

The Regents of the University of California

GOVERNANCE COMMITTEE

July 29-30, 2020

The Governance Committee met on the above date by teleconference meeting conducted in accordance with Paragraph 3 of Governor Newsom's Executive Order N-29-20.

Members present: Regents Anguiano, Elliott, Estolano, Kieffer, Lansing, Leib, Makarechian, Napolitano, Pérez, Sherman, and Zettel

In attendance: Regents Blum, Butler, Cohen, Kounalakis, Mart, Muwwakkil, Ortiz Oakley, Park, Reilly, and Stegura, Regents-designate Lott, Torres, and Zaragoza, Faculty Representatives Bhavnani and Gauvain, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Brown, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President Byington, Executive Vice President and Chief Operating Officer Nava, Vice President Gullatt, Interim Vice President Lloyd, Chancellors Block, Gillman, Hawgood, Khosla, Larive, May, Muñoz, and Wilcox, and Recording Secretary Johns

The meeting convened at 4:40 p.m. with Committee Chair Pérez presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of May 20, 2020 were approved, Regents Anguiano, Estolano, Kieffer, Lansing, Leib, Makarechian, Napolitano, Pérez, Sherman, and Zettel voting "aye."¹

2. REPORT OF THE REGENTS WORKING GROUP ON CHANCELLOR SEARCH AND SELECTION

[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.]

Regent Park recalled that the Regents Working Group on Chancellor Search and Selection had been established in December 2019 to determine how to improve the process of chancellor searches and selection in terms of efficiency and inclusivity. The Regents did not always review policies and rules as they should in order to ensure that policies and rules reflected current best thinking and best practices. In this difficult present time, it was incumbent on the Regents to reconsider how the University does business. The Board of Regents had delegated many authorities to the President of the University, the chancellors, and the Academic Senate, but chancellor appointments were a duty and power that the Board continued to reserve to itself, in consultation with and upon recommendation of the

¹ Roll call vote required by the Bagley-Keene Open Meeting Act [Government Code § 11123(b)(1)(D)] for all meetings held by teleconference.

President. This remained unchanged in this report, but the report highlighted how this process could be more efficient, accountable, and inclusive. The chancellor search process was somewhat arcane and there was not always an understanding of how to navigate the process and add value to it. The recommendations in the report were designed to address efficiency of process, promote better communication, and foster greater inclusivity. The recommendations reflected the desire for the search process to engage more meaningfully with the UC community, and worked to embed the values of diversity, equity, and inclusion in each phase of the process. The Working Group was assisted by Karen Zamarripa of Karen Zamarripa Consulting and Elaine Peters of Elaine Peters Executive Search.

Ms. Zamarripa commented that her work with the Working Group was focused not on solving a problem but on making the chancellor search and selection process even better. In their research for the Working Group, she and Ms. Peters wished to engage all members of the UC community, internal and external constituents who have a stake in the continued prestige and success of the University. The first step was development of a survey with the Office of the President and the Working Group. The survey was sent to all search advisory committee members who had participated in the last five chancellor searches, including faculty, students, alumni, foundation board members, Regents, and staff. The survey response rate was high at 49 percent. The survey was followed by 36 interviews. There were 14 interviews with internal stakeholders, including current and former Regents, current and former chancellors, student Regents, alumni, staff, and two faculty members who had served as Chairs of the systemwide Academic Senate. The consultants interviewed 11 external stakeholders, some from higher education policy, social justice advocacy, and research organizations which have a stake in the success of the University, as well as legislative staff, and two chancellor candidates who were ultimately not offered the job, but who were able to provide the candid experiences of candidates. The consultants also interviewed five representatives of comparator institutions and five national search firm principals. The consultants reviewed relevant policies and procedures at UC, the California State University, and comparator institutions.

Ms. Peters discussed the report findings. The consultants reviewed current policies—Regents Policy 7102: Policy on Appointment of Chancellors and Regents Policy 4400: Policy on University of California Diversity Statement—and the roles and responsibilities of the Board of Regents, the President, faculty, and the search firm. This review revealed the need to provide more clarity about these roles, and this would be an opportunity to strengthen the partnership of all those involved in the search process. There could be more clarity about expectations as well. The consultants reviewed the current process, including the preparation and training of the search committee, candidate qualifications, job descriptions, screening of applicants, which was a very important step in the process, campus visits and open forums, and communications between the Board, the President, and the search committee. The consultants found that having the Board more closely involved in the search process from start to finish would strengthen the results and improve the visibility of this important work. Clarity about roles would be a process improvement, so that everyone involved understands what they need to do and accomplish, and would provide transparency. The consultants reviewed the search firm's role and the work it does for the University. There was an opportunity to streamline the search by using the firm's

expertise to vet and screen qualified candidates. With regard to preparation and training of the search committee, one recommendation and best practice was training for the full search committee.

Based on findings from this research, the report made four policy and 13 process recommendations. The policy recommendations continued to rely on the expertise of all the UC community, and built upon the outstanding work already being done, including improvements initiated by President Napolitano and her staff. The report was intended to further strengthen the process and improve its success in recruiting and selecting leaders who reflect UC's values and commitment to excellence.

Regent Park asked Working Group members to provide comments.

