

assist in retaining Mr. Keasling as Associate Laboratory Director for Biosciences.

- In turn, retaining Mr. Keasling will help ensure that the University and LBNL remain on the leading edge in the highly competitive area of synthetic clean fuels research.

Recommendation

The following items were approved in connection with the appointment of and compensation for Jay Keasling as Associate Laboratory Director, Biosciences, Lawrence Berkeley National Laboratory:

- (1) Per policy, a base salary of \$358,000 (LBNL Salary Grade N17: Minimum \$268,260, Midpoint \$344,646, Maximum \$421,032) as Associate Laboratory Director, Biosciences, Lawrence Berkeley National Laboratory. This represents an 11.3 percent increase over his current total annualized compensation of \$321,600 as faculty.
- (2) This appointment is at 100 percent time and is effective upon approval by the Chair of the Committee on Compensation and the President.

The source of funds for payment of this compensation item is Department of Energy (DOE) funds as provided under the University's contract with DOE.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$358,000

Bonus/Incentive: \$0

Total Cash Compensation: \$358,000

Grade Level: LBNL Salary Grade N17

(Minimum \$268,260, Midpoint \$344,646, Maximum \$421,032)

Funding Source: DOE Funds

Budget &/or Prior Incumbent Data

Title: Associate Laboratory Director, Biosciences

Total Cash Compensation: \$321,324

Funding Source: DOE Funds

Additional items of compensation include:

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

- Supplemental Benefit Program due to tenured faculty appointment.
Per policy, eligibility for participation in the University of California Mortgage Origination Program up to the maximum loan amount (currently \$1,330,000). The loan will comply with all normal Mortgage Origination Program parameters.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral 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: LBNL Director Alivisatos
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

G. *Interim Re-Slotting, Appointment of and Compensation for Harris A. Lewin as Vice Chancellor – Research, Davis Campus*

Background to Recommendation

Action under interim authority was requested for approval of the interim re-slotting, appointment of and compensation for Harris A. Lewin, Ph.D., as Vice Chancellor – Research, Davis campus. This urgent request was in response to the campus' need to make an announcement regarding the selected candidate immediately following word of Regental approval. Following a national search, aided by the search firm of Storbeck/Pimentel & Associates, Mr. Lewin emerged as the most qualified candidate. The campus requested re-slotting of the position from SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700) to SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500) and a base appointment salary of \$370,000.

The Chancellor has challenged UC Davis to transform its research enterprise and increase total research awards to \$1 billion annually. Mr. Lewin is an accomplished researcher and an entrepreneurial leader who will foster partnerships and collaborations with government, industry, and other research enterprises. He has 14 years of experience in research administration and has consistently maintained an externally funded research program that has averaged approximately \$1 million in direct costs over the past eight years despite his full-time administrative responsibilities. His research program is highly interdisciplinary (genomics, developmental biology, reproductive biology, bioinformatics, immunogenetics) and international in scope. He was Professor of Immunogenetics, with a primary appointment in the Department of Animal Sciences, at the University of Illinois at Urbana – Champaign. Mr. Lewin was the founding Director of the W. M. Keck Center for Comparative and Functional

Genomics, a nationally recognized facility that conducts genome research on microbes, plants, and animals. He was Director of the Institute for Genomic Biology at the University of Illinois. The mission of the Institute is to explore and find answers to the pressing societal issues in human health, agriculture, the environment and energy use and production. Collaboration is a key component to the research conducted at the Institute.

Mr. Lewin had been at the University of Illinois at Urbana – Champaign since 1984. He held the prestigious Gutsell Endowed Chair in the College of Agricultural, Consumer and Environmental Sciences. He was elected to the Royal Swedish Academy of Agriculture and Forestry and is an American Association for the Advancement of Science Fellow.

In collaboration with the Chancellor and the faculty, Mr. Lewin will have responsibility for ensuring the research preeminence of UC Davis. Mr. Lewin will be responsible for building and leading an exceptional administrative team that will provide direction in the following areas: strategic planning, advancement of key research initiatives, and translation of UC Davis research into knowledge and technology of significant public benefit.

