

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

November 17-18, 2010

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

Present: Regents Blum, DeFreece, De La Peña, Gould, Hime, Island, Johnson, Kieffer, Lansing, Lozano, Makarechian, Marcus, O’Connell, Pattiz, Schilling, Varner, Yudof, and Zettel

In attendance: Regents-designate Hallett, Mireles, and Pelliccioni, Faculty Representatives Anderson and Simmons, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice Presidents Brostrom, Darling, and Taylor, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Katehi, White, and Yang, Laboratory Director Alvisatos, and Recording Secretary Johns

The meeting convened at 1:45 p.m. with Chairman Gould presiding.

1. RESOLUTION IN APPRECIATION – JACK O’CONNELL

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

WHEREAS, Jack O’Connell, tireless advocate for public education and for the educational success of California’s youth, is completing his second term as 26th State Superintendent of Public Instruction and as ex officio member of the Board of Regents; and

WHEREAS, a graduate of California public schools and two campuses of the California State University, his service to the youth of this state has been made manifest by his tenure as a high school teacher and county school board member and by two decades of dedicated service in the California Legislature, where he established a reputation as a leading legislator on education policy; and

WHEREAS, over his lifetime of committed service to public education and to students he has demonstrated a fervent commitment to high standards, the closing of the achievement gap, the removal of barriers to academic advancement, and the development of multiple pathways to educational attainment; and

WHEREAS, he has encouraged the University to play a leadership role in K-12 education reform and has actively engaged faculty and deans of the University in research, analysis, and policy development in areas such as enhancing teacher training, improving

educational achievement levels, and strengthening linkages between different institutions along the public education continuum; and

WHEREAS, he has worked in partnership with the University to provide enhanced tools for high school educators to develop and submit college preparatory coursework for “a-g” approval, fostering the accelerated development of career technical education courses that receive “a-g” approval from the University and producing an increase in the number of these approved courses from 288 to more than 8,000 statewide during his time as State Superintendent;

NOW, THEREFORE, BE IT RESOLVED that the Regents convey their sincere appreciation to Jack O’Connell for his dedicated service to the University and for his unwavering devotion to the cause of public education and to the welfare of the students of California;

AND BE IT FURTHER RESOLVED that the Regents extend to Jack and Doree O’Connell their kindest wishes for continued happiness and well-being, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board’s enduring regard and affection.

Chairman Gould expressed the Board’s appreciation for Regent O’Connell’s commitment to public service and public education, his understanding of the role the University can play in supporting the K-12 system, and his dedication to bridging the achievement gap. He thanked Regent O’Connell for his service.

Regent O’Connell stated that it had been a pleasure to serve on the Board of Regents and to work on various initiatives with Regents, faculty, administrators, and staff. As an example, he cited the progress achieved in the development of high school Career and Technical Education (CTE) courses which fulfill UC’s “a-g” requirements. Eight years previously, there were 288 such CTE courses; there are now more than 8,000.

The Regents recessed at 1:50 p.m.

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The Regents reconvened at 11:35 a.m. on November 18, 2010 with Chairman Gould presiding.

Present: Regents Blum, Cheng, DeFreece, De La Peña, Gould, Hime, Island, Johnson, Kieffer, Lansing, Lozano, Makarechian, Maldonado, Marcus, Pattiz, Schilling, Varner, Wachter, Yudof, and Zettel

In attendance: Regents-designate Hallett, Mireles, and Pelliccioni, Faculty Representatives Anderson and Simmons, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Drake, Katehi, White, and Yang, and Recording Secretary Johns

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of September 16 and the meetings of the Committee of the Whole of September 14, 15, and 16, 2010 were approved.

3. **REPORT OF THE PRESIDENT**

President Yudof presented his report concerning University activities and individuals. UC San Diego Chancellor Fox and UC San Francisco Professor Stanley Prusiner have received the National Medal of Science from President Obama. The National Medal of Science is the highest honor the nation can bestow on a member of the scientific community. Chancellor Fox and Professor Prusiner will join 51 other members of the UC scientific community who have received this award since its inception in 1959.

Six UC faculty members, including UCSF Chancellor Desmond-Hellman, are among 65 distinguished scientists recently elected to the Institute of Medicine of the National Academies. Election to the Institute is considered one of the greatest honors in the medical and health science field. This election will bring the Institute's membership to 1,649, more than 150 of whom are affiliated with UC.

President Yudof noted with sadness the passing of Esther Heyns, wife of Chancellor Roger Heyns and first lady of the Berkeley campus from 1965 to 1971. Mrs. Heyns and her husband served the University during some of the most tumultuous times it has witnessed. The warmth and friendliness Mrs. Heyns brought to her role are legendary and she is fondly remembered for having made the campus a welcoming place for all. The Berkeley campus is a better place because of the efforts of Roger and Esther Heyns. Their careful oversight and thoughtful nurturing will be long and gratefully remembered.

[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.]

4. **RESOLUTION IN APPRECIATION – ABEL MALDONADO**

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

WHEREAS, the Regents of the University of California wish to extend their appreciation and warm wishes to Abel Maldonado upon the completion of his service as the 47th Lieutenant Governor of the great State of California and ex officio member of the Board of Regents; and

WHEREAS, he has well and faithfully served the people of California in numerous elective offices, including City Councilman and Mayor of the City of Santa Maria, Member of the State Assembly, Member of the State Senate, and Lieutenant Governor of California; and

WHEREAS, his roots as the eldest son of immigrant field workers, his dedication which led to a degree at the California Polytechnic State University in San Luis Obispo, his commitment to hard work, and his success in managing a dramatically growing family ranch all embody the best of the American Dream; and

WHEREAS, his career in public service has been characterized by independent thinking and a tenacious commitment to the causes of economic development, political reform, transparent governance, and public accountability; and

WHEREAS, he has worked to advance the interests of the University of California and the people it serves through his advocacy for affordable educational opportunity, openness in University governance, and the transformative power of higher education for individuals and for the economic growth of our society;

NOW, THEREFORE, BE IT RESOLVED that the Regents commend Lieutenant Governor Abel Maldonado for his committed service to the people of California and for his contributions to the governance of our State's great public research university;

AND BE IT FURTHER RESOLVED that the Regents extend to Abel and Laura Maldonado their warm wishes for continued success and further accomplishment in public service, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's enduring regard and affection.

Chairman Gould thanked Regent Maldonado for his support not only as Lieutenant Governor, but also during his term in the Legislature. The University looks forward to his continuing support.

5. **RESOLUTION IN APPRECIATION – ARNOLD SCHWARZENEGGER**

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

WHEREAS, the Regents of the University of California wish to convey their heartfelt gratitude for the contributions of Arnold Schwarzenegger, ex officio Regent and President of the Board of Regents, as he completes his service as 38th governor of the great State of California; and

WHEREAS, an immigrant who exemplified the American dream in his rise to the heights of achievement as an iconic actor and businessman, he chose to dedicate himself to public service on behalf of the people of California, igniting renewed excitement in the promise of California and drawing international attention to the state; and

WHEREAS, his boundless enthusiasm for California and steadfast optimism about its future have been a mainstay of his administration, encouraging the people of California to dream big dreams, to reach for the previously unimaginable, and to continue serving as trailblazers for the rest of the nation and the world; and

WHEREAS, he has been a spirited proponent of investment in public higher education to support economic growth, spurred the creation of new jobs, expanded opportunity for individuals to keep California a global leader in innovation and discovery, worked with the Legislature to provide additional funding for public universities at a time when State spending overall remained significantly constrained, proposed a constitutional amendment to create a minimum funding threshold for public higher education while reducing State spending on prisons commensurately, successfully procured federal American Recovery and Reinvestment Act funds for public higher education, thus helping to address critical needs within the University, and provided leadership in securing the passage of Proposition 1D in 2006, a measure that provided billions in General Obligation bond funds for education facilities that allowed the University to address critical seismic, growth, and infrastructure renewal needs on its campuses; and

WHEREAS, he has provided visible and active leadership on health care reform, alternative energy proposals, climate change legislation, and other policy initiatives for California that have aligned with and supported research initiatives being led by the University of California; and

WHEREAS, he has contributed immensely to the effective governance of the University of California by nominating individuals to the Board of Regents who have approached their obligations with care, thoughtfulness, and attentiveness to the needs of students, faculty, staff, and the economy and quality of life of California over the long term;

NOW, THEREFORE, BE IT RESOLVED that the Regents convey their deep gratitude to Arnold Schwarzenegger for his service to the people of California and for his efforts to sustain and bolster the higher education enterprise for the people of the state during the toughest of financial challenges;

AND BE IT FURTHER RESOLVED that the Regents extend to Arnold Schwarzenegger and Maria Shriver warm wishes and fervent hopes for their continued contributions to enriching the life of California, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's enduring regard and affection.

Chairman Gould recalled the importance of Governor Schwarzenegger's support for the University during difficult State budget negotiations and expressed the Regents' appreciation for his support and vision for the University.

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

The Committee presented the following from its meeting of November 18, 2010:

A. *Individual Compensation Actions*

- (1) *Appointment of and Compensation for Elizabeth Boyd as Associate Vice Chancellor and Chief Ethics and Compliance Officer, San Francisco Campus*

Background to Recommendation

Approval was requested for the appointment of and compensation for Elizabeth Boyd as Associate Vice Chancellor and Chief Ethics and Compliance Officer, San Francisco campus. The campus requested a base salary of \$230,000 and SLCG Grade 108, effective upon approval. This is a new UCSF position, funded 100 percent by non-State revenue.

After a national search, the campus concluded that Ms. Boyd's extensive and solid background in ethics and compliance made her extremely well suited for the Associate Vice Chancellor and Chief Ethics and Compliance Officer position. Currently serving as the Assistant Vice President for Research Compliance and Policy at the University of Arizona (since 2008), she oversees the management of ten compliance units, including conflict of interest, the Institutional Review Boards, privacy/security, animal care, export control, laboratory safety, and research misconduct. She is the key point of contact for all matters pertaining to regulatory compliance and is responsible for developing a coordinated program for both the main and medical campuses. Ms. Boyd has experience conducting audits, investigating non-compliance, constructing management plans and interacting with federal agencies. Her experience includes academic research, with postdoctoral training at the Institute for Health Policy Studies (UCSF). She served as a faculty member in the UCSF Department of Clinical Pharmacy for five years (developing a research agenda focusing on medical and research ethics) and has served as a consultant to many policy groups, including the Institute of Medicine and the World Health Organization. She participated in the Research on Research Integrity Program under the auspices of the Office of Research Integrity and the National Institutes of Health. Ms. Boyd has a B.A. from UC Berkeley (Psychology), an M.A. from Stanford University (Communication), and a Ph.D. from UCLA (Sociology). Ms. Boyd has a proven track record in ethics and compliance leadership, and will bring the required skills, knowledge, and abilities to this critical new role at UCSF.

Reporting directly to the Executive Vice Chancellor and Provost as well as the UC systemwide Chief Compliance and Audit Officer, with direct access to the Chancellor, Ms. Boyd will be responsible for providing leadership, direction, and oversight for the UCSF Ethics and Compliance Program, including identification of all regulatory compliance matters, data privacy and security issues, interpretation of relevant statutes and policies governing such issues and assuring that management has developed appropriate mitigation plans to address these issues for the UCSF campus and clinical enterprise, and directing the ethics and compliance programs to ensure that UCSF fulfills its academic missions to

perform high-quality research, teaching, and health care while preventing fraud, abuse, and waste.

