in connection with the above.

**D. *Adoption of Findings and Approval of Design, Helios Energy Research Facility, Berkeley Campus***

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

- (1) Adoption of the Findings.
- (2) Approval of the design of the Helios Energy Research Facility and Former California State Department of Health Services (DHS) Demolition and Site Clearance, Berkeley campus.

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

**E. *Adoption of Mitigated Negative Declaration and Approval of Design, Weyburn Terrace Graduate Student Housing, Los Angeles 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 Findings and Mitigation Monitoring and Reporting Program.
- (3) Approval of the design of the Weyburn Terrace Graduate Student Housing Project, Los Angeles 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.]

F. ***Acceptance of 2009-19 Capital Financial Plan and Physical Design Framework and Authorization to Participate in the Pilot Phase of the Redesigned Process for Capital Improvement Projects, Irvine Campus***

The Committee recommended that the Regents:

- (1) Accept the *UC Irvine 2009-19 Capital Financial Plan* and the *Physical Design Framework*.
- (2) Authorize the Irvine campus to participate in the Pilot Phase of the Redesigned Process for Capital Improvement Projects.

G. ***Adoption of Findings and Approval of Design, California Memorial Stadium Seismic Corrections and West Program Improvements, Berkeley Campus***

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

- (1) Adoption of the Findings.
- (2) Approval of the design of the California Memorial Stadium Seismic Corrections and West Program Improvements, Berkeley campus.

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

H. ***Approval of Phase 1 of the Utility Line Remediation Project Related to the Mission Bay Diller Building, Rock Hall and Neurosciences Building (19A), San Francisco Campus***

The Committee recommended that:

The San Francisco campus' 2009-10 Budget for Capital Improvements and Capital Improvement Program be amended to include the following project:

San Francisco: Phase 1 of the Utility Line Remediation project – working drawings and construction – \$11,700,000, to be funded from campus funds.

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

8. **REPORT OF THE COMMITTEES ON FINANCE AND EDUCATIONAL POLICY**

The Committees presented the following from their meeting of January 20, 2010:

***Progress Report on the Development of Revisions to the Policy Governing the Registration Fee and Amendment of Revisions Submission Date***

The Committee on Finance recommended that the University of California submit a new Registration Fee policy for approval by the Board by May 2010.

Upon motion of Regent Lozano, duly seconded, the recommendation of the Committee on Finance 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, the Chair of the Committee on Compensation, the Chair of the Committee on Finance, and the President of the University approved the following recommendation:

***Approval for Participation in the Mortgage Origination Program for Peter Rossi, Recruit for Professor in the Anderson Graduate School of Management, Los Angeles Campus***

Authorization of a Mortgage Origination Program (MOP) loan in the amount of up to \$2,000,000 to support the recruitment of Peter Rossi to the Anderson Graduate School of Management at the Los Angeles campus. This loan requires additional approval based upon its dollar amount.

The loan will have the following terms:

- (1) The loan amount may be up to \$2,000,000. If the final loan amount actually used by the applicant is greater than \$1,330,000, the maximum loan-to-value ratio for the MOP loan will be capped at 75 percent.
  - (2) In compliance with policy, the loan may be a Graduated Payment MOP product (GP-MOP) with standard rate reduction terms.
- B. The Chair of the Committee on Compensation and the President of the University approved the following recommendations:

(1) ***Appointment and Total Compensation for Tyrus H. Miller as Vice Provost and Dean – Graduate Studies, Santa Cruz Campus***

Action under interim authority was requested for the appointment of Tyrus H. Miller as Vice Provost and Dean – Graduate Studies, Santa Cruz campus, effective September 23, 2009. This urgent request was in response to the resignation of Lisa Sloan, Vice Provost and Dean – Graduate Studies, who resigned September 22, 2009, effective immediately. The Santa Cruz campus intends to begin a search for the permanent position in January 2010, and it is imperative that the Graduate Division have strong leadership in place during the transitional period.

This position is funded 100 percent by UC general funds provided by the State. The campus is proposing a total annual compensation of \$156,900. The proposed compensation is 29 percent below the median of \$220,400, as provided by Mercer Human Resource Consulting, using the 2008-2009 College and University Professional Association (CUPA) Compensation Survey for All Doctoral Institutions. In addition, the proposed compensation is ten percent below the midpoint of \$174,300 for SLCG Grade 105, and 14 percent below the average of \$182,680 for the Vice Provost and Dean – Graduate Studies at the other UC locations.

The following items were approved in connection with the appointment salary of Tyrus H. Miller as Vice Provost and Dean – Graduate Studies, Santa Cruz campus:

- a. Per policy, appointment salary of \$156,900 at 100 percent time (SLCG Grade 105: Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400).
- b. This appointment is effective September 23, 2009 through December 31, 2010, or until the appointment of a permanent Vice Provost and Dean – Graduate Studies, 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>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$215,900	\$220,400	\$267,600

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) ***Extension of Appointment for Nathan Brostrom as Interim Executive Vice President – Business Operations, Office of the President***

Action under interim authority was requested to extend the appointment of Nathan Brostrom as Interim Executive Vice President – Business Operations, Office of the President, through February 1, 2010. While it is anticipated that a permanent appointment to the position will be selected within the next 60 days, Mr. Brostrom's interim appointment ends on December 31, 2009. It is extremely important that the Business Operations division has a continuity of leadership during this period in order to ensure the successful completion of a variety of organizational and budgetary initiatives which are currently in process. There will be no change to Mr. Brostrom's areas of responsibility or his reporting relationship to the President.

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 last permanent incumbent.

The following were approved in connection with the extension of Mr. Brostrom's appointment as Interim Executive Vice President – Business Operations, Office of the President:

- a. Per policy, extension of 80 percent appointment as Interim Executive Vice President – Business Operations, Office of the President, through February 1, 2010.

- b. 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, standard pension and health and welfare benefits.
- 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 Slotting for the Director, Absolute Returns Group, Office of the Treasurer***

Action under interim authority was requested for the approval to establish the new position of Director, Absolute Returns Group and to slot that position in the Senior Leadership Compensation Group at SLCG Grade 108. Coinciding with this request, the Chief Investment Officer also sought approval from the President to promote Jonathan Mandle into this position. Mr. Mandle will be responsible for the full scope of a portfolio which consists of fourteen long/short equity managers with a market value of \$1.3 billion or 47 percent of the overall Absolute Return (AR) portfolio, which is the most volatile asset class under management at the Treasurer's office. Mr. Mandle will also be the backup to the Managing Director of Absolute Returns.

In this position, Mr. Mandle will assist in developing the Absolute Returns investment strategy, constructing the portfolio, making investment decisions and communicating pertinent information to stakeholders. The strategy and portfolio construction decisions include asset allocation within the equity strategy, managing sector exposures, conducting thorough due diligence on potential managers, and monitoring current managers. As a result, Mr. Mandle is accountable for the performance results of his portfolio, and his incentive opportunities are directly tied to the portfolio's performance, managing within the risk parameters established by the Regents. The funding for this position is provided by non-State funds.

The following were approved in connection with the slotting for the Director, Absolute Returns Group:

- a. Interim slotting of the position, Director, Absolute Returns Group to SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This recommendation is consistent with the overall job structure established for the Investment staff and approved by the Regents at the May 2007 meeting.
- b. Effective August 1, 2009.

The action described above shall constitute the University's total commitment regarding slotting until modified by the Regents and shall supersede all previous oral and written commitments. 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 of and Total Compensation for Stephen Yeazell as Dean – School of Law, Los Angeles Campus***

Action under interim authority was requested for the term appointment of Stephen Yeazell as Interim Dean – School of Law, Los Angeles campus, to be effective November 23, 2009 through December 31, 2010, or upon appointment of a permanent incumbent, whichever occurs first. This urgent request was in response to the departure of Dean Michael Schill, effective November 20, 2009, to head the University of Chicago School of Law. The Los Angeles campus intends to begin a search for the permanent position immediately, and it is important that the School of Law have strong leadership in place during this transitional period.

Mr. Yeazell has been a member of the UCLA Law School faculty since 1975 and has written extensively about the history and theory of legal procedure. His publications have received much acclaim. He is a well-regarded teacher, having received the University's Distinguished Teaching Award and becoming the first recipient of the School of Law's Rutter Award of Excellence in Teaching. Mr. Yeazell's administrative experience includes serving as Chair of the UCLA Academic Senate during 2000-2001 and as Associate Dean of the School of Law from 1995-1998.

This position is funded 100 percent by UC general funds provided by the State. The campus proposed total annual compensation of \$362,000, which lags by 5.68 percent of the fiftieth percentile of market data as provided by Mercer Human Resource Consulting using the 2008-09 College and University Professional Association (CUPA) Compensation Survey for All Doctoral Institutions. The proposed compensation is 5.23 percent above the midpoint of \$344,000 for SLCG Grade 111. This position is subject to the University's salary reduction/furlough plan.

The following items were approved in connection with the appointment salary of Stephen Yeazell as Interim Dean – School of Law, Los Angeles campus:

- a. Per policy, appointment salary of \$362,000 (SLCG Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100).
- b. This term appointment is effective November 23, 2009 through December 31, 2010, or until the appointment of a permanent Dean – School of Law, 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>
\$274,385	\$383,837	\$426,070

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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) ***Retention Increase for Anthony D. Haymet as Vice Chancellor for Marine Sciences, Dean of the Graduate School of Marine Sciences, and Director of the Scripps Institution of Oceanography, San Diego Campus***

Action under interim authority was requested for a retention increase for Anthony D. Haymet as Vice Chancellor for Marine Sciences, Dean of the Graduate School of Marine Sciences, and Director of the Scripps Institution of Oceanography, San Diego campus, effective November 1, 2009. Mr. Haymet received a written offer to become the Executive Director of the new Institute for Marine and Antarctic Studies at the University of Tasmania. The campus believed it vital to retain Mr. Haymet and therefore made the urgent request to provide a salary increase approximately equal to the external offer.

This position is funded by UC general funds provided by the State. The campus proposed a 12.8 percent salary increase to \$295,000. Market data are not readily available for this position, and the position is unique within the UC system. The proposed salary is 7.7 percent above the salary range midpoint of \$274,300 for SLCG Grade 109 and 16.4 percent above the average salary (\$253,433) of other incumbents in the same grade at the San Diego campus. This position is subject to the University's salary reduction/furlough plan.