Regent Cohen reported that the Working Group had had thorough discussions and had arrived at thoughtful conclusions. He expressed full support for the report recommendations, which would modernize the search process and take advantage of lessons learned from recent searches. This was an important responsibility of the Regents.

Regent Anguiano noted that the Working Group focused on inclusivity. With the inclusion of more diverse viewpoints, there was a better chance of diversifying the chancellor candidate pool, and UC would be in a better position to select the best candidates for these extremely important jobs. She stressed the importance of including more voices throughout the chancellor search process and expressed support for the report recommendations.

Regent Kieffer expressed support for the report recommendations. He noted that one recommendation had been controversial, and had been criticized by faculty and Academic Senate representatives. The reaction by faculty had been overwhelming, and this should give the Regents pause and called for some consideration.

Regent Leib emphasized that UC had an outstanding group of chancellors. The University had not made bad chancellor selections, and this report did not reflect on them. But there were specific procedural concerns and practical problems which Regent Leib had experienced when he served on chancellor search committees. One example was the fact that, in the end, the President must recommend a candidate. The Regents are responsible for approving or not approving that choice. Much takes place after the search committee makes its recommendations and presents these to the President. Sometimes candidates withdraw from the search because they receive offers from their home institutions or for other reasons. The end of the search committee process is not always the final answer, and the final result might be based on entirely different circumstances. In such a case, the report recommended that the President report to the Regents on the search committee and that there be an opportunity for Regents' review. While this type of situation had not occurred in the past, it might occur. The report recommended that the search firm do what is was paid to do, which was make the initial cuts from the candidate pool; this would save time for the Academic Senate. The Academic Senate had the ability to propose additional candidates. The recommendations were modest but important, and would improve the process.

Regent Lansing stated that the recommendations were modest and thoughtful. She had served on chancellor search committees and agreed with Regent Leib that having an additional meeting with the President about the final candidate choice would be helpful. Her greatest concern about the search process was not the lack of outstanding candidates, but leaks of information. When this occurs, candidates withdraw from the search because of concern about jeopardizing their current jobs. She requested clarification regarding the President's communication with the search committee about the final candidate choice. Regent Kieffer responded that the full search committee communicates its recommendation to the President, who makes a decision. The report recommended that the President then communicate to the Regents serving on that committee, including the Chair of the Board, which candidate he or she intended to appoint. The President would need the approval of that group before the choice was announced to the full Board. Regent Lansing expressed approval for this procedure, which would preserve confidentiality.

Regent Zettel expressed concern that this communication by the President only to a smaller group of Regents would lack transparency. It would not reflect the work done by the full search committee.

Regent Stegura praised the report for its effort to increase the pipeline of diverse chancellor candidates. She drew attention to the culture of these search committees. For alumni Regents who serve on a search committee, there can be a significant learning curve, and much to be learned about the academic world. She advised the University, during implementation of these recommendations, to be very careful to avoid building walls between the Regents serving on the search committee and other members of the committee. She agreed with Regent Zettel and stated that the President, at the point of having chosen a candidate, should make use of feedback from the alumni associations and student groups, and involve them.

Faculty Representative Gauvain encouraged the Regents to pause before taking action on these recommendations, to allow more time to speak with the Academic Senate and the new President about how to address concerns from the perspective of the campuses. As a faculty member, she found the recommendations pertaining to the faculty to be disappointing.

President Napolitano stated that many of the report recommendations reflected common sense, and some reflected practices which were already in place but had not been memorialized in policy. The chancellor search process could be improved, and roles could be clarified. Before the Regents amended policy, one should consider that the current Academic Council of the Academic Senate, as well as numerous past Chairs of the Academic Senate, had reservations about the recommendations. This involved one of the most important roles of the President. In addition to consulting with faculty to see if their differences could be worked out somehow, it would be useful to consult with President-designate Drake. There were two areas of concern for faculty: the notion that the search firm, rather than faculty, would carry out the initial screening of candidates; and the notion that, as the President selects a candidate, the President must go back to the Regent members of the search committee for approval, not just review and consultation. This would

represent a change in the President's and the faculty's power. President Napolitano stated her preference that the Regents receive the report now, see if the Working Group could have more consultation with faculty about the role of faculty in the search process, and then consult with President-designate Drake.

Regent Estolano underscored the importance of other report recommendations. One was to rotate among search firms. UC should not always use the same search firm. A second recommendation was to establish campus-specific job criteria. This factor, the question of campus-specific concerns and needs, had been very significant in the most recent search for the chancellor of the Merced campus. A third recommendation was to revise policy to specify a minimum number of nominees from identified stakeholder groups whom the President may appoint to the search committee. The Regents wanted to ensure that the composition of the search committee reflected the diversity of California. Regent Estolano stated that she wished to understand faculty concerns about the suggestion that the initial screening be done by the search firm. Based on her own experience of participation in a chancellor search, she had been struck by the large amount of work done by faculty, hours and hours that might have been avoided. It might be desirable to have the search firm reduce the pool of candidates from 800 to 500, and Regent Estolano felt that faculty time might be better used to opine on a smaller pool of candidates. A fourth important recommendation was for orientation and training for the full search committee on how the process works, clarifying roles and expectations.

