

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

May 20, 2010

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

Present: Regents Bernal, De La Peña, Gould, Island, Kieffer, Lansing, Makarechian, Maldonado, Marcus, Nunn Gorman, Pattiz, Reiss, Schilling, Stovitz, Varner, Yudof, and Zettel

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

The meeting convened at 10:35 a.m. with Chairman Gould presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meetings of March 24 and 25 and the meetings of the Committee of the Whole of March 24 and 25, 2010 were approved.

2. REPORT OF THE PRESIDENT

President Yudof presented his report concerning University activities and individuals. Rae Armantrout, professor in the Department of Literature at UC San Diego, considered one of the best poets of her generation, has received the 2010 Pulitzer Prize for poetry for her tenth collection of poems, entitled “Versed.” Twenty-two scientists and engineers from eight UC campuses and the Lawrence Berkeley National Laboratory were recently named to the National Academy of Sciences. The Academy acts as an official science and technology advisor to the federal government, and election to the Academy is an exceptional honor accorded to very few individuals. An impressive 30 percent of those elected this year came from UC. The University dominated the election with nearly twice as many new members as all other public universities in the U.S. combined. Sixteen UC faculty members have been named 2010 fellows by the John Simon Guggenheim Memorial Foundation. They are among 180 recipients of the annual fellowships awarded for achievement and exceptional promise. Five faculty members have been elected to the American Philosophical Society. Election to the Society honors extraordinary accomplishments in all fields. Twenty-nine UC-affiliated fellows, including Chancellors Desmond-Hellmann and Block, have been elected to the American Academy of Arts and

Sciences in recognition of their contributions to their field and to society. President Yudof congratulated all of these distinguished individuals.

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

3. **RESOLUTION IN APPRECIATION – YOLANDA NUNN GORMAN**

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

WHEREAS, following her service as a Regent-designate and then as an Alumni Regent, Yolanda Nunn Gorman on June 30, 2010, will complete her service as a member of the Board of Regents of the University of California, having demonstrated a fervent commitment to the mission of the University that has marked her entire career; and

WHEREAS, she attained her bachelor's, master's, and doctoral degrees from UCLA and has been a lifelong and enthusiastic booster of the campus, serving as President of the UCLA Alumni Association and leading the Association through a crucial strategic planning process that re-envisioned the role of alumni relations at UCLA; and

WHEREAS, she has enjoyed an exemplary career helping foundations, school districts, universities, and community and faith-based organizations with their development and success, chairing the board of the California Association of Nonprofits, and receiving the Richard Riordan Award for Business Leadership; and

WHEREAS, she has brought her passion for the University and its mission in teaching, research, and public service to the system as a whole, serving as Vice President of the Alumni Associations of the University of California and contributing substantially to and championing the cause of building increased support for the public higher education enterprise in California; and

WHEREAS, she has contributed significantly to the governance of the University during a particularly challenging period, serving with distinction on the Regents' Committees on Health Services, Investments, and Long Range Planning; and

WHEREAS, in recognition of her devoted service as a member of the Board of Regents of the University of California, and in the hope of her continued contributions to the welfare and success of the University; the Regents do hereby confer upon Yolanda Nunn Gorman the title Regent Emerita;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their appreciation and respect for Yolanda Nunn Gorman, who has given greatly of herself to advance the well-being of the University, its people, and the people they serve across the State of California;

AND BE IT FURTHER RESOLVED that the Regents extend to Yolanda and Gregory their affectionate best wishes for the future, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's enduring regard and friendship.

Regent Schilling thanked Regent Nunn Gorman for her service on the Board of Regents. She recognized her deep commitment to the University and to public service. As a member of the Board, she has wholeheartedly championed the University's efforts to build support for public higher education in California.

4. **RESOLUTION IN APPRECIATION – RONALD W. STOVITZ**

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

WHEREAS, on June 30, 2010, Ronald W. Stovitz will complete his term on the Board of Regents, having provided distinguished and thoughtful leadership to the University as a Regent-designate and then as an Alumni Regent, a period of committed service reflecting his extraordinary lifelong dedication to the University and its well-being; and

WHEREAS, a graduate of the Riverside campus, he went on to achieve great professional distinction as one of the first full-time judges to be appointed by the California Supreme Court to decide appeals in cases of attorney discipline and regulation, ultimately becoming Presiding Judge of the State Bar Court of California; and

WHEREAS, his contributions to the legal profession have included his service as President of the National Organization of Bar Counsel, as founding President of the National Council of Lawyer Disciplinary Boards, as a longtime invited faculty member of the American Bar Association's Annual Conference on Professional Responsibility, and as ex officio member of the California Judges Association Ethics Committee; and

WHEREAS, he has made enormous contributions as an alumni volunteer for the University and its Riverside campus, serving as President of the UCR Alumni Association's Bay Area Chapter; President of the UCR Alumni Association; member of the UCR Foundation Board of Trustees; member of the Board of Visitors for the UCR College of Humanities, Arts, and Social Sciences; recipient of the UCR Medallion for his extraordinary public service; and President of the Alumni Associations of the University of California; and

WHEREAS, the judgment and perception he so ably uses in his professional life have added immeasurably to the work of the Regents' Committees on Compensation, Compliance and Audit, Health Services, and Oversight of the Department of Energy Laboratories, with his active participation on the Board as a whole providing the University with wise counsel during a period of substantial fiscal challenge; and

WHEREAS, in recognition of his devoted service as a member of the Board of Regents of the University of California, and in the hope of his continued contributions to the

welfare and success of the University; the Regents do hereby confer upon Ronald W. Stovitz the title Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their appreciation and admiration to Ron Stovitz, who has enriched the University in countless ways from his days as a dedicated alumni volunteer to his current service as a member of the Board of Regents;

AND BE IT FURTHER RESOLVED that the Regents extend to Ron and Danell their affectionate best wishes for the future, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's profound gratitude and friendship.

Regent Schilling expressed the Regents' appreciation for Regent Stovitz's contributions to the Board. She recalled that Regent Stovitz began his alumni service as a volunteer at UC Riverside, where he received a bachelor's degree in 1964. Regent Stovitz has had a long and distinguished career as a State Bar judge, serving the legal profession in many capacities. The Regents have been fortunate to have the benefit of Regent Stovitz's judicious insights.

5. **RESOLUTION IN APPRECIATION – JESSE BERNAL**

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

WHEREAS, Jesse Bernal, a graduate student in the Gevirtz School of Education at the Santa Barbara campus, has served with distinction as the thirty-fifth Student Regent and will complete his Regental term on June 30, 2010, having earned the Board's gratitude for his thoughtful contributions to the governance of the University, particularly in matters related to the welfare of students; and

WHEREAS, he has devoted his studies to the success of underrepresented students in higher education, working with passionate concern as a Regent to prioritize issues of access and affordability so that the University may continue widening its doors to students from all segments of the California population; and

WHEREAS, he has earned great respect for his deliberative and collaborative approach to issues coming before the Board, at all times seeking collaborative solutions between administration and students on student-related issues and contributing thoughtful and considered insights to the discussions of the Regents' Committees on Compliance and Audit, Finance, and Long Range Planning; and

WHEREAS, he has invested great amounts of his personal time in improving the success of others, serving as site coordinator for a Santa Barbara Endowment for Youth after-school program, a tutor and college adviser with the California Student Opportunity and Access Program, and special programs manager in the UCSB summer sessions office,

where he has coordinated academic arrangements for a high school outreach program and a summer bridge program for incoming first-year UCSB students; and

WHEREAS, he has provided unparalleled leadership on issues of importance to students at both the campus and systemwide levels, serving as University Affairs Chair and Executive Board Member of the UC Student Association, External Vice President for Statewide Affairs for the UCSB Graduate Students Association, and as student representative on the UCSB Chancellor's Coordinating Committee on Budget Strategy and the UCSB Academic Senate committees on Planning and Budget and Diversity and Equity; and

WHEREAS, in recognition of his articulate engagement and committed service as a member of the Board of Regents of the University of California, and in the hope of his continued contributions to the welfare and success of the University; the Regents do hereby confer upon Jesse Bernal the title Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California commend Jesse Bernal for his committed service as the Student Regent and express their sincere appreciation for his passion for the mission of the University and his personal commitment to the success of the University and the people it serves;

AND BE IT FURTHER RESOLVED that the Regents extend to Jesse their best wishes for continued success in his future endeavors, and direct that a suitably inscribed copy of this resolution be presented to him, as an expression of the Board's lasting regard and affection.

Chairman Gould thanked Regent Bernal for his service to the Board and recognized his dedication to the welfare of students. Regent Bernal contributed to deliberations on very difficult issues, such as student fees and enrollment curtailment. As a first-generation college student, Regent Bernal has proven himself an exemplary role model.

6. RESOLUTION IN APPRECIATION – ANNE C. BROOME

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

WHEREAS, the members of the Board of Regents of the University of California wish to express their sincere appreciation to Anne Broome, who has served the University with professionalism and distinction for sixteen years, upon the occasion of her retirement as Vice President – Finance; and

WHEREAS, upon her appointment as Associate Vice President in 1994, she brought to the University a wealth of senior-level management experience in the financial sector, and furthermore made history in 1998, when she became the University's first female Vice President; and

WHEREAS, calling upon her rich experience in private industry, she worked to increase awareness of financial standards and practices and ensure that their correct application is a part of the University's culture, and in so doing developed initiatives to improve cash management controls and to place a credentialed controller at each campus, among other efforts; and

WHEREAS, she sponsored and developed systemwide initiatives to achieve cost savings by drawing upon the University's unusual breadth of scale, including the Strategic Sourcing initiative for purchasing, a systemwide travel initiative, a reorganization of risk services functions, and the introduction of cost avoidance initiatives in the area of risk services that will save the campuses of the University more than \$100 million in costs this year; and

WHEREAS, she assumed responsibility for external financing and improved the University's relationships with the financial community, including with investors and rating agencies;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Anne Broome their deep gratitude and warmest appreciation for her leadership in modernizing the financial processes of the University and incorporating institutional best practices into its operations, doing so all the while with good humor, unvarnished candor, and abiding concern for the well-being of the University and the people it serves;

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

Chairman Gould expressed the Board's deep appreciation and best wishes for Vice President Broome, who is retiring after 16 years of service to the University. She made history when she became the first woman vice president at UC. During her service at UC, she developed many systemwide initiatives to modernize the University's financial practices. Chairman Gould expressed the University's gratitude for her professionalism, openness, dedication, and sense of humor during challenging financial times. Vice President Broome's efforts and innovations have helped the University emerge from difficult times as a stronger and more accountable institution.