The following items were approved in connection with the retention of Anthony D. Haymet as Vice Chancellor for Marine Sciences, Dean of the Graduate School of Marine Sciences, and Director of the Scripps Institution of Oceanography, San Diego campus:

- (1) Per policy, a new appointment salary of \$295,000 before the 2009-10 salary reduction is applied. This represents a 12.8 percent increase over Mr. Haymet's current base salary of \$261,500.
- (2) This appointment is at 100 percent time and effective November 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, Mortgage Origination Program (MOP) loan of \$1,000,000, previously approved 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) ***Retention Increase for Gary C. Matthews as Vice Chancellor – Resource Management and Planning, San Diego Campus***

Action under interim authority was requested for a retention increase for Gary C. Matthews as Vice Chancellor – Resource Management and Planning, San Diego campus, effective November 1, 2009. Mr. Matthews

had been interviewed and was among the top candidates under consideration for the Vice Chancellor/Chief Business Officer position at the San Francisco campus. The campus believed it was vital to retain Mr. Matthews and therefore made the urgent request to provide a salary increase as an incentive to remain in his current position.

The case to retain Mr. Matthews is compelling. The Senior Vice Chancellor – Academic Affairs has announced his retirement. While the campus undergoes a search for a new academic leader and second in command, it is critical to maintain stability among the Chancellor's remaining cabinet of advisors. The campus saw the retention of Mr. Matthews as an anchor among the senior leadership, well versed in the campus' fiscal challenges and opportunities. The continuity and stability of resource management leadership from Mr. Matthews is crucial as the campus undertakes significant structural changes triggered by the unprecedented budget reductions. Thus, the loss of Mr. Matthews would have a long-lasting negative impact on the campus. In addition, the retention of Mr. Matthews would provide the campus with significant cost savings. If Mr. Matthews were to leave, the campus would experience significant recruiting and possible relocation costs in having to replace Mr. Matthews.

This urgent request followed the Regents' action in September 2009 in which a slotting change was approved for Mr. Matthews (from SLCG Grade 107 to Grade 109) in recognition of his promotion as part of a senior-level reorganization at UC San Diego following the elimination of one administrative vice chancellor.

This position is funded by UC general funds provided by the State. The campus proposed a 22.2 percent salary increase to \$275,000, which is approximately equal to the salary range midpoint of \$274,300. The proposed salary rate is approximately 15 percent above the median of market data (\$238,900), as provided by Mercer Human Resource Consulting. The proposed salary is 3.5 percent above the average (\$265,600) of positions within the same grade at the San Diego campus and 11 percent above the average base salary (\$247,750) of the Vice Chancellors of Budget and Resource Planning at the other campuses with medical centers. This position is subject to the University's salary reduction/furlough plan.

The following items were approved in connection with the retention of Gary C. Matthews as Vice Chancellor – Resource Management and Planning, San Diego campus:

- a. Per policy, a new appointment salary of \$275,000 before the 2009-10 salary reduction is applied. This represents a 22.2 percent

increase over Mr. Matthews' current base salary of \$225,000.

- b. This appointment is at 100 percent time and effective November 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, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

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

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

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) ***Appointment of and Compensation for Ralph V. Clayman as Dean – School of Medicine, Irvine Campus***

Action under interim authority was requested for the approval for the appointment compensation for Ralph V. Clayman as Dean – School of Medicine, Irvine campus. The appointment was effective November 1, 2009. This request was in response to the immediate need to permanently fill the dean position in order to meet the accreditation requirements of the Liaison Committee on Medical Education (LCME) as well as the critical need to establish permanent stable leadership in the School.

This position will be funded by State funds. The proposed base salary of \$390,000 is below the current market median of \$499,400 by 21.9 percent. 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 above the grade midpoint by 1.2 percent and below the average base salary for internal comparators by 20.8 percent. Additionally, the proposed salary will be reduced by 10 percent to \$351,000 during participation in the

salary reduction/furlough plan.

The following items were approved in connection with the appointment compensation for Ralph V. Clayman as Dean – School of Medicine, Irvine campus:

- a. Appointment of Ralph V. Clayman as Dean – School of Medicine, Irvine campus.
- b. Per policy, appointment salary of \$390,000 (SLCG Grade 112: Minimum \$298,900, Midpoint \$385,300, Maximum \$471,500). This reflects a 5.2 percent increase to Mr. Clayman's current base salary of \$250,800 and administrative stipend of \$120,000.
- c. Per policy, Health Sciences Compensation Plan (HSCP) compensation of \$100,000.
- d. This appointment is at 100 percent time and effective November 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.

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

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> 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 or 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) *Senior Management Group Title Change for Stanley E. Nosek as Special Consultant to the Chancellor, and Promotional Salary Adjustment and Interim Re-Slotting Recommendations for John A. Meyer as Vice Chancellor – Administrative and Resource Management, Davis Campus*

Approval was requested for:

- a. The title change for Stanley E. Nosek from Vice Chancellor – Administration to Special Consultant to the Chancellor, Davis campus, effective November 1, 2009.
- b. Actions related to a promotion for John A. Meyer as Vice Chancellor – Administrative and Resource Management, Davis campus, effective January 1, 2010.

Mr. Nosek had planned to retire effective December 31, 2009. However, at the request of Chancellor Katehi and Provost and Executive Vice Chancellor Lavernia, Mr. Nosek agreed to assume leadership of a newly formed UC Davis Administrative Process Redesign Initiative, thereby delaying his planned retirement until June 30, 2010. The initiative is aggressive in its goals for improvement, change, and expenditure reduction during this time of fiscal crisis for the University of California. This initiative will require the full engagement of vice chancellors and other cabinet-level officials in planning to significantly restructure delivery of their administrative services. Mr. Nosek will function within the Offices of the Chancellor and Provost and report directly to Chancellor Katehi. Based on the scope of responsibilities and the impact this initiative will have on the campus at large, it was recommended that Mr. Nosek remain slotted at SLCG Grade 108 and that Mr. Nosek retain his current salary of \$224,000.

The campus, in consultation with campus leadership, had planned to eliminate Mr. Nosek's position when he retired and merge/consolidate the Office of Administration with the Office of Resource Management and Planning, effective on or around January 1, 2010. However, the need for an accelerated and aggressive timeline for this new initiative, combined with the need for both the Office of Administration and the Office of Resource Management and Planning to achieve further budget reductions, made it necessary to accelerate the effective date of the merger to January 1, 2010. Therefore, Mr. Meyer assumed full responsibility for the units formerly under the Office of Administration, effective January 1, 2010. Mr. Meyer will forego any recommended salary increase, and the Chancellor and Mr. Meyer will assess the situation by no later than July 1, 2010 to determine an appropriate effective date for the promotional increase.

Mercer Human Resource Consulting was unable to identify an appropriate market match for the Special Consultant to the Chancellor position. However, Mercer was able to match the Vice Chancellor – Administrative and Resource Management position to the Chief Business Officer benchmark from the 2008-09 College and University Professional Association (CUPA) Compensation Survey. The market median is approximately \$251,400 (ranging from \$224,800 at the 25th percentile to \$426,500 for the 75th percentile).

No change in salary was recommended for Mr. Nosek, and a 12.3 percent increase from \$244,900 to \$275,000 was recommended for Mr. Meyer.

Mr. Nosek's position is funded from general funds available on the campus from the Short-Term Investment Pool (STIP). Mr. Meyer's position is funded from State funds.

- a. The following items were approved in connection with the Senior Management Group title change for Stanley E. Nosek, Davis campus:
  - i. Title change from Vice Chancellor – Administration to Special Consultant to the Chancellor, with continued slotting at SLCG Grade 108 (Minimum \$192,300; Midpoint \$244,900; Maximum \$297,400) and no increase to current salary of \$224,000.
  - ii. This change is effective November 1, 2009 through June 30, 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, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- b. The following items were approved in connection with the promotion for John A. Meyer, Davis campus:
    - i. Interim re-slotting of position from SLCG Grade 108 (Minimum \$192,300; Midpoint \$244,900; Maximum \$297,400) to SLCG Grade 109 (Minimum \$214,700;

Midpoint \$274,300; Maximum \$333,700).

- ii. Per policy, promotional salary increase of 12.3 percent (\$30,100) from \$244,900 to \$275,000. Mr. Meyer, in response to the significant fiscal constraints at the campus and throughout UC, will forego any recommended salary increase, and the Chancellor and Mr. Meyer will assess the situation no later than July 1, 2010 to determine an appropriate effective date for the promotional increase.
- iii. 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, 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 or 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 Chairman of the Board and the Chair of the Committee Finance approved the following recommendation:

***Approval of Minor Capital Expenditure and Authorization of an Amendment to the Lease for the President's Residence***

Authorization of a minor capital expenditure not to exceed \$50,000 in non-State funds for the acquisition of mobile security equipment capable of being installed in multiple locations, for initial placement at the President's residence.

- (1) The installation of infrastructure necessary to support the security equipment at the President's residence.
- (2) An amendment to the lease for the President's residence to permit such installation.

**10. REPORT OF COMMUNICATIONS RECEIVED**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in reports dated December 1, 2009 and January 4, 2010.

