

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

January 22, 2015

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

Members present: Regents Brown, De La Peña, Elliott, Engelhorn, Gould, Island, Kieffer, Lansing, Leong Clancy, Makarechian, Napolitano, Newsom, Pérez, Reiss, Ruiz, Saifuddin, Varner, and Zettel

In attendance: Regents-designate Davis and Oved, Faculty Representatives Gilly and Hare, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Senior Vice President Stobo, Vice Presidents Brown, Duckett, and Sakaki, Chancellors Block, Blumenthal, Gillman, Hawgood, Katehi, Leland, Wilcox, and Yang, and Recording Secretary Johns

The meeting convened at 12:05 p.m. with Chairman Varner presiding.

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

The Committee presented the following from its meeting of January 22, 2015:

A. *Appointment of and Compensation for Rachael Nava as Executive Vice President – Chief Operating Officer, Office of the President*

The Committee recommended approval of the following items in connection with the appointment of and compensation for Rachael Nava as Executive Vice President – Chief Operating Officer, Office of the President:

- (1) Per policy, appointment of Rachael Nava as Executive Vice President – Chief Operating Officer, Office of the President at 100 percent time, effective February 9, 2015.
- (2) Per policy, an annual base salary in year one of \$330,000, increasing to \$350,000 in year two and \$370,000 in year three, on condition of satisfactory performance.
- (3) Per policy, a monthly contribution to the Senior Management Supplemental Benefit Program.
- (4) Per policy, annual automobile allowance of \$8,916.
- (5) Per policy, reimbursement of actual and reasonable expenses associated with moving Ms. Nava's household goods and personal effects from her

former primary residence to her new primary residence, subject to the limitations under policy.

- (6) Per policy, reimbursement for up to two house-hunting trips for Ms. Nava and her spouse or partner to secure housing in the San Francisco Bay Area, subject to the limitations under policy.
- (7) Per policy, eligible to participate in the UC Home Loan Program, subject to all applicable program requirements.
- (8) Per policy, standard pension and health and welfare benefits (including senior management life insurance and executive salary continuation for disability).

The compensation described above shall constitute the University's total commitment until modified by the Regents or the President, as applicable under Regents policy, 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: President Napolitano
Reviewed by: Committee on Compensation Chair Kieffer
Office of the President, Human Resources

B. *Establishment of the New Senior Management Group Position of Senior Vice President – Government Relations, and the Market Reference Zone for the Position and Appointment of and Compensation for Nelson Peacock as Senior Vice President – Government Relations, Office of the President*

The Committee recommended approval of the following items in connection with the establishment of the new Senior Management Group position of Senior Vice President – Government Relations, Office of the President, and the Market Reference Zone for the position, and for the appointment of and compensation for Nelson Peacock as Senior Vice President – Government Relations, Office of the President:

- (1) Establishment of the new Senior Management Group position of Senior Vice President – Government Relations, Office of the President. This will be a Level One position in the Senior Management Group.
- (2) Establishment of a Market Reference Zone (MRZ) for the Senior Vice President – Government Relations position as follows: 25th percentile – \$263,000, 50th percentile – \$313,000, 60th percentile – \$352,000, 75th percentile – \$387,000, 90th percentile – \$461,000.
- (3) Appointment of Nelson Peacock as Senior Vice President – Government

Relations, Office of the President, at 100 percent time.

- (4) Per policy, continued annual base salary of \$280,000.
- (5) Per policy, a monthly contribution to the Senior Management Supplemental Benefit program.
- (6) Per policy, annual automobile allowance of \$8,916.
- (7) Per policy, eligibility to participate in the UC Home Loan Program, subject to all program requirements.
- (8) Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).
- (9) Per policy, Mr. Peacock received a cash relocation allowance as a condition of his employment with the University and to assist with his relocation from Maryland when he first joined the University in September 2014. He will continue to be eligible to receive the remaining balance of installments: \$20,000 in 2015; \$20,000 in 2016; and the final installment of \$10,000 in 2017. Any unpaid relocation allowance amounts will be forfeited at the time of separation.
- (10) This action will be effective upon approval.