The Associate Vice Chancellor and Chief Ethics and Compliance Officer position reflects a solid match with the highest level of compliance management found in the 2010 Radford Global Life Sciences Survey. Radford reports national average pay of \$222,446 for that benchmark. This national average, adjusted by a 20 percent geographic differential to reflect local Bay Area pay practices, results in an average market base pay comparator of \$266,935 which is 16.1 percent above the proposed salary. Sperling's Cost of Living Index reports an estimated increase in cost of living from Tucson, Arizona, to San Francisco of 131 percent.

As this is a new position, there is no prior incumbent comparator data for the proposed annual base salary of \$230,000. The most comparable internal UC position is the Chief Compliance Officer, UCLA Health Sciences, which was recently approved by the Regents as a Senior Management Group appointment at SLCG Grade 108 with an appointment base salary of \$244,900 (reflecting the midpoint of the range). The UCLA Chief Compliance Officer position is substantively similar to the proposed UCSF Associate Vice Chancellor and Chief Ethics and Compliance Officer position and may arguably reflect a narrower scope as the focus is more keenly and exclusively directed at issues of medical compliance and privacy. The proposed base salary is 6.5 percent below the SLCG Grade 108 salary range midpoint and UCLA comparator of \$244,900.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Elizabeth Boyd as Associate Vice Chancellor and Chief Ethics and Compliance Officer, San Francisco campus:

- a. Appointment of Elizabeth Boyd as Associate Vice Chancellor and Chief Ethics and Compliance Officer, San Francisco campus, at 100 percent time.
- b. Per policy, an annual base salary of \$230,000, at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- c. Effective upon approval.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$230,000

Total Cash Compensation: \$230,000

Grade Level: SLCG Grade 108

(Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400)

Median Market Data: \$266,935

Funding Source: Non-State revenue

Percentage Difference from Market: 13.8 percent below market

Budget &/or Prior Incumbent Data

Base Salary: N/A (new position)

Total Cash Compensation: N/A (new position)

Grade Level: N/A (new position)

Additional items of compensation include:

- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, reimbursement for 100 percent of all reasonable moving expenses for the purpose of relocating the primary residence, subject to the limitations under policy and the local limitation that the total not exceed \$35,000.
- Per policy, two University-paid house-hunting trips each for the candidate and her spouse/partner, subject to the limitations under policy and the local limitation that each trip not exceed \$3,000.
- 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, eligibility to participate in the University of California Home Loan Program, available to be exercised within a period not to exceed 24 months from date of employment. Participation will comply with all University/campus normal program parameters.

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

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

Background to Recommendation

Approval was requested for the appointment of and compensation for Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz campus, with an annual salary of \$204,150, effective November 18, 2010. The permanent position of Vice Chancellor – Planning and Budget does not carry with it an underlying faculty appointment. While serving as the permanent Vice Chancellor – Planning and Budget full-time, Ms. Delaney will be placed on leave without pay from her professorial appointment and thus will not be eligible to accrue sabbatical credits.

In the culmination of a national search, Ms. Delaney was selected from a strong pool of candidates to fill this key leadership position. Ms. Delaney is currently serving in a term position as Vice Chancellor – Planning and Budget and has been serving in this capacity since August 17, 2009. The term appointment was approved in August 2009 pending the outcome of a national search and was necessary due to the departure of the former Vice Chancellor – Planning and Budget for a similar position at UC Irvine.

The Vice Chancellor – Planning and Budget actively and collaboratively supports all phases of UC Santa Cruz's academic, capital, and financial processes and planning. The Vice Chancellor's goal is to advance the campus' instructional, research, and public service missions and to promote equity and inclusion for faculty, students, and staff. The Vice Chancellor is a collaborator in the development and implementation of plans that integrate space/capital, fiscal, and human resource considerations in all areas of the campus.

The Vice Chancellor advises the Chancellor and the Executive Vice Chancellor on academic, financial, and resource planning matters. The Vice Chancellor employs sound financial modeling and forecasting techniques to provide the campus with robust options for setting fiscal and budgetary direction, and represents the campus in budgetary matters with the University of California Office of the President and all external agencies. The Vice Chancellor also provides the leadership, direction and management of several campus offices: Budget and Resource Management, Institutional Research and Policy Studies, Capital Planning and Space Management, and Data Management Services.

Ms. Delaney was receiving an annual base salary of \$204,150 for her role as the interim Vice Chancellor – Planning and Budget. Considering the responsibilities of the position, campus and systemwide internal comparators, and Ms. Delaney's experience, the campus proposed that

Ms. Delaney continue to receive an annual base salary of \$204,150. The base salary for this position is funded 100 percent by UC general funds provided by the State. The requested base salary of \$204,150 is 4.4 percent above the midpoint of SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100) and 25.7 percent below the average base salary of \$256,637 for the Vice Chancellor – Budget and Planning at the other UC locations. According to Mercer Human Resource Consulting data from the 2009/2010 College and University Professional Association (CUPA) Administrative Compensation Survey, the proposed base salary is 9.3 percent above the market median of \$186,839 for chief planning and budget officers.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz campus:

- a. Appointment of Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz campus.
- b. Per policy, an annual base salary of \$204,150 at SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).
- c. This appointment is at 100 percent time and is effective upon approval.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$204,150

Bonus/Incentives: \$0

Total Cash Compensation: \$204,150

Grade Level: SLCG Grade 106

(Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100)

Median Market Data: \$186,839

Percentage Difference from Market: 9.3 percent above market

Funding Source: UC general funds provided by the State

Budget &/or Prior Incumbent Data

Title: Vice Chancellor – Planning and Budget (Interim)

Base Salary: \$204,150

Bonus/Incentives: \$0

Total Cash Compensation: \$204,150

Grade Level: SLCG Grade 106

(Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100)

Funding Source: UC general funds provided by the State

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.
- Ms. Delaney will be placed on leave without pay from her professorial appointment while serving as the permanent Vice Chancellor – Planning and Budget and will not be eligible to accrue sabbatical credits.

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

(3) *Appointment of and Compensation for Karen A. Grimley as Chief Nursing Officer, UC Irvine Medical Center, Irvine Campus*

Background to Recommendation

Approval was requested for the appointment of and compensation for Karen A. Grimley as Chief Nursing Officer, UC Irvine Medical Center, Irvine campus, effective upon approval. The Chief Nursing Officer position, formerly called the Chief Patient Care Services Officer, was vacated due to the prior incumbent's retirement effective July 1, 2010, following a leave of absence.

UC Irvine conducted an exhaustive national search to fill the position of Chief Nursing Officer (CNO). Ms. Grimley was selected as the top candidate by a search committee made up of key stakeholders at the UC Irvine Medical Center.

While the CNO position was vacant, UC Irvine contracted with an agency providing interim leadership services and employed the services of Ms. Grimley through this agency. Ms. Grimley has provided excellent services to the Medical Center during this transitional period. She played a

key role in preparation for the Centers for Medicare and Medicaid Services and Joint Commission surveys; worked closely with senior leadership to implement an organizational culture change, including greater accountability and oversight; and was an important leader in advancing the quality and patient safety agenda for the Medical Center.

Prior to providing interim leadership through a contract services agency, Ms. Grimley held two senior positions in clinical services at Broadlane, served as CNO in three different medical centers through Tenet Healthcare, and held two other medical center positions with progressive responsibility. Ms. Grimley holds a Bachelor of Science in Nursing from St. Anselm College, a Master in Business Administration from Anna Maria College, and is pursuing a Doctor of Philosophy in Nursing at the Christine E. Lynn College of Nursing at Florida Atlantic University. Ms. Grimley's nearly 20 years of experience in clinical services, education, and track record of success, coupled with her leadership abilities and passion for nursing, will allow the Medical Center to excel in areas related to service and staff engagement.

This position is funded 100 percent by UC Irvine Medical Center operating revenue. UC Irvine proposes a compensation package including a base salary of \$274,000, participation in the Clinical Enterprise Management Recognition Plan at an annual target payout of 15 percent (\$41,000), moving expenses and temporary housing, and standard and executive benefits. Ms. Grimley's permanent residence is currently in Boca Raton, Florida.

The proposed base salary is 12.8 percent above the prior incumbent's salary of \$243,000, and slightly below (-0.1 percent) the proposed interim re-slotting to the SLCG Grade 109 midpoint of \$274,300, 1.5 percent above the average salary of \$269,900 for other chief nursing/patient care services officers at the University of California (inclusive of the UCSF CNO's stipend), and 0.9 percent below the average market salary of \$276,543.

Recommendation

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

- a. Position title change from Chief Patient Care Services Officer to Chief Nursing Officer.

- b. Per policy, an appointment salary of \$274,000 and interim re-slotting from SLCG Grade 108 to SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,000, Maximum \$333,700).
- c. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan, with an annual target payout of 15 percent of base salary (\$41,100) and maximum payout of 25 percent of base salary (\$68,500). Actual payout will depend upon performance.
- d. 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.
- e. 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.
- f. This appointment is at 100 percent time and the actions associated with the appointment are effective upon approval.

Recommended Compensation**Effective Date:** Upon approval**Base Salary:** \$274,000**Clinical Incentive Plan:** \$41,100 (15 percent at target)¹**Total Cash Compensation:** \$315,000**Grade Level:** SLCG Grade 109

(Minimum \$214,700, Midpoint \$274,000, Maximum \$333,700)

Median Market Data (base salary only): \$276,543**Median Market Data (total cash compensation):** \$328,860**UC CNO Average Salary:** \$269,900**Funding Source:** Medical center revenues**Percentage Difference from Market:** 1.9 percent below market**Budget &/or Prior Incumbent Data****Base Salary:** \$243,000**Clinical Incentive Plan:** \$36,450 (15 percent at target)**Total Cash Compensation:** \$279,450

¹ CEMRP incentive opportunities are at risk with actual payouts ranging from zero percent up to 25 percent for this level and dependent upon actual achievement of goals.

Grade Level: SLCG Grade 108

(Minimum \$ 192,300, Midpoint \$244,900, Maximum \$297,400)

Funding Source: Medical center revenues

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

Upon motion of Regent Varner, duly seconded, the recommendations of the Committee on Compensation were approved.

7. **REPORT OF THE COMMITTEE ON FINANCE**

The Committee presented the following from its meeting of November 17-18, 2010:

A. *University of California Financial Reports, 2010*

The Committee recommended that the Regents adopt the University of California Annual Financial Report 2009-10 and the June 30, 2010 audited financial statements for the University of California Retirement Plan, including the PERS-VERIP; the University of California Retirement Savings Program, including the Defined Contribution, 403(b) and 457(b) Plans; and the University of California Health and Welfare Program, including the retiree health benefit trust and the five University of California Medical Centers.

