THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
July 22, 2021

The Regents of the University of California 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, Blum, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kounalakis, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Rendon, Sherman, Sures, Thurmond, Torres, and Zaragoza

In attendance: Regents-designate Blas Pedral, Pouchot, and Timmons, Faculty Representatives Gauvain and Horwitz, 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, Chancellors Block, Christ, Gillman, Hawgood, Khosla, Larive, May, Muñoz, Wilcox, and Yang, and Recording Secretary Li

The meeting convened at 8:35 a.m. with Chair Estolano presiding.

1. **PUBLIC COMMENT**

Chair Estolano explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following persons addressed the Board concerning the items noted.

A. Kalli Zervas, UC Berkeley student and Associated Students of the University of California (ASUC) Senator, spoke in strong opposition to the cohort-based tuition model. She stated that, without a decrease in the self-help contribution, low-income resident students would not see an increase in financial aid, and low-income nonresidents would pay substantially more in tuition. She asked the Regents to reconsider this model.

B. Esmeralda Quintero-Cubillan, UC Santa Barbara student and External Vice President of the Associated Students of UCSB, spoke in strong opposition to item B1, *Multi-Year Tuition and Financial Aid Plan*. She stated that this tuition model would disenfranchise nonresident, international, and low-income students, as well as queer and transgender students of color. As a public institution, UC should make social mobility accessible to all students regardless of income level. Ms. Quintero-Cubillan urged the Regents to oppose this measure, as well as any other tuition increases, and to divest from the Thirty Meter Telescope (TMT) project.

C. Candice Maclang, UCLA staff member, shared how she has benefitted from working from home, such as the ability to take walks and prepare healthier meals for her family. She has learned to use new software applications, and she has been awarded for work excellence. In her view, UCLA's return-to-work date in two weeks was abrupt, and she asked that her department be given the opportunity to continue working from home as other departments have been given.

D. Shereece Hill, UCLA staff member, asked that staff be allowed to continue working from home. She stated that UCLA was compelling staff to return on-site amidst a surge of COVID-19 cases. Coworkers and family members have fallen ill, and some have died. Staff performance was better while working from home, and it was not safe to have 400 staff members in one office space.

E. Teresa Ortiz, UCLA staff member, asked the Regents to allow over 400 customer service workers at UCLA Health to continue to work from home, where they have been able to thrive while consistently providing care. Ms. Ortiz appealed to UCLA's philosophy of "CICARE," or connect with compassion, introduce yourself with integrity, communicate with teamwork, ask with discovery, respond with respect, and exit with excellence.

F. Shannon Hovis, Director of the National Association to Repeal Abortion Laws (NARAL) Pro-Choice California and UC Berkeley graduate, thanked the Regents for their strong stance on non-discrimination in UC affiliation contracts. She stated that reproductive and gender-affirming care were essential health care, that childbirth was the most common reason for hospitalization in the U.S., and that 17 percent of California hospital beds were in facilities that deny patients gender-affirming or reproductive care. UC must not be complicit in these practices. NARAL Pro-Choice California was hopeful that the policy being considered would empower UC providers to make the best decisions for their patients' health, and that contracts with restrictive facilities would be terminated under this policy.

G. Faride Perez Aucar, staff attorney at the American Civil Liberties Union (ACLU) of Northern California, expressed her hope that the proposed policy on healthcare affiliations would empower UC providers to make the decisions for their patients' health, including decisions regarding reproductive and gender-affirming care. She cited examples of patients whose care had been denied or delayed because their UC providers practiced in a discriminatory facility.

H. John Rundin, UC Davis lecturer, asked that the Regents ratify a fair contract between UC and lecturers, who were represented by the University Council-American Federation of Teachers (UC-AFT). He stated that the UC administration had a history of providing workers with low wages, poor benefits, and unstable employment. These labor practices created bad jobs in a state with a high cost of living, which shifted social burdens to other governmental agencies.

I. Isabella Ranck, UC Irvine staff member, spoke about the aftermath of the recent Accellion cybersecurity incident. It was Ms. Ranck's belief that UC must continue to protect the personal information of the UC community after the year of complimentary data monitoring has expired. In her view, one free year of protection from Experian IdentityWorks was not enough. She proposed that UC set aside a restricted fund of at least $10 million for an annual subscription to Experian IdentityWorks credit monitoring for current faculty, staff, students, retirees, and their family members for the rest of their natural lives. Money received from a successful lawsuit against Accellion could be added to this fund.

J. Elysha Castillo, UC Riverside student and Vice President External Affairs for the Associated Students of UCR, expressed strong opposition to the proposed cohort-based tuition model. She would not have been able to attend UC if tuition had been raised. Given the effect of this tuition model on low-income and nonresident students, UC should focus on finding more equitable ways to achieve affordability. Tuition under this plan would increase indefinitely, would deter students from attending UC, and would widen college accessibility gaps.

K. Catherine Cobb, President of Teamsters Local 2010, called for fair pay for workers and student support during the COVID-19 pandemic. Ms. Cobb also expressed solidarity with students opposing the proposed tuition increase. She stated that UC workers and students were the first to bear the burden of austerity in times of crisis while management numbers and compensation continue to grow. The University should use its billions of dollars in reserves and liquidity to support workers and students rather than laying off low-paid workers and cutting student programs. UC should work with workers and students to seek adequate State funding.

L. Kyle Schmidt, incoming UCLA student, expressed opposition to the proposed cohort-based tuition model. Although it proposed increasing return-to-aid, financial aid did not reflect a student's actual ability to pay. Without changing the self-help contribution amount, this model would not address students' financial concerns and would discourage international and out-of-state students from attending UC. This model would also burden transfer students entering their third year of study. Mr. Schmidt implored the Board to advocate for more State funding per capita instead.

M. Alia Reynolds, UC Student Association (UCSA) University Affairs Chair, spoke in opposition to the proposed cohort-based tuition model. In her view, 20 percent return-to-aid was not enough to cover the increased cost of tuition for low- and middle-income, out-of-state, and international students. This tuition model would exacerbate concerns about reduced racial and socioeconomic diversity at UC. She expressed concern that the proposed tuition model lacked any commitment to reevaluate or end the tuition increases. UC, initially conceived as a model of free education, seemed to continually create barriers to access.

N. Constance Penley, UCSB professor and President of the Council of UC Faculty Associations, stated that UC management has refused to propose labor contract terms that would provide UC-AFT Unit 18 lecturers with job security, acknowledge their unpaid mentoring and curricular work, or offer a salary that reflected their training, experience, and contributions to UC. Ms. Penley expressed her support for a potential strike and called on the Regents and President Drake to help resolve this bargaining impasse.

O. Lorrie Crawford, UCLA staff member, asked that staff be allowed to continue working from home. Working from home has reduced her risk of transmitting COVID-19 to her mother, who was an organ transplant recipient, and helped her save money toward moving to a new home with her mother.

P. Vanessa Sanchez, UCLA staff member and member of Teamsters Local 2010, spoke in opposition to staff returning to work onsite. Working from home has improved her lifestyle, reduced her stress, and enabled her to spend more time with her child. She asked that staff have the option to continue working from home.

Q. Harold Marcuse, UCSB faculty member, called on UC to bargain with Unit 18 lecturers in good faith. This contract was very important because hiring lecturers took much faculty time and paperwork, and faculty wished to keep the lecturers they hired. Lecturers provided students with mentorship on top of their existing work, so clear workload standards with remuneration and rehiring policies based on transparent evaluation criteria were needed. Mr. Marcuse stated that he would honor any potential strike but expressed hope that one would not be necessary.

R. Claire Lavagnino, UCLA lecturer, called for UC's next contract with lecturers to include transparent and consistent performance review, the right to be rehired after a positive review, multi-year contracts, enforceable systemwide workload standards, and compensation that recognized lecturers' qualifications and the high cost of living. Ms. Lavagnino stated that she was among the 96 percent of union members who voted to authorize a strike. The current arrangement undermined UC's own equity goals by disadvantaging women faculty and being a detriment to students. Lecturers would strike unless the University ensures that every lecturer has the opportunity to be reviewed and rehired on the basis of performance.

S. Joseph McKenna, UC Irvine lecturer, spoke about contract negotiations between UC and lecturers. Lecturers were doing much good work across the system and were some of the best instructors on their campuses. He had taught for 22 years at the Irvine campus and was the first lecturer to receive an excellence award at UCI, but he was more concerned that younger lecturers be able stay at UC and receive equitable pay and benefits.

T. Rahul Neuman, UCLA lecturer and member of UC-AFT, called on the Regents to support lecturers' demand to be reviewed and rehired based on performance. Such reviews existed at the California State University and California Community Colleges. There were lecturers who left their jobs or were pushed out because of the tenuous nature of their employment. He and other lecturers were prepared to strike unless their demand was met. Reviews would improve working conditions for lecturers and ensure that students receive the highest-quality education.

U. Joe Liesner called on the Regents to announce any actions taken in closed session regarding 1921 Walnut Street and the settlement agreement with the City of Berkeley. He advised the Regents against any further building at People's Park. In his view, taking the homes at that location in the late 1960s was an ill-considered attempt to curtail student activism against racism and war. Then Governor Ronald Reagan used those events to inflame divisions in the country, which have since metastasized. He called on the Regents to honor People's Park as a monument to righteous dissent.

V. Robert Byrd, representative of Pro-Life San Francisco, called on the Regents to investigate UCSF, which he stated was engaging in unethical research projects and had failed to demonstrate its compliance with California Health and Safety Code Section 123435. He claimed that UCSF was creating a demand for aborted remains to conduct fetal research despite the existence of ethical resources and that viable fetuses were being dismembered in utero for tissue donations. UCSF must ensure that safeguards are in place to prevent and uncover malpractice.

W. Michelle Andrews, UC Davis student, spoke in vehement opposition to the proposed cohort-based tuition model. In her view, it was irresponsible of the Regents to consider adding more financial burdens to families during a time of extreme need. She believed that this plan held no benefit for students and that relying on students to increase salaries or financial aid did not make sense, especially given that UC's financial aid system was nearly impossible to navigate. She urged the Regents to vote against the proposed tuition increase.

2. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Upon motion duly made and seconded, the minutes of the meetings of May 12 and 13, 2021 were approved, Regents Butler, Cohen, Drake, Estolano, Kounalakis, Lansing, Leib, Lott, Makarechian, Park, Pérez, Reilly, Sherman, Sures, Torres, and Zaragoza voting "aye."[1]

3. REMARKS FROM STUDENT ASSOCIATIONS

President Drake introduced UC Student Association (UCSA) President Aidan Arasasingham.

Mr. Arasasingham noted that this was his last address to the Board as UCSA President. He then compared the University with Los Angeles International Airport, which had new terminals and state-of-the-art amenities at its inception but became less accessible and efficient as changes were made over time, even though the individual changes were well-researched. The concept of "junkspace," a term coined by architect Rem Koolhaas, taught that, over time, transformative systems were made ineffective due to short-term thinking used to solve immediate problems. Students felt similarly about the proposed tuition

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

increase. The California Master Plan for Higher Education made UC free for all eligible students and subsidized by State support, but deviations from the Master Plan put UC on a different path. The tuition plan in 1968 meant to make wealthy students pay their fair share, the return-to-aid policy meant to set aside tuition, and the proposed cohort-based tuition plan might have made sense at the time but have since created a web of complexity and contradiction. Under the proposed plan, flat tuition for a cohort, modest increases in tuition for each following cohort, and the amount in return-to-aid were not absolutely guaranteed for California students, while undocumented, asylum-seeking, and nonresident students faced additional costs. No timelines for Regental oversight or re-approval were built into the proposal. The Regents would approve another deviation from the Master Plan or consider a return to the intent of the Master Plan. The University was once a public access institution that was the envy of one selling diminishing private product to an uneager constituency. UC has done better when it chooses daring courage over mediocre predictability. A plan developed under the pressure of the 2010s would not meet the needs of the 2020s and beyond. UC must grapple with the issue of college affordability for the most vulnerable.

President Drake introduced the UC Graduate and Professional Council (UCGPC) President Gwen Chodur.

Ms. Chodur began her remarks by commending Mr. Arasasingham's service and stated that she was honored to be the first UCGPC President to serve a second term. Endorsing sentiments expressed during the public comment period and Mr. Arasasingham's statement, Ms. Chodur stated that UCGPC was strongly opposed to the proposed cohort-based tuition model. The proposal was a failure of shared governance; incoming students were denied a voice in the decision-making process. The proposal also undermined equity; students could be paying one of six tiers of tuition while taking in the same general education course. The proposal did not include adequate consultation regarding the adoption of future increases and lacked flexibility for adapting to future crises. The State's investment in UC in its most recent budget was substantial but mostly not ongoing, and UC funding has been expendable in times of crisis. Tuition increases, while an easy solution, would preemptively undermine future attempts to advocate for State funds and would justify investing State funds in other programs. UC would grow more and more dependent on tuition to maintain itself. She urged the Regents to advocate for State investment in students in partnership with students. The University should aim not to return to a pre-pandemic sense of normalcy, in which graduate students were rent-burdened on every campus, lecturers were engaged in protracted contract negotiations, and achievement gaps persisted along racial and socioeconomic lines. UC must address harm caused by its policing practices, its support of the Thirty Meter Telescope project, and the Accellion data breach. UCGPC offered to partner with the University to address these challenges.

4. OUTSTANDING STUDENT AWARD

President Drake introduced the winners of the 2021 President's Award for Outstanding Student Leadership, who represented the best of student activism and public service at the

University during a particularly difficult year. He invited Chancellor Hawgood to introduce UCSF medical students Jazzmin Williams and Laeesha Cornejo.

Chancellor Hawgood shared that Ms. Williams and Ms. Cornejo, both third-year students, were nominated by the directors of the Kaiser Permanente Longitudinal Integrated Clerkship program in recognition of their development and implementation of a program that helped faculty build skills for responding to students who experienced racism in the clinical environment. Despite the COVID-19 pandemic and the challenging nature of the third year of medical school, Ms. Williams and Ms. Cornejo recognized the need for greater faculty attention to student stress related to national racial and sociopolitical unrest, as well as microaggressions and racism in the clinical environment, using a literature-informed approach, including student narratives, in engaging with faculty to embrace the need for new skills. Ms. Williams and Ms. Cornejo made a substantial contribution to UCSF and Kaiser Permanente's commitment to an anti-racist curriculum and learning environment. In their first year of medical school, Ms. Williams and Ms. Cornejo co-authored a *San Francisco Chronicle* op-ed on the longstanding impact of San Francisco's redlining policy. Both students were members of UC Programs in Medical Education-Urban Underserved (PRIME-US), a pathway for students committed to serving underserved communities.

Ms. Williams expressed her gratitude and explained that their work was born out of the need to combat racism in American health care and medical training. One of their primary goals was to support those engaging in conversations about racism, and they created a student-driven faculty development workshop designed to provide faculty with tools to give racial equity feedback in real time while also adopting a growth mindset when receiving similar feedback. The workshop used challenging scenarios based on real experiences. Ms. Williams thanked Brian Lin, M.D. and Tal Ziv, M.D., their mentors at the Kaiser Permanente Longitudinal Integrated Clerkship program.

President Drake invited Chancellor May to introduce UC Davis students Carmen Banks and Abenezer Shankute of Multiculturalism in Agriculture, Natural Resources and Related Sciences (MANRRS). This student-run program at UC Davis helped students find community, develop skills to support academic and professional success, and connect to resources during lockdown and distance learning due to the COVID-19 pandemic.

Chancellor May congratulated Mr. Shankute, MANRRS President, and Ms. Banks, MANRRS Vice President, as well as others involved in the program. During the pandemic, while students were experiencing social isolation and had access to limited resources, MANRRS developed a successful mentoring program, hosted workshops to connect students with industry professionals, and organized events for handling stress. These services were particularly vital to first-generation, low-income, and underserved students.

Mr. Shankute expressed his gratitude and explained that MANRRS aimed to cultivate a diverse and inclusive culture on campus through professional development, mentorship, and volunteer opportunities. Despite the pandemic, this had been the most successful year for the online learning platform in terms of attendance and member satisfaction. MANRRS looked forward to using the award money to expand its impact at UC Davis. Ms. Banks also expressed her gratitude, adding that she and the MANRRS team looked forward to continuing their efforts to foster all students' academic and professional success.

President Drake praised both the award recipients' work and the continuation of that work.

5. **MULTI-YEAR TUITION AND FINANCIAL AID PLAN**

The President of the University recommended that the Regents approve the following actions:

A. Approve adjustments to student charges and general provisions as described in Attachment 1, *Proposed Adjustments to Student Charges*.

B. Authorize the President to assess charges below the amounts approved in Paragraph A for any year when the State provides an increase of more than five percent to the University's permanent base budget to buy out some or all of the proposed student tuition and fee adjustments.

[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.]

President Drake stated that, after over two years of robust dialogue, the University has developed a new tuition plan that would uphold academic excellence, provide tuition stability and predictability, and expand financial aid. He underscored that UC was not proposing a tuition increase for current students or those entering in fall 2021. Starting fall 2022, tuition for each new class of undergraduate students would be set at entry and would remain the same for up to six years. Graduate students would see predictable tuition and fee levels, with increases tied only to the rate of inflation. Inflation-related increases would be capped at six percent unless authorized by Regents. For undergraduate students and students in graduate professional degree programs, the plan would set aside 40 percent of new revenue generated by the proposed adjustments to tuition and the Student Services Fee for financial aid, an increase from 33 percent. The tuition and fees of 55 percent of in-state undergraduate students would continue to be fully covered by need-based aid and UC grants. Sixty-one percent of California undergraduate students would see no change to their tuition or pay less overall. The net cost of attendance for most California resident undergraduate students would be less under this plan than if tuition were to remain flat. Most families earning over $130,000 per year would see an increase that would be held stable for six years. This plan would also help campuses preserve academic excellence and critical support services. The UC student population increased by 71 percent while core funds rose by nine percent over the past two decades, resulting in a 36 percent decrease in funding per student. This meant more crowded classrooms and dormitories, less interaction with faculty, and challenges in enrolling in courses needed for graduation. Other universities taking a similar approach have seen it create more predictability and more affordability.

Executive Vice President and Chief Financial Officer Brostrom provided an overview of the proposed tuition plan. The change in tuition for the next incoming class would be indexed to inflation and known before the application process. Students who enrolled in fall 2021 could expect their tuition and fees to remain at the current rate for up to six years. UC would continue to assess tuition on a uniform basis for new and continuing graduate students, with amounts adjusted annually at the rate inflation. The plan would also authorize the President to charge lower amounts than what is proposed if State funding increases by more than five percent of the University's base budget to buy out some or all of the proposed adjustments. There were three modifications to the proposal based on Regents' recommendations. First, in order to reduce volatility, "inflation" now referred to the average annual inflation rate over a rolling three-year period. The combined adjustment to in-state tuition and fees for fall 2022 would be $534, $108 less than what had been discussed at the May meeting. Second, annual adjustments would be capped at six percent unless the Board approves a higher amount. Third, 40 percent of new revenue from tuition and the Student Services Fee for undergraduate students and students from graduate professional degree programs would go to return-to-aid, up from 33 percent, and 20 percent of new revenue from Nonresident Supplemental Tuition would go to return-to-aid, up from ten percent.

Following the State's restoration of last year's cut of over $300 million, campuses were able to address remaining cuts with temporary measures. This year's State Budget Act included a five percent increase to UC's permanent base budget and new ongoing funding, but available ongoing support from core funds—which consisted of State appropriation, in-state tuition and fees, and UC general funds—was expected to be 36 percent less per student than it had been in 2000–01. One reason for this decline was the fact that State funding was not keeping pace with enrollment growth. The State budget provided funding for about 15,000 of the over 22,000 resident undergraduate students added by campuses in the last six years, and the burden of unfunded students fell to campus budgets. Another reason was new cost pressure, such as restarting employer contributions to the UC Retirement Program and using UC's own funds to finance capital projects. The third reason was that UC had increased in-state tuition only once in the last ten years. Campuses lacked funding to invest in faculty, academic advisors, and student services. A five percent increase in State support, which made up 40 percent of UC's core funds budget, translated to a two percent increase in the total core funds budget if tuition and fees stayed flat. Adjusting tuition and fees, which made up 60 percent of the core funds budget, would be critical.