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

The Committee presented the following from its meeting of May 20, 2010:

A. *Individual Compensation Actions*

(1) *Term Appointment Compensation for Donald J. DePaolo as Acting Associate Laboratory Director, Energy and Environmental Sciences, Lawrence Berkeley National Laboratory*

Background to Recommendation

Laboratory Director Alivisatos requested approval to appoint Donald J. DePaolo as Acting Associate Laboratory Director to be effective June 1, 2010 for a 12-month period to help fill the void resulting from the departure of Associate Laboratory Director Majumdar after he was nominated by President Obama to be the first Director of the U.S. Department of Energy's (DOE) Advanced Research Projects Agency – Energy.

Reporting directly to the Laboratory Director, the Acting Associate Laboratory Director is one of several key leadership positions on the management team at the Laboratory. The wide-ranging responsibilities for this position include:

- coordinating activity 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 safety and in science;
- facilitating multidisciplinary collaboration within the Laboratory and across the broader research community;
- helping to raise the public profile of the Berkeley Laboratory 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 compensation for this position is funded entirely by Department of Energy funds under the University's contract with the DOE. No State funds are involved.

Because of the significant additional duties Mr. DePaolo has assumed as the Scientific Division Director – Faculty, Earth Sciences Division and now as the Acting Associate Laboratory Director, the Laboratory requested an administrative stipend totaling 21.1 percent (\$55,420) of his annualized faculty base salary, resulting in total cash compensation of \$318,220. Since the total stipend exceeds the 15 percent maximum permitted by Laboratory policy, this is an exception to policy.

Recommendation

The Committee recommended approval of the following items in connection with the term appointment of Donald J. DePaolo as Acting Associate Laboratory Director, Energy and Environmental Sciences, Lawrence Berkeley National Laboratory:

- a. Term appointment salary of \$318,220, which includes an academic annual salary of \$197,100, summer salary of \$65,700, and an administrative stipend of \$55,420 (Grade N17: Minimum \$268,260, Midpoint \$344,646, Maximum \$421,032). This represents an exception to policy because the administrative stipend exceeds the 15 percent maximum permitted by Laboratory policy.
- b. The stipend component of salary will be in effect for up to 12 months from the date of Mr. DePaolo's acting appointment and will be recalculated if the annualized base salary is increased, so the stipend will continue to equal 21.1 percent of the annualized base salary.
- c. This appointment is at 100 percent time and is effective June 1, 2010 for up to 12 months.

Recommended Compensation

Effective Date: June 1, 2010

Annual Academic Salary: \$197,100

Summer Salary: \$65,700

Additional Term Compensation: \$55,420

Total Cash Compensation: \$318,220

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

Annualized Base Salary: \$274,008

Funding Source: DOE Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, continued accrual of sabbatical credits as a member of 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: Laboratory Director Alivisatos
Reviewed by: President Yudof
Compensation Committee Chair Varner
Office of the President, Human Resources

(2) *Appointment of and Total Compensation for Susan Carlson as Vice Provost – Academic Personnel, Office of the President*

Background to Recommendation

Successfully attracting and retaining high-quality faculty and other academic talent is one of the University's most important needs, and the effective management of academic personnel policies and programs plays a critical role in meeting that need. For over a year, the UC Office of the President has been without a permanent academic personnel leader. As the University contemplates how best to maintain and improve the quality of its academic programs, it is critical that UC have high-quality leadership overseeing its academic personnel programs.

Accordingly, approval was requested for the appointment of Susan Carlson as Vice Provost – Academic Personnel. The Vice Provost – Academic Personnel provides oversight for the processes that establish academic personnel policies including academic appointments, promotions, appraisals, and faculty salary structures. The incumbent is responsible for maintaining the overall academic personnel standards of the entire University and also directly influences the quality of UC faculty. This position is considered to be one of the most vital and important in the Provost's Office. Accordingly, Ms. Carlson will report directly to the Provost and Executive Vice President – Academic Affairs.

After an extensive national search, Ms. Carlson was selected as the top candidate. Ms. Carlson is currently the Associate Provost for Faculty Advancement and Diversity at Iowa State University, and Professor, Department of English. While at Iowa, Ms. Carlson was responsible for all faculty personnel matters, including promotion and tenure, recruitment and retention, and academic personnel policy. In addition, she led the Iowa State University ADVANCE Program focused on women faculty in STEM (science, technology, engineering, and mathematics) fields. Ms. Carlson has also been active in developing new diversity initiatives for her campus.

The requested base salary of \$250,000 is 0.8 percent above the market median of \$248,100. This position is funded 100 percent by State funds. Additional elements of Ms. Carlson's recruitment package, all of which comply with UC policy, are detailed below.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Susan Carlson as Vice Provost – Academic Personnel, Office of the President:

- a. Appointment of Susan Carlson as Vice Provost – Academic Personnel, Office of the President, at 100 percent time.
- b. Per policy, appointment salary of \$250,000.
- c. Per policy, a 25 percent (\$62,500) relocation allowance 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 Ms. Carlson resigns within four years, the repayment schedule would be as follows: 100 percent if resignation occurs within the first year of employment; 60 percent within the second year of employment; 30 percent within the third year of employment; and ten percent within the fourth year of employment. If paid in annual installments and Ms. Carlson resigns, any unpaid future installments would be forfeited.
- d. Per policy, 90-day temporary living assistance including cost of furnished temporary lodging and reasonable residential parking fees, reimbursed within normal policy limits, not to exceed \$4,000 per month. Additionally, meals for the first 30 days of residence in temporary quarters that do not have cooking facilities, reimbursed within normal policy limits.

- e. Per policy, two house hunting trips each, subject to the limitations under policy, for the candidate and her spouse/partner.
- f. Per policy, 100 percent reimbursement of all reasonable moving expenses for the purpose of relocation of the primary residence subject to the current policy guidelines.
- g. Per policy, eligibility to participate in the University Home Loan Program. Participation will comply with all University/campus normal program parameters.
- h. 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.
- i. This appointment is effective upon Regental approval, pending suitable transition notice to Ms. Carlson's current institution.

Recommended Compensation**Effective Date:** Upon Regental approval**Base Salary:** \$250,000**Grade Level:** SLCG Grade 108:

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

Median Market Data: \$248,100**Funding Source:** State funds**Percentage Difference from Market:** 0.8**Budget &/or Prior Incumbent Data****Title:** Vice Provost – Academic Personnel**Base Salary:** \$263,750**Funding Source:** State funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty. Ms. Carlson will not accrue credits in her position as Vice Provost.
- 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: Provost Pitts
Reviewed by: President Yudof
Compensation Committee Chair Varner
Office of the President, Human Resources

(3) ***Promotional Appointment of and Total Compensation for Edward Babakanian as Chief Information Officer, Health Sciences, San Diego Campus***

Background to Recommendation

As part of a comprehensive restructuring and streamlining initiative, UC San Diego Health Sciences is consolidating a number of administrative functions, including financial administration, strategic planning, and human resources. The restructuring includes UCSD's School of Medicine, Skaggs School of Pharmacy and Pharmaceutical Sciences, Medical Center, Medical Group, and other professional departments. The goals of the restructuring are to reduce costs and bureaucracy and create a more streamlined, efficient, and integrated health sciences operation.

The restructuring includes consolidation of the Chief Information Officer functions for the UCSD Medical Center and the Health Sciences (CIO – HS) to provide oversight across all Health Sciences operations. Edward Babakanian was recommended for the position. Mr. Babakanian has worked at UC since 1994, and has been serving as Chief Information Officer for the UCSD Medical Center since 1996. With this restructuring, the CIO position for the Medical Center will be eliminated.

This position is funded 100 percent from non-State funds. Based on the market data and inter-campus comparisons, it is proposed that the position be slotted on an interim basis at SLCG Grade 110. The requested base salary of \$312,600 is 1.8 percent above the midpoint of the SLCG Grade 110 range (\$307,200); 0.6 percent above the average annual salary of other SLCG Grade 110 positions at UCSD (\$310,550); 11.2 percent above the market median of \$281,000, as taken from the College and University Professional Association (CUPA) Administrative Compensation Survey (top 26 competitor institutions) and 3.5 percent below the school of medicine market median of \$324,000 as taken from the CUPA Administrative Compensation Survey (comprised of 14 of the 26 competitor institutions with a school of medicine); and 0.9 percent above the average base salary (\$309,775) of chief information officers at the other four UC medical centers.

Recommendation

The Committee recommended approval of the following items in connection with the promotional appointment of and compensation for Edward Babakanian as Chief Information Officer, Health Sciences, San Diego campus:

- a. Appointment of Edward Babakanian as Chief Information Officer, Health Sciences, San Diego campus, at 100 percent time. This position is classified in the Senior Management Group.
- b. Per policy, appointment salary of \$312,600.
- c. Interim slotting at SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- d. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan, with a target of 15 percent.¹
- e. 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.
- f. This appointment is effective June 1, 2010.

Recommended Compensation

Effective Date: June 1, 2010

Base Salary: \$312,600

CEMRP Incentive (at risk): \$46,890 (at 15 percent target rate¹)

Total Cash Compensation: \$359,490

Grade Level: SLCG Grade 110:

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

Median Market Data: \$324,000

Funding Source: non-State funds

Percentage Difference from Market: 3.5 percent below

Additional items of compensation include:

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

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.