As Vice Chancellor – Research, Mr. Lewin will be expected to develop infrastructure and policy that promote creativity and an entrepreneurial culture; provide policies and educational programs that promote a culture of innovation and the highest ethical standards; and communicate to the general public and to State, national and international decision-makers, the possibilities created by UC Davis research for advancing efforts to enhance the quality of life regionally, nationally, and internationally. He will be responsible for exercising leadership at the local, state, national and international levels representing the university to external agencies, serving as a legislative liaison and promoting cooperative research arrangements with governments, industry, foundations, universities, and other organizations.

This position is funded 100 percent from State General Funds. The market median base salary for vice chancellors of research is \$329,220 (aged to October 2010) as provided by the College and University Professional Association (CUPA) Administrative Compensation Survey. The candidates that emerged through the search process all reported base salaries that are close to, or over, the maximum of the SLCG Grade 109 salary range, and some reported a base salary above \$400,000. The other finalists for this position have current salaries in their present positions in the range of \$360,000 to \$500,000. The recommended base salary of \$370,000 is 12.4 percent above the market median; however, recruitment for vice chancellors of research is extremely competitive.

Recommendation

The following items were approved in connection with the appointment of and compensation for Harris A. Lewin as Vice Chancellor – Research, Davis campus:

- (1) Appointment of Harris A. Lewin as Vice Chancellor – Research, Davis campus.
- (2) Interim re-slotting of the position from SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700) to SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- (3) Per policy, an annual base salary of \$370,000.
- (4) Per policy, a combined relocation allowance and hiring bonus of 30 percent of base salary (\$111,000). The maximum amount allowable under policy is necessary to offset the housing cost differential that Mr. Lewin will experience as a result of his relocation. Sperling's Best Places cites the cost of housing in Sacramento, California as 58 percent higher than the cost of housing in Champaign, Illinois. This payment will be provided as a single lump sum or as an annual stream of payments for a period of up to five years. If paid in a lump sum, and Mr. Lewin resigns within five years, the repayment schedule would be as follows: 100 percent if resignation occurs within the first year of employment, 80 percent within the second year of employment, 60 percent within the third year of employment, 40 percent within the fourth year of employment, and 20 percent within the fifth year of employment. If paid in annual installments and Mr. Lewin resigns, any unpaid future installments would be forfeited.
- (5) Per policy, temporary living assistance for up to 90 days, including cost of furnished temporary lodging and reasonable residential parking fees, reimbursed within normal policy limits, up to \$12,000 total. Additionally, meals for the first 30 days of residence in temporary quarters that do not have cooking facilities, reimbursed within normal policy limits. At the discretion of the University, the University may provide a temporary cash allowance, not to exceed \$12,000, to the relocating employee to offset limited housing-related expenses in lieu of reimbursement. This allowance would be paid through the University payroll system and would be subject to withholding for income and FICA taxes.
- (6) Per policy, two house hunting trips, subject to the limitations under policy for the candidate and his spouse/partner.
- (7) Per policy, reimbursement of 100 percent of all reasonable moving expenses for the purpose of relocation of the primary residence, subject to the current policy guidelines. This move must be completed within one year from the date of appointment in order for it to be nontaxable.

- (8) Per policy, eligibility to participate in the Mortgage Origination Program. Participation will comply with all University/campus normal program parameters.
- (9) This appointment is at 100 percent time and is effective immediately upon approval.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits (including senior management life 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.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$370,000

Relocation Allowance and Hiring Bonus: \$111,000

Total Cash Compensation: \$481,000

Grade Level: SLCG Grade 110

(Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500)

Median Market Data: \$329,220

Percentage Difference from Market: 12.4 percent above market

Funding Source: State General Funds

Budget &/or Prior Incumbent Data

Base Salary: \$237,400

Total Cash Compensation: \$237,400

Grade Level: SLCG Grade 109

(Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700)

Funding Source: 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.

Submitted by: UCD Chancellor Katehi

Reviewed by: President Yudof

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

H. *Appointment of, Reclassification and Compensation for John C. Hemminger as Vice Chancellor – Research, Irvine Campus*

Background to Recommendation

Action under interim authority was requested for the approval of the appointment of John C. Hemminger as Vice Chancellor – Research, effective upon approval. The position had been vacant since the prior incumbent's retirement on July 1, 2010 and therefore requires interim action.

The Vice Chancellor – Research position has fiscal and administrative responsibility for the Office of Research, which supports, facilitates, and promotes world-class research at UC Irvine. The Office of Research consists of approximately 325 employees and an operating budget of \$91.4 million, consisting of the Office of Research Administration, the Office of Technology Alliances, the University Laboratory Animal Resources, Research Development, Administrative Operations and Information Technology, and campus research units.