**11. 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 Educational Policy**

- A. From the President, Quarterly Report on Private Support, Quarterly Report on Major Donors, and Quarterly Report on Namings and Endowed Chairs Approved by the President, all for the first quarter of the 2010 fiscal year. (November 30, 2009)

**To Members of the Committee on Finance**

- B. From the President, University of California Annual Report on Debt Capital and External Finance Approvals for Fiscal Year 2008-09. (December 4, 2009)

**To Members of the Committee on Grounds and Buildings**

- C. From the President, floor plans for the Anna Head West Student Housing project on the Berkeley campus. (December 21, 2009)

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

- D. From the President, Medical Center Activity and Financial Status Report for the two months ended August 31, 2009. (November 4, 2009)
- E. From the President, Medical Center Activity and Financial Status Report for the three months ended September 30, 2009. (December 1, 2009)

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

- F. From the Secretary and Chief of Staff, report of communications received subsequent to the October 1, 2009 report of communications. (November 2, 2009)
- G. From the President, letter and enclosed information prepared by the Segal Company on asset smoothing alternatives. (November 4, 2009)
- H. From the President, letter and enclosed 2009 Legislative Overview. (November 9, 2009)

- I. From the President, letter and enclosed summary of a study on UC employee compensation. (November 10, 2009)
- J. From the President, letter and enclosed copy of correspondence from the Executive Vice President and Chief Financial Officer in response to a letter to the Chairman from the President of the Council of UC Faculty Associations regarding projects funded by General Revenue bonds. (November 16, 2009)
- K. From the President, letter concerning campus ceremonies to confer honorary degrees upon those individuals whose UC education was interrupted by Executive Order 9066 during World War II. (November 20, 2009)
- L. From the President, summary of recent activities of the Division of External Relations. (November 20, 2009)
- M. From the President, Compliance Annual Report for fiscal year 2008-09 and the Annual Report on Internal Audit Activities for 2008-09. (November 30, 2009)
- N. From the Secretary and Chief of Staff, report of communications received subsequent to the November 2, 2009 report of communications. (December 1, 2009)
- O. From the President, letter and enclosed memorandum regarding the Blue and Gold Opportunity Plan. (December 4, 2009)
- P. From the President, follow-up to the letter of December 4, 2009 regarding the Blue and Gold Opportunity Plan, providing additional information. (December 11, 2009)
- Q. From the Secretary and Chief of Staff, press release issued by the Governor at the Chairman's request concerning the attack on Chancellor Birgeneau's residence. (December 12, 2009)
- R. From the President, copy of letter in response to California Coalition for Civil Rights' correspondence to the Board and the President concerning the University's new freshman eligibility policy. (December 16, 2009)
- S. From the President, letter and attached data regarding the "Entitled to Review" policy. (December 16, 2009)
- T. From the President, the Office of Financial Management Risk Services' Annual Report for fiscal year 2008. (December 22, 2009)
- U. From the Secretary and Chief of Staff, report of communications received subsequent to the December 1, 2009 report of communications. (January 4, 2010)

## 12. UNFINISHED BUSINESS

A. *Amendment of Bylaw 12.8 and Standing Orders 100.2, 100.3, 101.1 and 101.2 to Conform with Senior Management Group Compensation Policies and Other Regental Actions Regarding Executive Compensation*

At the November 19, 2009 meeting of The Regents of the University of California, Regent Varner served notice that at the next regular meeting he would move amendment of Bylaw 12.8 and Standing Orders 100.2, 100.3, 101.1 and 101.2 as shown below.

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

## BYLAW 12.

## RESPONSIBILITIES OF STANDING COMMITTEES

\*\*\*

## 12.8 Committee on Compensation.

The Committee on Compensation shall:

- (a) On an ongoing basis, advise the Board on all matters pertaining to the elements of compensation and benefits for University employees to ensure that compensation and benefits policies, procedures, programs, and practices are fair, effective, clear, comprehensible, transparent, and accountable, and inspire the trust of the University community and the public.
- (b) Assess the University's progress in achieving the goals of obtaining, prioritizing, and directing funds to increase salaries to achieve market comparability for all groups of employees over periods established by the Board.
- (c) Review and advise the Board on all matters relating to the implementation of ~~the Senior Leadership Compensation Policy, adopted by The Regents in November 2005~~ Senior Management Group compensation policies approved by The Regents, and other Regental policies or actions that require Regental authorization for employee compensation.
- (d) Undertake actions as necessary to carry out 12.8(a), (b), and (c), including:
  - (1) Conduct regular studies to examine the competitiveness of the compensation for faculty and all categories of

administrative employees relative to comparable institutions;

- (2) Review the compensation of members of the Senior ~~Leadership Compensation Management Group, and other employees~~ which require Regental approval prior to review and approval by the Board;
  - (3) Review existing Regental policies on faculty and administrative employee compensation as well as the transparency of compensation practices and modify or establish new policies, as appropriate; and
  - (4) Review the annual reports on ~~senior management compensation for members of the Senior Management Group and for Deans~~ and the annual reports on outside professional activities ~~by for members of the Senior Management Group and for Deans~~ ~~senior managers~~.
- (e) Act in an advisory capacity to the President of the University with respect to appointment compensation for such Officers of the University as may be appropriate for consideration by the Committee.
- (f) Recommend to the Board:
- (1) All compensation of Officers of the University and other members of the Senior Management Group, including those individuals serving in an acting capacity in those positions ~~the following Officers of the Corporation and Officers of the University: Principal Officers of The Regents and their chief deputies, , President of the University, Executive Vice Presidents, Senior Vice Presidents, Senior Vice Presidents, other Vice Presidents, University Auditor, Chancellors, Laboratory Directors and Directors of University hospitals; and~~
  - (2) The rates of compensation of Regents' Professors at salary rates above the approved range and the rates of compensation of University Professors at exceptional-above-scale salary rates. An exceptional-above-scale salary rate is defined as a salary rate that exceeds the maximum salary step of the applicable academic salary scale, as adjusted from time to time, by more than the percent difference between the maximum salary step of the Regular Ladder-Faculty Academic Year salary scale and the

Indexed Compensation Level ~~compensation approval level~~. The Indexed Compensation Level ~~indexed compensation approval level~~ shall be adjusted ~~indexed~~ annually in accordance with the California Consumer Price Index (CPI) Urban Consumers for all items as determined by the Bureau of Labor Statistics ~~Consumer Price Index~~, said percent increase to be reported annually to the Board.

- (3) The rates of compensation of all other University personnel, including personnel holding staff positions in academic medical centers, except faculty other than Regents' Professors and University Professors, whose total cash compensation ~~annual full-time salary rate~~ exceeds the Indexed Compensation Level and who meet the criteria listed below. The Indexed Compensation Level ~~for 2004-05 fiscal year is \$168,000 and thereafter~~ shall be adjusted ~~indexed~~ annually in accordance with the California Consumer Price Index (CPI) Urban Consumers for all items as determined by the Bureau of Labor Statistics ~~Consumer Price Index~~, said percent increase to be reported annually to the Board.

Board approval pursuant to this subsection shall only be required for employees that are in the following categories:

- (i) Other Specified Employees (OSE), as designated by the President, such as Athletic Directors and Coaches;
- (ii) Employees who directly report to the President;
- (iii) Employees who directly report to a Chancellor or to the Director of the Ernest Orlando Lawrence Berkeley National Laboratory, when the compensation action requires an exception to policy; or
- (iv) Employees who work at the Office of the President, when the compensation action requires an exception to policy.

Notwithstanding the above, employees exclusively subject to the provisions of the Academic Personnel Manual (APM) are not included in this Regental approval authority and instead are subject to all relevant APM approval requirements.

~~(4) Consider and act upon the rates of compensation of University personnel holding staff positions in academic medical centers whose annual full-time salary rate exceeds the Indexed Compensation Level of \$168,000 for 2004-05 fiscal year. The Indexed Compensation Level shall be indexed annually in accordance with the Consumer Price Index, said percent increase to be reported annually to the Board.~~

- (g) Consider and recommend to the Board on matters relating to academic and staff personnel policies and personnel programs and labor relations presented by the President of the University.
- (h) Recommend to the Board on matters relating to professorial salary scales.
- (i) Consider and recommend to the Board on matters concerning employee welfare benefit programs, including reports and recommendations presented by the President of the University relating to retirement systems for University employees.

\*\*\*

#### STANDING ORDER 100.

#### OFFICERS OF THE UNIVERSITY

\*\*\*

##### 100.2 Employment Status.

- (a) Appointment and dismissal of the President of the University shall be by an affirmative vote of not less than a majority of the members of the Board.
- (b) Appointment or reemployment after retirement of all Officers of the University and other members of the Senior Management Group ~~the Executive Vice Presidents, Senior Vice President, other Vice Presidents, University Auditor, Chancellors, and Laboratory Directors~~ shall be voted by the Board upon recommendation of the President of the University following consultation with an appropriate Standing Committee of the Board, as determined by the President, or with a special committee established for that purpose. ~~Appointment of other Officers of the University shall be made by the President and reported annually to the Board.~~

- (c) Action to demote or dismiss Chancellors, the Directors of the Ernest Orlando Lawrence Berkeley National Laboratory, the Ernest Orlando Lawrence Livermore National Laboratory, the Los Alamos National Laboratory, the General Counsel and Vice President for Legal Affairs, and the University Auditor shall be voted by the Board upon recommendation of or following consultation with the President of the University.
- (d) Action to demote or dismiss other Officers of the University shall be taken by the President of the University upon recommendation of or following consultation with appropriate Officers and shall be reported to the Board.
- (e) Temporary appointments ~~to~~ A of acting status in Officer of the University or other Senior Management Group positions shall be voted by the Board upon recommendation of the President of the University. ~~for periods not to exceed one year may be made by the President of the University. All such appointments shall be reported annually to the Board, provided, however, that appointments as Acting Chancellors and Acting Directors of the Ernest Orlando Lawrence Berkeley National Laboratory, the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory shall be made by the President only when such appointments are necessary to meet emergency situations and shall be subject to confirmation by the Board at its next regular meeting.~~
- (f) Minor changes in titles of Officers of the University and other members of the Senior Management Group may be approved by the President of the University. Any such changes shall be reported ~~annually~~ to the Board in the Bi-Monthly Transaction Monitoring Report.
- ~~(g) Mutually agreeable changes in the effective date of appointments of Officers of the University may be approved by the President of the University. Any such changes shall be reported annually to the Board.~~

### 100.3 Compensation.

- (a) Compensation of the President of the University shall be determined by the Board upon recommendation of the Committee on Compensation.
- (b) Compensation of all Officers of the University and other members of the Senior Management Group, including those individuals

~~serving in an acting capacity, and the Executive Vice Presidents, Senior Vice Presidents, other Vice Presidents, University Auditor, Chancellors, and Laboratory Directors, including compensation upon appointment and subsequent changes in compensation, shall be determined by the Board upon recommendation of the President of the University through the Committee on Compensation. Compensation of other Officers of the University with annual salary rates below \$168,000 shall be determined by the President and reported annually to the Board. The compensation approval level shall be indexed annually in accordance with the Consumer Price Index, said percent increase to be reported annually to the Board.~~

- ~~(c) Compensation of Officers of the University positions in Acting status appointed pursuant to the provisions of Standing Order 100.2(e) shall be determined by the President of the University. Any such compensation shall be reported annually to the Board, with the exception of compensation for Acting Chancellors and Acting Directors of the Ernest Orlando Lawrence Berkeley National Laboratory, the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory, which shall be made by the President only when such appointments are necessary to meet emergency situations and shall be subject to confirmation by the Board at its next regular meeting.~~
- ~~(d) Mutually agreeable changes in percent of time to be served by Officers of the University may be approved by the President of the University with commensurate adjustment in compensation. Any such changes shall be reported annually to the Board.~~
- ~~(e) Mutually agreeable changes in the effective date of appointment of Officers of the University may be approved by the President of the University with commensurate adjustment in compensation. Any such changes shall be reported annually to the Board.~~

\*\*\*

#### STANDING ORDER 101.

#### FACULTY MEMBERS AND OTHER EMPLOYEES OF THE UNIVERSITY

##### 101.1 Employment Status.

- (a) Appointments of Regents' Professors and University Professors shall be voted by the Board upon recommendation of the President

of the University, following consultation with the Committee on Educational Policy.