B. *Authorization of Leases and Agreements for Various State Capital Improvement Programs*

The Committee recommended that, subject to adoption by the State Public Works Board (SPWB) of a resolution authorizing the issuance of State Public Works Board Lease Revenue Bonds for the following projects: Campbell Hall Seismic

Replacement Building, Berkeley campus; CHS South Tower Seismic Renovation, Los Angeles campus; Sciences and Engineering Building 2, Merced campus; and Davidson Library Addition and Renewal, Santa Barbara campus, the President or the Secretary and Chief of Staff be authorized to:

- (1) Execute an unsubordinated site lease from The Regents to the SPWB for each project named above, said lease to contain provisions substantially as follows:
 - a. The site shall comprise the approximate size of the footprint for each building named above. Said lease shall also include a license to the SPWB for access from campus roads to the site during the term of the lease.
 - b. The purpose of the lease shall be to permit construction of the project.
 - c. The term of the site lease shall commence on recordation of the lease or the first day of the month following the meeting of the SPWB at which the resolution is adopted authorizing the lease, the issuance of bonds, and interim financing for the project, whichever is earlier, and shall terminate on the date the bonds issued by the SPWB are paid in full, subject to earlier termination if such bonds have been retired in full.
 - d. The rental shall be \$1 per year.
 - e. The Regents shall have power to terminate the site lease in the event of default by the SPWB, except when such termination would affect or impair any assignment or sublease by the SPWB and such assignee or subtenant is duly performing the terms and conditions of the lease.
 - f. The Regents shall provide to the SPWB and any assignee of the SPWB access to the site and such parking and utility services as are provided for similar facilities on the campus.
 - g. The Regents shall waive personal or individual liability of any member, officer, agent, or employee of the SPWB.
 - h. The Regents shall agree to pay assessments or taxes, if any, levied on the site or improvements attributable to periods of occupancy by The Regents.
 - i. In the event any part of the site or improvements is taken by eminent domain, The Regents recognizes the right of the SPWB to

retain condemnation proceeds sufficient to pay any outstanding indebtedness incurred for the construction of the project.

- (2) Execute an agreement between the State of California, as represented by the SPWB and The Regents for each project named above, said agreements to contain the following provisions:
 - a. The SPWB agrees to finance working drawings and/or construction for the project, as authorized by statute.
 - b. The Regents agrees to provide and perform all activities required to plan and construct said project.
- (3) Execute a facility lease from the SPWB to The Regents for each project named above, said leases to contain provisions substantially as follows:
 - a. The purpose of the building's occupancy shall be to use it as a facility for functions in furtherance of the University's mission related to instruction, research, and public service.
 - b. The SPWB shall lease the State-financed portion of the facility, including the site, to The Regents pursuant to a facility lease.
 - c. The terms of the facility lease shall commence on recordation of the lease or the first day of the month following the meeting of the SPWB at which the resolution is adopted authorizing the lease, the issuance of bonds, and interim financing for the project, whichever is earlier, and shall terminate on the date the bonds issued by the SPWB are paid in full, subject to earlier termination if such bonds have been retired in full.
 - d. If the SPWB cannot deliver possession to The Regents at the time contemplated in the lease, the lease shall not be void nor shall the SPWB be liable for damages, but the rental payment shall be abated proportionately to the construction cost of the parts of the facility not yet delivered.
 - e. In consideration for occupancy during the term of the lease and after the date upon which The Regents takes possession of the facility, The Regents shall pay base rent in an annual amount sufficient to pay debt service on the bonds or other obligations of the SPWB issued to finance or refinance the facility and additional rent for payment of all administrative costs of the SPWB.
 - f. The Regents covenant to take such actions as may be necessary to include in the University's annual budget amounts sufficient to

make rental payments and to make the necessary annual allocations.

- g. During occupancy, The Regents shall maintain the facility and pay for all utility costs and shall maintain fire and extended coverage insurance at then current replacement cost or an equivalent program of self-insurance, and earthquake insurance if available on the open market at a reasonable cost.
- h. During occupancy, the Regents shall maintain public liability and property damage insurance, or an equivalent program of self-insurance, on the facility and shall maintain rental interruption or use and occupancy insurance, or an equivalent program of self-insurance.
- i. In the event of default by the Regents, the SPWB may maintain the lease whether or not the Regents abandons the facility and shall have the right to relet the facility, or the SPWB may terminate the lease and recover any damages available at law.
- j. The Regents shall be in default if the lease is assigned, sublet, or transferred without approval of the SPWB, if the Regents files any petition or institutes any proceedings for bankruptcy, or if the Regents abandons the facility.
- k. The Regents shall cure any mechanics' or materialmen or other liens against the facility and, to the extent permitted by law, shall indemnify the SPWB in that respect.
- l. The Regents, to the extent permitted by law, shall indemnify the SPWB from any claims for death, injury, or damage to persons or property in or around the facility.
- m. Upon termination or expiration of the lease, other than for breach or because of eminent domain, title to the facility shall vest in The Regents.

C. ***Approval of Delegation of Authority Authorizing the President to Execute a Joint Powers Agreement for the Purpose of Purchasing Natural Gas***

The Committee recommended that:

- (1) The University be authorized to participate as a full voting member of the California Public Power Agency (Agency) including, without limitation, a Joint Exercise of Powers Agreement substantially in the form shown in the

document entitled "California Public Energy Agency Joint Powers Agreement," such Agreement to include the following provisions:

- a. The purpose of the Agency would be to produce, generate, acquire, own, manage, store, pool, bank, transmit and distribute Energy, Environmental Attributes and related services for its Members and participants with whom the Agency may enter into Project or Program Agreements.
 - b. The Agreement forming the Agency would remain in effect until the earlier of the withdrawal of all Members or termination by the then remaining Members.
 - c. The Agency would be authorized to do all acts necessary for the exercise of its powers, including, but not limited to those powers substantially as enumerated in Article III of the Joint Exercise of Powers Agreement.
- (2) The President be authorized to administer the University's participation in the Agency, including, but not limited to, appointing the University of California representative to the Board of the Agency.
 - (3) The President be authorized to approve the allocation of and transfer of funds to the Agency for the purpose of providing initial start-up and operating capital for the Agency per the Final Business Plan substantially as shown in the document entitled "Business Plan: Transition of Department of General Services Gas Program to a Joint Powers Agency with the University of California," and as reviewed by the President prior to implementation of the Joint Powers Authority.
 - (4) The President, after consultation with the General Counsel, be authorized to approve and to execute any documents reasonably required for the University's participation in the Agency.

D. ***Consent to the Formation of Limited Liability Company to Operate and Manage Deep Underground Science and Engineering Laboratory (DUSEL), Berkeley Campus***

The Committee recommended that the Regents:

- (1) Authorize The Regents to participate in the formation of a limited liability company (LLC) to operate and manage DUSEL (Deep Underground Science and Engineering Laboratory).
- (2) Authorize the President or his designee to execute any documents reasonably required for such formation and participation.

- (3) Accept the recommendation of the General Counsel that the above actions are exempt from the California Environmental Quality Act because the DUSEL is located outside of California, will receive environmental impact review pursuant to the National Environmental Policy Act and similar environmental review under South Dakota law, and will not result in any emissions or discharges that would have a significant effect on the environment in California [Public Resources Code Section 21080(b)(14)].

E. ***Amendment of Standing Order 110.2, Matters Relating to Residency, to Conform to Statutes Relating to Foster Youth and Former Members of the Military***

The Committee recommended that:

- (1) Standing Order 110.2 be amended as shown in Attachment 1, such amendment to be effective fall quarter 2010.
- (2) Pursuant to Bylaw 7.3, the notice requirement in Standing Order 130.1 be suspended.

F. ***Approval of University of California 2011-12 Budgets for Current Operations and for State Capital Improvements***

- (1) The Committee recommended that the expenditure plan included in the document, *2011-12 Expenditure Plan for Current Operations*, be approved.
- (2) The Committee concurred with the recommendation of the Committee on Grounds and Buildings that the 2011-12 Budget for State Capital Improvements be approved.

G. ***Approval of 2011-12 Student Fees and Expansion of the Blue and Gold Opportunity Plan***

The Committee recommended the following actions on student fees for 2011-12:

- (1) For 2011-12, effective summer 2011, approve the mandatory systemwide fees shown in Display 1. Of the revenue generated from the increases in the Educational Fee and Student Services Fee from undergraduates, an amount equivalent to 33 percent shall be set aside to mitigate the impact of the fee increases on financially needy undergraduate students. Of the revenue generated from the increases in the Educational Fee and Student Services Fee from graduate academic students, 50 percent shall be set aside to provide additional funds for student financial support; and 33 percent of the revenue generated from the increases in the Educational

Fee and Student Services Fee from students subject to professional fees shall be set aside for financial aid. These fee levels will generate revenue needed to maintain the quality of the academic program, as well as to help address funding shortfalls that have occurred because of reductions in State funding and unfunded mandatory cost increases. If the State is able to provide the funding requested by UC for 2011-12, as well as funding in excess of the request to help fill the total budget shortfall, the fee increases as proposed for the November 2010 meeting would be reviewed and a subsequent action to revise fee levels would be brought to the Board.

- (2) For 2011-12, effective fall 2011, approve adjustments in Nonresident Tuition for nonresident undergraduate students and nonresident graduate academic students as shown in Display 1.
- (3) Effective fall 2011, endorse the President's decision to expand the Blue and Gold Opportunity Plan to provide that financially needy California undergraduates with total family income under \$80,000 and enrolled in their first four years (two years for transfer students) will have systemwide fees covered, up to the students' need, by scholarship or grant awards.
- (4) Effective fall 2011, endorse the President's decision to use return-to-aid funds described above to assist middle-income families by covering 100 percent of the 2011-12 fee increase for financially needy undergraduates from families earning less than \$120,000.

DISPLAY 1: Proposed 2011-12 Fee Levels

	2010-11 Fee Levels	Proposed Adjustment ¹	Adjusted Fee Levels ²	<u>2011-12 Proposed Increase</u>		Proposed 2011-12 Fee Levels
				\$	%	
Educational Fee³						
Undergraduate						
Resident	\$9,402	\$0	\$9,402	\$750	8.0%	\$10,152
Nonresident	\$10,260	(\$858)	\$9,402	\$750	8.0%	\$10,152
Graduate Academic						
Resident	\$9,402	\$0	\$9,402	\$750	8.0%	\$10,152
Nonresident	\$9,810	(\$408)	\$9,402	\$750	8.0%	\$10,152
Graduate Professional ⁴						
Group 1						
Resident/Nonresident	\$9,312	\$90	\$9,402	\$750	8.0%	\$10,152
Group 2						
Resident	\$10,650	(\$1,248)	\$9,402	\$750	8.0%	\$10,152
Nonresident	\$11,106	(\$1,704)	\$9,402	\$750	8.0%	\$10,152
Group 3						
Resident	\$9,402	\$0	\$9,402	\$750	8.0%	\$10,152
Nonresident	\$9,810	(\$408)	\$9,402	\$750	8.0%	\$10,152
Student Services Fee						
All Students	\$900	\$0	\$900	\$72	8.0%	\$972
Nonresident Tuition						
Undergraduate	\$22,021	\$857	\$22,878	\$0	0.0%	\$22,878
Graduate Academic	\$14,694	\$408	\$15,102	\$0	0.0%	\$15,102
Graduate Professional	\$12,245	\$0	\$12,245	\$0	0.0%	\$12,245

¹ Over the course of 13 years and through a series of State and UC actions, the Educational Fee has evolved from a single amount charged to all students to six different amounts charged depending on student level, residency, and program of study. For 2011-12, the Office of the President proposes eliminating Educational Fee differentials that currently exist across student levels and programs. These changes would be accompanied by adjustments to nonresident tuition levels (as shown in this display) and professional degree fee levels such that the changes are cost-neutral to students and revenue-neutral to campuses.