The compensation described above shall constitute the University's total commitment until modified by the Regents or the President, as applicable under Regents policy, 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: President Napolitano
Reviewed by: Committee on Compensation Chair Kieffer
Office of the President, Human Resources

C. *Establishment of the New Senior Management Group Position of Senior Vice President – Public Affairs, and the Market Reference Zone for the Position and Appointment of and Compensation for Julie Henderson as Senior Vice President – Public Affairs, Office of the President*

The Committee recommended approval of the following items in connection with the establishment of the new Senior Management Group position of Senior Vice President – Public Affairs, Office of the President, the Market Reference Zone for the position, and the appointment of and compensation for Julie Henderson as Senior Vice President – Public Affairs, Office of the President:

- (1) Establishment of the new Senior Management Group position of Senior Vice President – Public Affairs, Office of the President. This will be a Level One position in the Senior Management Group.
- (2) Establishment of a Market Reference Zone (MRZ) for the Senior Vice President – Public Affairs position as follows: 25th percentile – \$247,000, 50th percentile – \$300,000, 60th percentile – \$340,000, 75th percentile – \$385,000, 90th percentile – \$453,000.
- (3) Appointment of Julie Henderson as Senior Vice President – Public Affairs, Office of the President, at 100 percent time.
- (4) Per policy, an annual base salary of \$280,000.
- (5) Per policy, a monthly contribution to the Senior Management Supplemental Benefit program.
- (6) Per policy, eligibility to participate in the UC Home Loan Program, subject to all program requirements.
- (7) Per policy, automobile allowance of \$8,916.
- (8) Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).
- (9) This action will be effective upon approval.

The compensation described above shall constitute the University's total commitment until modified by the Regents or the President, as applicable under Regents policy, 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: President Napolitano
Reviewed by: Committee on Compensation Chair Kieffer
Office of the President, Human Resources

D. *Approval of a Fiscal Year 2014-15 Merit Increase for A. Paul Alivisatos as Director, Lawrence Berkeley National Laboratory*

The Committee recommended that a merit increase of three percent for A. Paul Alivisatos, Laboratory Director, Lawrence Berkeley National Laboratory (LBNL), as presented in the table below, be approved.

NAME	JOB TITLE	CURRENT BASE SALARY	PROPOSED MERIT INCREASE AMOUNT	PROPOSED MERIT INCREASE PERCENT	NEW PROPOSED BASE SALARY
A. Paul Alivisatos	Laboratory Director	\$451,010	\$13,530	3.0%	\$464,540

The salary increase for Director Alivisatos will be funded by LBNL with funds provided by the Department of Energy. The effective date of the increase is January 1, 2015.

Except as expressly modified by the Regents above, the University's total compensation commitment for Director Alivisatos remains unchanged. 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: President Napolitano
Reviewed by: Committee on Compensation Chair Kieffer
Office of the President, Human Resources

Upon motion of Regent Kieffer, duly seconded, the recommendations of the Committee on Compensation were approved, Regents De La Peña, Engelhorn, Gould, Island, Kieffer, Lansing, Leong Clancy, Makarechian, Napolitano, Reiss, Ruiz, Varner, and Zettel voting "aye," and Regents Brown, Elliott, Newsom, Pérez, and Saifuddin voting "no."

The Regents recessed at 12:10 p.m.

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The Regents reconvened at 12:20 p.m. with Chairman Varner presiding.

Members present: Regents Brown, De La Peña, Elliott, Engelhorn, Gould, Island, Kieffer, Lansing, Leong Clancy, Makarechian, Napolitano, Newsom, Pérez, Reiss, Ruiz, Saifuddin, Varner, and Zettel

In attendance: Regents-designate Davis and Oved, Faculty Representatives Gilly and Hare, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Senior Vice President Stobo, Vice Presidents Brown, Duckett, and Sakaki, Chancellors Block, Blumenthal, Gillman, Hawgood, Katehi, Leland, Wilcox, and Yang, and Recording Secretary Johns

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of November 20 and the meetings of the Committee of the Whole of November 18, 19, and 20, 2014 were approved.

3. **REPORT OF THE PRESIDENT**

The President presented her report concerning University activities and individuals. Two UC graduates, Felipe Hernandez of UC Irvine and Sarah Mohamed of UC Berkeley, were recently awarded Marshall Scholarships. Twenty-six UC scientists were elected fellows to the American Association for the Advancement of Science.

