

The Regents of the University of California

COMMITTEE ON GOVERNANCE

September 18, 2013

The Committee on Governance met on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members Present: Regents De La Peña, Island, Kieffer, Makarechian, Reiss, and Wachter

In attendance: Regents Feingold, Flores, Pattiz, Ruiz, Schultz, Varner, and Zettel, Regents-designate Engelhorn, Leong Clancy, and Saifuddin, Faculty Representatives Gilly and Jacob, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice President Dooley, Vice Presidents Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Dirks, Drake, Khosla, Leland, Wilcox, and Yang, and Recording Secretary Johns

The meeting convened at 3:50 p.m. with Committee Chair Wachter presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of January 17, 2013 were approved.

2. AMENDMENT OF BYLAW 12, RESPONSIBILITIES OF STANDING COMMITTEES, STANDING ORDER 100, OFFICERS OF THE UNIVERSITY, AND STANDING ORDER 101, FACULTY MEMBERS AND OTHER EMPLOYEES OF THE UNIVERSITY

The President recommended that, following service of appropriate notice, Bylaw 12.8 – Committee on Compensation be amended, as shown in Attachment 1; Standing Order 100.2 – Officers of the University, Employment Status be amended, as shown in Attachment 2; Standing Order 100.3 – Officers of the University, Compensation be amended, as shown in Attachment 3; Standing Order 101.1 – Faculty Members and Other Employees of the University, Employment Status be amended, as shown in Attachment 4; and Standing Order 101.2 – Faculty Members and Other Employees of the University, Compensation be amended, as shown in Attachment 5.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Wachter explained that this item presented technical amendments to align with the *Adoption of Revisions to Governance of Senior Management Group Compensation* approved by the Regents in November 2012. Earlier that day, the

Committee on Compensation had reviewed the conforming amendments to Regents Policies.

Regent Makarechian asked about the meaning of the phrase “minor changes in titles” in language to be deleted from Standing Order 100.2. Executive Director Larsen responded that a minor title change might occur in the suffix portion of a title, for example, a change from Vice President – Business Operations to Vice President – Business Administration.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board.

The meeting adjourned at 4:00 p.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

BYLAW 12.8

COMMITTEE ON COMPENSATION

12.8 Committee on Compensation

The Committee on Compensation shall:

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

- f. Recommend to the Board:
 - (1) All compensation of employees for whom Regental approval is required pursuant to Regental policies ~~Officers of the University and other members of the Senior Management Group, including those individuals serving in an acting capacity in those positions;~~ and

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STANDING ORDER 100.2

OFFICERS OF THE UNIVERSITY

EMPLOYMENT STATUS

100.2 Employment Status

- (b) Appointment (including temporary appointment of acting or interim status), or reemployment after retirement of all Officers of the University for whom Regental approval is required pursuant to Regental policies ~~and other members of the Senior Management Group~~ shall be voted by the Board upon recommendation of the President of the University following consultation, as appropriate, with an appropriate Standing Committee of the Board, as determined by the President, or with a special committee established for that purpose.

- ~~(e) — Temporary appointments of acting status in Officer of the University or other Senior Management Group positions shall be voted by the Board upon recommendation of the President of the University.~~
- ~~(f) — Minor changes in titles of Officers of the University and other members of the Senior Management Group may be approved by the President of the University. Any such changes shall be reported to the Board in the Bi-Monthly Transaction Monitoring Report.~~

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STANDING ORDER 100.3

OFFICERS OF THE UNIVERSITY

COMPENSATION

100.3 Compensation

- (a) Compensation of the President of the University shall be determined by the Board upon recommendation of the Committee on Compensation.
- (b) Compensation of all other Officers of the University ~~and other members of the Senior Management Group, including those individuals serving in an acting capacity, and including compensation upon appointment and subsequent changes in compensation for whom Regental approval is required pursuant to Regental policies~~ shall be determined by the Board upon recommendation of the President of the University through the Committee on Compensation.

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STANDING ORDER 101.1

FACULTY MEMBERS AND OTHER EMPLOYEES OF THE UNIVERSITY

EMPLOYMENT STATUS

101.1 Employment Status

- (c) Appointments, promotions, demotions, and dismissals of all faculty members and other employees, except as otherwise provided in the Bylaws, ~~and Standing Orders, or Regental policies,~~ shall be under the jurisdiction of the President of the University, and of the Secretary and Chief of Staff, Chief Investment Officer, and General Counsel of The Regents in their respective areas of responsibility.

- (e) Reemployment appointments of retired University employees to any Senior Management Group or other staff position whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the Indexed Compensation Level shall be voted by the Board upon recommendation of the President of the University shall be governed by the Regents policy on Reemployment of UC Retired Employees.

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STANDING ORDER 101.2

FACULTY MEMBERS AND OTHER EMPLOYEES OF THE UNIVERSITY

COMPENSATION

101.2 Compensation

- a. ~~Rate of compensation~~Compensation and subsequent changes in rate of ~~compensation~~ shall be determined by the Board upon recommendation of the President of the University or upon recommendation of the Secretary and Chief of Staff, Chief Investment Officer, or General Counsel of The Regents in their respective areas of responsibility through the Committee on Compensation for:

1. All employees for whom Regental approval is required pursuant to Regental policies~~members of the Senior Management Group.~~

3. Other University personnel, except faculty other than Regents' Professors and University Professors, whose total cash compensation exceeds the Indexed Compensation ~~Limit Level~~ (ICL), and who meet the criteria listed below. The Indexed Compensation Level shall be adjusted annually in accordance with the California Consumer Price Index (CPI) Urban Consumers for all items as determined by the Bureau of Statistics, said percent increase to be reported annually to the Board. Board approval pursuant to this subsection shall only be required for employees that are in the following categories:

- b. Compensation of other employees except as otherwise provided in the Bylaws, ~~and Standing Orders of The Regents,~~ and Regental policies shall be under the jurisdiction of the President of the University and of the Secretary and Chief of Staff, Chief Investment Officer, and General Counsel of The Regents in their respective areas of responsibility.