² For calculation purposes only. During 2010-11, students are being charged the fee levels in the first column of the table.

³ Includes \$60 surcharge to cover costs associated with the injunction and judgment of the *Kashmiri* lawsuit.

⁴ Professional students in these programs also pay a professional degree fee that varies by campus and program. In 2010-11, these fees range from \$4,000 to \$31,355. Proposed fee increases for 2011-12 range from 0 percent to 31 percent and are presented in the November 2010 Regents' item *Approval of 2011-12 Professional Degree Fees*.

- Group 1 includes students in Business; Dentistry; Law; Medicine; Nursing; Optometry; Pharmacy; Theater, Film and Television; and Veterinary Medicine professional degree programs.
- Group 2 includes students in International Relations and Pacific Studies, Physical Therapy, Preventive Veterinary Medicine, Public Health, and Public Policy professional degree programs.
- Group 3 includes students in Architecture, Environmental Design, Information Management, Social Welfare, and Urban Planning professional degree programs.

Display 1 above reflects increases in mandatory systemwide fees only.

H. ***Approval of 2011-12 Professional Degree Fees***

The Committee recommended that the Regents:

- (1) Approve the proposed professional degree fees for 2011-12 for the 22 programs, shown in Display 2, that are compliant with the Regents' *Policy on Fees for Selected Professional School Students*. Included is Dental Hygiene at San Francisco, which plans to charge a professional degree fee for the first time in 2011-12. These fee levels will generate revenue needed to maintain the quality of the academic program, as well as to help address funding shortfalls that have occurred because of reductions in State funding and unfunded mandatory cost increases.
- (2) Approve as an exception to the Regents' *Policy on Fees for Selected Professional School Students* professional degree fees for 2011-12 for the 27 programs, shown in Display 3, that are compliant with all aspects of the Regents' Policy except that their in-State fees are expected to exceed the average of estimated 2011-12 fees at their public comparison institutions. Included are Art at Los Angeles, Educational Leadership at Davis, Engineering at Berkeley, and Health Informatics at Davis, which propose charging professional degree fees for the first time in 2011-12. These fee levels will generate revenue needed to maintain the quality of the academic program, as well as to help address funding shortfalls that have occurred because of reductions in State funding and unfunded mandatory cost increases.

DISPLAY 2: 2011-12 Proposed Professional Degree Fees for Programs Fully Compliant with Regents' Policy

	Residents (a)	Nonresidents (b)
Business		
Berkeley	\$31,430	\$26,164
Davis	\$22,176	\$22,176
Irvine	\$21,384	\$18,714
Los Angeles	\$29,717	\$24,667
Riverside	\$21,354	\$21,354
San Diego	\$25,824	\$17,644
Dental Hygiene		
San Francisco	\$12,036	\$12,036
Environmental Design		
Berkeley	\$6,000	\$6,000
International Relations and Pacific Studies		
San Diego	\$7,100	\$7,100
Law		
Berkeley	\$35,148	\$27,110
Davis	\$31,218	\$27,110
Irvine	\$29,404	\$27,004
Los Angeles	\$29,404	\$27,004
Medicine		
Berkeley	\$18,636	\$18,636
Los Angeles	\$18,636	\$18,636
Riverside	\$18,636	\$18,636
San Diego	\$18,636	\$18,636
San Francisco	\$18,636	\$18,636
Nursing		
Davis	\$5,730	\$5,730
Irvine	\$5,730	\$5,730
Los Angeles	\$5,730	\$5,730
San Francisco	\$5,730	\$5,730

(a) AB 540 students enrolled in a professional degree program listed above shall be charged at the program's resident professional degree fee level, pursuant to Regents' policy and consistent with State law.

(b) Some schools have opted to set professional degree fee levels for *nonresident* students lower than those for *resident* students in the same program in acknowledgement of the \$12,245 in Nonresident Tuition that nonresident students must pay in addition to mandatory fees and professional degree fees. Total charges for nonresident students continue to be significantly above those for resident students.

DISPLAY 3: 2011-12 Proposed Professional Degree Fees for Programs with Proposed Total In-State Fees Higher than the Average of Public Comparison Programs

	Residents (a)	Nonresidents (b)
Architecture		
Los Angeles	\$8,000	\$8,000
Art (MFA)		
Los Angeles	\$8,000	\$5,000
Dentistry		
Los Angeles	\$24,160	\$21,115
San Francisco	\$25,068	\$25,068
Educational Leadership		
Davis	\$4,002	\$4,002
Engineering (M.Eng.) (c)		
Berkeley	\$30,000	\$22,000
Health Informatics		
Davis	\$6,000	\$6,000
Information Management		
Berkeley	\$6,400	\$6,400
Medicine		
Davis	\$18,636	\$18,636
Irvine	\$18,636	\$18,636
Optometry		
Berkeley	\$14,674	\$14,674
Pharmacy		
San Diego	\$18,354	\$18,354
San Francisco	\$18,354	\$18,354
Physical Therapy		
San Francisco	\$11,772	\$12,108
Preventive Veterinary Medicine		
Davis	\$5,742	\$6,198
Public Health		
Berkeley	\$6,758	\$6,758
Davis	\$6,810	\$7,266
Irvine	\$5,612	\$5,612
Los Angeles	\$6,811	\$7,267
Public Policy		
Berkeley	\$7,290	\$7,746
Irvine	\$5,563	\$5,563
Los Angeles	\$6,811	\$7,267

(a) AB 540 students enrolled in a professional degree program listed above shall be charged at the program's resident professional degree fee level, pursuant to Regents' policy and consistent with State law.

(b) Some schools have opted to set professional degree fee levels for *nonresident* students lower than those for *resident* students in the same program in acknowledgement of the \$12,245 in Nonresident Tuition that nonresident students must pay in addition to mandatory fees and professional degree fees. Total charges for nonresident students continue to be significantly above those for resident students.

(c) The Professional Degree Fee for Berkeley's Engineering program as approved by the Regents would be charged to M.Eng. students in all Engineering departments except the M.Eng. students in the Department of Civil and Environmental Engineering (CEE).

(continued)

DISPLAY 3: 2011-12 Proposed Professional Degree Fees for Programs with Proposed Total In-State Fees Higher than the Average of Public Comparison Programs (continued)

	Residents (a)	Nonresidents (b)
Social Welfare		
Berkeley	\$4,000	\$4,000
Los Angeles	\$5,563	\$5,971
Theater, Film, and Television		
Los Angeles	\$8,659	\$8,659
Urban Planning		
Los Angeles	\$5,563	\$5,971
Veterinary Medicine		
Davis	\$15,216	\$15,216

(a) AB 540 students enrolled in a professional degree program listed above shall be charged at the program's resident professional degree fee level, pursuant to Regents' policy and consistent with State law.

(b) Some schools have opted to set professional degree fee levels for *nonresident* students lower than those for *resident* students in the same program in acknowledgement of the \$12,245 in Nonresident Tuition that nonresident students must pay in addition to mandatory fees and professional degree fees. Total charges for nonresident students continue to be significantly above those for resident students.

(c) The Professional Degree Fee for Berkeley's Engineering program as approved by the Regents would be charged to M.Eng. students in all Engineering departments except the M.Eng. students in the Department of Civil and Environmental Engineering (CEE).

Faculty Representatives Anderson and Simmons advised against four of the professional degree fees in item 7.H above, the fees for the programs in Health Informatics at UC Davis, Educational Leadership at UC Davis, Art (M.F.A.) at UCLA, and Social Welfare at UC Berkeley.

Upon motion of Regent Lozano, duly seconded, the recommendations of the Committee on Finance were approved, Regents Cheng, DeFreece, Johnson, Maldonado, and Zettel voting "no" on item 7.G above, and Regents Cheng, Maldonado, and Zettel voting "no" on item 7.H above.

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

The Committee presented the following from its meeting of November 17, 2010:

Amendment of Regents Policy 4207: Policy on Indemnification of Individuals Serving on the University of California Press Board of Directors

The Committee recommended that Regents Policy 4207: *Policy on Indemnification of Individuals Serving on the University of California Press Board of Directors* be amended as shown in Attachment 2.

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

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

The Committee presented the following from its meeting of November 16, 2010:

A. ***Approval of Amended State Capital Improvements Budget Consistent with the Final 2010-11 Budget Act***

The Committee recommended that the 2010-11 State Capital Improvements Budget be amended as follows:

- (1) Approve revised State funding in 2010-11 for the following projects:
 - a. \$128,953,000 for working drawings and construction for the Los Angeles campus, CHS South Tower Seismic Renovation.
 - b. \$613,000 for preliminary plans and working drawings for the San Diego campus, Scripps Institution of Oceanography (SIO) Research Support Facilities.
- (2) Authorize the use of the Garamendi financing mechanism for the San Diego campus, Clinical and Translational Research Institute.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Hedrick Repairs and Refurbishment, Los Angeles Campus***

The Committee recommended that:

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

From: Campus: Hedrick Repairs and Refurbishment – preliminary plans, working drawings, construction, and equipment – \$44,985,000, to be funded from the Los Angeles campus' share of University of California Housing System net revenue fund reserves.

To: Campus: Hedrick Repairs and Refurbishment – preliminary plans, working drawings, construction, and equipment – \$26,545,000, to be funded from external financing (\$21,360,000) and the Los Angeles campus' housing net revenue fund reserves (\$5,185,000).
- (2) The Hedrick Repairs and Refurbishment project scope is consistent with the scope approved by the Regents in May 2008. The scope includes the replacement and repair of the mechanical, electrical, plumbing, fire alarm and elevator systems; and replacement of the interior finishes and exterior

windows. The proposed budget reduction is due to the receipt of favorable bids.

Additions shown by underscoring; deletions shown by strikethrough

- (3) The President be authorized to obtain external financing not to exceed \$21,360,000 to finance the Hedrick Repairs and Refurbishment project. The Los Angeles campus shall satisfy the following requirements:
 - 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, housing net revenues from the Los Angeles campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - c. The general credit of the Regents shall not be pledged.
- (4) The President be authorized to execute all documents necessary in connection with the above.

C. *Approval of University of California 2011-12 Budget for State Capital Improvements and Acceptance of the 2010-20 Consolidated State and Non-State Capital Financial Plan*

The Committee recommended, subject to concurrence of the Committee on Finance, that:

- (1) The 2011-12 Budget for State Capital Improvements be approved, as presented in the document titled *2010-20 Consolidated State and Non-State Capital Financial Plan*.
- (2) The *2010-20 Consolidated State and Non-State Capital Financial Plan* be accepted.

D. *Approval of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Clinical and Translational Research Institute Building, San Diego Campus*

The Committee recommended that:

- (1) The 2010-11 Budget for Capital Improvements and the Capital Improvement Program be amended to add the following project:

San Diego: Clinical and Translational Research Institute Building – preliminary plans, working drawings, construction, and equipment – \$269,000,000 to be funded from external financing (\$249,000,000), School of Medicine funds (\$10,000,000), preoccupancy indirect cost recovery (\$7,000,000) and campus funds (\$3,000,000).