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

- (4) *Title Change and Total Compensation for Barbara J. French as Vice Chancellor – Strategic Communications and University Relations, San Francisco Campus*

Background to Recommendation

The San Francisco campus requested approval for a title change and total compensation for Associate Vice Chancellor – University Relations Barbara J. French to Vice Chancellor – Strategic Communications and University Relations. There is no salary increase included in this action. This action includes a change in personnel program from Management and Senior Professional (MSP) to the Senior Management Group with continued SLCG grading at Grade 108 and no change to current base compensation of \$251,900 annually, effective upon Regental approval.

The scope of Ms. French's responsibilities has expanded significantly due to the elimination of the position of Senior Vice Chancellor – University Advancement and Planning, to which she formerly reported. With the elimination of this position and related reorganization, UCSF expects to save approximately \$500,000 annually. In this new role, Ms. French now reports directly to the Chancellor and has become the UCSF leader with full responsibility for comprehensive, integrated campus and medical center strategic communications, advocacy, and government and community relations. Ms. French is expected to drive public awareness initiatives aimed at keeping all stakeholders informed of developments at UCSF, which is the second largest employer in San Francisco and has significant capital projects under way. Strengthening of UCSF's strategic communication and advocacy efforts is one of the Chancellor's top priorities and, in support of this critical goal, Ms. French assumes the following additional major leadership responsibilities:

Strategic Communications:

In this role Ms. French will support the Chancellor and the entire UCSF senior leadership team, both campus and Medical Center, in communications to advance leadership's strategic priorities both within the University community and with external constituencies, including community residents and organizations, donors, and political leaders. This responsibility includes all aspects of strategic communications including, but not limited to, the following: participating in senior policy decision making, building alliance networks with key stakeholders and business segments, creating a viable internal communications pipeline to insure all key priorities and strategies are fully vetted and understood by internal senior leadership, developing content and messaging strategy, and incorporating state-of-the-art communications and new media platforms into the communications network.

Advocacy:

In this role Ms. French will assume a leadership role, in collaboration with the Senior Vice Chancellor – Finance and Administration and/or Vice Chancellor – Development and Alumni Relations, when appropriate, to identify, nurture, and capitalize on key relationships with community members, politicians, and donors. Ms. French will also oversee the expansion and maintenance of strategic relationships and implementation of action plans with federal, State, and local government relations officers throughout UCSF and the University of California system. This advocacy responsibility encompasses critical interactions with influential individuals on a wide range of topics (e.g., potential real estate transactions involving key donors to proposed city-based health programs that affect UCSF and the surrounding community).

The campus indicated that, given an examination of external market data and comparator positions across the University system, Ms. French's current annual base salary of \$251,900 reflects an appropriate alignment in consideration of the responsibilities assigned to the position. However, the responsibilities reflect classification in the Senior Management Group. The base salary for this position is funded through State funds. The position remains slotted at SLCG Grade 108.

Recommendation

The Committee recommended approval of the following items in connection with the title and personnel program change for Barbara J. French as Vice Chancellor – Strategic Communications and University Relations, San Francisco campus:

- a. Title change from Associate Vice Chancellor – University Relations to Vice Chancellor – Strategic Communications and University Relations, at 100 percent time.
- b. Personnel program change from Management and Senior Professional (MSP) Grade VIII to the Senior Management Group.
- c. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program (\$12,595).
- d. Effective following approval by the Regents.

Recommended Compensation**Effective Date:** Upon Regental approval**Base Salary:** \$251,900**Grade Level:** SLCG Grade 108:

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

Median Market Data: No match**Funding Source:** State funds**Budget &/or Prior Incumbent Data****Title:** No Prior Incumbent**Base Salary:** n/a**Funding Source:** n/a

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, continued appointment salary of \$251,900, representing a zero percent increase in Ms. French's current salary.
- Continued slotting at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- This position is subject to the salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent salary reduction.

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**

- (5) ***Term Appointment for Eric Vermillion as Associate Vice Chancellor – Finance, San Francisco Campus***

Background to Recommendation

As the result of a reorganization of Financial and Administrative Services (FAS) at the San Francisco campus, three departments (Planning, Real Estate, and Capital Projects) formerly managed by two separate senior vice chancellors now report directly to Senior Vice Chancellor Plotts, as well as three other direct reports (Human Resources, Program Management Office, and Police Department) formerly reporting to the Associate Vice Chancellor – Administration. In addition, a new Sustainability position will report to Mr. Plotts. While these organizational changes have been implemented, the reporting relationship of the Controller's Office continues to be assigned to Associate Vice Chancellor – Finance Eric Vermillion, who is currently serving in this role as approved by the Regents on July 17, 2008, with a subsequent approval in May 2009 for an extension through May 31, 2010, at an annual base salary of \$298,313 for the duration of this term appointment. Final organizational placement of the Controller's Office remains under consideration.

UCSF requested approval of a term appointment effective June 1, 2010 through June 30, 2011, or until a permanent organizational structure is implemented, whichever occurs first, with current annual compensation continuing. The terms and conditions, including compensation, of Mr. Vermillion's temporary assignment remain unchanged; this is merely an extension of time to accommodate the restructuring.

The base salary for this position is funded through non-State funds.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of Eric Vermillion as Associate Vice Chancellor – Finance, San Francisco campus:

- a. As an exception to policy, a term appointment effective June 1, 2010 through June 30, 2011, or until a permanent organizational structure is implemented, whichever occurs first, and including up to a three-month overlap in service for transition of duties. This represents an exception to policy, which indicates a one-year limit

on temporary appointments for members of the Senior Management Group.

- b. Per policy, continuation of the current annual compensation of \$298,313.

Recommended Compensation

Effective Date: June 1, 2010-June 30, 2011

Term Appointment Base Salary: \$298,313

FAS Incentive Eligibility (at risk): \$13,875 (5 percent of unadjusted base reflected²)

Total Cash Compensation (at target): \$312,188

Grade Level: SLCG Grade 109:

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

Funding Source: non-State funds

Budget Data

Title: Associate Vice Chancellor – Finance

Term Appointment Base Salary: \$298,313

FAS Incentive Eligibility (at risk): \$13,875 (5 percent of unadjusted base reflected²)

Total Cash Compensation (at target): \$312,188

Funding Source: non-State funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Continued appointment as Associate Vice Chancellor – Finance, at 100 percent time.
- Continued classification at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- Per policy, continued eligibility for participation in the Finance and Administrative Services (FAS) Incentive Plan with incentive opportunities at risk and a range of payout from zero percent to a maximum potential incentive of up to ten percent.
- This position is subject to the salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent salary reduction.

² FAS incentive opportunities are at risk with actual payouts ranging from zero percent up to ten percent and dependent upon actual achievement of goals.

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

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

B. *Transfer of Faculty Administrator Titles Other than Deans from the Senior Management Group Program to Academic Personnel*

Background to Recommendation

This item requested approval of an action corollary to the Regents' action item approved at the November 2009 meeting to return deans from governance under the Senior Management Group (SMG) Program to governance under the Academic Personnel (AP) Program. This project is a continuation of the work to transfer from SMG those positions defined as "academic" rather than "administrative" and provided for a technical correction to the record to allow such transfer of these other faculty administrator titles.

To conclude this project, the Provost proposed two new policies, APM-241, Faculty Administrators (positions at less than 100 percent time), and APM-246, Faculty Administrators (100 percent time). These newly proposed policies are undergoing UC systemwide review. It is anticipated that the policies, along with a group of other APM policies proposed for technical correction, will be issued effective July 1, 2010.

Recommendation

The Committee recommended that, effective July 1, 2010, the Regents approve the removal of the following faculty administrator titles from SMG and that they will be included on Academic Affairs Reports, and excluded from SMG Reports: Vice Provost; Associate Vice Provost; Provost of ____ College; Associate Dean; Associate Vice Chancellor (Santa Barbara Academic Personnel and Academic Programs). Vice Provosts and Associate Vice Provosts at the Office of the President will not be affected by this action; only positions located on campuses are to be removed from the SMG.

The following additional provisions shall apply:

- Reporting to the Regents on faculty administrator salaries will consist of an Annual Summary Report, provided in the same format as the Deans

Annual Summary Report, with the same compensation information. This report will accompany the Annual Summary Report for Deans, to be submitted to the Regents each year.

- Any actions approved that are exceptions to policy will be reported by mail between meetings to the Regents. The report will be presented in the same format, and at the same time, as the Deans Bi-Monthly Transaction Report.
- Positions to be transferred from SMG to Academic Personnel, other than those noted below, will be discussed with the chair of the Regents' Committee on Compensation prior to the transfer to Academic Personnel and reported to the Regents by mail between meetings.

A listing follows of the current incumbent faculty administrators who will transfer to governance under Academic Personnel, and their annualized base salaries:

Campus	SMG Positions for Consideration to Move into the Academic Personnel Program	Annualized Base Salary	Underlying Faculty Appointment
BK	Vice Provost – Academic Affairs and Faculty Welfare	\$ 207,600.00	Professor
BK	Vice Provost – Academic Planning and Facilities	\$ 192,700.00	Professor
DV	Vice Provost - Academic Personnel	\$ 244,000.00	Professor
DV	Vice Provost – Undergraduate Studies	\$ 175,900.00	Professor
DV	Vice Provost – University Outreach and International Programs	\$ 165,600.00	Professor
LA	Vice Provost- Office of Information Technology	\$ 223,900.00	Professor Bus/Econ/Eng
MC	Vice Provost--Academic Planning	\$ 185,000.00	Professor
SB	Assoc Vice Chancellor – Academic Personnel	\$ 240,200.00	Professor
SB	Assoc Vice Chancellor – Academic Programs	\$ 172,520.00	Professor
SD	Provost--Eleanor Roosevelt College	\$ 141,000.00	Professor
SD	Provost--John Muir College	\$ 120,100.00	Assoc Professor
SD	Provost--Revelle College	\$ 123,000.00	Professor
SD	Provost--Sixth College	\$ 185,600.00	Professor
SD	Provost--Thurgood Marshall College	\$ 144,300.00	Professor
SD	Provost--Warren College	\$ 140,200.00	Professor

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

8. REPORT OF THE COMMITTEE ON FINANCE

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

A. *Approval of Fiscal Year 2010-11 Budget for Office of the President*

The Committee recommended that the University of California Office of the President Fiscal Year 2010-11 Appropriations be approved.