- (b) Dismissal of an academic appointee who holds tenure or security of employment shall be voted by the Board upon recommendation of the President of the University, following consultation with the appropriate Chancellor. Prior to recommending dismissal, the Chancellor shall consult with the appropriate advisory committee(s) of the Division of the Academic Senate.
- (c) Appointments, promotions, demotions, and dismissals of all faculty members and other employees, except as otherwise provided in the Bylaws and Standing Orders, shall be under the jurisdiction of the President of the University, and of the Secretary and Chief of Staff, Chief Investment Officer, and General Counsel of The Regents in their respective areas of responsibility.
- (d) No political test shall ever be considered in the appointment and promotion of any faculty member or employee.
- (e) Re-employment appointments of retired University employees to any position whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the Indexed Compensation Level shall be shall be voted by the Board upon recommendation of the President of the University.

#### 101.2 Compensation.

- (a) Rate of compensation and subsequent changes in rate of compensation shall be determined by the Board upon recommendation of the President of the University or upon recommendation of the Secretary and Chief of Staff, Chief Investment Officer, or General Counsel of The Regents in their respective areas of responsibility through the Committee on Compensation for:
  - (1) All members of the Senior Management Group.
  - (2+) A Regents' Professor at a salary rate above the approved range, and a University Professor at an exceptional-above-scale salary rate. An exceptional-above-scale salary rate is defined as a salary rate that exceeds the maximum salary step of the applicable academic salary scale, as adjusted from time to time, by more than the percent difference between the maximum salary step of the Regular Ladder-Faculty Academic Year salary scale and the Indexed

Compensation Level ~~compensation approval level~~. The Indexed Compensation Level ~~compensation approval level~~ is defined as the dollar limit on the President's authority to ~~approve salaries (\$168,000)~~. The ~~compensation approval level~~ shall be ~~indexed~~ adjusted annually in accordance with the California Consumer Price Index (CPI) Urban Consumers for all items as determined by the Bureau of Labor Statistics ~~Consumer Price Index~~, said percent increase to be reported annually to the Board;

- (~~32~~) Other University personnel, except faculty other than Regents' Professors and University Professors, whose total cash compensation exceeds the Indexed Compensation Limit (ICL), and who meet the criteria listed below. ~~annual salary rate is \$168,000 or more. The compensation approval level~~ The Indexed Compensation Level shall be adjusted ~~indexed~~ annually in accordance with the California Consumer Price Index (CPI) Urban Consumers for all items as determined by the Bureau of Labor Statistics ~~California Consumer Price Index~~, said percent increase to be reported annually to the Board.

Board approval pursuant to this subsection shall only be required for employees that are in the following categories:

- (i) Other Specified Employees (OSE), as designated by the President, such as Athletic Directors and Coaches;
- (ii) Employees who directly report to the President;
- (iii) Employees who directly report to a Chancellor or to the Director of the Ernest Orlando Lawrence Berkeley National Laboratory, when the compensation action requires an exception to policy; or
- (iv) Employees who work at the Office of the President, when the compensation action requires an exception to policy.

Notwithstanding the above, employees exclusively subject to the provisions of the Academic Personnel Manual (APM) are not included in this Regental approval authority and instead are subject to all relevant APM approval requirements.

- (b) ~~Mutually agreeable changes in the effective date of appointment of and in percent of time to be served by those enumerated in (a) above may be approved by the President of the University and by the Secretary and Chief of Staff, Chief Investment Officer, or General Counsel of The Regents in their respective areas of responsibility with commensurate adjustment in compensation based on the salary rates approved by The Regents. Any such changes shall be reported annually to the Board.~~
- (c) Compensation of other employees except as otherwise provided in the Bylaws and Standing Orders of The Regents shall be under the jurisdiction of the President of the University and of the Secretary and Chief of Staff, Chief Investment Officer, and General Counsel of The Regents in their respective areas of responsibility.

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

**B. *Amendment of Bylaw 12.8 and Standing Orders 100.1, 100.2 and 100.3 to Conform the Term "University Auditor" to Current Administrative Structure***

At the November 19, 2009 meeting of The Regents of the University of California, Regent Ruiz served notice that at the next regular meeting he would move amendment of Bylaw 12.8 and Standing Orders 100.1, 100.2, and 100.3 as shown below.

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

**BYLAW 12.**

**RESPONSIBILITIES OF STANDING COMMITTEES**

\*\*\*

**12.8 Committee on Compensation.**

The Committee on Compensation shall:

- (a) On an ongoing basis, advise the Board on all matters pertaining to the elements of compensation and benefits for University employees to ensure that compensation and benefits policies, procedures, programs, and practices are fair, effective, clear, comprehensible, transparent, and accountable, and inspire the trust of the University community and the public.

- (b) Assess the University's progress in achieving the goals of obtaining, prioritizing, and directing funds to increase salaries to achieve market comparability for all groups of employees over periods established by the Board.
- (c) Review and advise the Board on all matters relating to the implementation of the Senior Leadership Compensation Policy, adopted by The Regents in November 2005.
- (d) Undertake actions as necessary to carry out 12.8(a), (b), and (c), including:
  - (1) Conduct regular studies to examine the competitiveness of the compensation for faculty and all categories of administrative employees relative to comparable institutions;
  - (2) Review the compensation of members of the Senior Leadership Compensation Group which require Regental approval prior to review and approval by the Board;
  - (3) Review existing Regental policies on faculty and administrative employee compensation as well as the transparency of compensation practices and modify or establish new policies, as appropriate; and
  - (4) Review the annual report on senior management compensation and the annual report on outside professional activities by senior managers.
- (e) Act in an advisory capacity to the President of the University with respect to appointment compensation for such Officers of the University as may be appropriate for consideration by the Committee.
- (f) Recommend to the Board:
  - (1) All compensation of the following Officers of the Corporation and Officers of the University: Principal Officers of The Regents and their chief deputies, President of the University, Executive Vice Presidents, Senior Vice Presidents, other Vice Presidents, ~~University Auditor~~, Chancellors, Laboratory Directors and Directors of University hospitals; and

- (2) The rates of compensation of Regents' Professors at salary rates above the approved range and the rates of compensation of University Professors at exceptional-above-scale salary rates. An exceptional-above-scale salary rate is defined as a salary rate that exceeds the maximum salary step of the applicable academic salary scale, as adjusted from time to time, by more than the percent difference between the maximum salary step of the Regular Ladder-Faculty Academic Year salary scale and the compensation approval level. The indexed compensation approval level shall be indexed annually in accordance with the Consumer Price Index, said percent increase to be reported annually to the Board.
- (3) The rates of compensation of all other University personnel, except faculty other than Regents' Professors and University Professors whose annual full-time salary rate exceeds the Indexed Compensation Level. The Indexed Compensation Level for 2004-05 fiscal year is \$168,000 and thereafter shall be indexed annually in accordance with the Consumer Price Index, said percent increase to be reported annually to the Board.
- (4) Consider and act upon the rates of compensation of University personnel holding staff positions in academic medical centers whose annual full-time salary rate exceeds the Indexed Compensation Level of \$168,000 for 2004-05 fiscal year. The Indexed Compensation Level shall be indexed annually in accordance with the Consumer Price Index, said percent increase to be reported annually to the Board.
- (g) Consider and recommend to the Board on matters relating to academic and staff personnel policies and personnel programs and labor relations presented by the President of the University.
- (h) Recommend to the Board on matters relating to professorial salary scales.
- (i) Consider and recommend to the Board on matters concerning employee welfare benefit programs, including reports and recommendations presented by the President of the University relating to retirement systems for University employees.

\*\*\*

## STANDING ORDER 100.

## OFFICERS OF THE UNIVERSITY

## 100.1 Designation and to Whom Responsible.

- (a) Officers of the University shall be the President of the University, Executive Vice Presidents, Senior Vice Presidents, other Vice Presidents, Associate Vice Presidents, Assistant Vice Presidents, ~~University Auditor~~, Chancellors, Vice Chancellors, and ~~Directors and Deputy Directors~~ Director and Deputy Director of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory,~~ and Directors of University hospitals.
- (b) The President shall be responsible directly to the Board. All other Officers shall be responsible to the President directly or through designated channels, with the exception of the General Counsel and Vice President for Legal Affairs and the Senior Vice President – Chief Compliance and Audit Officer, both of whom shall have dual responsibility to the Board and to the President.

## 100.2 Employment Status.

- (a) Appointment and dismissal of the President of the University shall be by an affirmative vote of not less than a majority of the members of the Board.
- (b) Appointment of the Executive Vice Presidents, Senior Vice President, other Vice Presidents, ~~University Auditor~~, Chancellors, and Laboratory Director ~~Directors~~ shall be voted by the Board upon recommendation of the President of the University following consultation with an appropriate Standing Committee of the Board, as determined by the President, or with a special committee established for that purpose. Appointment of other Officers of the University shall be made by the President and reported annually to the Board.
- (c) Action to demote or dismiss a Chancellor or Chancellors, ~~Directors~~ Director of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, the Los Alamos National Laboratory, the General Counsel and Vice President for Legal Affairs, and the University Auditor~~ shall be voted by the Board upon recommendation of or following consultation with the President of the University.

- (d) Action to demote or dismiss other Officers of the University shall be taken by the President of the University upon recommendation of or following consultation with appropriate Officers and shall be reported to the Board.
- (e) Temporary appointments to Acting status in Officer of the University positions for periods not to exceed one year may be made by the President of the University. All such appointments shall be reported annually to the Board, provided, however, that appointments as Acting Chancellors ~~and~~ or Acting Director ~~Directors~~ of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory~~ shall be made by the President only when such appointments are necessary to meet emergency situations and shall be subject to confirmation by the Board at its next regular meeting.
- (f) Minor changes in titles of Officers of the University may be approved by the President of the University. Any such changes shall be reported annually to the Board.
- (g) Mutually agreeable changes in the effective date of appointments of Officers of the University may be approved by the President of the University. Any such changes shall be reported annually to the Board.

