

The Regents of the University of California

COMMITTEE ON GOVERNANCE

January 23, 2014

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, and Reiss; Ex officio member Lansing

In attendance: Regents Blum, Feingold, Flores, Gould, Napolitano, Newsom, Pattiz, Ruiz, Schultz, Sherman, 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, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Brown, Duckett, and Lenz, Chancellors Blumenthal, Desmond-Hellmann, Katehi, Wilcox, and Yang, and Recording Secretary Johns

The meeting convened at 11:30 a.m. with Committee Vice Chair Reiss presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of September 18, 2013 were approved.

2. AMENDMENT OF THE SCHEDULE OF REPORTS TO THE REGENTS

The President recommended that the Schedule of Reports be amended, as shown in Attachment 1.

[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.]

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

3. DATES OF REGENTS MEETINGS FOR 2015

The Chairman of the Board and the President recommended that the following dates of Regents meetings for 2015 be approved.

2015

January 21-22 (Wednesday-Thursday)

March 18-19 (Wednesday-Thursday)
May 21-22 (Thursday-Friday)
July 22-23 (Wednesday-Thursday)
September 16-17 (Wednesday-Thursday)
November 19-20 (Thursday-Friday)

[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.]

In response to a question by Committee Vice Chair Reiss, Secretary and Chief of Staff Kelman explained that some meetings in 2015 were scheduled on Thursdays and Fridays to avoid scheduling conflicts with the California State University Board of Trustees.

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

4. **AMENDMENT OF STANDING ORDER 100.4 – DUTIES OF THE PRESIDENT**

The President recommended that, following service of appropriate notice, Standing Order 100.4 – Duties of the President be amended, as shown in Attachment 2.

[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.]

Vice President Lenz explained that this item was a companion to the action item presented to the Committee on Grounds and Buildings at the same meeting, *Amendment of Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act*. It involved an extension of the delegated process for capital projects by one year and amendment of language regarding the \$60 million limit.

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 11:35 a.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

**SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to Bylaw 16.8(a)]
Amended ~~July 2012~~ January 2014**

BOARD	Month(s) Presented or Mailed Provided to Regents
Report of the President Concerning University Activities and Individuals (the President's Report)	January March May July September November
COMMITTEE ON COMPENSATION	
Annual Reports on Executive Compensation for Calendar Year ____: (a) Incumbents in Senior Management Positions and (b) Deans and Certain Faculty Administrators (<i>mbm</i> ¹)	July
Annual Report on Compensated Outside Professional Activities for Calendar Year ____: Incumbents in Senior Management Positions (<i>mbm</i> [*])	July
Annual Report on Compensated Outside Professional Activities for Calendar Year ____: Deans and Faculty Administrators (<i>mbm</i> [*])	January
Annual Report on Health Sciences Compensation Plan Participants' Compensation that Exceed the Reporting Threshold (<i>mbm</i> [*])	November
Annual Report on Academic Personnel Salaries Above the Indexed Compensation Level (<i>mbm</i> [*])	November
Annual Report on Adjustment of the Indexed Compensation Level (<i>mbm</i> [*])	September
Biannual Compensation Monitoring Reports: (a) Incumbents in Certain Senior Management Positions; and (b) Deans and Full-Time Faculty Administrators (<i>mbm</i> [*])	May November

¹ mbm: Report is sent to all Regents as a mailing between meetings (mbm)

SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to Bylaw 16.8(a)]
Amended ~~July 2012~~ January 2014

	Month(s) Presented or Mailed Provided to Regents
Annual Compensation Monitoring Report for Calendar Year ____: Actions for Certain Athletic Positions and Coaches Systemwide (<i>mbm*</i>)	July
COMMITTEE ON COMPLIANCE AND AUDIT	
Internal Audit Plan	July
Annual Review of External Audit of Hastings College of the Law (<i>mbm*</i>)	March
Annual Report on Ethics and Compliance	September
Annual Report of External Auditors for the Year Ended June 30, ____	November
Annual Report on Internal Audit Activities	November
COMMITTEE ON EDUCATIONAL POLICY	
Annual Report on Private Support, Major Donors, and Namings and Endowed Chairs (<i>mbm*</i>)	November
Statistical Summary of Students and Staff (<i>mbm*</i>)	March
Annual Report on Student Financial Support (<i>mbm*</i>)	March
Annual Report on Undergraduate Admissions Requirements and Comprehensive Review [effective 2013] (<i>mbm*</i>)	July <u>November</u>
Annual Report on Proposals Seeking Research Funding from the Tobacco Industry (<i>mbm*</i>)	September
Biennial Report on Comprehensive Review (<i>mbm*</i>) [effective 2012]	September
Annual Report on Self-Supporting Professional Degree Programs (<i>mbm*</i>)	August