The campus conducted an internal search to capitalize on the existing talents, expertise, and insight specific to UC Irvine. The search was led by a 13-member committee with representation from faculty, graduate students, and research administration. From this search, Mr. John Hemminger was identified as the top candidate for the Vice Chancellor – Research position.

Mr. Hemminger has demonstrated excellence in administrative leadership through his service as Dean – School of Physical Sciences since 2006 and his prior service as Chair – Department of Chemistry from 1993 to 1996, as founding Director of UC Irvine's Institute for Surface and Interface Science from 1987 to 1993, and as Chair of the UC Irvine Conflict of Interest Oversight Committee from 2000 to 2003. He also served as the Chair of the Campus Committee on Academic Personnel and was a member of the Science and Technology Panel and National Security Panel of the UC President's Council on the National Laboratories. Extending his administrative service outside UC Irvine, Mr. Hemminger has served since 2003 as the Chair of the U.S. Department of Energy Basic Energy Sciences Advisory Committee, which provides advice to the Director of the Department of Energy Office of Science and to the Associate Director of the Office of Basic Energy Sciences.

Mr. Hemminger is also an internationally known and respected scientist and a longtime UC Irvine faculty member, having joined the University in 1978. He is a distinguished professor of chemistry. Mr. Hemminger's research has been recognized by several awards, including the 2006 American Vacuum Society Medard W. Welch Award for Outstanding Theoretical and/or Experimental Research, the 2004 National American Chemical Society Award, the Arthur W. Adamson Award for Distinguished Service in the Advancement of Surface

Chemistry, the 2003 Charles R. Bennett Service Through Chemistry Award for the Orange County region, the 1999 Alexander von Humboldt Senior Scientist Award and the 1986 Distinguished Research Award from the UC Irvine Alumni Association. Mr. Hemminger has been also honored with the National Science Foundation Postdoctoral Fellowship and the Alfred P. Sloan Research Fellowship and has been recognized as a Fellow of the American Chemical Society, the American Physical Society, the American Vacuum Society and the American Association for the Advancement of Science.

Mr. Hemminger's abiding commitment to the excellence of research, his ability to cultivate positive and collaborative relationships with a diverse population and his administrative talents will position him to excel as Vice Chancellor – Research.

This position is funded 100 percent by UC general funds provided by the State. The proposed annual compensation of \$300,000 is 9.4 percent above the midpoint for SLCG Grade 109 of \$274,300; 19.7 percent above the average base salary of \$250,700 for other UC vice chancellors of research; and 9.7 percent below the market median of \$329,220. The proposed reclassification to SLCG Grade 109 aligns the position with comparable internal peers and with the external market. Market data are from the College and University Professional Association (CUPA) Administrative Compensation Survey.

Recommendation

The following items were approved in connection with the appointment of, reclassification and compensation for John C. Hemminger as Vice Chancellor – Research, Irvine campus:

- (1) Appointment salary of \$300,000 at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- (2) This appointment is at 100 percent time and is effective upon approval.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).
- 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.

Recommended Compensation**Effective Date:** Upon approval**Base Salary:** \$300,000**Grade Level:** SLCG Grade 109

(Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700)

Median Market Data: \$329,220**Percentage Difference from Market:** 9.7 percent below market**Funding Source:** UC general funds**Budget &/or Prior Incumbent Data****Base Salary:** \$275,000**Grade Level:** SLCG Grade 108**Funding Source:** UC general funds

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

13. **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 October 1 and November 1, 2010.

14. **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 Compensation

- A. From the President, September 2010 Bi-Monthly Transaction Monitoring Report for Deans who have transferred from the Senior Management Group Program to Academic Titles. (October 4, 2010)
- B. From the President, report of salary actions taken for professors since April 19, 2010; as well as approved salary actions taken for administrators in the Academic Personnel Program whose total administrative salary exceeded the 2009-10 Indexed Compensation Level of \$275,000. (October 19, 2010)

To Members of the Committee on Educational Policy

- C. From the President, Quarterly Report on Major Donors; and Quarterly Report on Endowed Chairs and Namings approved by the President. (September 17, 2010)

To Members of the Committee on Finance

- D. From the President, Annual Report of the Budget Expenditures for the Associates of the President and of the Chancellors for Fiscal Year 2009-10. (October 25, 2010)

