

The Regents of the University of California

GOVERNANCE COMMITTEE

September 16, 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, Drake, Elliott, Kieffer, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel

In attendance: Regents Butler, Kounalakis, Mart, Muwwakkil, Ortiz Oakley, Park, Reilly, Stegura, and Sures, Regents-designate Lott and Zaragoza, Faculty Representative Gauvain, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Brown, Executive Vice President and Chief Operating Officer Nava, Vice President Leasure, Interim Vice President Lloyd, Chancellors Block, Christ, Gillman, Hawgood, Khosla, Larive, May, Muñoz, Wilcox, and Yang, and Recording Secretary Johns

The meeting convened at 2:55 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 July 29–30, 2020 were approved, Regents Anguiano, Elliott, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting “aye.”¹

2. APPROVAL OF RETROACTIVE APPROVAL OF ATHLETIC CONTRACT COMPONENTS THAT EXCEEDED SEPTEMBER 2008 PARAMETERS AS DISCUSSED IN CLOSED SESSION

The Committee recommended retroactive approval of the contract components exceeding the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters or Parameters) for the following current University of California employees:

A. Justin Frye, Assistant Football Coach, Los Angeles campus

Overall Cumulative Total Guaranteed Compensation in the amount of \$1.15 million that Mr. Frye received as Assistant Football Coach, Los Angeles campus, under the contract effective February 23, 2018 to February 28, 2020. This exceeded the September 2008 Parameters because the overall cumulative total of Guaranteed Compensation of \$1.15 million was a 35.29 percent increase over 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.

previous incumbent's overall cumulative total of Guaranteed Compensation of \$850,000, after the calculation is adjusted so that a change in contract duration does not impact the comparison. All other components of the contract were found to be within the Parameters.

B. James Les, Head Coach, Men's Basketball, Davis campus

Additional deferred compensation in the form of a retention bonus in the amount of \$53,333 to be paid for year eight of his contract (July 2024 – June 2025). This exceeds the September 2008 Parameters because this results in total deferred compensation in the form of a retention bonus over the life of the contract of \$373,331, although the Guaranteed Compensation for the first year of the contract was \$320,000. All other components of the contract were found to be within the Parameters.

C. Angus McClure, former Assistant Football Coach, Los Angeles campus (currently with the Berkeley campus)

Overall Cumulative Total Guaranteed Compensation in the amount of \$650,000 that Mr. McClure received as Assistant Football Coach, Los Angeles campus, under the contract amendment effective July 1, 2016 to June 30, 2018. This exceeded the September 2008 Parameters because the overall cumulative total of Guaranteed Compensation of \$650,000 was a 36.8 percent increase over the overall cumulative total of Guaranteed Compensation of \$475,000 from the amendment effective July 1, 2015 to June 30, 2017, both of which were for the same duration. All other components of the contract were found to be within the Parameters.

D. Joe Pasternack, Head Coach, Men's Basketball, Santa Barbara campus

Use of student service fees to fund a portion of Mr. Pasternack's compensation during the term of his current contract from April 6, 2017 to April 5, 2022. The use of student fees to fund a coach's compensation exceeds the September 2008 Parameters, which require seeking Regental review and approval if the funding of a coach's contract comes from sources other than athletic department revenues (including athletic equipment supplier agreements) or private fundraising. All other components of the contract were found to be within the Parameters.

E. Peter Sirmon, Assistant Football Coach, Berkeley campus

Annual Guaranteed Compensation of \$385,000 that Mr. Sirmon received as Assistant Football Coach, Berkeley campus, during year one of his 2018-19 contract. This exceeded the September 2008 Parameters because the annual Guaranteed Compensation of \$385,000 in year one was a 47.5 percent increase over the annual guaranteed compensation of \$251,000 in the previous incumbent's final contract year in the position. All other components of the contract were found to be within the Parameters.

The compensation described above shall constitute the University's total commitment for the elements of compensation addressed above until modified by the Regents, President, or Chancellor, 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.

[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 recommendation and voted to present it to the Board, Regents Anguiano, Drake, Elliott, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting "aye."