Faculty Representative Bhavnani stated that the advantage of having the faculty do the initial screening of candidates, rather than a search firm, is that faculty are committed to the campus. Their participation in the process was important because a chancellor could not function without the confidence of the faculty. The faculty were happy to do the work of initial screening. Given that the President works with the chancellors, and that the chancellors report to the President, it made sense that the President would have a great deal of decision-making authority in this process. It made sense that the President would discuss his or her final appointment decision with the Regents, but to codify this as policy might suggest to an outside observer that the Board did not have faith in its Presidents. She noted that President-designate Drake would begin serving as President in about two weeks. It might be desirable to hear his views on this policy matter.

Committee Chair Pérez asked if the Working Group consulted with Academic Senate leadership before presenting this report. Regent Park responded that she and Regent Leib spoke with the current Chair and Vice Chair of the Academic Senate and discussed this report before it was sent to the Regents. The survey and interviews included Academic Senate members who had participated in prior searches. Academic Senate members were well represented in the survey, although not as well in the interviews. Their feedback was taken into account.

Committee Chair Pérez expressed frustration about the fact that he first found out about the Academic Senate's concerns from the *Los Angeles Times*, before hearing from the Academic Senate directly. He asked if Regent Park had been made aware of these concerns earlier. Regent Park responded that, in her meetings with the Chair and Vice Chair of the

Academic Senate, after they had received an advance copy of the report, the depth and breadth of their concerns were not made apparent. She and Regent Leib were first made aware of these concerns when they received a letter from Ms. Bhavnani. Regent Park had first seen a letter with multiple signatories, former Chairs of the Academic Senate, the previous day, at which time the *Los Angeles Times* had the letter or the information.

Committee Chair Pérez reiterated his frustration about information being provided to the press but withheld from individuals with whom one hoped to engage and arrive at a resolution. Nevertheless, he was sympathetic to the Academic Senate's concern about its role in the screening process, and it seemed to him that this role could be maintained. Another criticism by the Academic Senate concerned the authority of the Regents. It was Committee Chair Pérez's understanding that, ultimately, the appointment of chancellors was a Regental action, in consultation with and upon recommendation of the President, but a reserved privilege of the Board. General Counsel Robinson confirmed that this was correct; this privilege was reserved in the Regents Bylaws. Committee Chair Pérez stated that he wished to maintain what was appropriately a privilege of the Board, but also wished to understand the faculty's concern about its role in the screening process.

Regent Park quoted from the letter with multiple signatories: "Under the proposal currently before you, this role for the faculty would be eliminated and handed over to a non-University search firm." The letter suggested that Regents Policy 7102, as it currently stood, included a role for faculty to screen initially a large group of potential candidates for the position. In fact, the current policy made no reference at all to the initial screening and did not assign this task. The Working Group asked if there was written documentation authorizing, recommending, or mandating this practice, by the President or the Regents, and the answer was that there was no such documentation.

Committee Chair Pérez asked if past UC policy supported this assertion by Regent Park. Mr. Robinson responded that past policy made no specific mention of the faculty carrying out the function being discussed here.

Regent Park noted that the proposed policy revisions clearly stated that faculty and other stakeholders can submit any number of candidates to the Committee for consideration, and that the full Committee, of which the five faculty members are full and active participants, would evaluate these candidates, interview candidates, and advise the President. The report contained a recommendation that the search firm carry out the initial screening. This initial screening typically involved internet searches on a very large database of names, the vast majority of which are known to the search firm. This was a question of the search committee's time, not just the faculty members' time. The point of the search was not to create the largest candidate database possible. Search committee members, faculty and others, have limited time; the search process should be as effective as possible. The insight provided by faculty in these searches was valuable, but the exercise of reviewing 800 names was not a good practice. The proposed revisions to the policy were not intended to eliminate the faculty's voice in these searches and supported the expression of the faculty's views and opinions in the full search process. Many of the proposed revisions were focused on efficiency, better communication, and inclusivity.

Regent Leib referred to the proposed policy revision which provided that the President would meet with the Regent members of the search committee to discuss the candidate the President intended to propose. He noted that the Regent members of the search committee could not approve or disapprove of this candidate. The President's recommendation would be presented to the full Board. The proposed revision allowed for review by Regents, while, under the current scenario, the Regents' approval was a rubber stamp process.

Regent Kieffer referred to the letter that had been signed by 20 former Chairs of the Academic Senate. He suggested that the Regents take more time to consider this question, with more input by faculty and the views of President-designate Drake.

Ms. Bhavnani asked why the proposed revisions would delete the following language from Regents Policy 7102: "The five faculty members on the Committee, working with the President of the University or the President's designee will submit to the Committee for evaluation not fewer than five promising candidates." If faculty were to continue to propose promising candidates, they needed to be able to look at all names in the initial pool.

Referring to Regent Leib's prior comment, President Napolitano quoted language in the proposed revision: "the President shall meet and discuss candidates with the Regent members of the Committee and then propose a candidate for approval by the Regent members of the Committee..." This meeting with the Regent members of the search committee was for approval, not for review and consultation. This represented a change. President Napolitano commented on the iterative nature of the chancellor search process and noted that many elements of this process had been a longstanding custom at UC but had not been put in writing. The report had raised a key question about the relative roles of the search firm and the faculty in identifying candidates.