#### 100.3 Compensation.

- (a) Compensation of the President of the University shall be determined by the Board upon recommendation of the Committee on Compensation.
- (b) Compensation of the Executive Vice Presidents, Senior Vice Presidents, other Vice Presidents, ~~University Auditor,~~ Chancellors, and Laboratory Director ~~Directors~~, including compensation upon appointment and subsequent changes in compensation, shall be determined by the Board upon recommendation of the President of the University through the Committee on Compensation. Compensation of other Officers of the University with annual salary rates below \$168,000 shall be determined by the President and reported annually to the Board. The compensation approval level shall be indexed annually in accordance with the Consumer Price Index, said percent increase to be reported annually to the Board.
- (c) Compensation of Officers of the University positions in Acting status appointed pursuant to the provisions of Standing Order

100.2(e) shall be determined by the President of the University. Any such compensation shall be reported annually to the Board, with the exception of compensation for Acting Chancellors and Acting Director ~~Directors~~ of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory~~, which shall be made by the President only when such appointments are necessary to meet emergency situations and shall be subject to confirmation by the Board at its next regular meeting.

- (d) Mutually agreeable changes in percent of time to be served by Officers of the University may be approved by the President of the University with commensurate adjustment in compensation. Any such changes shall be reported annually to the Board.
- (e) Mutually agreeable changes in the effective date of appointment of Officers of the University may be approved by the President of the University with commensurate adjustment in compensation. Any such changes shall be reported annually to the Board.

Upon motion of Regent Ruiz, duly seconded, the recommendation was approved.

The meeting adjourned at 11:55 a.m.

Attest:

Secretary and Chief of Staff

# Senior Management Group Outside Professional Activities



**Responsible Officer:** Vice President–Human Resources

**Responsible Office:** Human Resources

**Effective Date:** January 1, 2010

**Next Review Date:** The Responsible Officer will review the policy annually for update purposes and will conduct a full review at least every three years.

**Who Is Covered:** All employees whose position is designated to be in the Senior Management Group, inclusive of Officers of the University per [Regents Standing Order 100.1 Designation and to Whom Responsible](#).

---

## CONTENTS

---

### I. Policy Summary

### II. Policy Definitions

### III. Policy Text

### IV. Approval Authority

### V. Compliance

### Revision History

### Implementation Procedures

### Related Documents

### Frequently Asked Questions

**Senior Management Group Outside Professional Activities**

---

**I. POLICY SUMMARY**

---

Considerable benefit accrues to the University from Senior Management Group (SMG) members' association with external educational and research institutions, not-for-profit professional associations, federal, state and local government offices and private sector organizations. Such associations foster a greater understanding of the University of California and its value as a preeminent provider of education, research, public service, and health care. Such associations also may provide a stimulus for economic development and enhanced economic competitiveness.

While outside professional activities performed by SMG members are often mutually beneficial to the University and the members themselves, and are therefore encouraged, the primary commitment of University of California SMG members must be to the fulfillment of their regular University responsibilities.

This Policy applies to all University of California SMG members, including those who have underlying faculty appointments. During the period an SMG member possesses a dual academic and SMG appointment, his/her participation in outside professional activities will be subject to this policy and not that of the Academic Personnel Manual.<sup>1</sup> and is This Policy is intended to:

- Support and recognize the value of SMG members' outside professional activities to the University, such as contributing to their academic field, sharing their expertise with other institutions, and providing service to the community,
- Provide guidance about the limits of such activities in relation to fulfilling University responsibilities,
- Establish methods for seeking appropriate approval(s), monitoring, and reporting such activities,
- Protect against actual or apparent conflicts of interest and/or commitment when SMG members engage in such activities.

---

**II. POLICY DEFINITIONS**

---

**Approving Authority:** The person or office to whom an individual reports. For SMG members who report directly to the Regents, the Chair of the Board of Regents Committee on Compensation will be the approving authority.

---

<sup>1</sup> ~~During the period an SMG member possesses a dual academic and SMG appointment, his/her participation in outside professional activities will be subject to this policy and not that of the Academic Personnel Manual.~~ Outside activities for SMG members who are also members of the Health Sciences Compensation Plan ~~are subject to this policy as well as~~ must also be reported consistent with APM – 670, the Health Sciences Compensation Plan and Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants and APM – 025, Conflict of Commitment and Outside Activities of Faculty Members.

**Senior Management Group Outside Professional Activities**

**Activities Regarded as Outside Professional Activities:** Outside Professional Activities are those activities within the SMG member's area(s) of professional expertise for which they are employed by the University. Such activities include, but are not limited to: service on state or national commissions, government agencies and boards, committees or advisory groups to other universities, organizations established to further the interests of higher education, not-for-profit organizations, and service on corporate boards of directors.

**Activities Not Regarded as Outside Professional Activities:** The following are **not** regarded as Outside Professional Activities:

- Activities unrelated to the SMG member's area of professional expertise for which they are employed by the University, such as involvement in religious or cultural organizations.
- Activities that the approving authority confirms as part of the individual's job expectations. It is expected that the individual would not receive additional compensation for such activities beyond the individual's normal University salary.
- For an SMG member with an underlying faculty appointment, activities that the approving authority confirms as essential to remaining current in the SMG member's academic field. It is expected that the individual would not receive additional compensation for such activities beyond the individual's normal University salary.

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

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

**Governance responsibilities** on a for-profit board are assumed with the appointment as a board member, but not assumed with the appointment as an advisor to the board or appointment to an advisory committee to a board unless such responsibilities are specified.

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

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

---

### **III. POLICY TEXT**

#### ***A. Responsibility and Accountability***

##### **1. Guiding Principles**

SMG members are individually responsible for ensuring that the Outside Professional Activities they perform, and compensation received for such

**Senior Management Group Outside Professional Activities**

activities, do not violate conflict of commitment and/or conflict of interest standards of the University. SMG members have a duty of loyalty to the University, as well as a primary fiduciary responsibility to the University.

Each SMG member's approving authority is personally responsible for monitoring, evaluating, and verifying that the SMG member's Outside Professional Activities comply with University policies and State of California law.

Ultimately, SMG members and their approving authorities are accountable to the President and the Regents for ensuring that conflicts do not occur. For SMG members who report directly to the Regents, the Chair of the Board of Regents Committee on Compensation will be the approving authority.

**2. Approval and Assessment**

All Outside Professional Activities, whether compensated or uncompensated, must be approved by the person or office to whom an individual reports before the SMG member engages in the activity. For SMG members who report directly to the Regents, the Chair of the Board of Regents Committee on Compensation will be the approving authority.

An SMG member's approving authority is responsible for assessing whether a proposed Outside Professional Activity might create, or appear to create, a conflict of interest or commitment. In general, the proposed activity must be compatible with the SMG member's University duties. Other important factors for consideration include:

- Will the activity compete with the SMG member's regular and/or expected University duties? An assessment of the SMG member's performance is an appropriate factor to be considered.
- Will the SMG member be precluded from making decisions within the scope of his/her University duties due to a financial conflict associated with the activity (e.g., a fiduciary responsibility to the external entity, payments received from the external entity)?
- Will the time necessary to successfully perform the activity interfere with the SMG member's ability to fulfill his/her University duties?

If the answer to any of these questions is "Yes," the approving authority should seek written guidance from the appropriate University office (e.g., Human Resources; Office of Ethics, Compliance and Audit Services; or legal counsel) in order to resolve the matter with the SMG member.

► The form documenting the assessment/approval process for all Outside Professional Activities can be found at: [link]

**B. Outside Professional Activities: Definitions and Limits****1. Uncompensated Outside Professional Activities**

Uncompensated activities are Outside Professional Activities for which the SMG member does not receive compensation or donates the full amount of the compensation to the University or a charitable organization. Compensation donated to the University may not be returned to the individual.

**Senior Management Group Outside Professional Activities****2. Compensated Outside Professional Activities**

Compensated activities are Outside Professional Activities for which the SMG member receives and retains compensation.

Reimbursement for reasonable travel expenses is not considered compensation for the purpose of this policy.

**3. Limits on Compensated Outside Professional Activities**

- a. In addition to considering the reporting guidelines set forth below, when assessing proposed activities, approving authorities must be mindful of the following limits:
  - i. An SMG member may serve simultaneously on up to three for-profit boards that are not entities of the University of California for which s/he receives compensation and for which s/he has governance responsibilities. Service as a member of the Board of Directors would constitute governance responsibility. Service on an advisory committee likely would not constitute governance responsibility.
  - ii. An SMG member will be required to use his/her personal time to engage in compensated Outside Professional Activities, by either performing such activities outside his/her usual work hours or debiting accrued vacation time consistent with applicable leave policy.
  - iii. An SMG member who is appointed at 100 percent time shall not receive additional compensation for any work or services from an entity managed exclusively by the University, regardless of source or type of payment, with the exception of University Extension (UNEX). Additional restrictions pertaining to compensation from University entities, addressed in other SMG policies, are incorporated by reference into this policy. [SMG Salary and Appointment](#) addresses this restriction.

**C. *Reporting Outside Professional Activities***

Each SMG member must file a report with his/her approving authority each year detailing all Outside Professional Activities (whether compensated or uncompensated) that were performed during the previous calendar year. Service or compensation that inadvertently is not reported or is erroneously reported in the calendar year immediately following the activity shall be reported as soon as the omission or error is known to the individual and the approving authority.

- a. Employees who step down from their SMG appointment but remain employed by the University, are subject to this reporting requirement for the calendar year in which they served in a career SMG position.
- b. Employees serving in an acting SMG capacity are not subject to this reporting requirement, unless they also possess a career appointment in an SMG position.
- c. Only activities that occurred once an employee became an SMG member shall be reported.

**Senior Management Group Outside Professional Activities**

► The form documenting the assessment/approval process for all Outside Professional Activities can be found at: [\[link\]](#)

**1. Uncompensated Outside Professional Activities**

As detailed in section III.C above, each SMG member must file an annual report with his/her approving authority detailing all Outside Professional Activities, including activities compensated as well as uncompensated.

