

The Regents of the University of California

GOVERNANCE AND COMPENSATION COMMITTEE

July 18, 2018

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

Members present: Regents Blum, Elliott, Lansing, Makarechian, Ortiz Oakley, Pérez, Sherman, and Zettel; Ex officio members Kieffer and Napolitano

In attendance: Regents Anderson, Graves, Guber, Morimoto, Newsom, Park, and Tauscher, Regents-designate Simmons, Um, and Weddle, Faculty Representatives May and White, Secretary and Chief of Staff Shaw, General Counsel Robinson, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Vice President Duckett, Chancellors Block, Blumenthal, Christ, Gillman, Hawgood, Khosla, Leland, May, Wilcox, and Yang, and Recording Secretary Johns

The meeting convened at 9:45 a.m. with Committee Chair Sherman presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of May 23, 2018 were approved.

2. **TECHNICAL AMENDMENTS OF STANDING ORDER 105.1, ORGANIZATION OF THE ACADEMIC SENATE, AND BYLAW 40.3, SPECIAL PROVISIONS CONCERNING FACULTY; AND RESCISSION OF STANDING ORDER 103.10, SECURITY OF EMPLOYMENT, CONCERNING SENATE MEMBERSHIP FOR LECTURERS WITH POTENTIAL FOR SECURITY OF EMPLOYMENT AND LECTURERS AND SENIOR LECTURERS WITH SECURITY OF EMPLOYMENT**

The President of the University recommended that the Governance and Compensation Committee recommend that the Regents, following service of appropriate notice:

- A. Amend Standing Order 105.1: Organization of the Academic Senate, as shown in Attachment 1.
- B. Amend Bylaw 40.3: Special Provisions Concerning Faculty, as shown in Attachment 2.
- C. Rescind Standing Order 103.10: Security of Employment in its entirety as shown in Attachment 3.

[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 Sherman briefly introduced the item. In response to a remark by Regent Zettel, Faculty Representative May explained that the lecturers and senior lecturers referenced in the amendments had always been members of the Academic Senate, and there would be no change in their status. They had also always been subject to the same rules and regulations, including the Faculty Code of Conduct. The proposed amendments would bring the rights and responsibilities of this group into alignment with other members of the Academic Senate.

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

3. **ESTABLISHMENT OF A NEW SENIOR MANAGEMENT GROUP LEVEL TWO POSITION, VICE CHANCELLOR FOR STRATEGIC COMMUNICATIONS, LOS ANGELES CAMPUS, AND THE CORRESPONDING MARKET REFERENCE ZONE FOR THE POSITION**

The President of the University recommended that the Governance and Compensation Committee recommend to the Regents approval of the following items in connection with the establishment of a new Senior Management Group Level Two position, Vice Chancellor for Strategic Communications, Los Angeles campus, and the corresponding Market Reference Zone (MRZ):

- A. Establishment of the Senior Management Group position of Vice Chancellor for Strategic Communications, Los Angeles campus. This position will be in Level Two of the Senior Management Group.
- B. Establishment of the following Market Reference Zone for the position of Vice Chancellor for Strategic Communications:
 - (1) Campuses with Health Services: 25th percentile – \$195,700, 50th percentile – \$231,500, 60th percentile – \$257,800, 75th percentile – \$283,300, and 90th percentile – \$329,300.
 - (2) Campuses without Health Services: 25th percentile – \$183,600, 50th percentile – \$219,700, 60th percentile – \$237,100, 75th percentile – \$263,200, and 90th percentile – \$301,400.
- C. This action will be effective upon approval.

[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 introducing the item, Chancellor Block reflected on rapid changes in technology affecting how one receives and consumes information. Social media and 24-hour news cycles have dramatically altered the communication needs and expectations of any large organization. Communications at UCLA had historically been part of the External Affairs organization. UCLA's centennial celebration would begin the following year, and this was an important juncture for the campus, which enjoys an internationally recognized position as a major research university. Earlier this year, the campus began a comprehensive review of its Communications organization and structure, and received input from deans, senior academic and administrative leaders, and other key stakeholders. UCLA found that many outside organizations had moved their Communications units to report directly to their chief executive officers, an indication of the strategic importance of Communications. UCLA wished to ensure that the proposed position has a decision-making role, rather than reporting through another executive. This would allow UCLA to be more nimble and respond more quickly to information requests and crises. UCLA found that its current leadership model for campus-wide communications was somewhat outdated, inadequate, and did not meet UCLA's needs, particularly as the largest higher education institution in the state, and located in the second-largest media market in the U.S. Campus stakeholders felt that UCLA's local and global impact had not been adequately and purposefully communicated. The campus review also found that in order to be fully effective, Communications must be viewed as a high-level strategic partner, at the vice chancellor level. The Vice Chancellor for Strategic Communications would be the chief reputation strategist and spokesperson for UCLA. This individual would be responsible for five existing departments: Media Relations, Marketing, Executive Communications, Public Outreach, and Special Events and Protocol. These departments support campus advocacy, revenue generation, recruitment priorities, and all efforts to promote and protect UCLA's world-class reputation. The Vice Chancellor for Strategic Communications would help the campus respond to challenges and opportunities with a coordinated strategic communications effort.