Associate Vice President David Alcocer stated that volatility from changes in tuition and fees has made planning for college difficult for students who did not qualify for financial aid and created anxiety among students who were not aware that their financial aid would fully cover a tuition increase. The proposed tuition plan would eliminate that anxiety. Under this plan, financial aid for more than 100,000 undergraduate students would increase faster than tuition and fees, and this additional aid could go toward basic needs. As new cohorts are phased in, financial aid for the previous cohort would grow while that cohort's tuition remained flat, reducing the amount students would need to work or borrow. For a family income of $20,000, parent contribution was not expected; this applied to about

30 percent of all UC undergraduates. The student self-help contribution was lower under the proposed plan because of the new financial aid that would be generated. For a family income of $120,000, the net cost of attendance would be higher. The differences in net cost of attendance between a scenario under which tuition was kept flat and under the proposed plan for a student with a family income of $20,000 and one with a family income of $120,000 were the same. A family with an income of $150,000 would receive partial tuition coverage under the Middle Class Scholarship program, but would be expected to cover part of the tuition increase. Mr. Alcocer remarked that the students who expressed skepticism about the proposed plan during the public comment period and at other venues had never seen their tuition increase, nor had they seen their Cal Grant or UC Grant increase. Many members of this Board had not been present when UC had large tuition increases and dramatic increases in student aid. Between 2006 and 2011, tuition and fees increased by about $5,500, and the average grant to low-income students increased by about $7,200. Students were graduating with thousands of dollars less student debt. Students with a Cal Grant or UC Grant were more likely to have lower family income, be first-generation college students, and be from underrepresented backgrounds, particularly Latino(a) and African American backgrounds. Under the proposed plan, those who could least afford to pay would pay the least.

Chancellor Larive stressed that resources generated by the tuition plan would help advance goals related to student success. Chancellors have identified inefficiencies and engaged in innovative cost-cutting, but they could not meet the changing needs of students, faculty, staff, and the state without new resources. Most of the 57 percent of undergraduate students at UC Santa Cruz who identified as first-generation, low-income, or from underrepresented groups (URGs) would benefit from this plan, which would help achieve four priorities. The first was improving the faculty-to-student ratio, which would enhance student mentoring, increase experiential learning, and lead to better educational outcomes. The second was adding more student-facing staff and strengthening undergraduate student support structures, such as advising, tutoring, disability accommodations, mental health counseling, and educational outreach. The third was improving financial support, mentoring, and professional and career development opportunities for graduate students, and the fourth was addressing deferred maintenance and capital needs, which would require permanent and predictable new funds. State funds made up less than half of UCSC's core operating budget, so the campus needed predictable increases in other revenues. Chancellor Larive expressed hope that the Board would help the Santa Cruz campus make these much-needed investments in student success.

Chancellor Khosla stated that, since 2013, UC San Diego undergraduate enrollment has grown 40 percent and the URG student enrollment has grown 110 percent, putting pressure on faculty, facilities, and financial aid. New support programs, which have helped increase graduation rates and decrease time to degree, and the tuition freeze have also put pressure on budgets. UCSD has found efficiencies through expense management, business process redesign, technology investments, and lean staffing; generated new revenues through enrollment expansion and growth of the master's program, research enterprise, and philanthropic giving; and made difficult budget decisions by lowering faculty-student ratios, deferring over $800 million of maintenance, and not funding seismic needs. UCSD urgently needed investment to expand student access and affordability initiatives. Living expenses, typically more than 50 percent of the cost of attendance, have increased with inflation while financial aid has been held constant with tuition. The campus needed investment to expand its offer of low-cost and free education from 1,000 to 2,000 students, increase faculty and improve faculty-student ratios, and build and maintain its facilities. UCSD also needed investment to expand student support programming, meet the State's resident student mandate, and deliver a high-quality education. This tuition would help UCSD lengthen its planning horizons to spread investment expenses over multiple years while allowing students to plan their college careers. In Chancellor Khosla's view, this plan was fair, predictable, and would provide important resources necessary for student success.

Regent Cohen expressed appreciation that return-to-aid in the proposal had been increased from 33 percent to 40 percent. Having previously expressed concern about UC ability to make return-to-aid one-third of tuition revenue, he asked when this could be achieved under this plan. Mr. Alcocer responded that, assuming moderate inflation growth, this could be achieved around 2040. It could be achieved more quickly with higher tuition increases and higher return-to-aid, but more return-to-aid meant less to campus operating budgets, faculty, and advisors. Regent Cohen asked how much more quickly return-to-aid could reach one-third of tuition revenues if the plan set return-to-aid at 45 percent. Mr. Alcocer stated that, at 50 percent return-to-aid, the one-third mark would be achieved around 2032. Return-to-aid was currently less than one-third of tuition revenue because less than one-third had been set aside, and the State had directed UC to put nonresident undergraduate financial aid dollars toward the operating budget and enrollment growth instead. Regent Cohen asked how long it would have taken UC to reach the one-third mark had this not happened. Mr. Alcocer replied that it would have been reached significantly more quickly.

Regent Cohen asked if these projections accounted for the State lowering UC's general purpose funding in the event that the Cal Grant is increased. Mr. Alcocer replied that this was not built into the projections and that it would be a significant change in State policy if UC was effectively funding the Cal Grant program instead of the State. Similar language had been in past State Budget Acts, but a modest increase in UC tuition in the past did not trigger that action. UC would be in discussion with the Legislature if that were to happen.

Regent Cohen, acknowledging how confusing financial aid was, observed that, based on public comment, the affordability of this plan had not yet been successfully conveyed. If the plan is approved, the University must focus on preventing "sticker shock," because the tuition rate was what people were using to decide whether they can afford to attend UC.

Regent Cohen asked whether it was the case that tuition would not be affected if the State contribution was an increase to UC's permanent base budget of three or four percent a year. Mr. Alcocer responded in the affirmative.

Regent Cohen asked if tuition increases for graduate students would depend on a three-year rolling average in inflation. Mr. Brostrom responded in the affirmative. Regent Cohen asked what effect this proposal would have on graduate student stipends and financial aid packages. Mr. Brostrom stated that tuition was typically waived for graduate students in academic doctoral programs due to their teaching assistantship, research assistantship, or other type of fellowship. The proposal would affect professional degree students because they paid the in-state tuition rate, which would increase by the cohort amount.

Regent Cohen stated that this would be the last time he would vote for a broad-based tuition increase. This plan would work only if the University committed to it at least for the next decade, in both good times and in bad times. He asked how UC would implement this plan and how Regents would be informed about its effectiveness. Mr. Brostrom offered to report to the Board every year on the projected cohort tuition amount for the following year and any change in debt levels, the percentage of students taking on debt, the student profile, and more, given that cohort tuition would be one of multiple exogenous factors.

Regent Cohen expressed continued concern that it would take 20 years to meet UC's return-to-aid goal. Mr. Brostrom noted that nonresident students did not qualify for UC financial aid but paid into it, so the return-to-aid goal could be achieved more quickly. In response to Regent Cohen's question Mr. Alcocer stated that aid generated for the benefit of resident students was over 33 percent of tuition revenue paid by resident students.

Regent Zaragoza stated that she would not be voting to approve a tuition increase but suggested the following amendments that would help students feel less powerless: reducing the annual tuition adjustment cap from six to five percent; a presentation of tuition rates and affordability impacts to the Board every three years, similar to discussions regarding Professional Degree Supplemental Tuition, to ensure that students have a venue to voice their opinions and input and to encourage transparency; giving Regents the option to reauthorize the plan after the five year mark to ensure that this plan was appropriate for UC and achieving its goals, and to ensure UC accountability regarding overlooked or underserved students and the mitigation of risks related to funding cuts. In her view, the Legislature would like to see UC holding itself accountable.

Staff Advisor Tseng remarked that, in the past year, stability has not been afforded to staff who successfully campaigned for a pay increase that was not guaranteed every year. In her view, this plan could bring stability to the hiring and retention of staff. Given that cost of living, salaries, and tuition would increase anyway, UC should adopt a tuition model that provides the consistency and predictability needed for stability. Ms. Tseng recalled her experience as a UC student during the 2008 financial crisis. She had taken out loans to support herself and her family. The proposed plan could help the University plan ahead; it was better to plan now than when UC's financial situation is less ideal.

Regent Reilly asked how UC's cost of tuition compared with the average cost tuition at a public university in the U.S. Mr. Brostrom replied that the University had four public comparators—the State University of New York (SUNY) at Buffalo, the University of Illinois, the University of Michigan, and the University of Virginia—and four private comparators. Tuition and fees at UC averaged $14,000, while SUNY Buffalo averaged $10,500, the University of Illinois averaged about $18,000, the University of Michigan averaged nearly $19,000, and the University of Virginia averaged $21,700. UC nonresident tuition was far below that of the University of Michigan and the University of Virginia, and higher than SUNY Buffalo and the University of Illinois.

Regent Reilly asked if it was standard practice for schools that have adopted the cohort-based tuition model to set aside a percentage of tuition for financial aid. If this was the case, she asked how UC's 40 percent compared. Mr. Brostrom replied that UC set aside much more return-to-aid than most public or private universities. There were legislative efforts in some states to limit return-to-aid. Chancellor Khosla added that, for most private institutions, 30 percent return-to-aid, also known as tuition discounting, was common. At 40 percent, rating agencies would start reducing a private institution's rating. Mr. Brostrom stated that the Cal Grant was more generous than financial aid in most other states and was the envy of the nation.

Regent Leib echoed Regent Cohen's concern about sticker shock. Many people did not know how many UC students paid tuition. He asked what percentage of UC students paid tuition in full. Mr. Alcocer replied that less than 40 percent did. He added that 54 percent of California residents did not pay tuition while about 15 percent paid a partial amount.

Regent Leib asked how much food and housing costs have increased in the last five to ten years compared with tuition. Chancellor Khosla replied that on-campus living expenses ranged from $19,500 over a nine-month period at UC Berkeley to $14,000 at UCSD, both of which exceeded tuition. Due in part to new construction and facility expansion to accommodate more students, rent at UCSD has increased by five percent per year for the last several years for undergraduate students, and food costs rose at a similar rate.

Regent Leib commented that he did not wish to raise tuition, but this proposal fit the University's objectives and accounted for increased non-tuition costs.

Regent Makarechian, referring to presentation slides, asked about the difference between using "inflation plus two percent" and the California Consumer Price Index (CPI) to determine the rate at which tuition increased. Mr. Brostrom replied that UC would be using the California CPI from the California Department of Finance and would base tuition changes on a three-year rolling average of inflation. Tuition was projected to increase by 4.2 percent in 2022. Inflation plus two percent applied to about one-quarter of the undergraduate student body. A four percent tuition increase meant about a one percent increase in overall revenues for the campuses.