- (2) The Clinical and Translational Research Institute Building project scope include: approximately 189,000 assignable square feet of dry and wet research laboratories and core space, clinical trials research space, offices, and administrative support space, as well as increased capacity and expanded distribution of utilities infrastructure.
- (3) The President be authorized to obtain external financing of \$249,000,000 to finance the Clinical and Translational Research Institute Building project. The San Diego campus shall satisfy the following requirements:
 - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - b. Repayment of the debt shall be from the general revenues of the San Diego campus and as long as the debt is outstanding the general revenues of the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - c. The general credit of the Regents shall not be pledged.
- (4) The President be authorized to execute all documents necessary in connection with the above.

E. ***Certification of Environmental Impact Report and Approval of the UC Davis Sacramento Campus 2010 Long Range Development Plan, Davis Campus***

Upon review and consideration of the Environmental Impact Report (EIR), the Committee recommended that the Regents:

- (1) Certify the EIR for the UC Davis Sacramento campus 2010 Long Range Development Plan (LRDP).
- (2) Adopt the Mitigation Monitoring Program for the Final EIR.
- (3) Adopt the Statement of Overriding Considerations included in the Findings.
- (4) Adopt the Findings pursuant to the California Environmental Quality Act.

- (5) Adopt the UC Davis Sacramento campus 2010 LRDP.

[The Long Range Development Plan, Environmental Impact Report, 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 the Physical Design Framework and Authorization to Participate in the Pilot Phase of the Redesigned Process for Capital Improvement Projects, UC Davis Sacramento Campus, Davis Campus***

The Committee recommended that the Regents:

- (1) Accept the UC Davis Sacramento Campus Physical Design Framework.
- (2) Authorize the UC Davis Sacramento Campus to participate in the pilot phase of the redesigned process for capital improvement projects.

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

10. **REPORT OF THE COMMITTEE ON INVESTMENTS**

The Committee presented the following from its meeting of November 2, 2010:

Total Return Investment Pool (TRIP) Asset Allocation Review and Recommendations

The Committee recommended that the changes to the Total Return Investment Pool (TRIP) Investment Policy Statement, as shown in Attachment 3, be adopted with an effective date of January 1, 2011.

Upon motion of Regent Wachter, duly seconded, the recommendation of the Committee on Investments was approved.

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

The Committees presented the following from their meeting of November 17, 2010:

Amendment of Regents Policy 3101: The University of California Student Fee Policy and Regents Policy 3103: Policy on Fees for Selected Professional School Students

The Committee on Educational Policy recommended that the Regents, effective summer 2011:

- A. Approve changing the name of the Educational Fee to "Tuition."

- B. Approve changing the name of Fees for Selected Professional School Students to “Professional Degree Supplemental Tuition.”
- C. Approve changing the name of Nonresident Tuition to “Nonresident Supplemental Tuition.”
- D. Amend Regents Policy 3101: *University of California Student Fee Policy*, as shown in Attachment 4, effective July 1, 2011.
- E. Amend Regents Policy 3103: *Policy on Fees for Selected Professional School Students*, as shown in Attachment 5, effective July 1, 2011.

Regent-designate Mireles expressed opposition to the recommendation. The California Master Plan for Higher Education declared that the University should be tuition-free for all residents. The current action would codify the fact that students will now pay tuition and it would serve as a disheartening reminder of the State’s lack of commitment to its students. Regent-designate Mireles stated that the current environment of increased student fees was far from the vision of the University’s founders.

Regent Cheng explained that he opposed the recommendation because there has not been time to seek legislative action he believed to be relevant and to secure appropriate financial support from the State.

Upon motion of Regent Lozano, duly seconded, the recommendation of the Committee on Educational Policy was approved, Regents Cheng, Hime, and Maldonado voting “no.”

12. **REPORT OF INTERIM ACTIONS**

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

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

- A. ***Appointment of and Total Compensation for Horst Simon as Deputy Laboratory Director, Lawrence Berkeley National Laboratory***

Background to Recommendation

Action under interim authority was requested for the appointment of and compensation for Horst Simon as Deputy Laboratory Director, Lawrence Berkeley National Laboratory (LBNL).

Although an Acting Deputy Director had been in place, the Laboratory was without a permanent leader in the role since February 2009. It is essential to have a competent leader permanently in this key Laboratory leadership position.

Reporting to the Laboratory Director, the Deputy Laboratory Director is responsible for the overall integration of scientific goals and objectives consistent with the Director's vision and the Laboratory's mission. The Deputy Laboratory Director serves as management liaison with the University, the Department of Energy, and other public and private agencies to represent the Laboratory's programs, accomplishments and initiatives. Within the Laboratory and under the direction of the Director, the Deputy Director is responsible for management oversight of divisional interdisciplinary programs and interacts with policy and advisory committees to ensure the highest quality of scientific achievement.

The wide-ranging responsibilities for this position include:

- Work closely with the Laboratory Director to develop the strategic vision of the Lawrence Berkeley National Laboratory and assist in all aspects of the specific implementation of this vision.
- Serve as principal counsel and partner with the Director in decision-making regarding the balance of programs within the Laboratory; attending reviews of existing programs; approving the seeding of new programs and the scaling back of others.
- Active involvement with internal and external stakeholders, including high-level contacts with federal funding agencies, especially the Department of Energy, as well as the senior administration of the UC Office of the President and the UC campuses.
- Assist in maintaining the contacts of the Laboratory with the community and industry.
- Work in coordination with the Chief Operating Officer of the Laboratory on scientific infrastructure needs, as well as with associate laboratory directors and scientific division directors.
- Partner with the Director on the management of Internal Directorate discretionary funds including Laboratory Directed Research and Development (LDRD), Strategic Planning Support Activities (SPSA), Contractor Support Research (CSR), and royalties and patents.
- Manage the Technology Transfer unit for the Directorate.

A search committee was established consisting of a diverse group of scientists and senior administrators from LBNL and the UC Office of the President. After

conducting a national search that included extensive networking efforts in academia, private industry, and other National Laboratories, Mr. Simon was selected as the successful candidate.

Mr. Simon joined LBNL in early 1996 as director of the newly formed National Energy Research Scientific Computing (NERSC) Division, and was one of the key architects in establishing NERSC at its new location in Berkeley. The NERSC Center is the Department of Energy's flagship supercomputing facility for unclassified research. Under Mr. Simon's leadership, NERSC has enabled important discoveries in fields ranging from global climate modeling to combustion to astrophysics. Mr. Simon is also the founding director of LBNL's Computational Research Division, which conducts applied research and development in computer science, computational science, and applied mathematics. He is widely respected in the Laboratory and the Department of Energy, and his experience and reputation make him very qualified to assume the Deputy Laboratory Director position.

This position is funded by Department of Energy funds.

Recommendation

The following items were approved in connection with the appointment of and compensation for Horst Simon as Deputy Laboratory Director, Lawrence Berkeley National Laboratory:

- (1) Per policy, a base salary of \$335,000 (LBNL Job Code 198.4, Salary Grade N17: Minimum \$268,260, Midpoint \$344,646, Maximum \$421,032) as Deputy Laboratory Director, Lawrence Berkeley National Laboratory. This represents an 11.3 percent increase over his current total annualized compensation of \$300,888.
- (2) Per policy, this position is subject to the salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent salary reduction.
- (3) This appointment is at 100 percent time and is effective upon approval by the Chair of the Committee on Compensation and the President.
- (4) Per policy, eligibility to participate in the University Mortgage Origination Program.

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: \$335,000

Total Cash Compensation: \$335,000

Grade Level: N17, Job Code 198.4

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

Funding Source: DOE Funds

Budget &/or Prior Incumbent Data

Title: Acting Deputy Laboratory Director

Total Cash Compensation: \$354,240

Funding Source: DOE 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 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: LBNL Director Alivisatos

Reviewed by: President Yudof

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

B. *Appointment of and Total Compensation for Katherine Yelick as Associate Laboratory Director, Computing Sciences, Lawrence Berkeley National Laboratory*

Background to Recommendation

Action under interim authority was requested for the appointment of and total compensation for Katherine Yelick as Associate Laboratory Director (ALD), Computing Sciences, Lawrence Berkeley National Laboratory (LBNL). Ms. Yelick was the Scientific Division Director – Faculty, National Energy Research Scientific Computing (NERSC) Division. She filled the position vacated by Horst Simon, who has been selected as the permanent Deputy Laboratory Director, LBNL. In addition to the ALD, Computing Sciences position, Ms. Yelick retained her current position as Scientific Division Director – Faculty, NERSC Division. The Laboratory proposed an annual base salary of \$274,000. The proposed base salary is 26 percent below the midpoint for salary grade N17 (Minimum \$268,260, Midpoint \$344,646, Maximum \$421,032). 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.

Reporting to the Laboratory Director, the Associate Laboratory Director, Computing Sciences, is charged with coordinating across organizational lines at the Laboratory in spearheading new, large-scale scientific initiatives; assisting the Laboratory Director and Deputy Director in strategic planning exercises; serving as an exemplar of the Laboratory's culture of excellence in science and in safety; facilitating multidisciplinary collaboration within the Laboratory and across the broader research community; helping to raise the public profile of LBNL and the Department of Energy's National Laboratory system; and representing the Laboratory before senior program officials in the Department of Energy's Office of Science. The Associate Laboratory Director works collaboratively with other associate laboratory directors, with the Deputy Laboratory Director, Laboratory Director, and staff to accomplish these missions.

As the NERSC Division Director, Ms. Yelick is ultimately responsible for the planning, organization, monitoring, and control functions for a group of approximately 65 staff members and a budget of approximately \$53 million for NERSC, the U.S. Department of Energy's flagship supercomputing facility for unclassified research. NERSC provides high-performance computing, information, data, and communications services to 3,500 users working on more than 400 projects.

By assuming the role of Associate Laboratory Director, Computing Sciences, Ms. Yelick added to her responsibilities the oversight of LBNL's second computing division, the Computational Research Division. The Computational Research Division creates computational tools and techniques that enable scientific breakthroughs by conducting applied research and development in computer science, computational science, and applied mathematics, with a staff of approximately 125 and a budget of approximately \$48 million. In addition, the Computational Research Division is home to the Energy Sciences Network (ESnet) user facility, a high-speed network serving thousands of Department of Energy scientists at over 40 institutions, as well as connecting to more than 100 other networks. ESnet is a pioneer in providing high-bandwidth, reliable connections that link researchers at National Laboratories, universities, and other research institutions, enabling them to collaborate on some of the world's most important scientific research challenges including energy, climate science, and the origins of the universe.

Ms. Yelick earned her Ph.D. in Computer Science from the Massachusetts Institute of Technology and has been a professor of electrical engineering and computer sciences at UC Berkeley since 1991 with a joint research appointment at LBNL since 1996. She is the co-author of two books and more than 100 refereed technical papers on parallel languages, compilers, algorithms, libraries, architecture, and storage. She co-invented the UPC and Titanium languages and

demonstrated their applicability across architectures through the use of novel runtime and compilation methods. She also co-developed techniques for self-tuning numerical libraries, including the first self-tuned library for sparse matrix kernels which automatically adapt the code to properties of the matrix structure and machine. Her work includes performance analysis and modeling as well as optimization techniques for memory hierarchies, multi-core processors, communication libraries, and processor accelerators. She has worked with interdisciplinary teams on application scaling, and her own applications work includes parallelization of a model for blood flow in the heart. In 2006, she was named one of sixteen “People to Watch in 2006” by HPC wire. She has received multiple research and teaching awards and is a member of the California Council on Science and Technology and a member of the National Academies’ Committee on Sustaining Growth in Computing Performance.