Ms. Gauvain referred to Recommendation 13 in the report, "Utilize the selected search firm to conduct the initial screening of applicants," which was directly related to the faculty involvement being discussed now. In her view, this was too unspecific. Based on her experience in searches for high-level administrators, search firms vary tremendously in their understanding of campuses and their commitment to the search. She had misgivings about this placing of trust in the search firm.

Regent Anguiano observed that the rationale for this recommendation was not to preclude faculty from proposing names, but to allow other stakeholders to propose names as well, and in the interest of having a more diverse pool of candidates. The search firm would receive input from all stakeholder groups.

Regent Zettel remarked that anyone participating on the search committee could propose names. Listening to the views of faculty was an important part of the process.

Regent Lansing requested clarification about what authority would change under the proposed revision and about the Regents' authority, as stated in the Regents Bylaws, to appoint chancellors. Committee Chair Pérez responded that the appointment of chancellors was a reserved power of the Board. The process by which the President exerts his or her

delegated authority in developing that recommendation would change under the proposed revision. The actual appointment of chancellors was and always had been in the purview of the Board. Mr. Robinson stated that his interpretation of this difference was that the Regent members of the search committee could veto a preferred choice of the President before this was brought to the full Board. The proposed language stated that the President shall “propose a candidate for approval by the Regent members of the Committee...” This suggested that, if the Regent members of the search committee did not approve the candidate, the President would have to proceed with a different recommendation.

Regent Lansing asked if the Regents had not used this power in the past. Committee Chair Pérez responded that, in the past, the President made a recommendation to the full Board. The essential question about the proposed revision was whether it meant that there would now be two approvals necessary: first, approval by Regent members of the search committee, and then approval by the full Board. Mr. Robinson reiterated that he would interpret this language to mean that the Regent members of the search committee must approve the recommendation before it goes to the full Board.

Regent Lansing requested clarification on the question of whether the proposed revision would take a power or authority away from the President which the President had always had. President Napolitano responded that the search practice had been the following. The full search committee narrows the field to seven or eight candidates whom it interviews. Then the full committee provides input on these interviewees to the President. The President then carries out his or her own review and narrows this group down to three or four candidates. Under the proposed revision, the President would be required not only to go back to the Regent members of the search committee to discuss those three or four candidates again, but to get their approval of a candidate who would be submitted to the full Board. Under the current scenario, once the interviews are held and the full search committee provides its input, the President then does his or her own work and makes a recommendation to the full Board.

Regent Lansing stated that this description of the process was exactly what she had experienced. The Regents had more authority than they had exercised in this process.

With regard to concerns raised about the role of the search firm, Regent Park commented that, if the University did not believe that a search firm had UC’s interests as its foremost goal, then UC should not hire that search firm. This could be determined in the Request for Proposal and selection processes. The question of the search firm’s role was one that could continue to be discussed during the process of implementation of the report recommendations. Regent Park felt that there were other instances in the process where faculty could provide their views and help design the process. She noted that there was a tension between transparency and confidentiality in determining who would know what and when. Because the appointment of chancellors was a reserved power of the Board, the Regent members of the search committee were treated differently in the proposed revision to Regents Policy 7102. Regent Park stated that she was astonished at the letter signed by past Chairs of the Academic Senate, which in some respects was not respectful and did not recognize the purview of the Board and the reporting structures, delegated authorities, and

responsibilities that are made clear in the Bylaws and Standing Orders. There seemed to be a suggestion that chancellors were political appointees of the President who, if they were not chosen by the President, would not be loyal to the President. This view was not credible and contrary to UC policies. Regent Park felt that this concern could be dispelled by taking a close look at the existing Bylaws and Standing Orders. Action on this matter should not be delayed. The proposed policy revision was not an attack on shared governance.

3. **ACCEPTANCE OF THE REPORT OF THE REGENTS WORKING GROUP ON CHANCELLOR SEARCH AND SELECTION**

[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.]

The Committee did not take action on this item. Committee Chair Pérez stated that, in lieu of acting on the item, he would like to recognize that the Regents acknowledged receipt of the report of the Regents Working Group on Chancellor Search and Selection and would address the recommendations of the report when they took up the action item *Amendment of Regents Policy 7102 – Policy on Appointment of Chancellors, the Charters of the Governance Committee and Health Services Committee, and the Schedule of Reports to the Regents* the following day.

4. **APPROVAL OF CONFERRAL OF THE EMERITUS TITLE SUFFIX FOR LARRY RINDER AS DIRECTOR OF THE BERKELEY ART MUSEUM AND PACIFIC FILM ARCHIVE, BERKELEY CAMPUS AS DISCUSSED IN CLOSED SESSION**

The Governance Committee recommended approval as an exception to policy of the conferral of the title of Director of the Berkeley Art Museum and Pacific Film Archive Emeritus, Berkeley campus, upon Larry Rinder, effective upon approval.

The President of the University recommended the conferral of the title of Director of the Berkeley Art Museum and Pacific Film Archive Emeritus, Berkeley campus, upon Larry Rinder, who has recently retired from UC, for his meritorious contributions to the fulfillment of the mission and programs of the University during his tenure as Director.