Regent Makarechian noted that the California CPI took into account food, energy, and housing, making it higher than national rates. He asked how return-to-aid was set aside and who calculated it. Mr. Alcocer responded that the Office of the President (UCOP) performed the calculations based on projected enrollment numbers and tuition rate and allocated it to campuses for need-based financial aid based on an assessment of the number of needy students on those campuses. Calculations were done on Microsoft Excel.

Regent Makarechian asked whether the University would account for currency exchange rates, which placed international students from poorer countries at a disadvantage and students from wealthier countries at an advantage. Mr. Brostrom replied that UC was not hedging its programs on currency exchange. Regent Makarechian asked if students from poorer countries would receive any assistance. Mr. Brostrom stated that the proposal would increase return-to-aid from nonresident student tuition, and campuses could choose to direct that return-to-aid to international students from poorer countries. These students did not qualify for the Pell Grant, Cal Grant, or the University Student Aid Program (USAP). Chancellor Khosla added that the increase in return-to-aid from nonresident tuition would allow campuses to recruit a more diverse population of students from within the U.S.

Regent-designate Blas Pedral asked if the proposed plan would reduce the student self-help contribution and if that amount would be different from the estimated family contribution. Mr. Brostrom replied that the University could not make a solid commitment to lower the self-help contribution because it did not yet know the future total cost of attendance, a greater percentage of which would come from housing, food, transportation, and books. However, more revenue would go toward financial aid under this plan. President Drake has championed an initiative to reduce the self-help contribution and student debt burden. Such efforts would be reported to the Board at a future meeting. Mr. Alcocer added that the self-help contribution would be lower under the proposal.

Regent-designate Blas Pedral asked why the tuition adjustment would apply to both incoming and continuing graduate students, as opposed to only incoming undergraduate students. Mr. Alcocer replied that the cohort approach was less relevant to graduate education because tuition and fees for many academic graduate students were fully covered, and the normative time-to-degree for graduate programs varied from one to six or more years. This was consistent with other universities' approach to cohort tuition.

Regent-designate Blas Pedral noted that the fellowships that covered graduate student tuition came from grants obtained by faculty. She asked if faculty were aware of the tuition increase and how it would affect grant proposals. Mr. Alcocer responded that the tuition plan would provide greater predictability for faculty submitting grant proposals. Chancellor Khosla added that grants for graduate student researchers varied widely among different departments. UCSD wished to ensure that graduate student researchers and teaching assistants would be funded for no less than 50 percent time over a nine-month period, or about $24,000 per year. Starting next year, graduate students would be funded $30,000 for 12 months so that graduate students could afford housing and living expenses while pursuing their studies.

Regent Lansing asked whether UC would raise tuition if it continued to receive significant State support. Mr. Brostrom replied that the Regents always retained the ability to modify student charges. Under the proposal, if the State funded the University at five percent or more, the President was authorized to reduce tuition.

Regent Lansing expressed concern about the impact of the plan on middle-class students; UC could become unaffordable for a family with multiple children enrolled. Mr. Brostrom acknowledged that the Cal Grant, Pell Grant, and institutional financial aid phased out at family incomes of $120,000 or more. The Middle Class Scholarship provided financial support to students with family incomes of up to $190,000. He underscored that tuition would be held flat. Regent Pérez added that the Middle Class Scholarship program did account for the number of students in a family.

Regent Lansing asked for more information about the Middle Class Scholarship program and that information about the program be more widely communicated.

Regent Kounalakis thanked the students who spoke during the public comment period, as well as UC Student Association President Aidan Arasasingham for his remarks. This year, $1.3 billion in new spending from the State General Fund was being allocated to the University, and she believed that it was the wrong time to increase tuition when the State's commitment to UC students has never been greater. Students were regarding this plan as a "forever tuition increase," and Regent Kounalakis found the automatic nature of future increases problematic. In her view, any tuition increase should be put to the Regents for a vote. She stressed the importance of a clear annual report on whether there would be a tuition increase the following year, why there would be an increase, and the impact on students. She viewed such a report as presenting Regents with an opportunity to choose not to increase tuition. In response to Regent Lansing's concern about affordability for middle class students, Regent Kounalakis stated that in-state tuition at UC was still far less than at most private universities. The percentage of UC students who paid tuition in full was low compared with other universities. UC was not average and prided itself in educating Californians regardless of family wealth or ability to pay. Affordable education has produced enormous economic and social benefits for the state. The University should verify that the 40 percent of UC students who were paying full tuition could afford it rather than assume that they could before raising their tuition. The research currently being conducted by UC staff on student debt could inform this vote, which would have a lasting impact. She expressed her hope that the Regents commit to rigorous analysis before allowing tuition increases in the future. She stated that she would be voting against the proposal.

Regent Lott shared her internal conflict with the proposal and asked how the 20 percent return-to-aid for nonresident students would help them. Recalling a 35 percent increase in tuition when she was a law student, Regent Lott underscored the benefit of the continuity and predictability of this tuition plan. However, she expressed concern about students who did not qualify for return-to-aid. She agreed that UC should ask the Legislature for funding but believed that it was not sustainable to budget for an entire system with the expectation of State funding. Regent Lott suggested that UC could make the argument that it could make increases in tuition smaller with increased State funding. She noted that, according to the proposal, the President had authority to lower the amount tuition is increased, but the proposal did not require a discussion with or input from the Regents. She observed that, without an increase in aid to offset a tuition increase for nonresident students, this plan would have the effect of reducing nonresident enrollment, something that the Legislature had requested, but this made her uncomfortable.

Regent Lott asked whether the plan would be brought back to the Regents for review instead of being delegated, how often it would be reviewed, and how nonresident students, including foreign students, undocumented students, and students in the Deferred Action for Childhood Arrivals (DACA) program would be affected by this plan. Mr. Brostrom responded that, early in the academic year, prospective students would be informed of the tuition increase for the following academic year. Every November, the Regents would debate and submit a budget, which would include the proposed cohort tuition increase, to the Department of Finance. In Mr. Brostrom's view, cohort tuition increases were a small part of the challenges faced by nonresident students, who did not qualify for the Cal Grant or institutional financial aid. International students did not qualify for the Pell Grant. Chancellors could decide to direct return-to-aid drawn from nonresident tuition to some of those students, but the challenge of not having those other sources of aid remained. Mr. Alcocer stated that students with Assembly Bill 540 or DACA status were considered California residents, and they were eligible for the Cal Grant and UC grants, the latter making up for the fact that these students did not qualify for the Pell Grant.

Regent Ortiz Oakley asked about reducing the total cost of attendance and called for placing a similar emphasis on bending the cost curve. Mr. Brostrom replied that UC could add more on-campus housing, the cost of which UC could control; implement online options for textbooks; and refinance its housing debt. To create a debt-free pathway for students, UC must bring down the cost of education and reduce the self-help contribution amount. Chancellor Khosla underscored the impact of guaranteeing four years of on-campus housing for undergraduate students, as well as taking out interest-free loans from the State to build housing and then passing savings on to students.

Regent Ortiz Oakley stated that the cost curve must be part of the annual report on this plan; the Regents needed to know what the University was doing to reduce the total cost of attendance. Regent Ortiz Oakley also echoed other Regents' concerns about how UC was shaping the economic diversity of its foreign and nonresident student body. In his view, UC international students were coming predominantly from one country and were of one socioeconomic status.

Faculty Representative Gauvain stated that it was becoming more difficult to maintain the University's excellence without an increase in stable, core funds. In her 29 years as a faculty member at UC Riverside, she has noticed deterioration on many fronts. She recalled being an undergraduate at UC Irvine when the campus had far more resources. UC could not reach its accessibility and enrollment aspirations without paying for them. The number of tenure-track faculty remained flat but was also functionally decreasing as enrollment has grown, which has resulted in an increased reliance on non–tenure-track instructors. Tenure-track faculty provided programmatic development and other contributions to the student learning experience. Ms. Gauvain urged the Regents to approve the proposal, which she regarded as reasonable, transparent, fair, and supportive of students in need and the University.

Regent Butler questioned the timing for this proposal, which was set to take effect during an unstable time for families after a global pandemic. During the last recession, black families lost 53 percent of their wealth while white families lost 17 percent of their wealth. Mr. Brostrom responded that the plan would put more pressure on families that made

$150,000 or more, but 61 percent of students would be better off or would pay the same amount, while more resources would go to financial aid. Campuses faced huge cost pressure; even with projections of State support at five percent, the University still fell short by hundreds of millions of dollars. He stressed the importance of the annual review of the impact of the plan on students and debt levels. Mr. Alcocer disagreed with a previous comment that the plan was a "forever tuition increase." Rather, tuition would stay flat until graduation, and a student could apply for more aid if family circumstances were to change. Regarding the concern about sticker shock, data have shown that, even when UC has had tuition increases, interest in UC from underrepresented or lower-income backgrounds remained stable or grew. Mr. Alcocer attributed this largely to the existence of and communication about the University's affordability efforts. Chancellor Khosla stated that the plan would not take effect until fall 2022. Greater inflation than what was seen in the last several years was expected this year. He stressed that 54 percent of UC students paid no tuition, and this was the very group that would be hurt the most by rising inflation and no additional financial aid. Chancellor Larive stated that more advisors, more faculty, and better student support resulting from increased funds would improve time-to-degree, which was one way to lower the total cost of attendance for students.

Regent Butler noted that her question had to do with the current economic situation for families, not with diversity.

Faculty Representative Horwitz expressed regret that the State had abandoned the tuition-free college model but stated that the University could not have good quality without paying for it. Having taught at UC San Diego for 39 years, he observed that the quality of instruction had suffered over time, and he believed that other veteran faculty would say the same. Student-faculty ratios have gotten worse. Mr. Horwitz encouraged the Regents to vote in favor of this proposal, which he viewed as a progressive, cross-subsidy system that was transparent and protected people who could not afford a University education.