To Members of the Committees on Finance and Oversight of the Department of Energy Laboratories

- E. From the President, Annual Report on the Net Fee Income Received as Owner of Limited Liability Company Managing a Department of Energy National Laboratory and Expenditures Made Therefrom for 2009-10. (October 25, 2010)

To Members of the Committee on Grounds and Buildings

- F. From the President, Annual Report on Chancellors' Residences and Offices Capital Projects for fiscal year 2009-10. (September 29, 2010)

To the Regents of the University of California

- G. From the Secretary and Chief of Staff, report of communications received subsequent to the July 30, 2010 report of communications. (September 1, 2010)
- H. From the President, letter announcing Chancellor Kang's resignation as Chancellor of UC Merced, effective June 30, 2011. (September 2, 2010)
- I. From the President, Report on the Implementation of RE-89, Policy Restricting University Acceptance of Funding from the Tobacco Industry, for Fiscal Year 2010. (September 13, 2010)
- J. From the President, letter regarding the University of California, San Francisco Medical Center and Mission Bay Funding Plan. (September 17, 2010)
- K. From the President, letter and response from the Provost, Chief Financial Officer, and Executive Vice President – Business Operations to “A Dissenting Statement by Staff and Academic Senate Members of the Work Groups of the President’s Task Force on Post-Employment Benefits.” (September 24, 2010)
- L. From the President, letter and internal report on advocacy activities from the Division of External Relations. (September 27, 2010)
- M. From the President, letter indicating posting of “A Dissenting Statement by Staff and Academic Senate Members of the Work Groups of the President’s Task Force on Post-Employment Benefits” to the Post-Employment Benefits Task Force website. (September 27, 2010)

- N. From the President, letter and report summarizing past, current, and ongoing activity concerning potential changes to UC's retirement benefits as proposed by the Post-Employment Benefits Task Force. (September 28, 2010)
- O. From the President, letter and UC Berkeley-issued press release regarding intercollegiate athletics at UC Berkeley. (September 28, 2010)
- P. From the Chairman, copy of article from the September 30, 2010 *San Francisco Chronicle* titled: "Community College Transfer Bill Signed into Law." (September 30, 2010)
- Q. From the Secretary and Chief of Staff, report of communications received subsequent to the September 1, 2010 report of communications. (October 1, 2010)
- R. From the President, "Summary of Final Budget Actions" for the 2010-2011 State Budget. (October 12, 2010)
- S. From the President, Bi-Monthly Transaction Monitoring Report – May 2010; Bi-Monthly Transaction Monitoring Report – July 2010; Report of Actions Taken Under the Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide; and Correction to the Annual Report on Executive Compensation for Calendar Year 2009: Incumbents in Certain Senior Management Positions. (October 19, 2010)
- T. From the President, letter and draft recommendations for post-employment benefits. (October 25, 2010)
- U. From the President, letter and 2010 State of California Union Contract Terms – Pension Reform and other Cost Strategies: October 2010 Update; 2010 State of California Union Contract Terms – Pension Reform and Other Cost Reduction Strategies; and CalPERS: Summary of Tentative Agreements for Plan Design Changes for Various Bargaining Units. (October 26, 2010)
- V. From the President, letter to UC community regarding recommendations to the post-employment benefits program. (October 27, 2010)

The meeting adjourned at 11:40 a.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