The conferral of the emeritus title for Mr. Rinder is an exception to policy, as the role of Director of the Berkeley Art Museum and Pacific Film Archive (BAMPFA) is in the Managers and Senior Professionals (MSP) Personnel Program, and Regents Policy 1203: Policy on Emerita/Emeritus Title Suffix does not include MSP positions. Therefore, approval by the Regents is being sought.

[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 Pérez briefly introduced the item.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Anguiano, Elliott, Estolano, Kieffer, Lansing, Leib, Makarechian, Napolitano, Pérez, Sherman, and Zettel voting "aye."

5. **APPROVAL OF EXTENSION OF APPOINTMENT OF AND COMPENSATION FOR PEGGY ARRIVAS AS INTERIM ASSOCIATE VICE PRESIDENT – CAPITAL ASSET STRATEGIES AND FINANCE, IN ADDITION TO HER EXISTING APPOINTMENT AS ASSOCIATE VICE PRESIDENT – SYSTEMWIDE CONTROLLER, OFFICE OF THE PRESIDENT AS DISCUSSED IN CLOSED SESSION**

The Governance Committee recommended approval of the following items in connection with the extension of the appointment of and compensation for Peggy Arrivas as Interim Associate Vice President – Capital Asset Strategies and Finance, in addition to her existing appointment as Associate Vice President – Systemwide Controller, Office of the President:

- A. Appointment of Peggy Arrivas as Interim Associate Vice President – Capital Asset Strategies and Finance, Office of the President, effective June 15, 2020 through June 14, 2021 or until the appointment of a new Associate Vice President – Capital Asset Strategies and Finance, whichever occurs first.
- B. Per policy, continued appointment as Associate Vice President – Systemwide Controller, Office of the President.
- C. Per policy, an annual base salary of \$384,252 during the appointment as Interim Associate Vice President – Capital Asset Strategies and Finance, Office of the President. At the conclusion of the interim appointment, Ms. Arrivas's annual base salary will revert to her annual base salary in effect as of June 5, 2018, plus any adjustments made under the Office of the President salary program since that date.
- D. Per policy, continuation of standard pension and health and welfare benefits and standard senior management benefits including eligibility for senior manager life insurance and executive salary continuation for disability.
- E. Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all applicable program requirements.
- F. Per policy, continuation of monthly contribution to the Senior Management Supplemental Benefit Program.
- G. Ms. Arrivas will continue to comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.

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.

The proposed interim base salary is unchanged and reflects a 3.5 percent merit increase from the 2019 systemwide merit program. The proposed base salary is 10.7 percent (\$37,284) above Ms. Arrivas's career appointment salary (\$346,968), 1.25 percent above the 75th percentile (\$379,500) of the Market Reference Zone for the AVP – Capital Asset Strategies and Finance position and 18.3 percent above the previous career incumbent's salary of \$324,805. Ms. Arrivas will remain eligible to participate in systemwide merit programs consistent with University-wide guidelines.

In 2018, an assessment of the Office of the Executive Vice President – Chief Financial Officer was initiated and the decision was made not to backfill the AVP – Capital Asset Strategies and Finance position or launch a national search until the assessment had been completed to determine the appropriate structure. Prior to his appointment as the Interim Chancellor for UC Merced, Executive Vice President and Chief Financial Officer (CFO) Brostrom requested that Ms. Arrivas be appointed as the Interim AVP – Capital Asset Strategies and Finance as she took on the full set of responsibilities of that role in addition to her career responsibilities as the AVP – Systemwide Controller.

This action requires approval by the Regents because the proposed base salary is above the 75th percentile of the Market Reference Zone for this Level Two Senior Management Group position.

[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 Pérez briefly introduced the item.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Anguiano, Elliott, Estolano, Kieffer, Lansing, Leib, Makarechian, Napolitano, Pérez, Sherman, and Zettel voting "aye."

6. **SUSPENSION OF BYLAW 21.7 FOR THE LIMITED PURPOSE OF ENABLING REGENTS BLUM AND KOUNALAKIS TO SERVE IN UNCOMPENSATED POSITIONS ON AN ADVISORY BOARD ON THE BERKELEY CAMPUS**

The Chair of the Governance Committee recommended that the Governance Committee recommend to the Regents that Bylaw 21.7 be suspended for the limited purpose of enabling Regents Blum and Kounalakis to continue to serve in uncompensated positions on the Board of the Haas School of Business at the University of California, Berkeley.

[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 Pérez briefly introduced the item. He asked the Regents concerned in this item to recuse themselves and to exit the video conference space as the Committee took action.

[At this point Regents Blum and Kounalakis left the meeting.]

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Anguiano, Elliott, Estolano, Kieffer, Lansing, Leib, Makarechian, Napolitano, Pérez, Sherman, and Zettel voting "aye."

[At this point Regents Blum and Kounalakis joined the meeting.]

7. **ANNUAL REPORT ON COMPENSATED OUTSIDE PROFESSIONAL ACTIVITIES FOR THE SENIOR MANAGEMENT GROUP FOR CALENDAR YEAR 2019**

[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 Pérez briefly introduced the item. There were no questions from Regents.

The Committee recessed at 6:15 p.m.

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The Committee reconvened on July 30, 2020 at 3:30 p.m. with Committee Chair Pérez presiding.