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	Month(s) Presented or Mailed Provided to Regents
Annual Accountability Sub-Report on Diversity at the University of California	January

COMMITTEE ON FINANCE

Annual Report on Risk Management (<i>mbm*</i>)	January
Annual Report on Use of Outside Counsel (<i>mbm*</i>)	January
Annual Report on Settlements and Separation Agreements	January
Annual Report on University Housing Assistance Programs (<i>mbm*</i>)	January
Annual Report on Expenditures of Associates to the President and Chancellors (<i>mbm*</i>)	September
University of California Financial Reports	November
Annual University of California Retirement Plan-Actuarial Valuation Report	November
Annual Report on Debt Capital and External Finance Approvals (<i>mbm*</i>)	January
Annual Report on the University of California Technology Transfer Program (<i>mbm*</i>)	May
Annual Report on Administrative Efficiencies	May
Annual Report on Newly Approved Indirect Costs (<i>mbm*</i>)	November

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	Month(s) Presented or Mailed Provided to Regents
Bi-Monthly Report on New Litigation (<i>mbm*</i>)	January March May July September November
Annual Report on the Net Fee Income Received as Owner of a Limited Liability Company Managing a Department of Energy National Laboratory and Expenditures Made Therefrom (<i>mbm*</i>)	November
Annual Report on the Commission on the Future Recommendations (<i>mbm*</i>)	March <u>July</u>
COMMITTEE ON GROUNDS AND BUILDINGS	
Annual Report on Sustainable Practices (<i>mbm*</i>)	January
Annual Report on Chancellor's Residence and Office Capital Projects (<i>mbm*</i>)	September
Annual Report on Major Capital Projects Implementation (<i>mbm*</i>)	October
Ten Year Consolidated State and Non-State Capital Financial Plan	November
COMMITTEE ON HEALTH SERVICES	
Biannual Activity and Financial Status Report on Hospitals and Clinics (<i>mbm*</i>)	March November
COMMITTEE ON INVESTMENTS	
Annual Endowment Investment Report (<i>mbm*</i>)	February
Annual Report of the Treasurer (<i>mbm*</i>)	November

SCHEDULE OF REPORTS TO THE REGENTS
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Amended ~~July 2012~~ January 2014

	Month(s) Presented or Mailed <u>Provided</u> to Regents
COMMITTEE ON LONG RANGE PLANNING	
Annual University of California Accountability Report	July

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STANDING ORDER 100.4

DUTIES OF THE PRESIDENT OF THE UNIVERSITY

100.4 Duties of the President of the University

(q)(1)

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

(q)(2)

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

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

This paragraph shall become inoperative and is repealed on ~~March 31, 2015~~ ~~March 31, 2014~~, unless a later Regents' action, that becomes effective on or before ~~March 31, 2015~~ ~~March 31, 2014~~, deletes or extends the date on which it becomes inoperative and is repealed.

(nn)(1)

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

(nn)(2)

This paragraph shall apply exclusively to capital projects for those campus entities approved by the Committee on Grounds and Buildings for inclusion in the pilot phase of the Delegated Process for Capital Improvement Projects.

The President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including \$60 million for the planning, construction, acquisition, equipping, and improvement of projects. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the

foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

This paragraph shall become inoperative and is repealed on March 31, 2015 ~~March 31, 2014~~, unless a later Regents' action, that becomes effective on or before ~~March 31, 2014~~ March 31, 2015, deletes or extends the date on which it becomes inoperative and is repealed.