Recommendation

The following items were approved in connection with the appointment of and compensation for Katherine Yelick as Associate Laboratory Director, Computing Sciences, Lawrence Berkeley National Laboratory:

- (1) Per policy, a base salary of \$274,000 (LBNL Job Code 198.3, Salary Grade N17: Minimum \$268,260, Midpoint \$344,646, Maximum \$421,032) as Associate Laboratory Director, Computing Sciences, Lawrence Berkeley National Laboratory. This represents a 23.4 percent increase over her current total annualized compensation of \$222,007.
- (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

Total Cash Compensation: \$274,000

Grade Level: N17, Job Code 198.3

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

Funding Source: DOE Funds

Budget &/or Prior Incumbent Data

Title: Associate Laboratory Director, Computing Sciences

Total Cash Compensation: \$300,888

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.

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

C. *Interim Appointment of and Compensation for Thomas A. Parham as Interim Vice Chancellor – Student Affairs, Irvine Campus*

Background to Recommendation

Action under interim authority was requested for the approval of the appointment of and compensation for Thomas A. Parham as Interim Vice Chancellor – Student Affairs, Irvine campus. This request was in response to an immediate need to fill the position, which was vacant due to the prior incumbent's retirement on July 1, 2010.

Recruitment efforts to fill this position with a permanent incumbent are under way. UC Irvine administration expects a prolonged process for hiring a replacement because it will be imperative to find a candidate who has all of the skills required by the position and who will be a good fit for the campus.

The Vice Chancellor – Student Affairs is an integral position in Irvine's executive management. The Vice Chancellor is responsible for the development and administration of Student Affairs. Additionally, the Vice Chancellor is accountable for the effective operation of education development, enrollment management, student financial support, undergraduate and graduate housing, counseling and health services, student activities, campus recreation, and auxiliary enterprises.

Mr. Parham possesses the right administrative and leadership abilities that are needed in the Vice Chancellor – Student Affairs position during this transitional period. Mr. Parham has 26 years of service at UC Irvine. He is currently the

Assistant Vice Chancellor for Counseling and Health Services as well as an adjunct faculty member. Prior to his current position, he served as the Counseling Center Director and the Director of the Career and Life Planning Center. Mr. Parham is an active member of the UC Irvine community and surrounding communities, contributing his talents in the areas of social advocacy, community uplift, and youth empowerment. He has served as a member of the City of Irvine's Human Relations Committee, Chair of UC Irvine's Martin Luther King Symposium for ten years, charter member and President of the 100 Black Men Orange County Chapter, and past President of the National Association of Black Psychologists.

Mr. Parham holds a Bachelor of Arts degree in social ecology from the University of California, Irvine, a Masters degree in psychology from Washington University in St. Louis, and a Doctor of Philosophy degree in psychology from Southern Illinois University at Carbondale.

For over 30 years, Mr. Parham has focused his research efforts on the psychology of identity development. He has authored numerous books and articles in these areas. In consultations, public addresses, and television appearances throughout the United States, Mr. Parham has addressed such issues as multicultural counseling, counseling African Americans, cultural competence, educating African American youth, youth and violence, coping with stress, characteristics of exceptional people, multicultural education, managing a diverse workforce, effective communications, developing effective management and supervisory skills, managing people, conflict resolution, and team building.

Mr. Parham has been honored with numerous awards and tributes, including the UC Irvine "Lauds and Laurels" award for staff achievement in 2003; the American Psychological Association – Division 17 – Society of Counseling Psychology Award for Lifetime Achievement in Mentoring in 2007; the 100 Black Men of America's Wimberly Award in 2008; an honorary Doctorate of Humane Letters from the Phillips Graduate Institute in 2009; and most recently the Janet E. Helms Award for Mentorship and Scholarship in 2010.

This position is funded 100 percent by UC general funds provided by the State. The annual compensation of \$200,000 is 3.6 percent below the average base salary of \$207,500 for other UC vice chancellors of student affairs, 18.3 percent below the midpoint for SLCG Grade 108 of \$244,900, and is 13.6 percent below the market average of \$231,480. Market data provided by Mercer Human Resource Consulting include data from the College and University Professional Association (CUPA) Administrative Compensation Survey.

Recommendation

The following items were approved in connection with the appointment of and compensation for Thomas A. Parham as Interim Vice Chancellor – Student Affairs, Irvine campus:

- (1) Per policy, an administrative stipend of \$41,015 (25.8 percent). This stipend plus his annual base salary of \$158,985 will result in total compensation of \$200,000.
- (2) This appointment is at 100 percent time and is effective upon approval and until the appointment of a permanent Vice Chancellor – Student Affairs.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$158,985

Stipend: \$41,015 (25.8 percent of base salary)

Total Cash Compensation: \$200,000

Grade Level: SLCG Grade 108

(Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400)

Median Market Data: \$231,480

Funding Source: UC general funds

Budget &/or Prior Incumbent Data

Base Salary: \$215,300

Grade Level: SLCG Grade 108

Additional items of compensation include:

- 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.

Submitted by: UCI Chancellor Drake

Reviewed by: President Yudof

Committee on Compensation Chair Varner

Office of the President, Human Resources

D. ***Term Appointment of and Compensation for Sally H. Rankin as Acting Dean – School of Nursing, San Francisco Campus***

Background to Recommendation

Action under interim authority was requested for the approval of the term appointment of and compensation for Sally H. Rankin as Acting Dean – School of Nursing, San Francisco campus, effective October 1, 2010, through March 31, 2011, or until the appointment of a permanent dean, whichever occurs first.

Following Kathleen Dracup's announcement of her decision to step down from the Dean – School of Nursing position effective October 1, 2010, an extensive national search for her successor has been under way for the past many months. The campus is in the final stages of selecting a permanent replacement. The last day for Dean Dracup in her current role was September 30, 2010, and it is expected that the permanent replacement will begin sometime within the next several months. In order to maintain strong leadership of the School during the final stages of the recruitment, the campus requested approval to appoint Ms. Rankin as the Acting Dean – School of Nursing, effective October 1, 2010.

Ms. Rankin was selected as the most qualified person to fill the interim role. Ms. Rankin has proven to be a capable and respected campus leader during her tenure at UCSF, displaying exemplary service, and is extremely well-regarded by the faculty in the School. In order to sustain the preeminence of the UCSF School of Nursing, the campus indicates that it is imperative to have an effective Acting Dean to lead the School until the permanent successor has been determined. She was serving as the UCSF Associate Dean for International Programs, Director of UCSF WHO Collaborating Center for Research and Training in Nursing, and Professor and Chair of the Department of Family Health Care Nursing.

After earning her Bachelor of Arts degree in sociology from Boston University in 1966, Ms. Rankin received her Bachelor of Science in nursing degree from California State University, Los Angeles, in 1974. She worked as a staff nurse at Duke University Medical Center and in in-service education. In 1978, she obtained her Master of Science in nursing degree from Duke University, where she taught for two years in the Duke University School of Nursing. In the early 1980s, she taught at Mt. St. Mary's College and the University of Southern California. In 1988, Ms. Rankin completed her Ph.D. at UCSF, after which she became a member of the UCSF faculty continuing until today, with an interim period of teaching at the Boston College of School of Nursing from 1993 to 1998.

In recognition of the increased scope of additional temporary responsibilities, the campus requested approval of an annual administrative stipend of \$75,700 to be paid while Ms. Rankin serves as Acting Dean, as well as during a transition period of up to three months thereafter. When combined with Ms. Rankin's current academic annual base salary of \$104,300, this stipend provides a total

annual salary of \$180,000, which would closely align her salary with that of her peer chairs within the School. According to Mercer Human Resource Consulting, data from the 2009/2010 College and University Professional Association (CUPA) Administrative Compensation Survey, the proposed total annual salary of \$180,000 is 70 percent below the market median of \$305,250 for the Dean, Nursing position. This stipend will be funded by State funds.

Recommendation

The following items were approved in connection with the term appointment of and compensation for Sally H. Rankin as Acting Dean – School of Nursing, San Francisco campus:

- (1) Per policy, term appointment of Sally H. Rankin as Acting Dean – School of Nursing, San Francisco campus.
- (2) Per policy, an annual administrative stipend of \$75,700 to be paid while Ms. Rankin serves as Acting Dean, as well as during a transition period of up to three months thereafter, increasing her current academic annual base salary of \$104,300 to a total annual salary of \$180,000.
- (3) This term appointment is at 100 percent time and is effective October 1, 2010, through March 31, 2011, or until the appointment of a permanent dean, whichever occurs first.

Recommended Compensation

Effective Date: October 1, 2010

Annual Academic Base Salary: \$104,300

Administrative Stipend: \$75,700

Total Annual Salary: \$180,000

Grade Level: Not applicable; continued academic classification

Median Market Data: \$305,250

Funding Source: State Funds

Percentage Difference from Market: 70 percent below market

Budget &/or Prior Incumbent Data

Title: Dean – School of Nursing

Base Salary: \$290,000

Health Sciences Compensation Plan Pay: \$60,000

Total Cash Compensation: \$350,000

Grade Level: SLCG Grade 108

(Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400)

Additional items of compensation include:

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

- Continued primary academic classification as professor.
- 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.

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

E. *Term Appointment of Sharon A. Duffy as Dean – University Extension, Riverside Campus*

Background to Recommendation

Action under interim authority was requested for the approval of the term appointment of Sharon A. Duffy as Dean – University Extension, Riverside campus, effective October 1, 2010 through September 30, 2012. The position of Dean – University Extension has been vacant since October 31, 2006. Ms. Duffy has served as Acting Dean – University Extension since October 1, 2007.

It was after careful consideration of the particular facts and circumstances that this request came forward for approval. The acting appointment held by Ms. Duffy ended September 30, 2010, and it was under a sense of urgency that the final consultations took place to ensure the appropriateness of the request and its conformance to policy, while securing the agreement of the incumbent to continue to serve. A convergence of events preceded this request, including a failed nationwide search in 2007 to fill the position; the assessment of Ms. Duffy's exceptional qualifications, experience, and contributions to UC Riverside in the role of Acting Dean – University Extension; the urgent need to continue Ms. Duffy's leadership role for UC Riverside University Extension; and the decision to plan for a nationwide search in 2011-12 for a permanent successor.

Ms. Duffy possesses strong qualifications for the position; previous recruitment efforts failed to result in a hire; there are no viable candidates better qualified than Ms. Duffy; and there is a strong case for the business necessity of ensuring continuity of leadership during this pivotal period facing the campus and University Extension. Ms. Duffy served on the Strategic Planning Steering Committee and is well versed in the opportunities and challenges that UCR will

be facing in the implementation of the campus strategic plan. In addition, Ms. Duffy furthered her involvement in the campus strategic vision by serving as chair of the subcommittee on Community Engagement, one of the four overarching themes that emerged from UCR's strategic planning process. Ms. Duffy has participated in a visible and influential role in the development of the final version of *UCR 2020: The Path to Preeminence*, and is uniquely positioned to lead University Extension into the implementation phase of *UCR 2020*. Under Ms. Duffy's leadership, University Extension developed successful revenue-generating student-based initiatives that are illustrative of the type of leadership direction that University Extension will need to continue in order to implement *UCR 2020* during the next 24 months. It was of critical importance to the campus that the term appointment as Dean – University Extension be approved.