► A sample of the Annual Report by individual SMG members listing all compensated and/or uncompensated Outside Professional Activities ~~is attached and~~ can be found at: [\[link\]](#)

A separate annual report will be made to each of the Chancellors, the Laboratory Director and the Executive Vice President—Business Operations of all uncompensated outside professional activities covered by this policy for SMG members at their respective locations that occurred the previous calendar year.

► A sample of the Annual Report by SMG members' approving authorities to Chancellors, Laboratory Director and Executive Vice President Business Operations of all uncompensated Outside Professional Activities ~~is attached and~~ can be found at: [\[link\]](#)

The Chancellor, Laboratory Director or Executive Vice President Business Operations will assess and maintain the reports of all uncompensated Outside Professional Activities.

In an annual report to the President, The Chancellors, the Laboratory Director and the Executive Vice President Business Operations shall acknowledge receipt of a comprehensive set of reports that includes all employees who meet the criteria detailed in Section III.C. above, and confirm that no instances of conflict of interest or conflict of commitment were apparent within the reports of all uncompensated Outside Professional Activities for their location.

**2. Compensated Outside Professional Activities**

As detailed in section III.C above, each SMG member must file an annual report with his/her approving authority detailing all Outside Professional Activities, including activities compensated as well as uncompensated.

► A sample of the Annual Report by individual SMG members listing all compensated and/or uncompensated Outside Professional Activities can be found at: [\[link\]](#)

Deferred compensation shall be reported in the year in which the compensation was granted, not received. If the amount of the deferred compensation is unknown during the year in which the service is performed, such as in the case of royalties, the compensation shall be reported when it is known.

The Chancellors, the Laboratory Director and the Executive Vice President Business Operations will make a separate report to the President, who will in turn report to the Regents all compensated Outside Professional Activities covered by this policy for SMG members that occurred the previous calendar year.

**Senior Management Group Outside Professional Activities*****D. Conflict of Interest and/or Commitment*****1. Conflict of Interest**

No SMG member may make, participate in the making, or influence a governmental decision in which he or she has a financial interest as defined by the Political Reform Act. <http://ucop.edu/ogc/coi/econinterest.html>, <http://www.ucop.edu/ucophome/policies/bfb/bus78/>, <http://www.ucop.edu/ucophome/policies/bfb/g39.pdf>

**2. Conflict of Commitment**

Conflict of commitment is a subjective judgment made either by the SMG member or his/her approving authority at the time approval is requested to pursue an outside professional activity. This subjective judgment shall determine whether or not a conflict is created -- either by the time required to reasonably fulfill the outside professional activity, and/or by an incompatibility between the outside professional activity and the SMG member's responsibilities to the University.

**3. Actual or Apparent Conflict of Interest and/or Commitment**

Instances may occur in which there is an appearance of a Conflict of Interest even though the SMG member does not have a financial interest in the decision as defined by the Political Reform Act. SMG members are expected to conduct themselves with integrity and good judgment and must avoid the appearance of favoritism in all of their dealings on behalf of the University.

The responsibility for determining and disclosing whether an actual or apparent Conflict of Interest and/or Commitment reasonably may occur rests first with the individual SMG member and then with his/her approving authority.

In the event the SMG member or his/her approving authority either anticipates an apparent or recognizes an actual Conflict of Interest and/or Commitment, a full written disclosure must be reviewed by the appropriate administrator.

***E. Use of University Resources***

The University of California has a responsibility for the stewardship of University resources and is committed to compliance with University policies and procedures regarding the use of University resources. See [Business and Finance Bulletin BUS-29, Section XIII](#) and [UC Whistleblower Policies](#).

The use of the name, logo, seal, or letterhead of the University of California or any University laboratory facility or entity in the conduct of any outside activity is prohibited at all times.

Incidental and occasional personal use of University equipment, services and supplies is permitted within the University, so long as such use does not disrupt or distract from University business (due to volume, frequency, or intent).

Approval of any proposed Outside Professional Activity that includes use of University facilities, equipment, services, or supplies will be conditioned upon reimbursement to the University for costs resulting from such use.

**Senior Management Group Outside Professional Activities**

Incidental and occasional personal use of electronic resources is subject to local regulations and must comply with existing [University of California Electronic Communications Policy](#).

---

**IV. APPROVAL AUTHORITY**

---

**A. Implementation of the Policy**

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

**B. Revisions to the Policy**

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

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

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

**C. Approval of Actions**

All actions within this policy must be approved by the person or office to whom an individual reports. For SMG members who report directly to the Regents, the Chair of the [Board of Regents](#) ~~Committee on Compensation~~ is the approving authority for actions within this policy. All actions that exceed this policy or that are not expressly provided for under any policy applicable to SMG members must be endorsed by The President and shall be approved by the Regents.

---

**V. COMPLIANCE**

---

**A. Compliance with the Policy**

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

The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of policy compliance, including collecting all relevant data and creating specified regular compliance reports for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has

**Senior Management Group Outside Professional Activities**

been obtained, and submits a copy of the compliance report to the Executive Officer for signature.

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

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

**B. Noncompliance with the Policy**

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

Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President–Chief Compliance and Audit Officer and the Regents at least three times per fiscal year.

---

**REVISION HISTORY**

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

- Interim Regental Policy on Outside Professional Activities for University Officers and Designated Staff, dated January 18, 2007
- Presidential Policy on Outside Professional Activities for University Officers and Designated Staff, dated July 1, 1995
- Guidelines for the Policy on Outside Professional Activities for University Officers and Designated Staff, dated June 1, 2000)
- Letter of Clarification Regarding Annual Reporting Requirements Under Both APM-025 and the University's Policy on Outside Professional Activities for University Officers and Designated Staff, dated December 1, 2005
- Regental Policy on Outside Professional Activities of the President, Principal Officers of the Regents, and Officers of the Regents, dated March 17, 1995

---

**IMPLEMENTATION PROCEDURES** [to be developed as needed to support implementation]

---

**Senior Management Group Outside Professional Activities**

---

**RELATED DOCUMENTS**

---

- [\*APM – 025, Conflict of Commitment and Outside Professional Activities of Faculty Members\*](#)
- [\*APM – 240, Deans\*](#)
- [\*APM – 670, the Health Sciences Compensation Plan and Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants\*](#)
- California Political Reform Act of 1974,  
<http://www.ucop.edu/ogc/coi/econinterest.html>
- Conflict of Interest – no SMG member may make, participate in the making, or influence a governmental decision in which he or she has a financial interest as defined by the Political Reform Act.  
<http://ucop.edu/ogc/coi/econinterest.html>,  
<http://www.ucop.edu/ucophome/policies/bfb/bus78/>,  
<http://www.ucop.edu/ucophome/policies/bfb/g39.pdf>
- [\*Business and Finance Bulletin BUS-29, Section XIII - Personal Use of Property\*](#)
- [\*SMG Policy 110 – Salary and Appointment\*](#)
- [\*University of California Electronic Communications Policy\*](#)
- [\*University Whistleblower Policies\*](#)

---

**FREQUENTLY ASKED QUESTIONS** [to be developed as needed to support implementation]

---

Outside Professional Activity Final Report  
 (Compensated) Activities  
 Reporting Year: January 1, 2008 to December 31, 2008  
 Location: ALL

Employee Name	Location	Working Title	Time Served (Hrly)*	Vacation Taken (Hrly)	Cash Comp (\$)	Deferred Comp (\$)	Other Description	Grant Type	# Granted	Strike Price Per Share(\$)	Comments
Gemesis	P	Board Member and Research Advisor	16	16		0		Stock Options	4,000	1.00	In 2006 Gemesis donated 2 crystal growth machines and samples to UCR for research purposes.
Solexant, Inc.	P	Board Member	48	48	\$50,000			Stock Options	400,000	.05	
Invitrogen, Inc.	P	Scientific Advisory	22	16	\$40,000						
SEEO, Inc.	P	Board Member	8	0	\$25,000			Stock Options	25,000	.04	
Trident Capital Management	P	Board Member	4	0	\$20,000						
Americal Chemical Society	N	Editor	156	0	\$50,000						
American Nurses Credentialing Center	P	Consultant	81	81	\$22,500						
University of North Carolina Chapel Hill	N	Chair	16	16	\$1,500						
National Institutes of Health	N	Scientific Adv Cmte									
University of Edmonton	N	Digestive Diseases Ctr Review panel member	16	16	\$400						
University of Nebraska	N	Lecturer	32	32	\$500						
University of Tennessee	N	Lecturer and seminar speaker	16	16	\$500						
Texas Tech University	N	Seminar speaker	16	16	\$250						
	N	Workshop	24	24	\$500						

## ATTACHMENT 2

Additions shown by underscoring; deletions shown by strikethrough

### ~~POLICY ON OUTSIDE PROFESSIONAL ACTIVITIES OF THE PRESIDENT, PRINCIPAL OFFICERS OF THE REGENTS, AND OFFICERS OF THE REGENTS~~ □

~~For the purpose of codifying and clarifying long-standing University practice, The Regents establish the policy described below pertaining to outside professional activities, including paid service on corporate boards, for the President, Principal Officers of The Regents, and Officers of The Regents.~~

- ~~1. Service to outside public or private organizations may include professional and creative activities that benefit the state, the nation, and the public at large.~~
- ~~2. Service on behalf of national commissions, government agencies and boards, advisory groups to other universities, and other nonprofit organizations is encouraged and may be undertaken during regular work time, subject to conditions established in University policies and implementing procedures, including provisions for receipt of honoraria and reimbursement for travel and per diem expenses incurred.~~
- ~~3. If compensation is received for service on a corporate board:~~
  - ~~a. Such service by the President and Principal Officers of The Regents shall be subject to review and prior written approval by the Chairman of the Board and shall be reported to The Regents at the next meeting following the approval. In the case of an Officer of The Regents, the review and prior written approval of such service shall be the responsibility of the appropriate Principal Officer of The Regents.~~ □
  - ~~b. Vacation leave shall be used if such service takes place during regular work time. Reporting of time will be consistent with University personnel policies and the Fair Labor Standards Act status of the Officer.~~ □
  - ~~c. The President, Principal Officers of The Regents, and Officers of The Regents shall be subject to the policy on outside professional activities for faculty.~~ □
  - ~~d. All other applicable University personnel policies and the University of California Conflict of Interest Code shall apply to service to outside organizations.~~

## ATTACHMENT 3

Additions shown by underscoring; deletions shown by strikethrough

### ~~INTERIM POLICY ON OUTSIDE PROFESSIONAL ACTIVITIES FOR UNIVERSITY OFFICERS AND DESIGNATED STAFF~~□

(1) This interim policy shall apply to all University employees who are members of the Senior Management Group or who are Designated Officers of the University, hereafter referred to as “Designated Employees”.