B. *Adoption of Endowment Administration Cost Recovery Rate*

The Committee recommended that an endowment administration cost recovery rate of 45 basis points (0.45 percent)³ be approved to apply to the distributions from the General Endowment Pool (GEP) to be made after July 1, 2010, from the eligible assets invested in the GEP. The funds recovered shall be used to defray, in part, the cost of administering and carrying out the terms of endowments on the campuses and at the Office of the President.

Regent Maldonado stated that, in the current difficult economic climate, he could not support the proposed budget for the Office of the President, which includes increases.

Upon motion of Regent Varner, duly seconded, the recommendations of the Committee on Finance were approved, with Regent Maldonado voting “no” on item 8.A above.

9. REPORT OF THE COMMITTEE ON GOVERNANCE

The Committee recommended the following from its meeting of May 4, 2010:

A. *Chairman of the Board*

Regent Russell Gould be elected Chairman of the Board for the year commencing July 1, 2010.

B. *Vice Chair of the Board*

Regent Sherry Lansing be elected Vice Chair of the Board for the year commencing July 1, 2010.

C. *Standing Committee Assignments*

The following Standing Committee assignments for the year commencing July 1, 2010 (members listed in seniority order except for the Chair and Vice Chair):

³ One basis point is 0.01 percent of yield (i.e., one hundred basis points equals one percent); 45 basis points are the equivalent of \$45 on endowment assets with a 60-month average market value of \$10,000.

Committee on Compensation

Regent Varner, Chair
Regent Lozano, Vice Chair
Regent Johnson
Regent Ruiz
Regent Wachter
Regent Kieffer
Regent Hime

Committee on Educational Policy

Regent Island, Chair
Regent Reiss, Vice Chair
Regent Lansing
Regent Johnson
Regent Marcus
Regent Lozano
Regent Pattiz
Regent Kieffer
Regent Pérez
Regent Cheng
Regent O'Connell, ex officio
Regent Zettel, ex officio

Committee on Grounds and
Buildings

Regent Schilling, Chair
Regent Makarechian, Vice Chair
Regent Johnson
Regent Ruiz
Regent Zettel
Regent DeFreece
Regent Hime

Committee on Investments

Regent Wachter, Chair
Regent Marcus, Vice Chair
Regent Pattiz
Regent Schilling
Regent De La Peña
Regent Makarechian
Regent Kieffer

Committee on Compliance and Audit

Regent Ruiz, Chair
Regent Zettel, Vice Chair
Regent Island
Regent De La Peña
Regent Makarechian
Regent Cheng
Regent Hime

Committee on Finance

Regent Lozano, Chair
Regent Varner, Vice Chair
Regent Blum
Regent Wachter
Regent Island
Regent Schilling
Regent Makarechian
Regent Pérez
Regent Cheng
Regent DeFreece

Committee on Health Services

Regent Lansing, Chair
Regent De La Peña, Vice Chair
Regent Johnson
Regent Pattiz
Regent Ruiz
Regent Island
Regent Schilling
Regent Zettel
Regent Pérez

Committee on Long Range Planning

Regent Reiss, Chair
Regent Kieffer, Vice Chair
Regent Marcus
Regent Lozano
Regent Schilling
Regent DeFreece

Committee on Oversight of the
Department of Energy Laboratories

Regent Pattiz, Chair
Regent De La Peña, Vice Chair
Regent Marcus
Regent Blum
Regent Varner
Regent Reiss
Regent DeFreece

The President of the Board, the Chairman of the Board or in the Chairman's absence the Vice Chairman of the Board and the President of the University are ex officio members of the Standing Committees listed above, except that the President of the University is not a member of the Committee on Compliance and Audit. The Regents' representative to the California Postsecondary Education Commission and the Superintendent of Public Instruction are ex officio members of the Committee on Educational Policy.

D. ***California Postsecondary Education Commission***

Effective July 1, 2010 through June 30, 2011, Regent Zettel shall serve as the Regents' representative to the California Postsecondary Education Commission. Authority is delegated to the Chair of the Committee on Governance, in consultation with the Committee Vice Chair, to amend this recommendation and appoint a new CPEC representative as needed and to appoint an alternate CPEC representative.

E. ***Alumni Regents-designate as Advisory Members***

Authority is delegated to the Chair of the Committee on Governance, in consultation with the Committee Vice Chair, to consult with the alumni Regents-designate for 2010-11 and assign them as advisory members to committees.

F. ***Faculty Representatives as Advisory Members***

Effective September 1, 2010 through August 31, 2011, the Chair of the Academic Senate is assigned as an advisory member to the following committees: Compliance and Audit, Educational Policy, Finance, Long Range Planning, and Oversight of the Department of Energy Laboratories. The Vice Chair of the Academic Senate is for the same period assigned to the following committees: Compensation, Grounds and Buildings, Health Services, and Investments.

G. ***Student Regent-designate as Advisory Member***

Authority is delegated to the Chair of the Committee on Governance, in consultation with the Committee Vice Chair, to consult with the new student

Regent-designate for 2010-11 and assign him or her as an advisory member to committees.

H. ***Lieutenant Governor***

Authority is delegated to the Chair of the Committee, in consultation with the Committee Vice Chair, to consult with the new Lieutenant Governor and assign him to committees.

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

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

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

A. ***Adoption of Mitigated Negative Declaration and Approval of Design, Wasserman Building, Los Angeles Campus***

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

- (1) Adoption of the Mitigated Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring and Reporting Program.
- (3) Approval of the design of the Wasserman Building, Los Angeles campus.

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

B. ***Approval of Preliminary Plan Funding for the Berkeley Art Museum and Pacific Film Archive Seismic Replacement: University of California Printing Plant Adaptive Reuse and Expansion, Berkeley Campus***

The Committee recommended that:

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

From: Berkeley: Berkeley Art Museum and Pacific Film Archive – preliminary plans – \$12,000,000 to be funded from gifts.

To: Berkeley: Berkeley Art Museum and Pacific Film Archive – project terminated with \$11,800,000 in gift funds expended on preliminary plans.

Berkeley: Berkeley Art Museum and Pacific Film Archive Seismic Replacement: UC Printing Plant Adaptive Reuse and Expansion – preliminary plans – \$5,600,000 to be funded from gifts.

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

C. ***Adoption of Five Recommendations from Transforming Capital Asset Utilization Report***

The Committee recommended adoption of the following five recommendations set forth in the 2005 report entitled, *Transforming Capital Asset Utilization: Opportunities for Reducing Project Costs and Achieving More Program for the University's Capital Dollar*:

- (1) Create ownership and accountability for capital asset utilization, delivery and performance.
- (2) Develop a capital planning and decision-making process based on formal business case analysis.
- (3) Develop a shorter, simpler capital project process.
- (4) Pursue a more robust, more flexible contracting environment.
- (5) Develop systemwide building and project metrics, standards and data.

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

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

The Committee presented the following from its meeting of May 20, 2010:

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

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

New clause

Clause H.30 – Contractor Assurance System

This new clause requires the establishment of a Contractor Assurance System for Lawrence Berkeley National Laboratory, which is a system of management controls designed to ensure that contract performance is compliant with contract requirements, and which includes a process for documenting and correcting performance deficiencies.

Clauses updated as a result of technical and administrative changes:

Clause I.50 - FAR 52.244-6 Subcontracts for Commercial Items (APR 2010)

Clause I.120 - FAR 52.203-13 Contractor Code of Business Ethics and Conduct (APR 2010)

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

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

The Committees presented the following from their meeting of May 19, 2010:

Amendment of the University of California Student Fee Policy

The Committee on Educational Policy recommended that the University of California Student Fee Policy be amended as shown in Attachment 1.

Upon motion of Regent Island, duly seconded, the recommendation of the Committee on Educational Policy was approved.

13. **REPORT OF THE COMMITTEES ON FINANCE AND INVESTMENTS**

The Committees presented the following from their meeting of May 19, 2010:

Adoption of Expenditure Rate for the General Endowment Pool

The Committees recommended that the expenditure rate per unit of the General Endowment Pool (GEP) for expenditure in the 2010-11 fiscal year remain at a rate of 4.75 percent of a 60-month moving average of the market value of a unit invested in the GEP.

Upon motion of Regent Varner, duly seconded, the recommendation of the Committees on Finance and Investments was approved.