The term appointment of Ms. Duffy was proposed in accordance with UCOP Human Resources Procedure 20 – Recruitment, and local procedures that permit the appointment through a waiver of recruitment in special circumstances consistent with equal opportunity and affirmative action objectives. Prior to the conclusion of the fixed two-year term, the campus plans to conduct a nationwide search in fiscal year 2011-12. Ms. Duffy brings exceptional qualifications to the position. She received her M.A. and Ph.D. from UC Riverside in special education/educational psychology. Ms. Duffy's prior leadership experience includes a one-year term as Interim Dean – Graduate School of Education, four years as Associate Dean – Graduate School of Education, and three years as Interim Dean – University Extension. Her leadership experience and the strength of her community network were well established in her former roles of interim dean and associate dean for the Graduate School of Education. The exceptional qualifications, experience, and community relationships that Ms. Duffy offers to UC Riverside, in the role of Dean – University Extension, are unique, highly valued, and difficult to recruit. With the appointment of Ms. Duffy as Dean – University Extension, the number of female Senior Management Group (SMG) members will increase from three to four individuals out of a total of ten SMG positions at UCR.

This position is funded 100 percent from non-State funds. As the acting dean, Ms. Duffy was receiving an annualized stipend of \$52,006, in addition to her adjusted academic base salary of \$131,994, bringing her total compensation to \$184,000. The campus proposed that Ms. Duffy continue to receive an annualized base salary of \$184,000 for her term appointment as the Dean – University Extension. The proposed annual base salary represents a zero percent increase in her total adjusted compensation and is 5.6 percent above the midpoint for SLCG Grade 105 (Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400). According to Mercer Human Resource Consulting, relying on data from the 2009/2010 College and University Professional Association (CUPA) Administrative Compensation Survey, the proposed base salary is 6.6 percent

below the market median of \$196,148 for the Dean, Continuing Education position.

Recommendation

The following items were approved in connection with the term appointment of Sharon A. Duffy as Dean – University Extension, Riverside campus:

- (1) Per policy, term appointment of Sharon A. Duffy as Dean – University Extension, Riverside campus.
- (2) Per policy, annual base salary of \$184,000 at SLCG Grade 105 (Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400).
- (3) This term appointment is at 100 percent time and is effective October 1, 2010 through September 30, 2012, or until the appointment of a permanent dean, whichever occurs first.

Recommended Compensation

Effective Date: October 1, 2010

Base Salary: \$184,000

Bonus/Incentive: \$0

Total Cash Compensation: \$184,000

Grade Level: SLCG Grade 105

(Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400)

Median Market Data: \$196,148

Percentage Difference from Market: 6.6 percent below market

Funding Source: Non-State Funds

Budget &/or Prior Incumbent Data

Title: Dean – University Extension

Adjusted Academic Base Salary: \$131,994

Administrative Stipend: \$52,006

Total Cash Compensation: \$184,000

Funding Source: Non-State Funds

Additional items of compensation include:

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

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

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

Submitted by: UCR Chancellor White
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

F. *Appointment of and Total Compensation for Jay Keasling as Associate Laboratory Director, Biosciences, Lawrence Berkeley National Laboratory*

Background to Recommendation

Action under interim authority was requested for the appointment of and total compensation of \$358,000 for Jay Keasling as Associate Laboratory Director (ALD), Biosciences, Lawrence Berkeley National Laboratory (LBNL).

Reporting to the Laboratory Director, the Associate Laboratory Director, Biosciences, is charged with coordinating across organizational lines at the Laboratory in spearheading new, large-scale scientific initiatives; assisting the Laboratory Director and Deputy Director in strategic planning exercises; serving as an exemplar of the Laboratory's culture of excellence in science and in safety; facilitating multidisciplinary collaboration within the Laboratory and across the broader research community; helping to raise the public profile of LBNL and the Department of Energy's National Laboratory system; and representing the Laboratory before senior program officials in the Department of Energy's Office of Science. The Associate Laboratory Director works collaboratively with other associate laboratory directors, with the Deputy Laboratory Director, Laboratory Director, and staff to accomplish these missions.

Mr. Keasling is currently the CEO of the Department of Energy's Joint BioEnergy Institute (JBEI). Mr. Keasling was previously the Acting Deputy Laboratory Director, an administrative position he accepted reluctantly and only as a service to the Laboratory. (Mr. Keasling was never a candidate for the position and has always wanted to return to his scientific activities.) In addition, he was the Scientific Division Director-Faculty of the Physical Biosciences Division. He has over 18 years of scientific experience, is widely respected by the Laboratory, Department of Energy (DOE), Berkeley campus, and the scientific community, and is world-renowned for his scientific accomplishments. He has received numerous awards and has been the author of numerous publications, including articles in the journals *Science* and *Nature*. He has superb skills in strategic planning, organization, and management.

The proposed compensation of \$358,000 provides Mr. Keasling the level of compensation he likely would be receiving (assuming a five percent per year increase for the years 2007-2011) had he remained in his scientific position and

not assumed the Acting Deputy Director position. While the proposed compensation would make Mr. Keasling the highest paid of the six Laboratory associate laboratory directors, as explained in this request, the proposed compensation is considered both reasonable and appropriate for the following singular and combined reasons.

Mr. Keasling's scientific preeminence in the field of synthetic biology combined with his international reputation and proven Laboratory leadership make him a critical asset in maintaining the Laboratory's international and national reputation.

- Mr. Keasling's work is considered seminal, particularly for the creation and development of both new drugs and sustainable fuel sources.
- In recognition of his achievements, Mr. Keasling has been elected to the National Academy of Engineering.
- Mr. Keasling has published over 227 papers and articles in peer-reviewed scientific journals.
- Mr. Keasling's work has been cited in prestigious scientific journals at least 3,689 times.
- Mr. Keasling has been honored with numerous national and international awards. In 2006 *Discover* magazine awarded its first-ever Scientist of the Year Award to Jay Keasling. In 2009, Mr. Keasling was awarded the first Biotech Humanitarian Award by the Biotechnology Industry Organization for his successful work in using synthetic biology to develop artemisinin, a powerful anti-malaria drug which may cut the cost of malaria treatment by 90 percent. The one million people who die of malaria each year are from the world's poorest countries, and the drastic reduction in the cost of treatment enabled by Mr. Keasling's work will have the effect of saving many additional millions of lives while the drug is in use.
- Mr. Keasling is a frequent speaker at the international level, bringing visibility and recognition to the Regents, the University, and the Lawrence Berkeley National Laboratory.
- Mr. Keasling was instrumental in securing the \$500 million Energy Biosciences Institute grant to the UC Berkeley campus.

Mr. Keasling's research funding employs over 175 scientists, postdoctoral scholars, and staff, as well as 45 students; Mr. Keasling's work represents an appreciable percentage of the Laboratory's annual operating budget.

- Mr. Keasling founded and leads one of the Department of Energy's signature initiatives – the Joint BioEnergy Institute – funded at \$135 million through 2012. JBEI is a multidisciplinary research institute focused on developing and testing new types of sustainable transportation fuels. LBNL has several UC partner institutions participating in work at JBEI, including UC Berkeley, UC Davis, and Lawrence Livermore National Laboratory.
- Mr. Keasling has also secured and oversees substantial grant funding

beyond that from DOE, including from the Bill and Melinda Gates Foundation and the National Institutes of Health. Since 1992, Mr. Keasling has brought in at least 159 awards to the Berkeley campus for a total of \$44.3 million.

- In addition to his LBNL roles as a Division Director and head of a major research institute, he is a professor of chemical engineering and bioengineering and is the Hubbard Howe Distinguished Professor of Biochemical Engineering at the University of California, Berkeley.

Mr. Keasling has become a leading ambassador for science, promoting science in a variety of media venues over the past year, including most recently a profile in *The New Yorker* magazine.

- In the past two years, Mr. Keasling has testified before Congress twice regarding the importance of biological research for health and energy applications.
- Mr. Keasling's national television appearances have showcased the University and the Lawrence Berkeley National Laboratory as a source of science solutions for the world.
- Mr. Keasling's local public appearances include LBNL's Science at the Theater panel presentation last fall on the future of biofuels, a presentation seen by a live audience of more than 600 and an additional 80,000 on UCTV, and scored high in audience surveys.

Mr. Keasling accepted the position of Acting Deputy Director as a service to the Laboratory and should not be penalized for having done so.

- Mr. Keasling generously accepted the Acting Deputy Laboratory Director position as a public service to the Laboratory, but only until a permanent successor could be located. During this period Mr. Keasling has foregone any permanent salary increase.
- The proposed compensation restored Mr. Keasling's compensation to a level commensurate with the salary he would have received had he remained in his prior scientific position and not agreed to assume the Acting Deputy Director position. (In 2007, Mr. Keasling's salary was \$295,000, before he had built the flagship JBEI group. The average percent increase for highly rated Laboratory scientists over the four-year period was five percent per year through fiscal year 2011.)

Mr. Keasling's funded research portfolio combined with his nationally recognized reputation make him an ongoing recruitment target of competing institutions.

- Mr. Keasling has recently received several offers from competing institutions, at least two with potential salaries of \$440,000 or higher, and one with a potential startup package of \$12,000,000.
- Providing Mr. Keasling with a fair and competitive salary will greatly

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~~, ~~68064~~ 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.

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

The Program shall be managed so that its annualized tracking error budget shall be 300 basis points. This budget is consistent with the $\pm 10\%$ ranges around the combined asset classes (see 2a below), and incorporates both sector allocation and security selection differences from the aggregate benchmark.

Each Manager or asset class segment will have a unique active risk budget, relative to its asset class benchmark, which is appropriate to its individual strategy, and specified in its guidelines, and which will reflect the risk-return profile of its specific investment objectives.

f. Other Constraints and Considerations

- Managers shall comply with applicable State and Federal laws and regulations
- Managers shall at all times act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims
- Managers shall act solely in the interest of the Program's owners.

2. Investment Guidelines

The portfolio will be invested primarily in marketable, publicly traded equity and fixed income securities denominated in (or hedged back to) U.S. dollars.

a. Strategic Asset Allocation and Allowable Ranges

	<u>Target Allocation</u>
US Fixed Income – Government	40 5%
US Fixed Income – Credit	45%
US Fixed Income – Securitized	40 5%
High Yield Debt	10%
<u>US Equity - All Cap</u>	<u>15%</u>
US Equity – Large Cap	10%
US Equity – Small Cap	5%
<u>REITS</u>	<u>5%</u>
Non US Equity (hedged)	40 15%
Liquidity	0%

Combined Asset Classes	<u>Target Allocation</u>	<u>Minimum</u>	<u>Maximum</u>
Public Equity	35 25%	25 15%	45 35%
US Fixed Income	65 75%	55 65%	75 85%
Liquidity	0%	0%	10%
Total	100%		

b. Total TRIP Performance Benchmark

This is the composition of the total TRIP performance benchmark:

Percentage	Benchmark
10 5%	× Lehman Barclays Capital US Aggregate Government Index
45%	× Barclays Capital Lehman US Aggregate Credit Index
10 5%	× Barclays Capital Lehman US Aggregate Securitized Index
10%	× BofA / Merrill Lynch HY Cash Pay BB/B rated Index
15%	× Russell 3000 Index (Tobacco Free)
10%	× Russell 1000 Index (Tobacco Free)
5%	× Russell 2000 Index (Tobacco Free)
5%	× FTSE / NAREIT US REIT Index
10 15%	× MSCI World ex US Net Index (hedged) (Tobacco Free)

Notes on Total Program benchmark:

1. The calculation of the Total Program benchmark will assume a monthly rebalancing methodology.
2. In the event of a significant change in asset allocation, The Regents' generalist consultant may specify an alternative weighting scheme to be used during a transition period.

c. Rebalancing Policy

There will be periodic deviations in actual asset weights from the policy asset weights specified above. Causes for periodic deviations are market movements, cash flows, and varying portfolio performance. Significant movements from the asset class policy weights will alter the intended expected return and risk of the Fund. Accordingly, the Investment Committee authorizes the Treasurer to rebalance the Fund when necessary to ensure adherence to the Investment Policy.