President Napolitano reported the recent decease of Helen Diller, a friend of the University, civic leader, and philanthropist. The Helen Diller Family Foundation supports Jewish studies at UC Berkeley and UC Santa Cruz, along with many other projects and programs. At UCSF, the Helen Diller Family Comprehensive Cancer Center and the Helen Diller Family Cancer Research Building bear witness to Helen Diller's passion and commitment to improving treatment for cancer patients and searching for a cure.

President Napolitano also reported the untimely death earlier that month of a member of her staff, Kevin McCauley, who served as deputy chief of staff. Mr. McCauley had worked as an executive assistant to Chancellor Yang at UC Santa Barbara and in the office of health affairs at UCLA. This was a sad occurrence for the Office of the President and Mr. McCauley would be very much missed.

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

The Committee presented the following from its meeting of January 22, 2015:

Amendment to the Allocation of Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC Fee Income to be Expended in Fiscal Year 2014-15

The Committee recommended an amendment to the allocation of the University's net share of Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS) fee income to be expended in fiscal year (FY) 2014-15 that was previously approved pursuant to the May 2014 Regents item F5, *Allocation of Los Alamos National Security LLC and Lawrence Livermore National Security LLC Fee Income to be Expended in Fiscal Year 2014-15*.

FY2014-15 Fee Income Allocation

<u>Estimated Funds Available</u>	<u>Original</u>	<u>Amended</u>
Estimated Net Fee Income for CY 2014	\$24.10 M	\$10.50 M
Total Funds Available	\$24.10 M	\$10.50 M
 <u>Recommended Allocation</u>		
Contract Non-Reimbursable Compensation (for LLC employees) ¹	\$ 2.20 M	\$2.20 M
UCOP oversight	\$ 5.05 M	\$5.05 M

¹ Previously referred to as "Supplemental Compensation." Contract non-reimbursable (NR) compensation funds the University's contract-required share of NR compensation for LLC employees in Key Personnel positions.

Post-contract contingency	\$ 1.30 M	\$0.00 M
Contingency for factors affecting the final fee (maintained at \$5.0M level)	\$ 1.65 M	\$3.25 M
Laboratory-Campus Student Fellowship Pilot Program	\$0.40 M	\$0.00 M
Research allocation July 2014-2015	\$13.50 M	\$0.00 M
Total allocation 2013-2014	\$24.10 M	\$10.50 M

Upon motion of Regent Ruiz, duly seconded, the recommendation of the Committee on Finance was approved.

5. REPORT OF THE COMMITTEE ON GOVERNANCE

The Committee presented the following from its meeting of January 22, 2015:

A. *Appointment of Regents to Standing Committees*

The Committee recommended that:

- (1) Regent Ortiz Oakley be appointed to the Committee on Compensation, effective immediately, through June 30, 2015.
- (2) Regent Pérez be appointed to the Committee on Investments, effective immediately, through June 30, 2015.

B. *Amendment of Standing Order 100.4 – Duties of the President of the University*

The Committee recommended that, following service of appropriate notice, the Regents:

- (1) Amend Standing Order 100.4 – Duties of the President of the University, as shown in Attachment 1.
- (2) Increase the \$60 million Delegated Process approval threshold to \$70 million as shown in Attachment 1.

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

6. REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS

The Committee presented the following from its meeting of January 22, 2015:

A. *Approval of Preliminary Plans Funding, North Addition Office Building, UC Davis Health System, Sacramento, Davis Campus*

The Committee recommended that the 2014-15 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following

project:

Davis (Sacramento Campus): North Addition Office Building – preliminary plans – \$3.71 million to be funded from Hospital Reserves.

B. *Amendment of Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act, and Authorization of the President of the University to Implement the Pilot Phase of the Delegated Process for Capital Improvement Projects*

The Committee recommended that, upon final approval of the related amendments to Standing Order 100.4: Duties of the President of the University, the Regents:

- (1) Amend Regents Policy 8102: Approval of Design, Long Range Development Plans and the Administration of the California Environmental Quality Act, as shown in Attachment 2, to be effective upon final action approving the related amendments to Standing Order 100.4.
- (2) Rescind the Guidelines for Implementation of the Pilot Phase of the “Process Redesign for Capital Improvement Projects” adopted by the Regents in September 2008, as shown in Attachment 3.
- (3) Authorize the President to implement the Delegated Process consistent with Program Parameters for the Pilot Phase Delegated Process for Capital Improvement Projects as shown in Attachment 4.