14. **REPORT OF THE COMMITTEES ON FINANCE AND OVERSIGHT OF THE DEPARTMENT OF ENERGY LABORATORIES**

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

Approval of Appropriations from Los Alamos National Security LLC and Lawrence Livermore National Security LLC Fee Income to be Expended in Fiscal Year 2010-2011

The Committees recommended that the President be authorized to expend, for the following purposes and in the following amounts, from the University's net share of Los Alamos National Security (LANS) and Lawrence Livermore National Security (LLNS) LLC income earned between September 30, 2009 and December 31, 2010:

- A. Supplemental compensation and other payments (including accruals) approved by the Regents for certain LANS LLC and LLNS LLC employees, from July 1, 2010 through June 30, 2011 – \$2.0 million (\$2.2 million in 2009-2010).
- B. An appropriation to the Office of the President budget for federally unreimbursed costs of University oversight of its interest in LANS LLC and LLNS LLC, paid or accrued July 1, 2010 through June 30, 2011, including but not limited to an allocable share of the costs of the Regents, the President, the Provost, Research Security Office, Human Resources, Policy and Analysis, Financial Management, Compliance and Audit, Laboratory Management Office, External Relations, Office of Research, the General Counsel, and the University-appointed Governors on the Boards of the LLCs – \$4.0 million (\$3.85 million in 2009-2010). The increase reflects more accurate cost allocation for UC Office of the President (UCOP) LLC efforts.
- C. An appropriation in 2010-11 to a post-contract contingency fund – \$1.3 million (no change from 2009-2010).
- D. An appropriation for research funding in accordance with the Laboratory Fees Research Program process for 2010-2011 – \$19.9 million (\$18.7 million in 2009-2010). A Reserve will be allocated for research in the amount of \$1.0 million (\$1.15 million in 2009-2010). The Reserve will be available to potentially fund new projects, supplement projects that may exceed their allocation, or in the event there is a reduction in fees in future years, the reserve will allow projects approved for a three-year period to be fully funded. The Spend Plan for research is subject to annual approval.
- E. An appropriation of \$0.3 million for 2010-2011 for administration of ongoing awards and the upcoming competition review and award process.

Summary**Estimated Funds Available**

Estimated Net FY 2010 LLC Management Fee	\$29.50 M
Estimated Carryover from 2009-2010	\$.59 M
Total	\$30.09 M

Recommended Allocation

Supplemental compensation	\$ 2.0 M
UCOP oversight	\$ 4.0 M
Post-contract contingency	\$ 1.3 M
2010-2011 Lab Fees Research Program	\$19.9 M
Competition Review & Award Process 2011	\$ 0.3 M
Reserve for Research Awards 2010-2011	\$ 1.0 M
(\$1.08M remains from 2009-2010)	
Contingency for factors affecting the final fee	\$ 1.59 M (to keep at \$3.0M level)
Total Allocation for 2010-2011	\$30.09 M

Upon motion of Regent Varner, duly seconded, the recommendation of the Committees on Finance and Oversight of the Department of Energy Laboratories was approved.

15. **REPORT OF INTERIM ACTIONS**

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

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

Approval of a Guaranty, Related Agreements and Contingent Commercial Paper Funding to Support the Acquisition of a Substitute Liquidity Facility for Sierra Nevada College Series 2005 Bonds Issued to Finance the Tahoe Environmental Research Center, Davis Campus

- (1) The President was authorized to execute a guaranty, related bank bond purchase agreement and related agreements to support the acquisition of a substitute bank liquidity facility for a term not to exceed one year on no more than \$10,660,000 in outstanding Series 2005 Bonds issued by Sierra Nevada College for the Tahoe Environmental Research Center project.
- (2) The President was authorized to use commercial paper financing to provide funding for the purchase of Bonds from the bank provider and payments made to the bank provider under the guaranty, if necessary. In the event that a backstop repayment source is needed, the Davis campus

will allocate campus reserves to repay commercial paper principal and interest.

- (3) The President delegated to the Executive Vice President – Chief Financial Officer authority to negotiate and execute all documents necessary in connection with the above guaranty, related agreements and financing.

B. The Chairman of Board, the Chair of the Committee on Finance, and the President of the University approved the following recommendations:

(1) ***Acceptance of a Gift of Facilities (Wasserman Building), Los Angeles Campus***

a. The President or his designee was authorized to:

- i. Accept following a determination of California Environmental Quality Act (CEQA) compliance and approval of the design by the Regents or its authorized delegate, as a gift in kind from the donor, ELW Building Company LLC (ELW), a core and shell building and certain related improvements to provide clinical and research space (the Donor Project) for the benefit of the Jules Stein Eye Institute (Institute), a UCLA administrative unit (with a quasi-independent board of trustees, but subject to University authority) and UCLA School of Medicine. The Donor Project would be designed and constructed by ELW (or its designee) at ELW's sole cost and expense on Regents-owned land, consistent with the design to be approved by the Regents and University-approved plans and specifications; and
- ii. As part of agreeing to accept the Donor Project, agree that following determination of CEQA compliance:
 - (a) The University will undertake separate capital projects at University expense, subject to appropriate approvals by the Regents, the President and/or the Chancellor, consistent with their authority, to: (a) prepare a site for the Donor Project, and (b) complete tenant improvements and equip the new building (University Projects).
 - (b) In order to preserve views and open space, the University's right to construct separate improvements immediately adjacent to the Donor

Project site shall require the concurrence of the board of the Institute.

- (c) The name of the new building shall be the Edie and Lew Wasserman Building, or such other name as the University and ELW may mutually select consistent with University naming policy.
 - b. The President or his designee was authorized, with the concurrence of the General Counsel, to approve and execute a Project Agreement and Gift Agreement in connection with acceptance of the Donor Project, and all ancillary documents and agreements, and any amendments and modifications thereto, provided that such documents, agreements, amendments, and modifications do not materially exceed the authority granted herein, in the Standing Orders, or in another recommendation approved by the Regents.
- (2) ***Authorization to Include Permanent Equipment Financing as an Authorized Use of the Regents' Commercial Paper Program***

The Regents authorized the inclusion of permanent equipment financing as an authorized use of the Regents' commercial paper (CP) program.

The November 2009 authorization to revise internal limits and liquidity support options for the CP program will be modified as follows with the understanding that all other actions related to the November 2009 authorization remain unchanged.

Deletions shown by strikeout, additions by underlining

- (1) Authorize the removal of limitations on the amount of the Regents' commercial paper (CP) program that is authorized for (a) the interim financing of capital projects and equipment, permanent financing of equipment, and financing of working capital for the teaching hospitals and other working capital needs and (b) standby/interim financing for gift-related projects. The overall \$2 billion authorized amount of the Regents' commercial paper program will remain unchanged.
- C. The Chairman of the Board and the Chair of the Committee on Governance approved the following recommendation:
- (1) ***Appointment of Regent to Standing Committees***

That effective immediately, Regent John Pérez be appointed to the Committees on Educational Policy and Finance, through June 30, 2010.

(2) ***Extension of Special Committee on Student Life and Alumni Affairs***

That the Special Committee on Student Life and Alumni Affairs be extended for one year until May 15, 2011.

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

(1) ***Term Appointment of and Total Compensation for Christopher F. Edley, Jr. as Senior Policy Advisor to the President, Office of the President***

Background to Recommendation

As the Senior Policy Advisor to the President, Mr. Edley will continue to provide advice and counsel to the President and his senior team regarding various policy, political, and communications matters. Mr. Edley has been the President's special advisor for the last year, at the proposed rate of pay, and has agreed to continue this work under the existing arrangements. Mr. Edley has broad and deep knowledge of the University and the legislative and government-related projects that the President is undertaking. This position is funded by UC General Funds provided by the State.

During this two-year period, Mr. Edley will lead the development, coordination, and oversight of priority initiatives identified by the President, including the University's contributions to improving P-16 education in California; the University's contributions to addressing the energy and climate challenges facing California, the nation, and the world; and the framing of strategies to enhance federal support for UC operating budgets and facilities.

Recommendation

The following items were approved in connection with the appointment of and compensation for Christopher Edley as Senior Policy Advisor to the President, Office of the President:

- a. Continuation of Mr. Edley's current compensation of \$350,000 for the two-year period described below. This compensation is comprised of Mr. Edley's salary of \$307,000 as Dean, School of Law at UC Berkeley and an existing stipend of \$43,000 in recognition of his additional work as Senior Policy Advisor to the President.
- b. The appointment as Senior Policy Advisor to the President will be

effective December 15, 2009 and end December 14, 2011, or earlier, at the discretion of the President.

Recommended Compensation

Effective Date: December 15, 2009
Base Salary: \$350,000
Grade Level: Not Slotted
Median Market Data: n/a
Funding Source: UC General Funds

Budget &/or Prior Data

Base Salary: \$307,000 (as Dean, School of Law, UC Berkeley)
Grade Level: SLCG Grade 111:
Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100
Funding Source: UC General Funds

Additional items of compensation include:

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

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

(2) ***Appointment of and Compensation for Max Reynolds as Deputy General Counsel – Health Law and Medical Center Services, Office of the President***

Background to Recommendation

Action under interim authority was requested for the approval of the appointment of and compensation for Max Reynolds, Deputy General Counsel – Health Law and Medical Center Services effective March 4, 2010 with an annual base salary of \$250,000. This appointment salary reflects no change in his current compensation made up of base salary and administrative stipend. In this capacity, Mr. Reynolds will coordinate all UC Medical Center legal affairs and report directly to the General

Counsel. This urgent request was in response to Mr. Reynolds' administrative stipend ending on March 3, 2010. Mr. Reynolds was acting as Deputy General Counsel and had been receiving an administrative stipend of \$44,795 (21.8 percent) increasing his annualized base salary from \$205,205 to \$250,000. He has been acting as Deputy General Counsel since March 3, 2009. Mr. Reynolds was selected as the top candidate after an open recruitment for this position.

This funding for this position is split between State General Funds and Common Funds. The proposed base salary of \$250,000 is two percent above the midpoint salary range for SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400) and 0.7 percent above other Deputy General Counsels at UCOP. Market data indicate a median base salary of \$233,628. The proposed salary will be reduced by ten percent to \$225,000 during participation in the salary reduction/furlough program.

Recommendation

The following items were approved in connection with the appointment of and compensation for Max Reynolds as Deputy General Counsel, Office of the President:

- a. Appointment of Max Reynolds as Deputy General Counsel – Health Law and Medical Center Services, Office of the President.
- b. Per policy, an annual base salary of \$250,000 at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- c. Per policy, this appointment is at 100 percent time and effective on March 4, 2010.
- d. Per policy, eligibility to participate in the University Home Loan Program.