Members present: Regents Anguiano, Elliott, Estolano, Kieffer, Lansing, Leib, Makarechian, Napolitano, Pérez, Sherman, and Zettel

In attendance: Regents Butler, Cohen, Kounalakis, Mart, Muwwakkil, Ortiz Oakley, Park, Reilly, and Stegura, Regents-designate Lott, Torres, and Zaragoza, Faculty Representatives Bhavnani and Gauvain, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Brown, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President Byington, Executive Vice President and Chief Operating Officer Nava, Vice President Maldonado, Chancellors Christ, Gillman, Hawgood, Khosla, May, Muñoz, and Wilcox, and Recording Secretary Johns

8. **AMENDMENT OF REGENTS POLICY 7102 – POLICY ON APPOINTMENT OF CHANCELLORS, THE CHARTERS OF THE GOVERNANCE COMMITTEE AND HEALTH SERVICES COMMITTEE, AND THE SCHEDULE OF REPORTS TO THE REGENTS**

A. The Regents Working Group on Chancellor Search and Selection recommends that the Governance Committee recommend that the Regents approve amendments to Regents Policy 7102 – Policy on Appointment of Chancellors, the Charter of the

Governance Committee, and the Schedule of Reports to the Regents, related to the recommendations of the Working Group, as shown in Attachments 1 to 3.

- B. The Chair of the Governance Committee recommends to the Regents that the Charter of the Health Services Committee and the Schedule of Reports to the Regents be amended as shown in Attachments 3 and 4.

[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 Pérez began the discussion by noting that this action item followed up on the discussion item of the prior day, *Report of the Regents Working Group on Chancellor Search and Selection*. There had been an extensive discussion.

Regent Kieffer asked if there had been any discussion with the Faculty Representatives following the discussion the previous day. Committee Chair Pérez responded in the negative.

Faculty Representative Bhavnani stated that she would like to debate postponing action on this item. Committee Chair Pérez clarified that a motion to delay action on the item would have to be made by a Regent.

Ms. Bhavnani stated that issues of diversity were very important as the University considered future hires including chancellors. She asked that the Regents consider keeping Regents Policy 7102 – Policy on Appointment of Chancellors as it was and consider how to improve diversity, through training of search committee members and appointment of a diversity advisor who could review discussions and decisions.

Regent Kieffer expressed support for the report recommendations, but noted that, in the past, the Regents had put off voting on items when there were concerns by a key constituency. He felt uncomfortable about approving the item when 20 past Chairs of the Academic Senate had concerns.

Regent Zettel stated that she would be in favor of deferring action on the item to allow for more discussion, so that faculty could air their concerns. She made a motion to postpone action on the item.

Upon motion duly made by Regent Zettel and seconded by President Napolitano, the motion to postpone action on the item failed, Regents Anguiano, Elliott, Estolano, Leib, Makarechian, Pérez, and Sherman voting “no” and Regents Kieffer, Lansing, Napolitano, and Zettel voting “aye.”

Regent Park referred to Faculty Representative Gauvain’s concerns expressed the prior day about the role of the faculty versus that of the search firm. Regent Park believed that this question could be worked out more fully in the implementation, with guidance documents issued by the Office of the President in consultation with Academic Senate leadership and

stakeholders. She was fully committed to having that process take place but stressed the need to implement the report recommendations. Regent Stegura had cautioned against creating barriers within the search committee. Regent Park was sensitive to this point she raised. The search committee members were equals in the search process, but, based on the previous day's discussion of the role of the Regents, she believed that it was appropriate to treat the Regents on the search committee differently before the search committee commences its function and after it finishes its work.

Regent Estolano commented that, in her view, the actual proposed changes to the language in the policy were not controversial. There could be discussion of guidance and the specifics of the process, which were not spelled out in the policy. The policy stated general principles. The actual process would be worked out with grace and stakeholder engagement. She urged an "aye" vote on this item. She expected that the Regents would be able to work with the leadership of the Academic Senate to arrive at a process in which all would feel that their voice was heard.

Regent Lansing hoped that the incoming President would be comfortable with this action. She emphasized that, although the search firm would do an initial screening, faculty could propose or add as many candidates as they wished. She expressed support for the item.

Regent Leib stated that the proposed changes were modest and would improve efficiency; they would not in any way diminish the role of faculty or the Academic Senate.

Regent Cohen expressed support for the item.

President Napolitano opined that a matter involving faculty should be worked out before the Regents adopt a change in policy. She took Regent Park at her word that there would be serious consultation with faculty about the clarification of the relative roles of the faculty and the search firm as the policy was implemented. The remainder of the proposed changes were positive, and she expressed support for the item.

Regent Zettel requested clarification of the search firm's role in screening candidates, which was not stated in the policy. Regent Park responded that Regents Policy 7102 only covered certain topics. The report itself contained 17 recommendations, some of which concerned the role of the search firm at a rather high level. In the recommendations, the search firm is to do the initial screening at the very beginning of the process. The process of how candidates are added to the pool had not changed. The Working Group felt that the policy did not need to memorialize every step of the process. Certain elements of the process which were not appropriate to include in policy could be specified in guidance documents.

In response to another question by Regent Zettel, Regent Park explained that, in the policy as it currently stood, the five faculty members on the search committee submit not fewer than five candidates; under the proposed revision, faculty and other UC stakeholders can submit any number of candidates for the search committee's consideration.