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

7. REPORT OF THE COMMITTEE ON LONG RANGE PLANNING

The Committee presented the following from its meeting of January 21, 2015:

Establishment of the Select Advisory Committee on the Cost Structure of the University

The Committee recommended that:

- A. A Select Advisory Committee on the Cost Structure of the University shall be established, effectively immediately.
- B. The charge of the Select Advisory Committee shall be to develop and evaluate proposals to reduce the University’s cost structure, while improving access, quality, and outcomes.

- C. At a minimum, the Select Advisory Committee shall consider proposals in the following areas:
- (1) Cost Drivers: Campus-specific specialization and disciplinary consolidations; teaching loads; curriculum design; enrollment; compensation and benefits, including pension and retiree and current employee health benefits; capital projects and deferred maintenance; University and campus administration; and regulatory burdens and other costs imposed by the State.
 - (2) Undergraduate Access, Completion, and Time-to-Degree: Improved pathways for transfer students, with specific emphasis on recognition at the University of SB 1440 (2010) degrees; credit for work experience, military training or other pathways; cross-campus enrollment and streamlined registration; and undergraduate degrees requiring three years of study.
 - (3) Role of Research: The role of a public research university; the University's research profile, activities, budget, and financing, and the impacts of research on the economy and other areas.
 - (4) Use of Technology to Enhance Education: Online education, including courses and outcomes; use of adaptive learning technology to adjust instruction based on the educational needs of individual students; and use of predictive analytics to determine how to help individual students succeed.
 - (5) Role of Graduate Education: An analysis of the AB 94 (2013) report on costs of undergraduate instruction, graduate instruction, and research; time-to-degree in graduate academic and professional school programs; and number and proportion of students enrolled in graduate academic and professional school programs.
- D. The President of the Regents and the President of the University shall serve as the members of the Select Advisory Committee.
- E. The Select Advisory Committee shall be jointly staffed by State officials from the Governor's Office and the Department of Finance and staff in the Office of the President.
- F. The Select Advisory Committee shall receive testimony from and have discussions with University and national experts in these areas and may conduct any other studies or audits necessary to accomplish its charge.
- G. The Select Advisory Committee shall present a preliminary report at the March 2015 Regents meeting. The Select Advisory Committee shall update Regents on

its progress at subsequent meetings and shall make recommendations to the Regents regarding changes to the University's cost structure.

Upon motion of Regent Kieffer, duly seconded, the recommendation of the Committee on Long Range Planning was approved.

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

The Committee presented the following from its meeting of January 21, 2015:

Resolutions to Exclude Access to Federal Classified Information

The Committee recommended that the resolutions pertaining to the University's Department of Defense Facility Security Clearances be approved as shown in Attachments 5 through 7.

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

9. **REPORT OF INTERIM AND CONCURRENCE ACTIONS**

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

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

Approval of University of California Medical Center Financial Reports, 2014

That the 2013-14 Annual Financial Reports for the five University of California Medical Centers and the Children's Hospital and Research Center Oakland, a discretely presented component unit of the University of California, be adopted.

10. **REPORT OF COMMUNICATIONS RECEIVED**

Secretary and Chief of Staff Shaw reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in reports dated December 12, 2014 and January 9, 2015.

11. **REPORT OF MATERIALS MAILED BETWEEN MEETINGS**

Secretary and Chief of Staff Shaw 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, Annual Report on Health Sciences Compensation Plan Participants' Compensation that Exceeds the Reporting Threshold for Calendar Year 2013. (December 23, 2014)

To Members of the Committee on Compliance and Audit

- B. From the President, letter regarding Hastings College of the Law audit. (December 3, 2014)

To Members of the Committee on Finance

- C. From the President, the annual report for the five UC medical schools. (December 18, 2014)

To the Regents of the University of California

- D. From the President, a letter from Emeriti Chancellors expressing support for the long-term stability plan for tuition and financial aid. (December 1, 2014)
- E. From the Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of November 2014. (December 12, 2014)
- F. From the President, an email on the new proposals in the State Legislature to address funding and budget issues. (December 15, 2014)
- G. From the President, a letter from Senator Andy Vidak regarding the University's long-term tuition and financial aid stabilization plan. (January 2, 2015)
- H. From the Secretary and Chief of Staff, an announcement of Governor Brown's newest Regent appointee, Gareth Elliott. (January 2, 2015)
- I. From the Secretary and Chief of Staff, an announcement of the 2015 upcoming Regents meetings. (January 8, 2015)
- J. From the Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of December 2014. (January 9, 2015)
- K. From the President, letter regarding the Governor's 2015-16 budget proposal. (January 9, 2015)

The meeting adjourned at 12:25 p.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

STANDING ORDER 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 \$70 ~~\$60~~ million. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$70 ~~\$60~~ million, (2) 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 \$70 ~~\$60~~ million; for augmented projects resulting in a total project cost in excess of \$70 ~~\$60~~ million, the augmented project shall be approved by the Board.