Recommended Compensation

Annualized Base Salary: \$250,000

Grade Level: SLCG Grade 108:

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

Median Market Data: \$233,628

Percentage Difference from Market: 6.5 percent

Funding Source: 50 percent State funds; 50 percent common funds

Budget &/or Prior Incumbent Data

Annualized Base Salary: \$225,000

Grade Level: SLCG Grade 108:

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

Funding Source: 50 percent State funds; 50 percent common funds

Additional items of compensation include:

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

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

(3) ***Recall from Retirement and Compensation for Michael Bocchicchio as Associate Vice President, Capital Resources Management, Office of the President***

Background to Recommendation

Approval was requested for the recall of retiree Michael Bocchicchio as Associate Vice President, Capital Resources Management. This action will allow the critical business functions of Capital Resources Management to continue operating smoothly. It was proposed that Mr. Bocchicchio be reemployed in a limited appointment at 40 percent fixed time for six months to provide oversight to high-level programs. His responsibilities include, but are not limited to, participation on the Mission Bay Hospital Advisory Council, leadership on the Mission Bay Project Review, development of capital program metrics and benchmarking, representing the University at Building Standards Commission meetings, and drafting the business plan for the Design and Construction Policy Unit. These responsibilities are vital to the University's obligations to campus facilities programs. The remainder of Mr. Bocchicchio's prior duties have been assumed by current staff and/or evaluated for alternate approaches.

The department intends to recruit for a permanent replacement for the Associate Vice President position during the next six months, and it is expected that Mr. Bocchicchio will play a prominent role in assisting with the recruitment. He will assist Vice President Lenz with updating the job description, interface with search firms and senior management regarding the type of candidates desired, and manage the recruitment process and selection committee. The recruitment process will begin after

Mr. Bocchicchio's limited appointment is approved. The department understands that this is a deviation from the standard practice of posting the position and beginning the search for the position within 30 days of the vacancy. The department expects the recruitment to conclude prior to Mr. Bocchicchio's appointment end date.

This position will be funded by salary savings from the vacated position, specifically by State general funds.

Recommendation

The following items were approved in connection with the recall compensation for Michael Bocchicchio as Associate Vice President, Capital Resources Management, Office of the President:

- a. Recall from retirement of Michael Bocchicchio as Associate Vice President, Capital Resources Management, Office of the President, at 40 percent fixed time, SLCG Grade 106 (Minimum: \$154,200, Midpoint: \$195,200, Maximum \$236,100).
- b. Per policy, an annual base salary of \$185,848 (actual 40 percent rate of \$74,339). This represents his pre-retirement rate of pay.
- c. This appointment was effective upon approval and for a six-month period thereafter.

Recommended Compensation

Effective Date: Immediately upon approval

Base Salary: \$74,339 (reflects 40 percent of \$185,848)

Grade Level: SLCG Grade 106:

Minimum: \$154,200, Midpoint: \$195,200, Maximum \$236,100

Median Market Data: n/a

Funding Source: State general funds

Percentage Difference from Market: n/a

Budget &/or Prior Incumbent Data

Base Salary: \$185,848

Grade Level: SLCG Grade 106:

Minimum: \$154,200, Midpoint: \$195,200, Maximum \$236,100

Funding Source: State general funds

Additional items of compensation include:

- Mr. Bocchicchio plans to sign and accept the Rehired Retiree Waiver Form that will serve to decline participation in the UC Retirement System (UCRS) and allow Mr. Bocchicchio to

continue receiving his retirement annuity while receiving compensation related to this appointment.

- Per policy, health and welfare benefits based upon 40 percent limited-time appointment.

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

(4) ***Establishment of a New Senior Management Group Position and Appointment of and Compensation for Jeffrey Blair as Chief Laboratory Counsel, Lawrence Berkeley National Laboratory***

Background to Recommendation

Action under interim authority was requested for the approval of the establishment of a new Senior Management Group position: Chief Laboratory Counsel, Lawrence Berkeley National Laboratory (LBNL); and for the appointment of and compensation for Jeffrey Blair as Chief Laboratory Counsel, Lawrence Berkeley National Laboratory. This request was in response to an immediate need to fill this position, and the need to align the position of Chief Laboratory Counsel, Lawrence Berkeley National Laboratory with the Senior Management Group Chief Campus Counsel positions at the UC campuses. Mr. Blair replaces the incumbent Chief Laboratory Counsel, who retired effective March 31, 2010. Mr. Blair is currently the Deputy General Counsel for Litigation, Labor and Employment, Laboratory Affairs at the University of California Office of the General Counsel (OGC), a Senior Management Group position. In his 20 years of progressive experience with OGC, Mr. Blair has been involved in a variety of complex legal matters across the University system and also specifically pertaining to the unique dynamics of the National Laboratories.

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.

Recommendation

The following items were approved in connection with the appointment of and compensation for Jeffrey Blair, Chief Laboratory Counsel, Lawrence Berkeley National Laboratory:

- a. Establishment of a new Senior Management Group position: Chief

Laboratory Counsel, Lawrence Berkeley National Laboratory. This aligns the Chief Laboratory Counsel, Lawrence Berkeley National Laboratory position with the Senior Management Group Chief Campus Counsel positions at the UC campuses.

- b. Appointment of Jeffrey Blair as Chief Laboratory Counsel, Lawrence Berkeley National Laboratory.
- c. Per policy, a base salary of \$260,004 (LBNL Job Code 199.3, Salary Grade N14: Minimum \$165,612, Midpoint \$248,406, Maximum \$331,200).
- d. This appointment is at 100 percent time and is effective upon the approval of the Regents.

Recommended Compensation

Effective Date: Immediately upon approval

Base Salary: \$260,004

Grade Level: N14:

Minimum \$165,612, Midpoint \$248,406, Maximum \$331,200

Funding Source: DOE Funds

Budget &/or Prior Incumbent Data

Title: Chief Laboratory Counsel

Base Salary: \$233,088

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, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

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

(5) ***Appointment of and Compensation for Daniel G. Aldrich, III, as Interim Vice Chancellor – University Advancement, Irvine Campus***

Background to Recommendation

Action under interim authority was requested for the approval of the appointment of and compensation for Daniel G. Aldrich, III as Interim Vice Chancellor – University Advancement, effective immediately upon Regental approval through December 31, 2010, or until the appointment of a permanent Vice Chancellor – University Advancement. This request was in response to an immediate need to appoint Mr. Aldrich to the position on a temporary basis upon the resignation of the previous incumbent, effective April 2010. The campus will recruit for a permanent Vice Chancellor in the near future. Mr. Aldrich is an experienced fundraiser, seasoned administrator, and a qualified Interim Vice Chancellor – University Advancement.

During this interim period, Mr. Aldrich will serve as the chief advancement officer and manage all activities related to financial, political, community, governmental, alumni, and public support for UC Irvine. Mr. Aldrich has been an administrator in the UC system since 1980, with most of this time spent in the development area. He was awarded the Council for the Advancement and Support of Education (CASE) District VII Tribute Award in 1998. Recently, Mr. Aldrich served as Acting Vice Chancellor – University Advancement at the Riverside campus. Mr. Aldrich has been serving as the Senior Development Associate in Institutional Advancement for the Office of the President. In this role, he has provided fundraising counsel to systemwide multicampus research units, the Division of Agriculture and Natural Resources, the Education Abroad Program, systemwide outreach programs, and the Merced campus.

This position is funded 100 percent by UC General Funds provided by the State. The proposed base salary of \$265,000 is 8.2 percent above the midpoint for SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). Market data indicate a median of \$300,000. The requested base salary is 11.7 percent below that market rate. Additionally, the base salary is 3.6 percent below the prior incumbent's salary of \$275,000 and 4.6 percent above the average base salary of \$253,350 for the Vice Chancellor – University Relations/Advancement at other UC locations.

Recommendation

The following items were approved in connection with the appointment of and compensation for Daniel G. Aldrich, III as Interim Vice Chancellor – University Advancement, Irvine campus:

- a. Appointment of Daniel G. Aldrich, III as Interim Vice Chancellor – University Advancement, Irvine campus.
- b. Per policy, an annual base salary of \$265,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- c. This appointment is at 100 percent time and effective immediately upon Regental approval, through December 31, 2010, or until the appointment of a permanent Vice Chancellor – University Advancement, whichever occurs first.
- d. Per policy, this position is subject to the Regents' approved salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent base salary reduction.

Recommended Compensation

Effective Date: Immediately upon approval

Base Salary: \$265,000

Grade Level: SLCG Grade 108:

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

Median Market Data: \$300,000

Funding Source: UC General Funds

Percentage Difference from Market: -11.7 percent

Budget &/or Prior Incumbent Data

Title: Vice Chancellor – University Advancement

Base Salary: \$275,000

Grade: SLCG Grade 108:

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

Funding Source: UC General Funds

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.

(6) ***Appointment Compensation Amendment for G. Richard Olds as Vice Chancellor – Health Affairs and Dean – School of Medicine, Riverside Campus***

Background to Recommendation

Action under interim authority was requested to amend the previously approved appointment compensation for Dr. G. Richard Olds. The Riverside campus hired Dr. Olds as Vice Chancellor – Health Affairs and Dean – School of Medicine effective February 1, 2010. Due to a clerical error made by the campus in the October 26, 2009 Interim Regents' Item for Dr. Olds, the campus would like to amend the previously approved compensation package to include a \$3,000 per month temporary cash allowance for a period of 90 days to offset limited housing-related expenses instead of reimbursement of \$3,000 per month associated with temporary living expenses for a period of 90 days. If Dr. Olds leaves the University prior to the completion of one year of service, or accepts an appointment at another University location within 12 months from his initial date of appointment, he will be required to pay back 100 percent of the temporary cash allowance. The campus reports that Dr. Olds' early arrival to the Riverside campus on February 1, 2010 was at the request of the Chancellor in order to maintain the momentum of the development of the School of Medicine.