3. **APPROVAL OF INCENTIVE COMPENSATION USING NON-STATE FUNDS FOR FISCAL YEAR 2019–20 FOR JAGDEEP SINGH BACHHER AS CHIEF INVESTMENT OFFICER AND VICE PRESIDENT – INVESTMENTS, OFFICE OF THE PRESIDENT AS DISCUSSED IN CLOSED SESSION**

The Committee recommended approval of an incentive award of \$750,611 for Plan Year 2019–20, under the Office of the Chief Investment Officer Annual Incentive Plan (AIP), for Jagdeep Singh Bachher as Chief Investment Officer and Vice President – Investments, Office of the President. The recommended incentive award represents 109 percent of Mr. Bachher's total salary paid as of the end of the 2019–20 Plan Year of \$690,527.

The incentive compensation described above shall constitute the University's total commitment regarding incentive compensation 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.

[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 recommendation and voted to present it to the Board, Regents Anguiano, Drake, Elliott, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting "aye."

4. **APPROVAL OF COMPENSATION FOR MARTIN JARMOND AS DIRECTOR OF INTERCOLLEGIATE ATHLETICS, LOS ANGELES CAMPUS AS DISCUSSED IN CLOSED SESSION**

The Committee recommended approval, as an exception to the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters), of a payment for the benefit of Martin Jarmond, Director of Intercollegiate Athletics, Los Angeles campus, not to exceed \$1,491,000 for the income tax costs attributed to him in connection with the payment to Boston College made by the UCLA Foundation for the early contract termination cost, to be funded using allowable funding sources, as noted in the September 2008 Parameters.

[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 recommendation and voted to present it to the Board, Regents Anguiano, Drake, Elliott, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting “aye.”

5. **AMENDMENT OF BYLAW 21.7 – REGENT COMPENSATION – REGARDING REGENTS' PARTICIPATION IN UNCOMPENSATED UNIVERSITY-AFFILIATED POSITIONS**

The General Counsel recommended that, following service of appropriate notice, the Regents amend Bylaw 21.7 – Regent Compensation as shown below.

Additions shown by underscoring

21.7 Regent Compensation.

No Regent shall receive salary or other compensation for service as a Regent, nor shall any Regent, other than the President of the University, be eligible for compensated employment or appointment in any University-affiliated position. Notwithstanding the foregoing, the student Regent shall be eligible for part-time compensated University employment and a scholarship per Regents Policy 1202: Policy on Appointment of Student Regent. A Regent shall be eligible for uncompensated employment or appointment to a University-affiliated position upon approval by the Chair and Vice Chair of the Governance Committee. In the case of the inability of the Chair of the Board or the Vice Chair of the Board to approve because of unavailability or conflict, the Chair of the Audit and Compliance Committee may approve. Within limits pursuant to University policy, Regents may be reimbursed for actual expenses incurred by reason of attendance at any Board or Committee meeting or in the performance of other official business of the University.

[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 General Counsel's recommendation and voted to present it to the Board, Regents Anguiano, Drake, Elliott, Kieffer, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting "aye."

6. **DATES OF REGENTS MEETINGS FOR 2022**

The Chair of the Board and the President of the University recommended that the following dates of Regents meetings for 2022 be approved:

2022

January 18-20

March 15-17

May 17-19

July 19-21

September 20-22

November 15-17

[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 Chair of the Board and the President's recommendation and voted to present it to the Board, Regents Anguiano, Drake, Elliott, Kieffer, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting "aye."

7. **RESOLUTION TO EXCLUDE ACCESS TO FEDERAL CLASSIFIED INFORMATION**

The Chair of the Board recommended that the resolution pertaining to the University's Facility Security Clearances be approved as shown below.

RESOLUTION

Pursuant to the *Policy on Security Clearance for Access to Federal Classified Information* adopted on March 29, 2012, and amended on December 30, 2015 and March 16, 2017, and this Resolution, the following named Key Management Personnel member as defined in Regents Policy 1600 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
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Michael V. Drake	President of the University of California
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[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 Leasure explained that the University possesses a U.S. Department of Energy (DOE) facility security clearance and UC, as an organization, may have access to classified information. Each Key Management Personnel member of an organization possessing a DOE facility security clearance is required by federal regulations either to possess a security clearance recognized by the DOE or to be excluded from the organization's classified information until a personal security clearance is obtained. The exclusion is accomplished by a resolution of the organization's board; in this case, the UC Board of Regents. The President of the University is designated as a Key Management person for purposes of the DOE facility security clearance and therefore must be excluded from access to UC's classified information until the President possesses a clearance recognized by the DOE. The proposed exclusion resolution was consistent with prior resolutions presented to the Regents.

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

The meeting adjourned at 3:05 p.m.

Attest:

Secretary and Chief of Staff