This paragraph shall become inoperative and is repealed on March 31, 2017 ~~March 31, 2015~~, unless a later Regents' action, that becomes effective on or

before March 31, 2017 ~~March 31, 2015~~, 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 ~~\$70~~ \$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, 2017 ~~March 31, 2015~~, unless a later Regents' action, that becomes effective on or before March 31, 2017 ~~March 31, 2015~~, deletes or extends the date on which it becomes inoperative and is repealed.

* * *

Additions shown by underscoring; deletions shown by strikethrough

Regents Policy 8102: POLICY ON APPROVAL OF DESIGN, LONG RANGE DEVELOPMENT PLANS, AND THE ADMINISTRATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Approved July 16, 1993;

Amended and Renamed January 16, 2003;

Amended September 18, 2008, January 21, 2010, January 20, 2011 and January 23, 2014

- (1) The Regents designate the following categories of projects as requiring design approval by the Committee on Grounds and Buildings:
- a. ~~Except as provided in subparagraph (e)~~ Building ~~building~~ projects with a total project cost in excess of \$10,000,000, except when such projects consist of the following:
 - i. alterations or remodeling where the exterior of the building is not materially changed;
 - ii. buildings or facilities located on agricultural, engineering or other field stations; or
 - iii. agriculture-related buildings or facilities located in areas of a campus devoted to agricultural functions.
 - b. 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 budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.
- (2) ~~e. This paragraph shall apply exclusively to eligible 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 Projects. The President of the University is authorized to approve the project's design. Building projects for those campuses approved by the Committee on Grounds and Buildings for inclusion in the pilot phase of the Delegated Process for Capital Improvement Projects with a total project cost in excess of \$60 million subject to the same exclusions as subparagraph (a). This subparagraph shall become inoperative and is repealed on March 31, 2017~~ March 31, 2017 ~~March 31, 2015, unless later Regents' action, that becomes effective on or before March 31, 2017~~ March 31, 2017 ~~March 31, 2015, deletes or extends the date on which it becomes inoperative and is repealed.~~

Deletions shown by strikethrough

2008 RECOMMENDATION

The President recommends that the ~~Committee on Grounds and Buildings~~ recommend to the Regents that, following service of appropriate notice:

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~~B. — Following Temporary Amendment of the Standing Orders and Regental Policy, if approved, Approval of Proposed Guidelines for Implementation of the Pilot Phase of the “Process Redesign for Capital Improvement Projects”:~~

~~Approval of the following guidelines for campus participation in the “Process Redesign for Capital Improvement Projects” to provide a set of linked design and capital financial documents enabling the Regents to provide portfolio-level oversight of capital projects effectively. The Implementation Team anticipates that additional guidelines for implementation may be identified as it continues its work; when these are developed, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.~~

- ~~(1) Each campus’ Ten-Year Capital Financial Plan will be a stand-alone portfolio document not requiring additional commentary or explanation and will describe a financially feasible capital program, how it relates to academic and strategic priorities, and the financing strategies that will be used to implement the Plan. Each campus Ten-Year Capital Financial Plan will be reviewed and approved by the Regents.~~
- ~~(2) Chancellors will have authority to change the scheduling of individual projects identified within the Ten-Year Capital Financial Plan and to augment the budget of a project included in the pilot phase insofar as the project and the overall portfolio of projects remain financially feasible and the total project budget does not exceed \$60 million.~~
- ~~(3) Chancellors will report annually to the President any changes or updates to their Ten-Year Capital Financial Plans. These data will be included in a University-wide annual report to the Regents.~~
- ~~(4) Each campus’ Physical Design Framework will be reviewed and approved by the Regents in coordination with the campus Long Range Development Plan (LRDP) and will be a comprehensive report identifying the campus’ principles and objectives for the design of the physical environment, how they relate to the campus LRDP, and how they are integrated into project planning and design. For the pilot phase, the Physical Design Framework should be approved with the campus’ Ten-Year Capital Financial Plan. Minor amendments to the Physical Design Framework may be approved by the President, based on guidelines to be developed. When these~~