Regent Pérez shared that, in the last 11 years that he has served on the Board, he has voted against every broad-based tuition increase. He had suggested a cohort tuition approach seven or eight years ago because of its predictability for families. As a result of double-digit tuition increases over multiple years brought about by the Great Recession and disinvestment from the State, families took on large amounts of debt, with some students dropping out. Having learned from previous recessions, Regent Pérez and other legislators created the State's rainy day fund to protect against future recessions. He viewed this tuition model as a similar approach. There was no perfect time to implement this, but it would be worse to do so in the middle of an economic downturn. UC had an opportunity to build in predictability in a year with some stability and better State funding. In response to concerns about an economic downturn in the second or third year of implementation, Regent Pérez stated that it would take multiple years of implementation of the cohort-based tuition model to see the same benefit as an across-the-board tuition increase. He stressed starting now and building up funding now. He agreed that UC should focus on total cost of attendance, which has grown as financial aid has been held flat. The University must engage in both cost containment, such as through building more housing to create greater housing affordability, and financial aid expansion. Double-digit increases during the Great

Recession did not lead to a decrease in the number of applications or enrollment, and it did not have much of a negative impact on degree attainment. Regent Pérez had asked Mr. Alcocer about the impact this plan would have on applications, enrollment, and graduation. The University should not seek leverage in discussions with the State regarding funding. Rather, UC should align itself with those in the State who shared its goals, because this year's increase in State revenues was not guaranteed in the future. The Regents always retained the right to end this tuition plan if it did not produce the desired results or did not increase affordability and predictability for students.

Regent Park expressed support for Regent Zaragoza's proposed amendments. She agreed that the Regents should have an affirmative duty to reauthorize the plan. Regardless of the outcome of this vote, the Regents would continue to work on improving cost of attendance and financial aid. The Academic and Student Affairs Committee wished to continue discussing financial aid and basic needs, as well as partner with the Finance and Capital Strategies Committee on addressing the total cost of attendance through housing. She recalled Chair Estolano's goal of increasing capacity. She agreed that there needed to be much transparency and a willingness to grapple with this plan's impact on students.

Regent Anguiano expressed support for Regent Zaragoza's proposed amendments. Tuition would increase for some students, which could affect the socioeconomic diversity of the student body. Much work needed to be done regarding the total cost of attendance. She emphasized that over 50 percent of the total cost of attendance was not tuition-related.

Regent Torres underscored the need to plan ahead despite the State receiving $25 billion in federal aid and having an $8 billion budget surplus. It was better to do this in good times.

Chair Estolano, recalling remarks made during the public comment period, asked if this plan would have a disproportionate effect on low-income transfer students. Mr. Brostrom responded in the negative; transfer students' tuition was set for a six-year term when they arrived at UC, because some transfer students entered after their freshman year. President Drake added that low-income students would receive need-based financial aid.

Chair Estolano asked if 20 percent nonresident student tuition would be set aside for financial aid. Mr. Brostrom replied that this was a minimum percentage and that campuses could choose to set aside more for nonresident students. Chair Estolano asked how much was currently being set aside in financial aid for nonresident students. Mr. Brostrom replied that it was currently a minimum of ten percent. Chair Estolano expressed her hope that, given the value UC placed on experiential and socioeconomic diversity, campuses were devoting those resources to improving racial and socioeconomic diversity among out-of-state and international students. It was to be hoped that campuses were accounting for some countries' currency and exchange rates although it was not mandated at the systemwide level. This was something that the Regents could verify on an annual basis. Mr. Brostrom expressed agreement and added that diversity of experience was a driver for this plan.

Chair Estolano shared that she was very skeptical when this plan was first proposed but has since seen it evolve and that she became persuaded of the importance of stability. She recalled hearing others who had experienced mid-program tuition increases in the past. Many UC law students did not come from affluent families, but were instead attracted to the University's tradition of public service. In her view, there was nothing more important for an oversight body to do than to plan for the future. Chair Estolano expressed gratitude for the generosity of the Governor, Legislature, and the people of California, but this would not happen every year. In the past, the University admitted a higher proportion of nonresident students to make up for less State support. The University had to find a way to cover the cost of meeting the Legislature's goal of increasing the number of in-state students. Access came with excellence in faculty, staff, student support, and facilities. The world today was not the same world as when the California Master Plan for Higher Education was developed.

Regent Rendon stated that he would be voting against the proposal. In his view, the proposal came at a bad time, and he was concerned that it would do the opposite of making UC more accessible at a time when families were struggling to recover from the economic and health impacts of the global pandemic. The recently adopted State budget made historically generous investments in the University. The compounding tuition increases in the proposal would weigh on future generations of students and their families. The proposal also lacked provisions necessary for legislative support, relying on increases in State support without providing a path for labor negotiations or accounting for enrollment growth or an increase in the proportion of resident students.

Regent Cohen moved to amend the recommendation such that undergraduate return-to-aid would be set at 45 percent of the tuition and Student Services Fee increase, and that tuition increases would be capped at five percent. He thanked Regent Zaragoza for suggesting the latter amendment.

Chair Estolano asked about the impact of the proposed amendments. Mr. Brostrom stated that the plan had been modeled with 33 percent and 40 percent return-to-aid and that increasing return-to-aid would take funding away from campus initiatives. With regard to capping increases, the Board would be consulted about a five percent increase anyway.

Regent Lansing asked Mr. Brostrom if he believed that increasing return-to-aid to 45 percent would hurt the overall tuition plan. Mr. Brostrom replied in the affirmative; such an increase would affect investment in faculty, staff, deferred maintenance, and facilities. Currently, return-to-aid was already set at 33 percent, partly because it was not offered to nonresidents. Regent Cohen stated that changing undergraduate return-to-aid to 45 percent made sense because the discussion demonstrated the majority of Regents' concern about lower-income students. The more quickly the University could achieve one-third return-to-aid, the better. Mr. Alcocer stated that one of the University's goals was supporting graduation outcomes and time-to-degree for lower-income students, who were typically coming from disadvantaged high schools, had lower levels of academic preparation, and needed additional academic advising and support. The question of how best to support these students was also a question of how best to use these marginal dollars.

Regent Lansing asked that the Board vote separately on each proposed amendment.

Upon motion duly made and seconded, the amendment to the recommendation of the President, lowering the cap on tuition increases from six to five percent was approved, Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kounalakis, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Rendon, Sherman, Sures, Thurmond, Torres, and Zaragoza voting "aye."

Chair Estolano expressed opposition to setting undergraduate return-to-aid at 45 percent. The University underwent extensive analysis before proposing 40 percent return-to-aid, which was far beyond what comparator universities were doing.

Upon motion duly made and seconded, the amendment to the recommendation of the President to set undergraduate return-to-aid at 45 percent of the tuition and the Student Services Fee increase was approved, Regents Butler, Cohen, Elliott, Guber, Kounalakis, Lott, Ortiz Oakley, Pérez, Rendon, Thurmond, Torres, and Zaragoza voting "aye" and Regents Anguiano, Drake, Estolano, Lansing, Leib, Makarechian, Reilly, Sherman, and Sures voting "no."

Regent Zaragoza moved to amend the recommendation such that this tuition plan would be subject to review and reauthorization by the Regents after five years.

President Drake stated that he had implemented a similar tuition plan at another university, which achieved more predictability for families, more stable support for chancellors, deans, and department chairs, and better cost savings for students. The positive effects of the plan grew over time; more low-income and diverse students were admitted but there were also lower debt loads. That institution reviewed the plan every year, and the same would be done here at the University. He believed it was appropriate and reasonable to review the plan every five years to determine whether the expected effects occurred.

Regent Thurmond asked whether this motion would preclude the Regents from reconsidering this plan sooner than in five years. Chair Estolano replied in the negative. The Regents always reserved the authority to amend this plan at any point in time.

Upon motion duly made and seconded, the amendment to the recommendation of the President to subject the tuition plan to reauthorization after five years was approved, Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kounalakis, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Rendon, Sherman, Sures, Thurmond, Torres, and Zaragoza voting "aye."

Upon motion duly made and seconded, the recommendation of the President, as amended, was approved, Regents Anguiano, Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Sures, and Torres voting "aye" and Regents Butler, Kounalakis, Rendon, Thurmond, and Zaragoza voting "no."

Chair Estolano thanked staff at UCOP for their hard work on this proposal over a number of years, Regent Pérez for shepherding the proposal during his term as Chair, and Regent Zaragoza for proposing amendments for accountability and transparency despite voting against the proposal. A Public Policy Institute article about this proposal stated that, even though it would result in increased aid and lower overall costs to 55 percent of UC students, the complexity of UC's financial aid system required an aggressive public education campaign directed to students and their families. Otherwise, funds could be left unused. As part of implementation of the plan, she called on UCOP to work with the California Student Aid Commission, the Academic and Student Affairs Committee, Regents in general, and other segments of public higher education to educate Californians on financial aid. She called for support of Regent Ortiz Oakley's advocacy of doubling the Pell Grant award in his role as temporary Senior Advisor to the U.S. Secretary of Education.

The Board recessed at 12:15 p.m.

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The Board reconvened at 1:05 p.m. with Chair Estolano presiding.

Members present: Regents Butler, Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres, and Zaragoza

In attendance: Regents-designate Blas Pedral, Pouchot, and Timmons, Faculty Representatives Gauvain and Horwitz, 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 Brown, Chancellors Block, Christ, Gillman, Hawgood, Khosla, Larive, May, Muñoz, Wilcox, and Yang, and Recording Secretary Li

6. CONSENT AGENDA

Approval of Conforming Language for Regents Policy on Affiliations with Healthcare Organizations that have Adopted Policy-Based Restrictions on Care

The President of the University recommended that the Regents approve amendments to the Regents Policy on Affiliations with Healthcare Organizations that have Adopted Policy-Based Restrictions on Care, consistent with the amendments presented and approved in concept at the June 23, 2021 Regents meeting, as shown in Attachment 2.

Upon motion duly made and seconded, the recommendation of the President was approved, Regents Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Reilly, Sherman, Torres, and Zaragoza voting "aye" and Regent Butler abstaining.

7. UPDATE OF COVID-19 IMPACT ON THE UNIVERSITY OF CALIFORNIA: UC HEALTH ISSUES

[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.]