Ms. Gauvain stated that, while she had hoped that this item could be postponed, she understood the reasons for proceeding, and she looked forward to working with Regent Park and others on the specifics of implementation of the policy.

Ms. Bhavnani stated that faculty had spoken clearly against this item and were not happy with the deletion of the policy language stating that the five faculty members on the search committee will submit not fewer than five candidates.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Anguiano, Elliott, Estolano, Kieffer, Lansing, Leib, Makarechian, Napolitano, Pérez, and Sherman voting "aye" and Regent Zettel abstaining.

The meeting adjourned at 3:55 p.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

Regents Policy 7102 – Policy on Appointment of Chancellors

Approved May 15, 1981

*Amended January 2008 and June 26, 2018**

POLICY SUMMARY/BACKGROUND

The Policy on Appointment of Chancellors facilitates the selection of candidates for Chancellorships by outlining the selection process for search advisory committee membership and the roles and responsibilities of the committee members.

POLICY TEXT

1. The President of the University will ~~conduct a continuous search for promising candidates for Chancellorships~~ ensure that the University has a continuous robust process for identifying promising candidates. This process is included as an important complement to the systematic nationwide search which will be undertaken each time a vacancy occurs.
2. When a vacancy occurs or is imminent, the Board and the President each has a role in the appointment of a new chancellor. ~~A~~ a search advisory committee will be appointed formed to advise the President of the University. ~~appointment.~~

The Committee will consist of:

- The President of the University, who will serve ex-officio;
- The Chair of the Board, who will serve ex-officio;
- Five ~~five~~ Regents appointed by the Chair of the Board;

~~as well as the Chair of the Board and the President of the University, who serve ex-officio.~~

~~Additional committee members will be selected as follows:~~

- Five ~~five~~ faculty members appointed by the President of the University;
 - one shall be either the Chair or Vice Chair of the Academic Council;
 - one shall be a faculty member from a campus other than the one that is the subject of the search, chosen from a panel of no less than three

nominees submitted by the Academic Senate's Universitywide Committee on Committees; and

- three shall be campus faculty members chosen from a panel of no less than six nominees submitted by the campus Academic Senate Committee on Committees.

- ~~A~~a graduate and an undergraduate student appointed by the respective graduate and undergraduate student associations of the campus;

- ~~An~~an alumni representative appointed by the alumni association of the campus;

- ~~A~~a Foundation representative chosen by the President from a panel of no less than three names submitted by the Campus Foundation; and

- ~~A~~a staff employee representative of the campus ~~selected~~ chosen by the President from a panel of no less than three names submitted by the Campus Staff Assembly ~~shall be invited to attend all meetings of the Committee with full participation in discussion and debate. The President of the University will convene the Committee.~~

3. The President of the University will meet with the Regent members of the Committee prior to the retention of the search firm and appointment of other members of the Committee to discuss the search process. The President will convene the Committee and ensure that the Committee has a strong balance of skills, background, and experience, and represents the diversity of the University community.

~~3. 4. The five faculty members on the Committee, working with the President of the University or the President's designee will submit to the Committee for evaluation not fewer than five promising candidates. The Committee shall solicit the opinions of a wide variety of groups in the search for candidates. The Committee shall invite faculty and other university stakeholders to submit any number of promising candidates to the Committee for consideration. The Committee will evaluate these nominations and may consider or suggest other names. It may shall interview candidates. It will solicit the opinions of other interested groups in whatever manner it considers appropriate.~~

~~4. 5. Both the The Committee and the President shall be mindful of the University's firm commitment to diversity in the employment of women and minorities in seeking out the most qualified candidates.~~

~~5. 6. After the Committee has completed its evaluations process, and advised the President of the University, the President shall meet and discuss candidates with the Regent members of the Committee and then propose a candidate for approval by the Regent members of the Committee prior to making the President will make his or her recommendation to~~

¶the Board of Regents for consideration and approval. The President shall notify all non-Regent members of the Committee of the recommendation at an appropriate time.

NO RIGHT OF ACTION

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California or its Board of Regents, individual Regents, officers, employees, or agents.

**Technical Amendments made by the Secretary and Chief of Staff to the Regents per Policy 1000*

Additions shown by double underscoring; deletions shown by strikethrough

Appendix D – Charter of the Governance Committee

- A. Purpose. The Governance Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the organization and management of the Board, pertaining to the appointment and compensation of the University's senior leadership, performance evaluation of the Principal Officers and the President of the University, and personnel policies for senior leadership, and pertaining to the development, review and amendment of employee compensation and benefits programs and policies.
- B. Membership and Terms of Service. The Committee shall consist of the President of the Board, the Chair and Vice Chair of the Board, the President of the University, the immediate past Chair of the Board if that individual is still a Regent, and the Chairs of the Standing Committees. The Chair of the Board shall be the Chair of the Committee and the Vice Chair of the Board shall be the Vice Chair of the Committee. All members shall be voting Regents, with no advisory members.
- C. Delegated Authority. The benchmarking framework for UC Health compensation shall be reviewed and approved by both the Health Services Committee and the Governance Committee at least every two (2) years. The Health Services Committee and the Governance Committee shall also approve any new UC Health positions in the Senior Management Group and their corresponding salary ranges for positions that are not State-funded without further Regents action.