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

4. **ANNUAL REPORTS ON COMPENSATED AND UNCOMPENSATED OUTSIDE PROFESSIONAL ACTIVITIES FOR CALENDAR YEAR 2017, AND SEMI-ANNUAL REPORT ON OUTSIDE PROFESSIONAL ACTIVITIES APPROVED BETWEEN DECEMBER 1, 2017 AND MAY 31, 2018**

[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 Duckett recalled that in July 2016, the Regents amended Regents Policy 7707, Senior Management Group Outside Professional Activities. The revised policy allows a Senior Management Group (SMG) member to participate in up to two compensated outside professional activities (OPA). While the revised policy imposes tighter restrictions on compensated OPA, SMG members with more than two compensated OPA at the time of the revision were allowed to continue in those activities. However, new

SMG members hired after the policy revision must comply with the policy limitations. Those SMG members whose OPA exceeded the limit may not accept new compensated OPA until their OPA numbers align with policy.

The 2017 report reflected individually certified declarations by SMG members. Activities of SMG members who left the University before January 1, 2018, of individuals who served in SMG positions in an acting capacity, and activities that occurred before an individual was appointed to an SMG position were not included. The report showed that there were fewer compensated and uncompensated activities and associated hours in 2017 than in the prior year. In addition, no policy exceptions were granted; some technical corrections were made.

Regent Elliott asked about OPA for individuals who were recently appointed to SMG positions. Mr. Duckett responded that their OPA prior to SMG status would not be reported, but that now, as SMG members, their OPA would be included future reports.

Committee Chair Sherman asked if the revised policy and its restrictions had affected UC hiring practices, and if individuals recruited by UC had expressed objections to this policy or accepted it as part of working for a public institution. Mr. Duckett responded that extensive discussions take place during the hiring process for SMG positions, including discussions about an individual's OPA and how to reduce their number to bring them into alignment with UC policy when they are hired. It is a point of discussion and an issue in the context of UC offers. UC's policy on OPA is perceived as restrictive by some candidates.

Committee Chair Sherman asked if the University had lost hires due to the policy. Mr. Duckett responded that to his knowledge, UC had not lost candidates.

5. **COMMITTEE PRIORITIES AND ITEMS FOR THE UPCOMING YEAR**

[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 Sherman recalled that the Governance and Compensation Committee receives a number of reports, such as the report just received on Senior Management Group Outside Professional Activities. The Committee sets dates for Regents meetings, reviews recommendations for leadership and membership of the Standing Committees, and every two years reviews, along with the Health Services Committee, the benchmarking framework for Health Services positions. The Governance and Compensation Committee would also review reports on executive compensation for deans and faculty administrators as well as an annual compensation monitoring report for athletic positions and coaches.

Committee Chair Sherman recalled that certain topics had been raised previously as possible discussion items for future meetings. The Committee would have an off-cycle meeting to review and make recommendations regarding the recent restructuring of the Standing Committees. The Committee would receive a report from the Working Group on

UC Office of the President Salary Ranges. The Committee would again review Senior Management Group Outside Professional Activities and determine if there had been any deleterious effect on UC hiring. One recent suggestion was that the Committee review salaries in the Office of the Chief Investment Officer. This field had become very competitive, and the University might be subject to poaching. UC must ensure that it is competitive in this arena.

Regent Ortiz Oakley suggested that information be provided to new Regents on how Committee and Board leadership appointments and their duration are determined.

The meeting adjourned at 10:00 a.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

STANDING ORDER 105.1 – ORGANIZATION OF THE ACADEMIC SENATE

105.1: Organization of the Academic Senate

- a. The Academic Senate shall consist of the President, Vice Presidents, Chancellors, Vice Chancellors, Deans, Provosts, Directors of academic programs, the chief admissions officer on each campus and in the Office of the President, registrars, the University Librarian on each campus of the University, and each person giving instruction in any curriculum under the control of the Academic Senate whose academic title is Instructor, Instructor in Residence; Assistant Professor, Assistant Professor in Residence, Assistant Professor of Clinical (e.g., Medicine); Associate Professor, Associate Professor in Residence, Associate Professor of Clinical (e.g., Medicine), Acting Associate Professor; Professor, Professor in Residence, Professor of Clinical (e.g., Medicine), or Acting Professor; ~~full-time~~ Lecturer with Potential for Security of Employment, ~~full-time Senior Lecturer with Potential for Security of Employment, full-time~~ Lecturer with Security of Employment, Acting Lecturer with Security of Employment, or full-time Senior Lecturer with Security of Employment, or Acting Senior Lecturer with Security of Employment; however, Instructors and Instructors in Residence of less than two years' service shall not be entitled to vote. Members of the faculties of professional schools offering courses at the graduate level only shall be members also of the Academic Senate, but, in the discretion of the Academic Senate, may be excluded from participation in activities of the Senate that relate to curricula of other schools and colleges of the University. Membership in the Senate shall not lapse because of leave of absence or by virtue of transference to emeritus status.
- b. The Academic Senate shall determine its own membership under the above rule, and shall organize, and choose its own officers and committees in such manner as it may determine.
- c. The Academic Senate shall perform such duties as the Board may direct and shall exercise such powers as the Board may confer upon it. It may delegate to its divisions or committees, including the several faculties and councils, such authority as is appropriate to the performance of their respective functions.