STANDING ORDER 110.2 Matters Relating to Residency

Includes amendments through ~~July 2007~~ November 2010

- a. The residence of each student shall be determined in accordance with the rules governing residence prescribed by the provisions of Sections 68000, ~~68010~~ 68011-68012, 68014-68018, 68022-68023, 68040-68044, but excluding the words "classified as a nonresident seeking reclassification" from Paragraph 1 and substituting the words "seeking classification" and excluding Paragraph 3 of Section ~~68044~~, 68044; 68050, 68060-~~68062~~, 68061 but excluding the words "including an unmarried minor alien" from ~~68062(h)~~, 68062(h); 68070-~~68075.5~~, 68078, ~~68080~~ 68076-68078, 68083, 68085, amended to read: "Notwithstanding any other provisions, a student who resides in California and is 19 years of age or under at the time of enrollment, and who is currently a dependent or ward of the state through California's child welfare system, or was served by California's child welfare system and is no longer being served either due to emancipation or aging out of the system, shall be entitled to a resident classification as long as he or she remains continuously enrolled"; ~~68130~~, and ~~68132~~ 68133-68134 of the Education Code of the State of California. Each nonresident student at the University of California shall pay a nonresident tuition fee for each term of attendance at the University, except that such fee, with the approval of the President of the University, may be remitted or waived in whole or in part in the case of any student who qualifies as a graduate student with a distinguished record, a foreign student, a teaching assistant or teaching fellow, or a research assistant; or in the case of a nonresident student who is an unmarried dependent son or daughter under age twenty-one, or a spouse or registered domestic partner of a member of the University faculty who is a member of the Academic Senate. A student who is a spouse or registered domestic partner or child of a resident law enforcement officer or fire fighter killed on active duty shall be exempted from nonresident tuition and mandatory systemwide fees in accordance with Section 68120 and 68120.5 of the Education Code of the State of California. A student who is the child or dependent of a deceased or disabled veteran, or who is the dependent of or the surviving spouse who has not remarried or registered domestic partner (who has not subsequently married or registered as a domestic partner) of any member of the California National Guard who was killed or permanently disabled while in active service of the state, shall not be exempted from nonresident tuition fees, but may be exempted from mandatory systemwide fees in accordance with Section ~~32320~~ 66025.3 of the Education Code of the State of California. A student meeting the requirements of Section 68130.5 of the Education Code of the State of California shall be exempt from paying nonresident tuition. ~~A student meeting the requirements of Sections 66025.3 and 68120.5 of the Education Code of the State of California shall be exempt from paying mandatory systemwide fees and nonresident tuition.~~ For purposes of defining financial independence pursuant to Section 68044, a student shall be considered "financially independent" if the applicant: a) is at least 24 years of age by December 31 of the year the applicant requests residence classification; b) is a veteran of the U.S. Armed Forces; c) is a ward of the court or both parents are dead; d) has legal dependents other than a spouse or registered domestic partner; e) is married, or in a registered domestic partnership, or a graduate

student or professional student, and will not be claimed as an income tax deduction by any individual other than his or her spouse or domestic partner for the tax year immediately preceding the request for residence classification; or is a single undergraduate student, and was not claimed as an income tax deduction by his or her parents or any other individual for the two years immediately preceding the request for residence classification, and demonstrates self-sufficiency for two years. The student is considered self-sufficient if he or she had total income and other resources of at least \$4,000. The two years used to demonstrate self-sufficiency are the two years immediately preceding the request for residence classification. Nonresident tuition fees shall be payable at the time of registration.

- b. A student classified as a nonresident shall retain that status until that student makes application in the form prescribed by the University and has been reclassified.
- c. A student classified as a resident shall be classified as a nonresident whenever there are found to exist circumstances which would have caused that student to be classified as a nonresident. If the cause of incorrect classification is due to any concealment of facts or untruthful statements, the student shall be required to pay all tuition fees which would have been charged but for such erroneous classification and shall be subject also to appropriate University discipline.
- d. Out-of-State Employees and Non-University Employees at Los Alamos and Lawrence Livermore National Laboratories (LANL and LLNL).
 - (1) An individual who is a full-time University employee assigned to work outside the State of California, or the dependent child, spouse, or registered domestic partner of such an employee, shall be entitled to resident classification for tuition purposes.
 - (2) So long as the University continues to participate as a member of a limited liability company holding the contract for the management of LANL or LLNL, an individual who is an employee of such company, or a dependent child, spouse, or registered domestic partner of such an employee, shall be entitled to resident classification for tuition purposes to the same extent as if the employee were an employee of the University assigned to work outside of California.
 - (3) An individual who is a full-time employee of the University assigned to work at LANL or elsewhere outside of California, or who is a full-time employee of a company described in (2) above in which the University is a principal, and who transfers without a break in service to full-time University employment within the state of California, shall be entitled to resident classification for tuition purposes. Any dependent child, spouse or registered domestic partner of such an employee also would be entitled to resident classification for tuition purposes.
 - (4) An individual who is a full-time University employee at LANL or LLNL, or any dependent child, spouse or registered domestic partner of such an employee, and who is enrolled as a student in a degree-granting program at a UC campus at such time as the University contract to manage LANL or LLNL expires and the University's participation

in the management of LANL or LLNL ceases, shall be exempted from payment of nonresident tuition fees for the remainder of the current quarter or semester.