The Treasurer will monitor the actual asset allocation at least monthly. The Committee directs the Treasurer to take all actions necessary, within the requirement to act prudently, to rebalance assets to within the policy ranges in a timely and cost effective manner when actual weights are outside the prescribed ranges. The Treasurer may utilize derivative contracts (in accordance with the Derivatives Policy found in Appendix 4 of the UCRP Policy Statement) to rebalance the portfolio.

The Treasurer shall assess and manage the trade-off between the cost of rebalancing and the active risk associated with the deviation from policy asset weights. With approval from the Chair of the Committee, the Treasurer may delay a rebalancing program when the Treasurer believes the delay is in the best interest of the Plan. Results of rebalancing will be reported to the Committee at quarterly meetings.

d. Asset Class Guidelines

The Program will be invested in a diversified portfolio of equity and fixed income securities.

Each Segment of the Program, as defined above, will be subject to the Regents Asset Class guidelines that is appropriate and in effect for that Segment. These Guidelines are found in the Appendices to the UC Retirement Plan Investment Policies, and are hereby incorporated by reference.

e. Restrictions

The Managers may **not**:

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

Subject to the limitations above, the Managers have complete discretion with regard to choosing sector weights, issuers, and maturities.

3. Evaluation and Review

a. Policy and Guideline Review

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

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

4. Reporting

On a quarterly basis, the Treasurer’s Office shall provide the following reports to the Committee on Investments:

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

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

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

5. Investment Operations and Restrictions

- a. University Financial Management may establish limitations on Campus investments to maintain sufficient short term liquidity for University cash needs, and restrictions on withdrawals as is appropriate for the investment of longer-term assets.
- b. Annual distributions of income and capital gains will be made to participating Campuses, according to a spending rate will be reviewed and approved annually by the Committee on Investments.

6. Definitions: See Appendix 8 of the UCRP Policy Statement

Additions shown by underscoring; deletions shown by strikethrough

THE UNIVERSITY OF CALIFORNIA STUDENT TUITION AND FEE POLICY*

A Student Tuition and Fee Policy affecting Tuition ~~the Educational Fee~~ and the Student Services Fee is established with the following provisions.

A. Tuition ~~The Educational Fee~~

Tuition (formerly referred to as ~~The Educational Fee~~) is a Universitywide mandatory charge assessed against each resident and nonresident registered student. Tuition ~~The Educational Fee~~ is assessed uniformly across all campuses of the University.

In addition to funding programs and services supported by Tuition ~~the Educational Fee~~ (such as student financial aid and related programs, admissions, registration, administration, libraries, and operation and maintenance of plant), income generated by Tuition ~~the Educational Fee~~ may be used for general support of the University's operating budget. Revenue from Tuition ~~the Educational Fee~~ may be used to fund all costs related to instruction, including faculty salaries.

In recommending to the Board the annual Tuition ~~Educational Fee~~ level, the President shall take into consideration the following factors:

1. the resources necessary to maintain access under the Master Plan, to sustain academic quality, and to achieve the University's overall mission;
2. the full cost of attending the University, including the cost of housing, food, healthcare, books and supplies, transportation, and other academic and personal expenses;
3. the amount of support available from various sources to assist needy students in funding the full cost of their education;
4. overall State General Fund support for the University; and
5. the full cost of attendance at comparable public institutions.

The President annually shall solicit faculty and student views on the level of Tuition ~~the Educational Fee~~, through the appropriate consultation processes.

B. The Student Services Fee

The University of California is committed to providing a supportive and enriched learning environment for all undergraduate, graduate and professional students. To facilitate this intent, all registered resident and nonresident students are assessed the Student Services Fee which is a Universitywide mandatory charge.

Income generated by the Student Services Fee (formerly referred to as the University Registration Fee) shall be used to support services and programs that directly benefit students and that are complementary to, but not a part of, the core instructional program. These services and programs include, but are not limited to, operating and capital expenses for services related to the physical and psychological health and well-being of students; social, recreational, and cultural activities and programs; services related to campus life and campus community; technology expenses directly related to the services; and career support. These services and programs create a supportive and enriched learning environment for University of California undergraduate, graduate and professional students.

Increases in the Student Services Fee should have a return-to-aid component that is the same percentage as the return-to-aid component of increases in Tuition ~~the Educational Fee~~.

Annually the President shall review the Student Services Fee and recommend to the Board the appropriate fee level after considering a variety of factors, including but not limited to: needs and priorities of undergraduate, graduate and professional students; inflation and other budgetary cost increases; creation of new programs or services; and overall budget priorities of the University.

At each campus, the Chancellor or his/her designee annually shall solicit and actively consider student recommendations, with the intent of honoring as much as possible student recommendations on the following: the use of Student Services Fee revenue; and the annual Student Services Fee to be set by the Regents. Student recommendations shall be provided by each campus' Student Fee Advisory Committee recognized by the systemwide Council on Student Fees.

Each campus will maintain a website that provides details on how the Student Services Fee has been allocated relative to the recommendation of the Student Fee Advisory Committee.

Each campus should refer to administrative guidelines issued by the President that provide additional guidance around the use of Student Services Fee revenue, Student Fee Advisory Committees, Student Services Fee reports, and student fee websites.

C. Notification to Students

To assist students and their parents in planning for future educational expenses, the President shall report annually to the Board the proposed fee levels for Tuition ~~the Educational Fee~~ and the Student Services Fee for the next academic year.

**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.*

Additions shown by underscoring; deletions shown by strikethrough

**POLICY ON PROFESSIONAL DEGREE SUPPLEMENTAL TUITION FEES FOR
~~SELECTED PROFESSIONAL SCHOOL STUDENTS*~~**

- (1) Professional Degree Supplemental Tuition shall ~~A Fee for Selected Professional School Students~~ be assessed to students enrolled in graduate professional degree programs, as determined by The Regents, to sustain and enhance the quality of the professional schools' academic programs and services.
- (2) Revenue from Professional Degree Supplemental Tuition ~~professional school fees~~ will remain with the campuses and will not be used to offset reductions in State support.
- (3) Professional Degree Supplemental Tuition levels ~~Fees for professional school students~~ will be approved by The Regents, within the context of a multi-year plan that is subject to annual reconsideration.
- (4) The Provost is responsible for ensuring that the leadership of each campus designs a multi-year plan of Professional Degree Supplemental Tuition ~~fee~~ increases for each professional degree program in a manner that effectively advances the program's mission and strategic academic plan.
- (5) In developing a program's multi-year plan, the following factors are among those to be taken into consideration: the amount of resources required to sustain academic quality at, and enrollments in, the particular professional degree program; the ability of the program to remain competitive with other institutions of similar quality; the cost of education for each specific degree program; the resident and nonresident tuition and fees charged by comparable public and private institutions for each specific program; and other market-based factors (such as scholarship and grant support) that permit the degree program to compete successfully for students. Within this context, different Professional Degree Supplemental Tuition ~~fee~~ levels may be set for professional programs in the same discipline at different campuses.
- (6) Financial aid targeted for students enrolled in professional degree programs is necessary to ensure access to the degree program, and to minimize financial barriers to the pursuit of careers in public service. The Provost is responsible for ensuring that each campus complements its proposed multi-year plans for professional degree programs with financial aid measures, including scholarships, grants and loan repayment assistance programs, to adequately meet these goals. Financial aid sources should be supplemented by an amount equivalent to at least 33 percent of new Professional Degree Supplemental Tuition ~~professional school fee~~ revenue or by an amount necessary to ensure that financial aid sources are equivalent to at least 33 percent of all Professional Degree Supplemental Tuition ~~professional school fee~~ revenue. Campuses will regularly evaluate and report on the effectiveness of these financial aid measures.
- (7) The following conditions are adopted for future Professional Degree Supplemental Tuition ~~professional degree fee~~ increases:

(A) Access and inclusion are among the University's core commitments, and student affordability is a vitally important component to a public education system. Any increases in Professional Degree Supplemental Tuition ~~professional degree fees (PDFs)~~ must be justified by programmatic and financial needs, but also must not adversely affect the University's commitment to access, inclusion, and keeping the door open for students interested in pursuing low-paying public interest careers.

(B) With this sentiment in mind, if a professional school unit wishes to propose a Professional Degree Supplemental Tuition ~~PDF~~ increase greater than 6 percent or in excess of the percentage increase in Tuition the Education Fee for a given year, it must submit a plan, endorsed by its chancellor, describing academic and/or programmatic reasons for the requested increase and describing policies to ensure or enhance access and inclusion in the face of the rising charges ~~fees~~.

(C) Each plan should consider the following (including expenditure projections, design parameters, and performance metrics) components:

- i. Front-end financial aid such that needy students are able to pursue their academic and summer interests without regard to financial considerations.
- ii. Loan forgiveness programs (or some equivalent alternative program) for, among others, students interested in pursuing low-paying public service jobs such that their debt from professional school does not unduly restrict their career decision.
- iii. A strategy for inclusion of underrepresented groups.
- iv. A detailed marketing and outreach plan to explain financial aid and loan forgiveness.

(D) Each unit's Professional Degree Supplemental Tuition ~~PDF~~ plan shall also include:

- i. Assurances that in any program directly supported by State 19900 funds, the total in-state tuition and fees charged will be at or below the total tuition and/or fees charged by comparable degree programs at other comparable public institutions.
- ii. Information as to the views of the unit's student body and faculty on the proposed increase. This information may be obtained in a variety of ways ranging from consultations with elected student leaders and faculty executive committees to referenda. The information would be treated as advisory, but The Regents would view more favorably Professional Degree Supplemental Tuition ~~PDF~~ proposals that enjoy the support of a unit's faculty and student body.

(E) The Provost and Executive Vice President will provide further guidance and coordination as needed to the campuses and to elements of the Office of the President, and coordinate submission of the Professional Degree Supplemental Tuition ~~PDF~~ proposals to The Regents for annual action. Chancellors will carefully review Professional Degree Supplemental Tuition ~~PDF~~ proposals and the supporting plans concerning financial aid, loan forgiveness, outreach, evaluation, and implementation of corrective measures if needed (such as a Professional Degree Supplemental Tuition ~~PDF~~ rollback, freeze, limit on future increases, or other financial and/or non-financial measures), and forward the Professional Degree Supplemental Tuition ~~PDF~~ proposals as revised to the Office of the President. Professional Degree Supplemental Tuition

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.~~

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