Additions shown by double underscoring; deletions shown by strikethrough**BYLAW 40. ACADEMIC SENATE**

40.1 Duties and Powers of the Academic Senate.

The Regents recognize that faculty participation in the shared governance of the University of California through the agency of the Academic Senate ensures the quality of instruction, research and public service at the University and protects academic freedom. The Academic Senate shall perform such duties as the Board may direct and shall exercise such powers as the Board may confer upon it. The Academic Senate, subject to the approval of the Board, shall determine the conditions for admission and for certificates and degrees, and recommend to the President all candidates for degrees. The Academic Senate shall authorize and supervise all courses and curricula, except in the Hastings College of the Law, in professional schools offering work at the graduate level only, and over non-degree courses in the University Extension. No change in the curriculum of a college or professional school shall be made by the Academic Senate until such change shall have been submitted to the formal consideration of the faculty concerned. The Academic Senate may select committees to advise the President and Chancellors on campus and University budgets and, through the President, or to the Regents directly by a formal Memorial, may address the Board on any matter pertaining to the conduct and welfare of the University.

40.2 Organization of the Academic Senate.

Membership in the Academic Senate is as determined in Regents Policy. The Academic Senate shall organize and choose its own officers and committees and may delegate authority to its divisions or committees as appropriate.

40.3 Special Provisions Concerning Faculty.

(a) No Political Test

No political test shall ever be considered in the appointment and promotion of any faculty member or employee.

(b) Privilege of a Hearing Before the Academic Senate

Any member of the Academic Senate shall have the privilege of a hearing by the appropriate committee or committees of the Academic Senate on any matter relating to personal, departmental, or University welfare.

(c) Tenure

All appointments to the positions of Professor and Associate Professor and to positions of equivalent rank are continuous in tenure until terminated by retirement, demotion, or dismissal. The termination of a continuous tenure appointment or the termination of the appointment of any

other member of the faculty before the expiration of the appointee's contract shall be only for good cause, after the opportunity for a hearing before the properly constituted advisory committee of the Academic Senate, except as otherwise provided in a Memorandum of Understanding for faculty who are not members of the Academic Senate.

An Assistant Professor who has completed eight years of service in that title, or in that title in combination with other titles as established by the President, shall not be continued after the eighth year unless promoted to Associate Professor or Professor. By exception, the President may approve appointment of an Assistant Professor beyond the eighth year for no more than two years.

(d) Security of Employment

A Lecturer-Potential Security of Employment ~~or Senior Lecturer-Potential Security of Employment~~ appointed at more than half time who has completed eight years of service in that title, or in that title in combination with other titles as established by the President, shall not be continued in that title after the eighth year unless given appointment with security of employment.

By exception, the President may approve appointment of a Lecturer-Potential Security of Employment ~~or Senior Lecturer-Potential Security of Employment~~ on more than half time beyond the eighth year without security of employment, but may not extend it beyond two years.

(e) Dismissal

Dismissal of an academic appointee who holds tenure or security of employment shall be only for good cause and shall be voted by the Board upon recommendation of the President of the University, following consultation with the appropriate Chancellor. Prior to recommending dismissal, the Chancellor shall consult with the appropriate advisory committee(s) of the Division of the Academic Senate.

Additions shown by underscoring; deletions shown by strikethrough

STANDING ORDER 103.10 – SECURITY OF EMPLOYMENT

~~103.10: Security of Employment~~

~~Except as otherwise provided in a Memorandum of Understanding for faculty who are not members of the Academic Senate, a Lecturer Potential Security of Employment or Senior Lecturer Potential Security of Employment appointed at more than half time who has completed eight years of service in that title, or in that title in combination with other titles as established by the President, shall not be continued in that title after the eighth year unless given appointment with security of employment.~~

~~By exception, the President may approve appointment of a Lecturer Potential Security of Employment or Senior Lecturer Potential Security of Employment on more than half time beyond the eighth year without security of employment, but such appointment may not extend beyond two years.~~

~~An appointment with security of employment shall not be terminated except for good cause after the opportunity for a hearing before the properly constituted advisory committee of the Academic Senate.~~