(2) Service on a for-profit board that is not an entity of the University of California, for which the Designated Employee receives compensation and for which the Designated Employee has governance responsibilities, herein after referred to as the Designated Board, shall not exceed three such Designated Boards unless approved in advance and in writing by the Chair of the Compensation Committee of The Regents and the President.

(3) Any such service on any Board including Designated Board(s) shall not negatively impact any employee's, including any Designated Employee's, ability to perform their duties and responsibilities, nor result in any potential conflict of interest, related to their University of California position(s).

(4) The time required by the Designated Employee to perform their obligations on a Designated Board(s) shall occur during non-University business hours or the Designated Employee shall utilize their vacation hours.

(5) All Designated Employees shall obtain prior written approval to serve on any Board, including Designated Board(s), from their immediate supervisor.

(6) Board Service in Excess of Three:

A. For those Designated Employees who currently serve on more than three Designated Boards, those individuals shall notify The President of the University of such service and the Designated Boards upon which they serve, and shall divest themselves of those Designated Boards in excess of three such Designated Boards by December 31, 2007.

B. A Designated Employee who currently exceeds the limit set forth in paragraph 2 above and who desires to continue to exceed this limit after December 31, 2007, shall obtain prior approval from the Chair of the Compensation Committee of The Regents and the President prior to December 31, 2007 for such additional Designated Board service. Consideration shall be given to the circumstances surrounding the undertaking of service on any Designated Board in excess of three in determining the ability of the Designated Employee to continue such service.

## **Proposed Bylaw and Standing Orders Amendments to Reflect Current Relationship with Department of Energy Laboratories**

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

### **1. Amendment of Bylaw 12.6(a) and (b)**

12.6 Committee on Oversight of the Department of Energy Laboratories.

The Committee on Oversight of the Department of Energy Laboratories shall:

(a) Consider and report to the Board, or to appropriate Committees of the Board, on matters concerning relations with the United States Department of Energy and matters relating to the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory~~ Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC.

(b) Act in an advisory capacity to the President of the University with respect to appointments of the Directors and Deputy Directors of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory;~~ and to the President of the University and the Chairman of the Board with respect to appointments to the University positions on the Executive Committee of the Boards of Governors of Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC.

\*\*\*

### **2. Amendment of Standing Order 100.4(c)**

100.4 Duties of the President of the University.

\*\*\*

(c) The President of the University, in accordance with such regulations as the President may establish, is authorized to appoint, determine compensation, promote, demote, and dismiss University employees, except as otherwise provided in the Bylaws and Standing Orders and except those employees under the jurisdiction of the Secretary and Chief of Staff, Chief Investment Officer, and General Counsel of The Regents. Before recommending or taking action that would affect personnel under the administrative jurisdiction of Chancellors, Executive Vice Presidents, Senior Vice Presidents, other Vice Presidents, or the Directors of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory,~~ the President shall consult with

or consider recommendations of the appropriate Officer. When such action relates to a Professor, Associate Professor, or an equivalent position; Assistant Professor; a Professor in Residence, an Associate Professor in Residence, or an Assistant Professor in Residence; a Professor of Clinical (e.g, Medicine), an Associate Professor of Clinical (e.g., Medicine) or an Assistant Professor of clinical (e.g., Medicine); a Senior Lecturer with Security of Employment, or a Lecturer with Security of Employment, the Chancellor shall consult with a properly constituted advisory committee of the Academic Senate.

\*\*\*

### **3. Amendment of Standing Order 100.4(e)**

\*\*\*

e) The President is authorized to grant leaves of absence with or without pay, in accordance with such regulations as the President may establish, except that paid leaves of absence that exceed ninety days for Chancellors, the Ernest Orlando Lawrence Berkeley National Laboratory Directors, Executive Vice Presidents, Senior Vice Presidents, and other Vice Presidents shall be subject to approval by the Board upon recommendation of the President of the University.

\*\*\*

### **4. Amendment of Standing Order 100.4(m)**

\*\*\*

(m) The President is authorized to negotiate and approve indirect cost rates to be applied to contracts and grants under which the University conducts programs supported by extramural funds, provided that such negotiations shall be directed toward full recovery of indirect costs, ~~except that the fixed payment in lieu of indirect costs under the major United States Department of Energy contracts shall be approved by the Committee on Finance.~~ Newly approved indirect cost rates determined under the provisions of *Office of Management and Budget Circular A21*, and any successor publication thereto, shall be reported to the Committee on Finance annually.

\*\*\*

### **5. Amendment of Standing Order 100.4(dd)(2)**

\*\*\*

(dd) Except as otherwise specifically provided in the Bylaws and Standing Orders, the President is authorized to execute on behalf of the Corporation all contracts and other documents necessary in the exercise of the President's duties, including documents to solicit and accept pledges, gifts, and grants, except that specific authorization by resolution of the Board shall be required for documents which involve or which are:

(2) Renewal or modification of the prime contracts with the Department of Energy for the operation of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~Lawrence~~

Livermore National Laboratory, and the Los Alamos National Laboratory; renewals or substantive modifications of the Los Alamos National Security LLC and Lawrence Livermore National Security LLC Agreements; and modifications to the prime contracts pertaining to the Los Alamos National Laboratory or the Lawrence Livermore National Laboratory that would constitute a cardinal change.

\*\*\*

## **Proposed Policy Amendments to Reflect Current Relationship with Department of Energy Laboratories**

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

### **1. Amendment of “Policy on University of California Legal Services”**

\*\*\*

The immediate office of the GC-VP is directly responsible for all services required by The Regents, the President, and Vice Presidents; all litigation and other legal proceedings affecting the University, including The Regents, the Office of the President, campuses, and ~~laboratories~~ the Ernest Orlando Lawrence Berkeley National Laboratory; non-litigation services in specialized areas of practice where such expertise is established within the office; in collaboration with resident counsel, all other non-litigation services required by campuses and laboratories; and supervision of outside counsel.

Resident counsel positions at the campuses or the Laboratory ~~laboratories~~ may be established by the GC-VP and the Chancellor or Laboratory Director with the approval of the President. Resident counsel are members of the staff of the GC-VP, and report substantively to the GC-VP, and administratively to the appropriate administrative officer. Resident counsel functions are subject to delegations of authority from the GC-VP. Appointment and compensation actions require the concurrence of the GC-VP.

\*\*\*

### **2. Amendment of “Policy on Appointment of the President of the University”**

\*\*\*

C. The Special Committee will consult broadly with constituent groups of the University, including the Academic Advisory Committee appointed by the Academic Council, Chancellors, the Ernest Orlando Lawrence National Laboratory Directors, Vice Presidents, students, staff, and alumni. To facilitate consultation, there shall be appointed advisory committees, each with no more than twelve members, of students, staff, and alumni. The student advisory committee shall be appointed by the Chairman of the University of California Student Association and shall include at least one student from each campus. The staff advisory committee shall be appointed by the Chairman of the Council of UC Staff Assemblies and shall include at least one staff member from each campus. The alumni advisory committee shall be appointed by the President of the Alumni Associations of the University of California and shall include at least one alumnus from each campus. Such consultation will be for the purpose of (1) reviewing the relevancy of the criteria approved by the Board of Regents and (2) presenting the nominee or nominees to members of the groups at the conclusion of the search.

\*\*\*

### **3. Amendment of “Principles for Review of Executive Compensation”**

1. Executive compensation shall be defined as including base salary, retirement and other benefits, perquisites, severance payments (except those made in connection with a dismissal or a litigation settlement), all forms of deferred compensation, supplemental retirement, all components of housing allowances or any other form of compensation applicable to the Officers of the University and the Principal Officers of The Regents, as currently and as may subsequently be described in the Bylaws and Standing Orders of The Regents. Pursuant to Standing Order 100.1, the Officers of the University are the President, Senior Vice Presidents, Vice Presidents, Associate Vice Presidents, Assistant Vice Presidents, ~~University Auditor,~~ University Controller, Chancellors, Vice Chancellors, ~~the~~ Directors and Deputy Directors of Lawrence Berkeley Laboratory, ~~the Lawrence Livermore National Laboratory, and the Los Alamos National Scientific Laboratory,~~ and Directors of University hospitals. The Principal Officers of The Regents, as consistent with Bylaw 20, are the Secretary, Treasurer and General Counsel; and...

\*\*\*

### **4. Amendment of “Senior Leadership Compensation Policy”**

\*\*\*

2. APPROVAL OF COMPENSATION shall be as follows:

- a) Compensation of the President and Secretary of The Regents shall be determined by the Board of Regents upon recommendation of the Committee on Finance.
- b) Compensation of the General Counsel shall be determined by the Board of Regents upon recommendation of the Committee on Finance after consultation with the Office of the President.
- c) Compensation of the Treasurer shall be determined by the Board of Regent upon recommendation of the Committee on Finance after consultation with the Office of the President, the Committee on Investments, and the Investment Advisory Committee.
- d) Compensation of the Chancellors, Senior Vice Presidents and Vice Presidents, Medical Center Heads, and the Laboratory Directors, including compensation upon appointment and subsequent changes in compensation, shall be determined by the Board of Regents upon recommendation of the President through the Committee on Finance.
- e) Compensation of other Officers of the University with annual rates above the Indexed Compensation Level shall be established within the ranges set by the Board of Regents and determined by the President and shall be reported annually to the Board of Regents.
- f) Compensation of all other Officers of the University with annual rates below the

Indexed Compensation Level shall be determined by the President and reported annually to the Board.

\*\*\*

**5. Amendment of “Policy on Extended Administrative Leaves with Pay”**

The Board endorses as Regental policy the Presidential practice announced on April 6, 1994 that no extended paid administrative leaves will be approved for Chancellors, Vice Presidents, or the Laboratory Directors.