Recommendation

The following amendment was approved in connection with the appointment of and compensation for G. Richard Olds as Vice Chancellor – Health Affairs and Dean – School of Medicine, Riverside campus:

Per policy, a temporary cash allowance of \$3,000 per month for a period of 90 days to offset limited housing-related expenses. If Dr. Olds leaves the University prior to the completion of one year of service, or accepts an appointment at another University location within 12 months from his initial date of appointment, he will be required to pay back 100 percent of the temporary cash allowance.

Additional items already approved on October 26, 2009 include:

- Establishment of a new position within the Senior Management Group, Vice Chancellor – Health Affairs and Dean – School of Medicine, Riverside Campus.
- Interim slotting of the new position of Vice Chancellor – Health Affairs and Dean – School of Medicine at SLCG Grade 113

(Minimum 333,900, Midpoint \$431,500, Maximum \$529,100), as recommended by Mercer Human Resource Consulting.

- Per policy, an appointment salary of \$525,000, SLCG Grade 113 (Minimum 333,900, Midpoint \$431,500, Maximum \$529,100). This base represents an 8.6 percent decrease from Dr. Olds' base salary at the time of his appointment.
- As an exception to policy, annual performance-based incentive compensation up to \$100,000. This constitutes an exception to policy because there is currently no approved incentive plan at the campus for such an incentive. This compensation will be in lieu of a Health Sciences Compensation Plan (HSCP) which does not yet exist at the Riverside campus. Once an HSCP is established this component of compensation will be shifted to that plan.
- This appointment is at 100 percent time and effective no later than February 1, 2010.
- ~~Per policy, reimbursement of \$3,000 per month associated with temporary living expenses for a period of 90 days.~~
- Per policy, two house-hunting round trip coach class airfare trips each, plus reasonable accommodations to take place between approval of the appointment and the effective date of employment, for Dr. Olds and his spouse.
- Per policy, 100 percent reimbursement of actual and reasonable relocation expenses, to be completed within one year of assuming the position of Vice Chancellor – Health Affairs and Dean – School of Medicine.
- Per policy, reimbursement of reasonable travel expenses for all business-related visits to the campus during transition period from the time the appointment is approved by the Regents and the effective start date of no later than February 1, 2010.
- Per policy, a relocation allowance of 25 percent (\$131,250) of base salary, to be paid in a lump sum. If Dr. Olds leaves the University prior to the completion of five consecutive years of service, he will have to pay back the amount of the allowance, prorated to the length of time he has served.
- Per policy, participation in the University of California Home Loan Programs.
- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

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

(7) ***Promotional Appointment of and Compensation for Christopher M. Patti as Chief Campus Counsel, Berkeley Campus***

Background to Recommendation

Action under interim authority was requested for the approval of the promotional appointment of and compensation for Christopher M. Patti as Chief Campus Counsel, Berkeley campus, effective May 8, 2010, with an annual base salary of \$240,000. In this capacity, Mr. Patti will assist the Chancellor and the General Counsel by providing advice and counsel on highly complex legal matters or problems involving the Berkeley campus; leading administrative and/or management initiatives; advising and rendering opinions to the Berkeley Chancellor and senior management with respect to the legal implications of establishing or changing policy; and working with representatives of campus units on developing and modifying practices and procedures to conform with legal requirements.

This urgent request was in response to the retirement of the previous incumbent, effective July 1, 2009. A national search was conducted with the assistance of Major, Lindsey & Africa, an attorney search firm, to assist in the recruitment for this critical position. Mr. Patti was selected as the most qualified candidate. He currently serves as the Principal University Counsel for Academic Affairs Litigation in the Office of the General Counsel. He brings over 20 years of UC experience to this position and his areas of specialization are critical to campus legal operations. Mr. Patti's wealth of management and legal experience will be invaluable as the campus works to redefine the Office of Legal Affairs.

This position is funded 100 percent by UC General Funds provided by the State. The proposed base salary of \$240,000 is about 2.0 percent below the midpoint of SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400) and 12.6 percent above the average base salary of \$213,716 for other chief campus counsels at other UC locations. The proposed base salary is appropriate in the context of other chief campus counsels that received salary increases as part of the Phase II proposal of the slotting structure for attorney positions in the Office of the General Counsel approved by the Regents at the March 2008 meeting. Market data indicate a median base salary of \$233,628. The requested base salary is 2.7 percent above that market rate. The proposed salary will be reduced by

ten percent to \$216,000 during participation in the salary reduction and furlough program.

Recommendation

The following items were approved in connection with the promotional appointment of and compensation for Christopher Patti as Chief Campus Counsel, Berkeley campus:

- a. Appointment of Christopher M. Patti as Chief Campus Counsel, Berkeley campus.
- b. Per policy, an annual base salary of \$240,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- c. This appointment is at 100 percent time and effective May 8, 2010.
- d. Per policy, this position is subject to the salary reduction/furlough plan effective September 1, 2009, through August 31, 2010, with a ten percent base salary reduction.

Recommended Compensation

Base Salary: \$240,000

Grade Level: SLCG Grade 108:

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

Median Market Data: \$233,628

Funding Source: UC General Funds

Percentage Difference from Market: 2.7 percent

Budget &/or Prior Incumbent Data

Title: Chief Campus Counsel and Associate General Counsel

Base Salary: \$180,900

Grade Level: SLCG Grade 108

Funding Source: UC General Funds

Additional items of compensation include:

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

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

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

(8) ***Interim Slotting of a New Senior Management Group Position – Vice Chancellor – Development, Davis Campus***

Background to Recommendation

Action under interim authority was requested for approval of interim slotting of a new Senior Management Group position as Vice Chancellor – Development, at the Davis campus. Interim action was requested to allow the campus and the executive search firm to begin advertising the position this spring and start formal discussion with possible candidates as soon as possible. This search has an ambitious timeline that is driven by the need to quickly succeed in the campus' current campaign and move beyond it to another, larger, fundraising effort.

The Davis campus launched its first major “comprehensive campaign” in 2005. This first comprehensive campaign is a critical step in an era where private support is vital to maintaining excellence and State support is a dwindling proportion of revenue. An aggressive and focused campaign will increase much-needed private support for the Davis campus. It is a critical investment in the future and in the second century for UC Davis. It would be a great advantage for the campus' development prospects if it could conclude the search and have cabinet-level leadership in place by the time it announces the public phase of the UC Davis comprehensive campaign in October.

The campaign is set to enter its public phase with a goal of raising over \$1 billion by 2014. The UC Davis campus intends to earmark funds raised through the campaign for graduate student fellowships, undergraduate scholarships, and endowed professorships, and there will also be support for major cross-disciplinary initiatives. The campaign also will raise money for research and infrastructure that would come from no other source. For this reason, the campus needs a dedicated Vice Chancellor – Development. The Vice Chancellor – Development will function as the campus' chief fundraising officer and will be responsible for designing and directing a comprehensive and dynamic development program for a world-renowned University. The incumbent will also serve as the President of the UC Davis Foundation.

The Vice Chancellor – Development position will report directly to the Chancellor and oversee a staff of 75 directly and through subordinates. The campus currently has a total of five Vice Chancellor positions. The

Vice Chancellor – Development position will replace the eliminated Vice Chancellor – Office of the Administration position.

This position is 100 percent funded from gift fee revenue. The proposed slotting at SLCG Grade 110 is supported by Mercer Human Resource Consulting, which reported a market median of \$312,300. There will be no associated salary action at this time.

Recommendation

The following items were approved in connection with the interim slotting of a new Senior Management Group position – Vice Chancellor – Development, Davis campus:

- a. Establishment of the new Senior Management Group position of Vice Chancellor – Development, Davis campus.
- b. Interim slotting at SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- c. 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.

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

- (9) ***Promotional Appointment of and Total Compensation for Peggy Arrivas as Associate Vice President and Systemwide Controller, Office of the President***

Background to Recommendation

When the current Vice President of Finance at the University of California Office of the President retires in June 2010, the position will not be replaced, resulting in annual salary savings of approximately \$305,000. Some of the functions that have been performed by the Vice President of Finance will transfer to Peggy Arrivas, whom the Chief Financial Officer proposes to promote to a new position, Associate Vice President and Systemwide Controller. The Associate Vice President and Systemwide Controller position replaces the previous Assistant Vice President – Financial Management position held by John Plotts, who has transferred to another position on the San Francisco campus.

The Associate Vice President and Systemwide Controller will report to the Executive Vice President and Chief Financial Officer. Ms. Arrivas will be responsible for the development and implementation of accounting and financial policies for the University and its campuses and medical centers. In addition, Ms. Arrivas will oversee the accounting and financial policies for the UC Retirement System and, to a lesser extent, the Lawrence Berkeley National Laboratory and campus foundations, with particular emphasis on control policies and procedures, operations, and financial reporting.

The campus controllers who currently have dotted-line reporting to the Vice President of Finance will have a dotted-line reporting relationship to the Associate Vice President and Systemwide Controller.

After an extensive national search, Peggy Arrivas was selected as the top candidate. She is currently the Controller for the University of California Medical Center at Davis. Prior to her current position, she served as Audit Partner with the firm of PricewaterhouseCoopers LLP, and she also served as Controller for Wells Fargo Bank Investment Advisors. Since becoming Controller of the UC Davis Medical Center, she has demonstrated leadership and financial acumen by successfully leading a team of 50 employees, both union-represented and non-represented, with regard to financial reporting, general accounting, government reimbursement, budgeting, decision support, financial planning (strategic, capital, and operational), accounts payable, payroll, and capital finance.

This position is funded 85 percent by non-State funds, with the balance coming from State funds. The position is currently slotted at SLCG Grade 109 and the requested base salary of \$295,000 is 7.5 percent above the midpoint of the SLCG Grade 109 range (\$274,300).