Executive Vice President Byington stated that the World Health Organization (WHO) changed the nomenclature of COVID-19 variants to letters of the Greek alphabet and that there were many more to be named. The Delta variant was dominating the news, Epsilon was the California variant, and the Lambda variant was surging in South America. Currently, the U.S. was seeing 41,000 cases per day, an increase from about 34,000 cases per day as of July 19 and a fourfold increase since June. Half of the country remained unvaccinated, while 80 percent of the high-risk population was fully vaccinated. These numbers were increasing slowly. Dr. Byington presented a map of the U.S. that showed disease incidence, which has increased in nearly every state, with significant outbreaks in some states. California fared better than the rest of the U.S. because of strong vaccination rates. Currently, California had 8.7 cases and 65 deaths per day per 100,000 people, up from two cases and 19 deaths per day per 100,000 people in June. Vaccines were widely available in the U.S., and there were reports that some were going to waste due to expiration. According to the Commonwealth Fund, vaccinations in the U.S. averted 26 million cases, 1.2 million hospitalizations, and 279,000 deaths, but this country was struggling to administer them. Vaccine administration in the U.S. reached its peak in April and May, with three million to sometimes four million doses per day. In July, the country was averaging 500,000 doses per day. She hoped to see doses increase before fall and winter, when further surges were anticipated. Dr. Byington presented a chart comparing vaccination by U.S. county; there were very few counties that were at least 70 percent vaccinated. For the majority of U.S. counties, fewer than 40 percent of their populations were immunized. Case counts were rising more swiftly in less vaccinated counties and flattening in the most vaccinated counties. Dr. Byington presented a map of vaccine progress in California; the Bay Area was among the most vaccinated regions, but there were significant areas with little to no vaccination. A clear fourth surge was occurring in states with low vaccination rates. In these states, this surge was equal to or worse in severity than the surge in fall and winter 2020, and hospitals in these states were becoming overwhelmed. Dr. Byington expressed concern about Los Angeles County. Half of its population was fully vaccinated, but the county was seeing a steep increase in positivity rates due to the Delta variant. On June 15, UC Health had 16 COVID-19 inpatients across all of its hospitals, but that number has since risen to nearly 80 inpatients, doubling week by week. She instructed the Center for Data-driven Insights and Innovations (CDI2) to resume daily reporting of UC inpatients, and UC Health was working with the California Department of Health (CDPH) to create a new dashboard of hospitalization by vaccine status. It was Dr. Byington's belief that the most important metric for determining the need for additional vaccinations was hospitalization of vaccinated individuals. So far, very few vaccinated people required hospitalization. A study by UCSD Health found that outpatient use of statins was associated with a reduced risk of death from COVID-19. As a result, UC Health would work to ensure that patients with elevated cholesterol or high blood pressure would receive proper medication in the outpatient setting. Dr. Byington presented a chart of UC Health finances, noting that the UC Health system was doing well and nearly meeting budgetary expectations.

Due to its highly infectious nature, the Delta variant was the most common form of COVID-19 in all 50 states, making up a reported 83 percent of cases sequenced. The progress of the Delta variant in the U.S. was one month behind its progress in Europe, where it has spread among vaccinated populations. However, because of vaccination, the mortality rate was significantly lower than in winter and early spring. People who carried the Delta variant had 1,000 times more virus in the nose and were 150 percent to 250 percent more contagious than those who carried the original variant. Dr. Byington presented a table indicating the clinical effectiveness of various vaccines. She emphasized that vaccines continued to protect against hospitalization and death and were 70 to 88 percent effective against symptomatic infection with the Delta variant. Becoming infected did not necessarily lead to severe disease or hospitalization but did allow further transmission. The Delta variant had a higher R-nought, or the number of people an infected person could infect, and people with the Delta variant tested positive more quickly and had a higher viral load, which meant more transmission. Full vaccination was required for maximum protection. Individuals with one dose of a messenger ribonucleic acid (mRNA) vaccine were about 30 to 40 percent protected and still susceptible to Delta variant infection.

The previous week, the University issued a systemwide COVID-19 vaccine mandate for all students and employees who wished to enter UC campuses. Professional societies were calling for vaccine mandates, and Dr. Byington expressed pride in UC and UC Health for leading in this regard. UC Health also released its fall 2021 recommendations of COVID-19 prevention strategies, which were developed by systemwide subject matter experts who met monthly to revise the recommendations. The UCLA Medical Center and UCSF Medical Center were recently recognized as top organ transplant centers in the country. Dr. Byington stated that burnout had been an issue before the pandemic, and healthcare workers, who were caring for patients, administering vaccines, and reaching out to underserved communities, were struggling amidst the onset of a fourth surge. UC must protect its health system and healthcare workers by vaccinating everyone and masking when indoors to protect each other in the upcoming fall and winter.

Regent Reilly asked about the effectiveness of the Johnson and Johnson vaccine. Dr. Byington stated that data were not yet available. Data presented at a recent U.S. Centers for Disease Control and Prevention (CDC) Advisory Committee on Immunization Practices (ACIP) meeting indicated that the Johnson and Johnson vaccine showed strong, neutralizing antibodies and T cell function. The question that Dr. Byington was most frequently asked was whether to get an additional vaccine; there was not enough data to make this recommendation. The National Institutes of Health was conducting a trial measuring the response of people who receive an additional dose of the Moderna vaccine, and the data were expected in the next month. Dr. Byington learned from the ACIP meeting that the vaccines were training the body’s T cells and memory V cells to fight the virus. Dr. Byington was not recommending a universal additional vaccine at this time, and she did not think that it was harmful or dangerous to mix vaccines.

Regent Reilly asked about COVID-19 treatment. Dr. Byington replied that COVID-19 treatment was a large unmet need in the U.S. and worldwide. While treatment was improving, there was neither a cure nor specific antiviral medication for COVID-19. The University was engaged in a number of clinical trials in search of a therapeutic agent.

Regent Lott asked about the effectiveness of vaccines against the Delta variant for children and the impact of a surge on schools reopening. Dr. Byington replied that the Pfizer and Moderna vaccines were being tested in young children, and both worked well against the Delta variant. Results from the Pfizer vaccine trial for children aged five to 11 were expected in September, and emergency use authorization for this age group could be available in late fall.

Regent Lott asked about myocarditis in younger males following vaccination. Dr. Byington stated that the risk of myocardial inflammation following an mRNA vaccine was greater in males younger than 30 years old at the rate of 30 to 50 cases per million vaccine doses. Those with recorded cases recovered well with minimal treatment. The vaccine was still recommended for all age groups. At the same ACIP meeting mentioned earlier, ACIP decided to defer the decision of whether an additional dose of the vaccine would be useful to immunocompromised individuals until the U.S. Food and Drug Administration (FDA) fully licenses vaccines.

Regent Park asked how quickly the Delta variant was expected to spread through communities. Dr. Byington stated that it would find unvaccinated pockets very quickly. For instance, 1,000 people were known to have become infected in an outdoor concert in the Netherlands.

Regent Park asked how well recovering from the Delta variant protected against future infection. Dr. Byington responded that no data were available yet. She expected the Delta variant to create a robust immune response like other strains, but she did not know if it would provide a greater duration of antibody protection.

Regent Park asked if viral mutation was less likely in vaccinated individuals. Dr. Byington explained that mutation occurred when a virus is dividing. A vaccinated individual's immune system will kill the virus, preventing it from replicating. Without a vaccine or antibody protection, a virus would replicate quickly in the body and present an opportunity for mutation to occur. Regent Park asked if viral mutation could occur in vaccinated people who test positive for COVID-19. Dr. Byington replied that this was less likely, but there could be more of an opportunity for mutation in an immunocompromised person. A healthy vaccinated person would terminate the virus very quickly and limit chances for mutation.

Regent Park asked what trends in vaccination rates were anticipated. Dr. Byington responded that data indicated that about one-third of unvaccinated individuals would be more likely to receive the vaccine if the FDA gives full licensure. Increases in requests for vaccination were being observed in states with outbreaks.

Regent Park asked if parents were eager to get their children vaccinated. Dr. Byington replied that this depended on the child's age. The University's vaccine mandate was well-received for college-age students, but there seemed to be more concern about potential side effects among younger children. Pre-teenagers and young teenagers were becoming infected with COVID-19, with deaths reported among young children. Dr. Byington expressed support for vaccination of children of all ages.

Regent Leib asked Dr. Byington what advice she would give to vaccinated individuals. Dr. Byington replied that she has continued to wear a mask indoors and was still avoiding large groups with unknown vaccine status because a vaccinated person could still be infected with the Delta variant, which she did not want to get or spread to a higher-risk person. In Dr. Byington's view, it was easier to enforce universal masking than to enforce masking based on vaccination status, which has been a failure in the U.S.

Regent Leib asked what UC's policy would be regarding masks in the fall. President Drake stated that he was inclined to think that indoor masking through the fall would be the most prudent choice. The virus has rebounded when mitigating behaviors are relaxed. He would continue to wear a mask indoors until the virus is defeated. Chancellor Larive stated that UC Santa Cruz has followed County guidance and required masks in shared campus indoor spaces. Dr. Byington stated that this was UC Health's current guidance for campuses. If there were low rates of vaccination on campus, increased community transmission in the county, or a public health order, then universal masking might occur.

Regent Lansing asked about the Lambda variant. Dr. Byington stated that the Lambda variant was seen in Latin America and seemed more infectious, but whether it caused more severe disease was unknown. There were about 700 detections of this variant in the U.S., which was a low number. It was possible for Lambda variant cases to arrive in Texas and California from Latin America.

Regent Lansing asked if the vaccine protected against the Lambda variant. Dr. Byington replied that not much data on the Lambda variant was available yet.

Regent Lansing expressed concern about how safe it would be to attend a Regents meeting in person. Dr. Byington shared her concern about large gatherings. More traveling with unrelated people made sharing viruses more likely. She preferred driving over flying, and suggested using personal protective equipment and a higher level of masking when flying. Regent Lansing suggested that the possibility of holding an in-person Regents meeting be monitored carefully or that the Regents hold a hybrid meeting. Chair Estolano stated that she intended to take Dr. Byington's advice regarding the safety of Board meetings and that the situation would be monitored from week to week.

Staff Advisor Lakireddy asked how the University could combat misinformation regarding COVID-19 in communities like Merced and other rural regions. Dr. Byington replied that UC Health tried to provide accurate information on its websites and social media accounts, and it has worked with the CDPH to ensure good messaging. She was also concerned about the vaccination rate in Merced; a vaccine clinic might be needed there again. She stated that much of overcoming vaccine hesitancy involved speaking in-depth with people who wanted information from people they trusted and to have their questions answered. UC Health has hosted question-and-answer sessions via teleconference in which healthcare professionals answer people's questions in order to increase vaccine confidence.