~~guidelines are refined, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.~~

- ~~(5) The Regents will approve a template for a “checklist” to be used for project evaluation and documentation.~~

- ~~(6) For State-funded projects, the pilot phase of the redesign process will be limited to CEQA approval and design review. Campuses must continue to follow all procedures established by the State relating to the approval of project scope, budget and schedule. See Attachment B. (“Proposed Guidelines for Implementation of the Pilot Phase of the Process Redesign for Capital Improvement Projects.”)~~

PROGRAM PARAMETERS FOR THE PILOT PHASE OF THE DELEGATED PROCESS FOR CAPITAL IMPROVEMENT PROJECTS

The following *Program Parameters for the Pilot Phase of the Delegated Process for Capital Improvement Projects* outlines a set of integrated campus plans and reporting enabling the Regents to provide effective portfolio-level oversight of capital projects. Additional guidelines for implementation and monitoring of the Delegated Process may be identified; when these are developed, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.

For State-funded projects, the Delegated Process will continue to be limited to design review and any California Environmental Quality Act determinations. Campuses must continue to follow all procedures established by the State relating to the review and approval of project scope, budget, and schedule.

Capital Financial Plan

- (1) Each campus entity requesting to have projects approved via the Delegated Process will be required to submit a *Ten-Year Capital Financial Plan*. The Plan is a stand-alone portfolio document not requiring additional commentary or explanation and will describe a financially feasible capital program, how it relates to academic and strategic priorities, and the financing strategies that will be used to implement the Plan. The Plan is reviewed by the President of the University and accepted by the Regents.
- (2) Chancellors will report annually to the President or designee any changes or updates to the campus' *Ten-Year Capital Financial Plan*. These updates will be consolidated in the University's *Ten-Year Capital Financial Plan* and presented to the Regents for acceptance annually.

Physical Design Framework

- (3) Each campus prepares a *Physical Design Framework* that describes the campus' principles and objectives for the design of the physical environment, how these relate to the campus Long Range Development Plan, and how they are integrated into project planning and design, including descriptions of campus planning and design approval processes for capital projects. A Physical Design Framework comes into effect upon the acceptance of the Regents. A Physical Design Framework must be consistent with the Long Range Development Plan, and capital projects must be consistent with the Physical Design Framework. A campus may, if it elects, have separate Physical Design Frameworks for locations that are physically separated, and that may have separate Long Range Development Plans.

Project Checklist

- (4) The *Delegated-Authority Project: Certification Checklist* provides the chancellor with a mechanism to attest that a project is consistent with the applicable campus plans and

otherwise meets the criteria for the Delegated Process; and the project adheres to all applicable laws, regulations, and University and Regents policies.

- (5) Anticipating that the form of the Checklist will undergo modifications and refinement, the President of the University shall continue to have the authority to develop, and revise, as necessary, the project checklist.

Reporting

- (6) The *Annual Report on Major Capital Projects Implementation* will provide the Regents with information, generally quantitative, which evaluates the implementation of goals for the capital program established by the Regents. By documenting the campuses' response to both Regents and systemwide priorities, the annual report will enable accountability to the Regents and the President of the University. This report will include a section with detailed reporting on projects implemented with the Delegated Process.

RESOLUTION

Pursuant to the *Policy on Security Clearance for Access to Federal Classified Information* adopted on March 29, 2012 and this Resolution, the following named member of the Board of The University of California shall not require, shall not have, and can be effectively excluded from access to all classified information and/or special nuclear material released to the Regents of the University of California until such individual is granted the required access authorization from the cognizant security agency. And, as a consequence of this Resolution, such individual does not occupy a position that would enable him to adversely affect the policies or practices of the University of California, or its subsidiary, regarding the performance of classified contracts for the United States Government.

NAME	TITLE
Gareth Elliott	Regent

RESOLUTION

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NAME	TITLE
Eloy Ortiz Oakley	Regent

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NAME	TITLE
John A. Pérez	Regent