**6. Amendment of “Policy on Payroll Deductions for Charitable Contributions and Development Programs”**

The President is authorized to approve payroll deductions from employees' wages: (1) at each campus and at ~~each University-operated Department of Energy~~ the Ernest Orlando Lawrence Berkeley National Laboratory for contributions to the agency handling the principal or a major combined charitable fund drive in the campus or Laboratory area, as recommended by the Chancellor or Laboratory Director; and (2) at each campus for contributions to one or more campus fundraising campaigns as recommended by the Chancellor for specified student assistance and/or campus development programs, with the understanding that any deductions will be voluntarily authorized by the individual employees, the campus or Laboratory will be reimbursed by or on behalf of the campaign for administrative costs, and that each campaign is subject to approval for payroll deductions by the President in accordance with guidelines to be established by the President.

Additions shown by underscoring; deletions shown by strikethrough

<b>SCHEDULE OF REPORTS TO THE REGENTS</b> <b>[Pursuant to Bylaw 16.8(a)]</b> <b>Amended <del>July 2009</del> <u>January 2010</u></b>	
	<b>Month(s) Presented or Mailed to Regents</b>
<b>BOARD</b>	
Report of the President Concerning University Activities and Individuals (the President's Report)	January March May July September November
<b>COMMITTEE ON COMPENSATION</b>	
Annual Reports on Executive Compensation for Calendar Year ____: (a) Incumbents in Certain Senior Management Positions and (b) Deans ( <i>mbm*</i> )	March
Annual Reports on Compensated Outside Professional Activities for Calendar Year ____: (a) Incumbents in Certain Senior Management Positions and (b) Deans ( <i>mbm*</i> )	March
Annual Report on Health Sciences Compensation Plan Participants' Compensation that Exceed the Reporting Threshold ( <i>mbm*</i> )	November
<u>Annual Report on Adjustment of the Indexed Compensation Level (<i>mbm*</i>)</u>	<u>September</u>
<u>Bi-Monthly Monitoring Reports: (a) Incumbents in Certain Senior Management Positions; (b) Deans; and (c) Actions for Certain Athletic Positions and Coaches Systemwide (<i>mbm*</i>)</u>	<u>January</u> <u>March</u> <u>May</u> <u>July</u> <u>September</u> <u>November</u>

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

\*\* Modified from annual to biennial report in January 2010

<b>SCHEDULE OF REPORTS TO THE REGENTS</b> <b>[Pursuant to Bylaw 16.8(a)]</b> <b>Amended <del>July 2009</del> January 2010</b>	
	<b>Month(s) Presented or Mailed to Regents</b>
<b>COMMITTEE ON COMPENSATION and COMMITTEE ON LONG RANGE PLANNING</b>	
<u>Biennial <del>Annual</del> Accountability Sub-Report on Faculty Competitiveness [Biennial cycle begins 2011]**</u>	<del>March</del> <u>January</u>
<u>Biennial Accountability Sub-Report on Staff [Beginning 2010]</u>	<u>September</u>
<b>COMMITTEE ON COMPLIANCE AND AUDIT</b>	
Annual Report on Internal Audit Plans	May
Annual Review of External Audit of Hastings College of the Law ( <i>mbm*</i> )	March
Annual Report on Compliance	September
Annual Report of External Auditors for the Year Ended June 30, ____	November
Annual Report on Internal Audit Activities	November
<b>COMMITTEE ON EDUCATIONAL POLICY</b>	
Quarterly Report on Private Support, Major Donors, and Namings and Endowed Chairs ( <i>mbm*</i> )	February May <del>August</del> <u>September</u> <u>December</u>
Statistical Summary of Students and Staff ( <i>mbm*</i> )	March
Annual Report on Student Financial Support ( <i>mbm*</i> )	March
Annual Report on Undergraduate Admissions Requirements [effective 2013; <u>will include Report on Comprehensive Review</u> ] ( <i>mbm*</i> )	July

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

\*\* Modified from annual to biennial report in January 2010

<b>SCHEDULE OF REPORTS TO THE REGENTS</b> <b>[Pursuant to Bylaw 16.8(a)]</b> <b>Amended <del>July 2009</del> January 2010</b>	
	<b>Month(s) Presented or Mailed to Regents</b>
Annual Report on Proposals Seeking Research Funding from the Tobacco Industry ( <i>mbm</i> *)	September
Annual Report on the University Private Support Program	November
Report on Comprehensive Review ( <i>mbm</i> *) [Consolidate with the Annual Report on Undergraduate Admissions Requirements, 2013]	<del>December</del> <u>April</u>
<b>COMMITTEE ON EDUCATIONAL POLICY and COMMITTEE ON FINANCE</b>	
Annual Report on Self-Supporting Professional Degree Programs ( <i>mbm</i> *)	<del>November</del> <u>August</u>
<b>COMMITTEE ON EDUCATIONAL POLICY and COMMITTEE ON LONG RANGE PLANNING</b>	
<u>Biennial Accountability Sub-Report on Graduate Academic and Professional Degree Students</u> [Beginning 2010]	<u>July</u>
<u>Biennial <del>Annual</del> Accountability Sub-Report on Student Success</u> [Beginning 2011]**	July
Annual Accountability Sub-Report on Diversity at the University of California	September
Annual Accountability Sub-Report on the University of California Admissions and Enrollments	<del>November</del> <u>March</u>
<b>COMMITTEE ON FINANCE</b>	
Annual Report on Risk Management ( <i>mbm</i> *)	January
Annual Report on Use of Outside Counsel ( <i>mbm</i> *)	January

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

\*\* Modified from annual to biennial report in January 2010

<b>SCHEDULE OF REPORTS TO THE REGENTS</b> <b>[Pursuant to Bylaw 16.8(a)]</b> <b>Amended <del>July 2009</del> January 2010</b>	
	<b>Month(s) Presented or Mailed to Regents</b>
Annual Report on Settlements and Separation Agreements	January
Annual Report on University Housing Assistance Programs ( <i>mbm*</i> )	January
Annual Report on Expenditures of Associates to the President and Chancellors ( <i>mbm*</i> )	September
University of California Financial Reports	November
Annual University of California Retirement Plan Actuarial Valuation Report	November
Annual Report on Debt Capital and External Finance Approvals ( <i>mbm*</i> )	November
Annual Report on the University of California Technology Transfer Program ( <i>mbm*</i> )	<del>November</del> <u>May</u>
<b>COMMITTEE ON FINANCE and</b> <b>COMMITTEE ON OVERSIGHT OF THE</b> <b>DEPARTMENT OF ENERGY LABORATORIES</b>	
Annual Report on the Net Fee Income Received as Owner of a Limited Liability Company Managing a Department of Energy National Laboratory and Expenditures Made Therefrom ( <i>mbm*</i> )	November
<b>COMMITTEE ON GROUNDS AND BUILDINGS</b>	
Annual Report on Sustainable Practices	January
Annual Report on Chancellor's Residence and <del>Other</del> <u>Office</u> Capital Projects	September
Annual Report on Major Capital Projects Implementation ( <i>mbm*</i> )	October

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

\*\* Modified from annual to biennial report in January 2010

<b>SCHEDULE OF REPORTS TO THE REGENTS</b> <b>[Pursuant to Bylaw 16.8(a)]</b> <b>Amended <del>July 2009</del> January 2010</b>	
	<b>Month(s) Presented or Mailed to Regents</b>
Budget for State Capital Improvements	November
University of California Five-Year Capital Program State Funds	November
Annual Report on Campus' Ten-Year Capital Financial Plans	November
<b>COMMITTEE ON HEALTH SERVICES</b>	
Activity and Financial Status Report on Hospitals and Clinics ( <i>mbm*</i> )	January March May June July November
<b>COMMITTEE ON HEALTH SERVICES and COMMITTEE ON LONG RANGE PLANNING</b>	
<del>Biennial Annual</del> Accountability Sub-Report on Health Sciences and Services [ <u>Biennial cycle begins 2011</u> ]**	<del>November</del> <u>March</u>
<b>COMMITTEE ON INVESTMENTS</b>	
Annual Endowment Investment Report	February
Annual Report on Divestment Policies	September
Annual Report of the Treasurer ( <i>mbm*</i> )	November

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

\*\* Modified from annual to biennial report in January 2010

<b>SCHEDULE OF REPORTS TO THE REGENTS</b> <b>[Pursuant to Bylaw 16.8(a)]</b> <b>Amended <del>July 2009</del> January 2010</b>	
	<b>Month(s) Presented or Mailed to Regents</b>
<b>COMMITTEE ON LONG RANGE PLANNING</b>	
<u>Biennial</u> <del>Annual</del> Accountability Sub-Report on University Private Support <u>[Biennial cycle begins 2010]**</u>	January
Annual University of California Accountability Report	May
<u>Biennial</u> <del>Annual</del> Accountability Sub-Report on the Research Enterprise <u>[Biennial cycle begins 2010]**</u>	<del>November</del> <u>January</u>

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

\*\* Modified from annual to biennial report in January 2010

**PROPOSED AMENDMENTS TO STANDING ORDERS AND REGENTAL POLICY**

The following amendments extend the operation of the pilot phase of the Process Redesign for Capital Improvement Projects for another twelve months, from March 31, 2010 to March 31, 2011. After that date, the amendments of September 2008 establishing the pilot phase become inoperative and are repealed unless a later Regents' action, that becomes effective on or before March 31, 2011, deletes or extends the dates on which they become inoperative and are repealed.

**Deletions shown by strikeout; additions shown by underscore****1. Standing Order 100.4(q) is amended as follows:****(q)(1)**

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

**(q)(2)**

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

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

This paragraph shall become inoperative and is repealed on March 31, ~~2010~~ 2011, unless a later Regents' action, that becomes effective on or before March 31, ~~2010~~ 2011, deletes or extends the date on which it becomes inoperative and is repealed.

\*\*\*\*\*

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

(nn)(1)

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

(nn)(2)

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

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

connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

This paragraph shall become inoperative and is repealed on March 31, ~~2010~~ 2011, unless a later Regents' action, that becomes effective on or before March 31, ~~2010~~ 2011, deletes or extends the date on which it becomes inoperative and is repealed.

\*\*\*\*\*

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

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

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

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

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

(c) Building projects on campuses approved by the Committee on Grounds and Buildings for inclusion in the Pilot Phase of Process Redesign for Capital Improvement Projects with a total project cost in excess of \$60,000,000 subject to the same exclusions as subparagraph (a). This subparagraph shall become inoperative and is repealed on March 31, ~~2010~~ 2011, unless a later Regents' action, that becomes effective on or before March 31, ~~2010~~ 2011, deletes or extends the date on which it becomes inoperative and is repealed.