8. **2021 UNIVERSITY OF CALIFORNIA ACCOUNTABILITY REPORT: HIGHLIGHTS AND UC 2030**

[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.]

Provost Brown announced that the University released the 2021 UC Accountability Report, which recognized key contributions and identified areas of concern. He expressed appreciation for the resilience and resourcefulness of the UC community. More data were needed to understand the effects of remote operations and the unprecedented social and economic disruption that UC was still experiencing.

Vice President Pamela Brown stated that the report and the UC Information Center were two primary ways the University promoted transparency. The report included information about students, faculty, and staff, the diversity of those populations, UC's teaching, research, and public service missions, UC Health, finance and sustainability efforts, and honors and rankings. The report was accessible online and its data were downloadable. The theme of this year's report was showing UC's impact on the state, building on the UC Economic Impact Report, and Ms. Brown presented parts of the report that showed the University's impact on first-generation college-going, public service, and research. In particular, UC research contributed to a variety of industries, and money generated from UC research was used for local spending and job creation. UC also freely shared its academic research findings through open access publications. The University had an opportunity to help address the challenges California faced through research. Most research was federally funded, but the State also supported research through the funding of faculty.

The report included an update on the progress UC has made on its 2030 goals. With regard to the goal of adding 1,100 new faculty by 2022–23, UC has added about 375 ladder-rank faculty in the last two years and would have to double hiring rates to achieve its goal. The pandemic slowed down hiring, and the University needed investment in growing faculty, so UC was not on track to achieve this goal, which stalled efforts to diversify the faculty. Ms. Brown stated that new hiring at UC was often above availability pools, but she acknowledged that national availability pools should not be UC's standard. The report included a table of other benchmarks, such as the race, ethnicity, and gender of new hires as compared with national availability pools. There was greater diversity among UC degree holders, which would be helpful to UC and the California State University (CSU) to build diverse professoriates. The other goals were producing 200,000 additional degrees by 2030, 90 percent degree completion, and improvements in timely graduation especially for Pell Grant recipient, first-generation, and underrepresented students. The proportion of graduate students has remained flat at about 21 percent. Since 2014, UC has received State support to add 15,000 undergraduate students but only 500 graduate students. It was hoped that campuses with lower graduate student percentages could add graduate student enrollment and have the same student profile as other campuses. In the UC Graduate Student Experience Survey, about one-third of UC graduate students indicated that the COVID-19 pandemic would delay degree attainment, with almost 20 percent of respondents reporting a delay of two or more terms. The University was concerned that it was not on pace to meet its graduate degree attainment goal. UC has received State funding to support the enrollment of 15,000 resident undergraduate students but enrolled about 22,000 such students, leaving about 7,000 unfunded. This had an effect on campuses' ability to hire faculty. The University has not yet received State support for the elimination of gaps in timely graduation for Pell Grant recipient, first-generation, and underrepresented students. Double-digit improvements were still needed to eliminate those gaps.

The University saw improvement in three-year and four-year graduation rates, including among Pell Grant recipient, first-generation, and underrepresented students. Reasons for this improvement might include summer course-taking and online or remote learning. The Office of the President would work with the Academic Senate and campuses in order to continue making improvements. Campuses have identified strategies such as scaling up living and learning communities and revising curricula to address equity gaps. When establishing the 2030 goals, UC sought a $60 million State investment for four years. In 2019, Governor Newsom proposed $50 million for UC degree attainment, but the Legislature shifted those funds to undergraduate enrollment. In order to make progress on its 2030 goals, the University must secure funding for California resident undergraduate students, graduate students, and for the elimination of equity gaps.

Regent Cohen commented that the report should not focus on when the State failed to fund certain things, especially given the amount of State support UC received this year. In his view, this could be regarded as ingratitude.

Chair Estolano praised the accessibility of the data, and she advised the Regents against focusing solely on California undergraduate students when advocating for funding. These students were augmented by outstanding graduate students, faculty, and staff. The table regarding the underfunding of the 2030 goals demonstrated the number of students attending UC compared with other public and private schools. The inability to recruit faculty at the desired rate had a direct impact on faculty diversity, but UC was also its own best source for faculty. CSU and the community colleges were partners with UC in growing the professoriate. Chair Estolano encouraged the Regents to review the report data online.

9. **COMMITTEE REPORTS INCLUDING APPROVAL OF RECOMMENDATIONS FROM COMMITTEES**

Chair Estolano stated that Chairs of Committees and Special Committees that met the prior day and off-cycle would deliver reports on recommended actions and items discussed, providing an opportunity for Regents who did not attend a particular meeting to ask questions.

<u>Report of the Academic and Student Affairs Committee</u>

The Committee presented the following from its meeting of July 21, 2021:

A. ***Fulfilling the Academic Mission: Academic Senate Survey of UC Faculty and Instructors About Their Experiences During the Pandemic, March 2020 to May 2021***

Regent Park reported that key takeaways from the Academic Senate's survey of faculty and instructors, which had a high response rate and many detailed responses, included a loss of research productivity, personal expenditures to support remote instruction, and concerns about student engagement, academic integrity, and student well-being. About 70 percent of respondents preferred in-person instruction, while 45 percent became interested in online teaching. Students did not seem to have a good experience with remote instruction, and faculty were more flexible in providing accommodations. Comments about saving time from not commuting raised the issues about faculty seeking housing close to campus and recovering time for research. This information had to be taken in the context of the pandemic.

B. ***Instruction and Research at the University of California: COVID-19 Impact and Plans for Fall 2021***

Regent Park reported some fall 2021 statistics provided during the presentation. Graduate students reported delays in their progress toward their degree. Chancellor Block shared that graduation gaps for Pell Grant recipient, first-generation, and underrepresented students at UCLA decreased. Regent Park was interested in further exploring grading practices, and support for junior faculty.

C. ***University of California Efforts to Advance Affordable Course Materials and Open Educational Resources***

Regent Park reported that the Committee heard a presentation on LibreTexts and a pilot program at UC Merced. While textbook costs have risen sharply, student expenditure on textbooks had not risen as much because UC was seeking better options in place of them, and students were opting not to purchase textbooks in order to meet other basic needs. LibreTexts represented the next generation of open educational resources (OER). Faculty could modify and customize materials to make them more relevant to students. Using OER had a multiplier effect on student costs. The Committee discussed how these efforts could be better funded and how OER could be made easier for faculty to adopt.

D. ***Exploring the Transfer Pipeline to the University of California***

Regent Park reported that the Committee heard three panel discussions on this item. UC and the California Community Colleges were in the third year of a four-year memorandum of understanding (MOU). Progress has been made on the number of transfers to UC, but more work needed to be done. Capacity at UC continued to be limited, and the community colleges were eager to continue their partnership with UC in order to make progress on aligning transfer pathways. The Committee planned to spend the next year examining this, the result of which would one hoped would be a renewed MOU. Regent Park praised the Merced Promise, a transfer partnership between UC Merced and Merced College. The Committee was provided with a demonstration of the Program Pathways Mapper, a tool developed at Bakersfield College to visualize transfer pathways.

E. ***Future Goals of the Committee for the Upcoming Year***

Regent Park reported that suggested topics included expanding capacity without increasing campus density, concerns about academic integrity, support for online programs, curricular programs that improve equity, expanding the debt-free pathway, and growing the graduate student population.

Report of the Compliance and Audit Committee

The Committee presented the following from its meeting of July 21, 2021:

Approval of Compliance Plan for 2021-22 and Internal Audit Plan for 2021–22

The Committee recommended that the Regents approve the Compliance Plan for 2021–22 and the Internal Audit Plan 2021–22.

Regent Elliott reported that the Committee discussed aspects of the Compliance Plan, including compliance with the Americans with Disabilities Act and Clery Act, planned audits, and a materiality threshold for internal audit issues and reporting to the Board.

Upon motion of Regent Elliott, duly seconded the recommendation of the Compliance and Audit Committee was approved, Regents Butler, Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Pérez, Reilly, Torres, and Zaragoza voting "aye."

Report of the Finance and Capital Strategies Committee

The Committee presented the following from its meeting of July 21, 2021:

A. ***Consent Agenda:***

(1) ***Preliminary Plans Funding, Viterbi Family Vision Research Center, San Diego Campus***

The Committee recommended that the 2020–21 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: Viterbi Family Vision Research Center – preliminary plans – $6 million to be funded from campus funds.

(2) ***Working Drawings Funding and Scope, Hospital Bed Replacement Tower Advanced Work Phase, Davis Health Campus***

The Committee recommended that:

a. The 2020–21 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

From: Davis: Hospital Bed Replacement Tower – preliminary plans – $101,618,000 funded with hospital reserves.

To: Davis: Hospital Bed Replacement Tower – preliminary plans and Advanced Work Phase working drawings – $127,618,000 funded with hospital reserves.

b. The scope of the Advanced Work Phase of the Hospital Bed Replacement Tower project shall provide removal of existing trailers; grading; road improvements; reconfiguration of parking lots for temporary ambulance drop-off; reconfiguration of ambulance entry and emergency patient drop-off; renovation of interior emergency department spaces to accommodate relocated entries; relocation of existing utilities at the project site; utilities and utility tie-ins; installation of new underground storage tanks; and provisions for planning and design of the project big room.

B. ***2021 Long Range Development Plan Following Action Pursuant to the California Environmental Quality Act, and Acceptance of the 2021 Physical Design Framework, Berkeley Campus***

The Committee recommended that, following review and consideration of the environmental consequences of the proposed UC Berkeley 2021 Long Range Development Plan (LRDP), as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

(1) Certify the Final Environmental Impact Report for the UC Berkeley 2021 LRDP and Housing Projects #1 and #2.

(2) Adopt as conditions of approval of the UC Berkeley 2021 LRDP all applicable Mitigation Measures and Continuing Best Practices within the responsibility and jurisdiction of the University.

(3) Adopt the Mitigation Monitoring and Reporting Program for the UC Berkeley 2021 LRDP.

(4) Adopt the CEQA Findings and Statement of Overriding Considerations for the UC Berkeley 2021 LRDP.

(5) Approve the UC Berkeley 2021 LRDP.

(6) Receive and accept the UC Berkeley Physical Design Framework.