Matters requiring Board or Committee action between meetings may be approved by the Governance Committee.

The Chair of the Board may make appointments to any external boards that specify in statute that the Board of Regents shall make such appointments.

The Governance Committee shall periodically approve the Request for Proposals used to qualify search firms for campus chancellors.

Additions shown by double underscoring; deletions shown by strikethrough**SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to the Policy on Reports to Regents]**

Amended July 2019 <u>2020</u>	Month(s) Provided to Regents
BOARD	
Annual University of California Accountability Report	July
UC Health Strategic Plan and Budget	May
Health Systems Transactions Approved by Health Services Committee (<i>mbm</i>)	July
GOVERNANCE AND COMPENSATION COMMITTEE	
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 (<u><i>mbm</i></u>)	July
Semi-Annual Report on Outside Professional Activities Approved in the Preceding Six Month Period: Incumbents in Senior Management Positions (<i>mbm</i>)	January July
Annual Report on Compensated Outside Professional Activities for Calendar Year ____: Deans and Faculty Administrators (<i>mbm</i>)	January
Annual Compensation Monitoring Report for Calendar Year ____: Actions for Certain Athletic Positions and Coaches Systemwide (<i>mbm</i>)	July
<u>Annual Report on Diversity in Campus and Systemwide Executive Searches</u>	<u>September</u>
COMPLIANCE AND AUDIT COMMITTEE	
Biennial Report on Risk Management (<i>mbm</i>)	November
Annual Report on Use of Outside Counsel (<i>mbm</i>)	January
Annual Report on Settlements and Separation Agreements (<i>mbm</i>)	January

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

Bi-Monthly Report on New Litigation (mbm)	January March May July September November
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Internal Audit Plan	July
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Annual Review of External Audit of Hastings College of the Law (mbm)	March
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Report on Financial Statements and Expenditures of Federal Awards in Accordance with Uniform Guidance (mbm)	March
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Annual Ethics and Compliance Plan	July
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Annual Report on Ethics and Compliance	September
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Annual Report of External Auditors for the Year Ended June 30, ____	November
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Annual Report on Internal Audit Activities	November
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ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Annual Report on Student Financial Support (mbm)	March
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Annual Report on Undergraduate Admissions Requirements and Comprehensive Review (mbm)	March
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Annual Report on Self-Supporting Professional Degree Programs (mbm)	August
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Annual Accountability Sub-Report on Diversity at the University of California	May
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University of California Technology Commercialization Report (mbm)	May
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Annual Report on Implementation of Regents Policy on Student-Athletes and the Guiding Principles to Enhance Student-Athlete Welfare (<u>mbm</u>)	September
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FINANCE AND CAPITAL STRATEGIES COMMITTEE

Annual Report on University Housing Assistance Programs (mbm)	January
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University of California Financial Reports	November
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Annual University of California Retirement Plan-Actuarial Valuation Report	November
Annual Actuarial Valuation of the University of California Retiree Health Benefit Program	November
Annual Report on Debt Capital and External Finance Approvals (mbm)	February
Annual Report on Major Capital Projects Implementation (mbm)	October
Capital Financial Plan	November
Significant Information Technology Projects	March July (mbm) November (mbm)

HEALTH SERVICES COMMITTEE

University of California Medical Centers Reports (mbm)	March June November
Annual Report on Health Sciences Compensation Plan Participants' Compensation that Exceeds the Reporting Threshold (mbm)	November
Annual Report on Student Health and Counseling Centers and UC Student Health Insurance Plan (mbm)	March

INVESTMENTS COMMITTEE

Annual Endowment Investment Report (mbm)	December
Annual Report of the Chief Investment Officer	September

PUBLIC ENGAGEMENT AND DEVELOPMENT COMMITTEE

Annual Report on Private Support, Major Donors, and Namings and Endowed Chairs	November
Annual Report on Sustainable Practices	January

Additions shown by underscoring; deletions shown by strikethrough

Appendix E – Charter of the Health Services Committee

- A. Purpose. The Health Services Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University’s health professions schools, academic health centers, health systems, non-hospital clinics and student health and counseling centers (“UC Health”).
- B. Membership. The Committee shall consist of sixteen members, constituted as follows:
- The President of the Board, serving in an ex officio capacity
 - The Chair of the Board, serving in an ex officio capacity
 - The President of the University, serving in an ex officio capacity
 - A member of the Regents Finance and Capital Strategies Committee
 - Six other Regents
 - The senior executive in the Office of the President charged with overseeing UC Health, serving in an ex officio capacity
 - Three Chancellors of University of California campuses with medical schools
 - One member in good standing of the Academic Senate, holding a clinical appointment at one of the University’s health sciences schools
 - Four additional advisory members, demonstrating expertise in health care delivery management, academic health services, health care mergers and acquisitions or other relevant expertise
- C. Appointment. Except for ex officio members, all members of the Committee, and those chosen to serve as Chair and Vice Chair, shall be nominated by the ~~Governance Committee~~ Special Committee on Nominations, and approved by the Board. Candidates for the Chancellor, Academic Senate, and Advisory Member positions on the Committee shall be forwarded for consideration to the Special Committee on Nominations by the President of the University.