- e. The General Counsel of The Regents may implement this Standing Order by promulgating regulations in accordance therewith.

Pending Approval

Additions shown by underscoring; deletions shown by strikethrough

Regents Policy 4207: POLICY ON INDEMNIFICATION OF INDIVIDUALS SERVING ON THE UNIVERSITY OF CALIFORNIA PRESS BOARD OF DIRECTORS AND UNIVERSITY OF CALIFORNIA PRESS FOUNDATION BOARD OF TRUSTEES

Approved May 26, 2005; Amended November 18, 2010

~~That The Regents:~~

~~(1) Indemnifies and defends individual members of the UC Press Board of Directors as to claims and liabilities that may arise or occur in the course and scope of their service as members of the Board, except for claims resulting from fraud, corruption, or actual malice.~~

~~(2) Authorizes the President to issue any necessary guidelines to implement this policy.~~

The University of California shall defend and indemnify present and former members of the Board of Directors of the University of California Press and present and former members of the Board of Trustees of the University of California Press Foundation (collectively, "Directors") in any civil action or proceeding ("Proceeding") arising out of an act or omission occurring within the course and scope of their service as Directors, provided that the acts or omissions giving rise to the Proceeding are undertaken in a manner consistent with the requirements of applicable provisions of the California Nonprofit Corporations Code, and further provided that the defense and indemnification shall be secondary to any entitlements the Director may have to defense and indemnification from any insurance policies under which the University of California Press or University of California Press Foundation, as the case may be, is insured.

As a condition of receiving defense and indemnification, Directors shall give prompt notice to the University of the pendency of any Proceeding, shall keep the University or its designee apprised of significant developments in the Proceeding, and shall cooperate in good faith in the defense. The President shall issue any necessary guidelines to implement this policy.

Effective Date: ~~January 1, 2011~~ ~~April 1, 2010~~
 Replaces Version: ~~April 1, 2010~~ ~~May 7, 2008~~

**TOTAL RETURN INVESTMENT POOL (TRIP)
 INVESTMENT GUIDELINES**

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

1. Investment Policy

a. Background:

The TRIP is an investment pool established by The Regents and is available to UC Campuses and the UC Office of the President. The TRIP allows Campuses to maximize return on their long-term working capital, subject to an acceptable level of risk, by taking advantage of the economies of scale of investing in a larger pool and investing across a broad range of asset classes.

b. Incorporation of Regents Investment Policies

1. Investment governance, philosophy, policies and oversight procedures for this Program will be similar to those for the University of California Retirement Plan (UCRP) and General Endowment Pool (GEP), as specified in the Investment Policies for the UCRP.

2. Relevant policies from Sections 1-3 of the UCRP Investment Policy Statement are incorporated by reference into this Policy.

c. Investment Objective

The Objective of the Program is to generate a rate of return, after all costs and fees, in excess of the policy benchmark, and consistent with liquidity, cash flow requirements, and risk budget. See Section 2 for asset allocation and benchmark. As its name implies, TRIP is managed according to a total return objective, and will be subject to interest rate risk, credit risk, and equity risk. It is appropriate for longer-term investors who can accept this volatility in exchange for higher expected return.

d. Investment Strategy

The Program shall be implemented by the Treasurer’s Office, using a combination of internal and external management (“Managers”), employing actively managed strategies where appropriate. Active strategies will include both sector allocation and security selection. The Treasurer will monitor the Program’s adherence to these Guidelines.

e. Risk Objective

PDF proposals from the campuses and as submitted to The Regents should cover a rolling period of not less than three years.

~~(F) These conditions are effective in academic year 2009-10 and onwards. For academic year 2008-09, any PDF increases greater than 6 percent approved by The Regents are conditional on the President's determination by March 1, 2008, that the unit has satisfied conditions equivalent to those above; such a determination will be reported to The Regents for information.~~

**Nothing in this policy constitutes a contract, an offer of a contract, or a promise that any tuition or fees ultimately authorized by The Regents will be limited by any term or provision of this policy. The Regents expressly reserves the right and option, in its absolute discretion, to establish tuition or fees at any level it deems appropriate based on a full consideration of the circumstances, and nothing in this policy shall be a basis for any party to rely on tuition or fees of a specified level or based on a specified formula.*

Pending Approval