Recommendation

The following items were approved in connection with the promotional appointment of and compensation for Peggy Arrivas as Associate Vice President and Systemwide Controller, Office of the President:

- a. Senior Management Group title change from Assistant Vice President – Financial Management to Associate Vice President and Systemwide Controller. Continued grading at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- b. Appointment of Peggy Arrivas as Associate Vice President and Systemwide Controller, Office of the President, at 100 percent time.

- c. Per policy, appointment salary of \$295,000.
- d. Per policy, a 25 percent (\$73,750) relocation allowance paid as a single lump sum or in annual installments for a period of up to five years. If paid in a lump sum and she resigns within four years, the repayment schedule would be as follows: 100 percent if resignation occurs within the first year of employment; 60 percent within the second year of employment; 30 percent within the third year of employment; and ten percent within the fourth year of employment. If paid in annual installments and she resigns, any unpaid future installments would be forfeited.
- e. Per policy, 90-day temporary living assistance including cost of furnished temporary lodging and reasonable residential parking fees, reimbursed within normal policy limits, not to exceed \$15,000 in total.
- f. Per policy, two house-hunting trips each, subject to the limitations under policy for the candidate and her spouse/partner.
- g. Per policy, 100 percent reimbursement of all reasonable moving expenses for the purpose of relocation of the primary residence subject to the current policy guidelines.
- h. Per policy, eligibility to participate in the University Home Loan Program. Participation will comply with all normal program parameters.
- i. Per policy, this position is subject to the Regents' approved salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent salary reduction.
- j. This appointment is effective upon Regental approval, pending suitable transition notice to Ms. Arrivas' current manager.

Recommended Compensation**Effective Date:** Immediately upon approval**Base Salary:** \$295,000**Total Cash Compensation:** \$295,000**Grade Level:** SLCG Grade 109:

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

Median Market Data: no match**Funding Source:** 85 percent Non-State Funds**Percentage Difference from Market:** n/a

Budget &/or Prior Incumbent Data**Title:** Assistant Vice President – Financial Management**Base Salary:** \$236,108**Funding Source:** 85 percent Non-State Funds

Additional items of compensation include:

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

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

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

Authorization to Submit Applications for Construction Grant Funding Under National Institute of Standards and Technology Construction Grant Program

The President was authorized to solicit Construction Grant Funding under the National Institute of Standards and Technology Construction Grant Program. Approval of the individual capital projects that are the subject of the award, including financial feasibility for which the grant funding would be applied, will follow the standard University approval practices.

16. 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 April 1 and May 3, 2010.

17. 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, Bi-Monthly Transaction Monitoring Report for deans who have transferred from the SMG Program to Academic Titles. (March 12, 2010)
- B. From the President, report on certain salary actions taken for professors since October 11, 2009. (April 19, 2010)

To Members of the Committee on Educational Policy

- C. From the President, Statistical Summary of Students and Staff for Fall 2009. (March 16, 2010)

To Members of the Committee on Health Services

- D. From the President, Medical Center Activity and Financial Status Report for the seven months ended January 31, 2010. (March 22, 2010)
- E. From the President, Medical Center Activity and Financial Status Report for the eight months ended February 28, 2010. (April 26, 2010)

To the Regents of the University of California

- F. From the President, copy of an opinion piece written by the President. (March 2, 2010)
- G. From the President, statement issued regarding the statewide Day of Action. (March 4, 2010)
- H. From the President, copy of the Academic Council Vice Chair's opinion piece published in the *Sacramento Bee*. (March 4, 2010)
- I. From the President, letter and copy of the joint press release from the President and the UCSD Chancellor regarding appointment of UC Berkeley law school dean to advise on race matters. (March 5, 2010)
- J. From the President, The University of California Academic and Non-Academic Personnel Growth FY 1997-98 to FY 2008-09. (March 5, 2010)

- K. From the President, letter regarding the UCLA ceremony to confer honorary degrees on individuals whose UC education was interrupted by Executive Order 9066. (March 10, 2010)
- L. From the President, outline of remarks from the President at the March 24 Board meeting. (March 22, 2010)
- M. From the President, letter and copy of invitation from the Associated Students of UC Merced. (March 22, 2010)
- N. From the President, letter and recommendation submitted by the University Committee on Faculty Welfare Task Force on Investment and Retirement. (March 29, 2010)
- O. From the Secretary and Chief of Staff, report of communications received subsequent to the March 1, 2010 report of communications. (April 1, 2010)
- P. From the President, letter regarding fall 2010 freshman admissions data. (April 13, 2010)
- Q. From the President, information regarding advocacy efforts in Sacramento on April 27. (April 26, 2010)
- R. From the President, announcement of the retirement of the Vice President of Finance. (April 26, 2010)
- S. From the President, letter reporting on successful advocacy efforts in Sacramento on April 27. (April 28, 2010)
- T. From the President, letter concerning a field hearing held by the United States House of Representatives Committee on Education and Labor. (April 29, 2010)
- U. From the President, copy of a letter written by the UC Davis Chancellor concerning the decision to discontinue four of UC Davis' intercollegiate sports. (May 3, 2010)
- V. From the Secretary and Chief of Staff, report of communications received subsequent to the April 1, 2010 report of communications. (May 3, 2010)

18. **UNFINISHED BUSINESS**

Amendment of Bylaw 20 – Officers of the Corporation

At the March 25, 2010 meeting of the Regents of the University of California, Regent Wachter served notice that at the next regular meeting amendment of Bylaw 20 would be moved as shown below.

Deletions shown by strikeout, additions by underscore

BYLAW 20.

OFFICERS OF THE CORPORATION

20.1 ~~Designation~~Identity and Qualifications.

The Officers of the Corporation shall be the President of the Board ~~(who shall be the Governor of the State)~~; the Chairman; the Vice Chairman; and the following, who shall ~~collectively~~ be known collectively as the Principal Officers of The Regents: the Secretary and Chief of Staff, the Chief Investment Officer and Vice President for Investments (who also serves as an Officer of the University), the General Counsel and Vice President for Legal Affairs (who also serves as an Officer of the University), and the Senior Vice President – Chief Compliance and Audit Officer (who also serves as an Officer of the University); ~~and such deputies, associates and assistants of the foregoing Principal Officers as they may from time to time designate in their respective areas of responsibility as Officers of the Corporation.~~ The Officers of the Corporation shall also include such deputies, associates and assistants of the Principal Officers as are designated Officers of the Corporation by the Principal Officers in their respective areas of responsibility pursuant to Bylaw 20.2. The President shall be the Governor of the State. The President, Chairman, and Vice Chairman shall be members of the Board, but membership on the Board shall not be a necessary qualification for other Officers. Any Officer, other than the President, Chairman, and Vice Chairman, may hold as many offices as the Board shall determine.

20.2 Election or Designation, and Removal.

The Governor of the State shall be designated as President by virtue of serving as Governor of the State. The Board shall elect the Chairman, Vice Chairman, and Principal Officers ~~except the President, who shall be the Governor of the State.~~ The Chairman and Vice Chairman shall be elected at the May meeting of the Board and shall hold office for one year commencing on July 1 and until their successors are elected. In the event of an interim vacancy in the office of Chairman, the Vice Chairman shall hold office until a successor is elected. The Chairman of the Board shall not be elected for more than two consecutive ~~years~~ terms plus an immediately preceding unexpired term, if any. The Vice Chairman of the Board shall not be elected for more than two terms plus an immediately preceding unexpired term, if any. ~~All other~~ The Principal Officers shall be elected at such times as vacancies may occur and shall hold office at the pleasure of the Board. The election and removal of the Chairman, Vice Chairman, and Principal Officers of the Corporation shall be by the affirmative vote of a majority of the members of the Board, except that the election of a Chairman Pro Tempore shall

be by the vote of a majority of the members of the Board present and voting at any regular or special meeting of the Board at which such election takes place.

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

Regent-designate Hime congratulated Regents Gould and Lansing on their election as Chairman and Vice Chair of the Board.

The meeting adjourned at 10:40 a.m.

Attest:

Secretary and Chief of Staff

Deletions are shown by strikeout; additions by underscore

THE UNIVERSITY OF CALIFORNIA STUDENT FEE POLICY*

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

A. The Educational Fee

The Educational Fee is a Universitywide mandatory charge assessed against each resident and nonresident registered student. The Educational Fee is assessed uniformly across all campuses of the University.

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

In recommending to the Board the annual 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 the Educational Fee, through the appropriate consultation processes.

B. ~~The University Registration~~ 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.

~~The University Registration Fee is a Universitywide mandatory charge assessed against each registered resident and nonresident student.~~

Income generated by the Student Services Fee (formerly referred to as the University Registration Fee) shall ~~may~~ be used to support services and programs which that directly benefit the students and which 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 ~~educational and~~ career support. These services and programs create a supportive and enriched learning environment for University of California undergraduate, graduate and professional students and provide general student enrichment.

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 the Educational Fee.

~~Given the campus-specific programs and services funded by this Fee, the University Registration Fee need not be uniform across campuses. The Board of Regents shall establish annually a range within which campuses are to establish a specific fee level for the next academic year.~~

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 Chancellors 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 –student views on the level of the campus Registration Fee, for their respective campuses, for the next academic year through the campus Registration Fee Advisory Committees, consistent with the range established by the RegentsBoard. Student recommendations shall be provided by each campus' Student Fee Advisory Committee recognized by the systemwide Council on Student Fees.

~~Chancellors annually shall submit to the President, for final review and approval, the level of the University Registration Fee for their respective campuses. The President shall inform the Board of Regents what the University Registration Fee level will be, by campus, for the coming year.~~

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 the Educational Fee and ~~the range of the University Registration~~ Student Services Fee for the next academic year, ~~and the anticipated fee levels (in the case of the Educational Fee) or ranges (in the case of the University Registration Fee) for the following three years.~~

**Nothing in this policy constitutes a contract, an offer of a contract, or a promise that any 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 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 fees of a specified level or based on a specified formula.*