C. ***Amendment to the 2004 University Village Master Plan and Design Following Action Pursuant to the California Environmental Quality Act, Albany Village Graduate Student Housing, Berkeley Campus***

The Committee recommended that, following review and consideration of the environmental consequences of the Albany Village Graduate Student Housing project as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

(1) Adopt the CEQA Findings for the Albany Village Graduate Student Housing project, having considered both the Addendum to the 1998 University Village and Albany/Northwest Berkeley Properties Draft Master Plan Environmental Impact Report (EIR) and 2004 Subsequent EIR.

(2) Adopt as conditions of approval the applicable Mitigation Measures and Continuing Best Practices identified in the Addendum within the responsibility and jurisdiction of UC Berkeley.

(3) Adopt the Mitigation Monitoring and Reporting Program for the Albany Village Graduate Student Housing project.

(4) Approve a minor amendment to the 2004 University Village Master Plan to remove a portion of the Commercial or Mixed Use land use designation so that the entire site is within the Housing, Parking, Recreation, and Open Space land use designation.

(5) Approve the design of the Albany Village Graduate Student Housing Project.

D. ***Approval of UC Student Association and UC Graduate Professional Council Systemwide Fees***

The Committee recommended that the Regents:

(1) Approve the multi-year plans for charging the UC Student Association (UCSA) Systemwide Fee of seven dollars per undergraduate student per year and the UC Graduate and Professional Council (UCGPC) Systemwide Fee of seven dollars per graduate and professional student per year, as shown in Display 1.

(2) Approve affiliation between the University and each of UCSA and UCGPC in connection with such fees.

(3) Authorize the President of the University, after consultation with the General Counsel, to negotiate, approve, and execute affiliation agreements with UCSA and UCGPC that are substantially consistent with the terms outlined in Attachment 3, and to negotiate, approve, and execute any amendments or other documents related to the affiliation agreements, provided that such amendments or other documents do not materially reduce the consideration to or increase the obligations of the Regents.

The institution of the fee in support of UCGPC and entering into an affiliation with UCGPC is contingent upon UCGPC being recognized by the Internal Revenue Service as a 501(c)(3) organization.

DISPLAY 1: Proposed Fee Levels for the UCSA Systemwide Fee and the UCGPC Systemwide Fee[1]

Fee	2022-23	2023-24	2024-25
UCSA Systemwide Fee	$ 7.00	$ 7.00	$ 7.00
UCGPC Systemwide Fee	$ 7.00	$ 7.00	$ 7.00

[1] The UCSA Systemwide Fee and the UCGPC Systemwide Fee may be assessed beyond the period covering each fee's approved multi-year plan but not in excess of the fee amounts specified in the final year. Any future fee increases must be approved by the Regents.

Regent Cohen reported that this proposal had the support of UC student associations, Student Advisor, and Student Regent. Students would be able to opt out of paying this fee.

E. ***2021 Long Range Development Plan, Santa Cruz Campus***

Regent Cohen reported that the Committee discussed ways to grow enrollment and serve more students outside of traditional, on-campus methods.

F. ***UCSF Benioff Children's Hospital Oakland Master Facilities Plan Phase 2 Including New Hospital Pavilion, San Francisco Campus***

This item was not summarized.

G. ***Update on the Final 2021–22 State Budget***

Regent Cohen stated that it was incumbent upon the University to implement the proposed programs as successfully as possible so that it could make a case to the Legislature that State support to UC was well spent.

Upon motion of Regent Cohen, duly seconded, the recommendations of the Finance and Capital Strategies Committee in items A to G above were approved, Regents Butler, Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres, and Zaragoza voting "aye."

H. ***Design Following Action Pursuant to the California Environmental Quality Act and Acceptance of Gift of Real Property, Anchor House Student Housing, Berkeley Campus***

The Committee recommended that, following review and consideration of the environmental consequences of the Anchor House Student Housing project (Project) as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

(1) Adopt as conditions of approval of Housing Project #1 all applicable Mitigation Measures and Continuing Best Practices within the responsibility and jurisdiction of the University.

(2) Adopt the Mitigation Monitoring and Reporting Program for Housing Project #1.

(3) Following review and consideration of the previously certified Environmental Impact Report for the UC Berkeley 2021 Long Range Development Plan and Housing Projects #1 and #2, determine that no further environmental analysis pursuant to CEQA is required and adopt CEQA Findings specific to the Anchor House Student Housing Project, referred to as Housing Project #1 in the EIR.

(4) Approve the Project design.

(5) In accordance with Regents Bylaw 22.2(d) and Regents Policy 8103, Policy on Capital Project Matters, approve the acceptance of the gift of the Project pursuant to the terms of a gift agreement between the Donor and UC Berkeley.

(6) Authorize the President of the University, or designee, in consultation with the Office of the General Counsel, to execute all documents necessary in connection with the above and to take all further action necessary and desirable to effectuate the acceptance of the gift and the implementation of the Anchor House Student Housing Project.

Regent Cohen stated that this project was entirely donor-funded and meant for transfer students. Any residual revenues from the project would go toward financial aid for transfer students.

Regent Zaragoza expressed support for the purpose of the Anchor House Project, but stated that the current tenants at the location of the project had not agreed to vacate. She did not wish to approve the project until mitigating measures were completed. There was also no agreement with the City of Berkeley to replace the rent-controlled units.

Upon motion of Regent Cohen, duly seconded, the recommendation of the Finance and Capital Strategies Committee in item H above was approved, Regents Butler, Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, and Torres voting "aye" and Regent Zaragoza voting "no."

Governance Committee

The Committee presented the following from its meeting of July 20, 2021:

A. ***Resolution to Exclude Access to Federal Classified Information***

The Committee recommended that the resolution pertaining to the University's Facility Security Clearances be approved as shown in Attachment 4.

Chair Estolano reported that this proposal was made in accordance with Regents Policy 1600: Policy on Security Clearance for Access to Federal Classified Information.

B. ***Approval of Market-Based Salary Adjustment for Stephen Sutton as Vice Chancellor – Student Affairs, Berkeley Campus as Discussed in Closed Session***

The Committee recommended approval of the following items in connection with the market-based salary adjustment for Stephen Sutton as Vice Chancellor – Student Affairs, Berkeley campus:

(1) Per policy, a market-based salary adjustment of 10.3 percent, increasing Mr. Sutton's annual base salary from $308,159 to $340,000, as Vice Chancellor – Student Affairs, Berkeley campus, at 100 percent time.

(2) Per policy, continuation of standard pension and health and welfare benefits and standard senior management benefits, including continuation of eligibility for senior management life insurance and executive salary continuation for disability (will be eligible and vested after five or more consecutive years of Senior Management Group service).

(3) Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all applicable program requirements.

(4) Mr. Sutton will continue to comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.

(5) This action will be effective August 1, 2021.

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

Chair Estolano reported that this action acknowledged the additional duties that Mr. Sutton performed for UC Berkeley.

C. ***Amendment of Certain Bylaws and Amendment and Rescission of Certain Standing Orders and Policies on Personnel Matters, and Adoption of Bylaw on Officers of the University and Policy on Service Obligations and Leaves of Absence***

The Committee recommended that the Regents:

(1) Rescind the following Standing Orders pertaining to personnel matters: Standing Orders 100.1 – Officers of the University, 100.2 – Employment Status, 100.3 – Compensation, 100.4(c), 100.4(d), 100.4(e), and 100.4(dd)(4) – Duties of the President, 100.5 – Duties of the Vice Presidents, 100.7 – Duties of Other Officers of the University, 101.1(c) – Employment Status, 101.1(e) – Employment Status, 103.1 – Service Obligations, 103.4 – Sabbatical Leaves, 103.8 – Death Benefit, and 120 – Retirement Systems, following service of appropriate notice, as shown in Attachment 5.

(2) Rescind the following Standing Orders that were previously incorporated into the Bylaws or Committee Charters: Standing Orders 100.4(a), 100.4(f), 100.4(g), 100.4(h), 100.4(i), 100.4(j), 100.4(k), 100.4(l), 100.4(n), 100.4(s), 100.4(t), 100.4(u), 100.4(v), 100.4(w), 100.4(dd)(2), 100.4(dd)(3), 100.4(dd)(5), 100.4(ii), 100.4(mm), 100.4(oo), 100.4(pp), and 100.4(rr) –

Duties of the President; 100.6 – Duties of the Chancellors; 101.1(a),101.1(b), and 101.1(d) – Employment Status; 103.2 – Privilege of Hearing Before the Academic Senate and 103.9 – Tenure; and 105.1(b), 105.1(c), 105.2(a), 105.2(b), 105.2(d), and 105.2(e) – Academic Senate following service of appropriate notice, as shown in Attachment 6.

(3) Amend Bylaws 22.2 – Authority of the Board/Specific Reservations, 23.5 – Authority and Duties of Principal Officers, 30 – President of the University, and 31 – Chancellors, following service of appropriate notice, as shown in Attachment 7.

(4) Adopt Bylaw 32 – Officers of the University, following service of appropriate notice, as shown in Attachment 8.

(5) Rescind Regents Policy 7301 – Policy on Extended Administrative Leaves with Pay, Regents Policy 7302 – Policy on Officers' Leaves of Absence or Vacation Leaves, and Regents Policy 7706 – Reemployment of UC Retired Employees, as shown in Attachment 9.

(6) Adopt a Regents Policy on Service Obligations and Leaves of Absence, as shown in Attachment 10.

(7) Amend Regents Policy 7201 – Principles for Review of Executive Compensation and Regents Policy 7600 – Policy on University of California Retirement System, as shown in Attachment 11.

Chair Estolano explained that this action would remove the Standing Orders that had been moved into Bylaws, something that the Board directed in 2016.

Upon motion of Chair Estolano, duly seconded, the recommendations of the Governance Committee in items A to C above were approved, Regents Butler, Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres, and Zaragoza voting "aye."

D. ***Approval of Contract Compensation for Jim Knowlton as Director of Athletics, Berkeley Campus as Discussed in Closed Session***

The Committee recommended approval of the following items in connection with the contract compensation for Jim Knowlton as Director of Athletics, Berkeley campus:

(1) For the first contract year, annual guaranteed compensation of $925,000, comprised of $300,000 in base salary and $625,000 in talent fee. Additionally, for each subsequent contract year, annual guaranteed compensation of $950,000, comprised of $300,000 in base salary and $650,000 in talent fee. This exceeds the *Amendment of Regents' Delegation*

of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide (September 2008 Parameters) because the proposed annual guaranteed compensation of $925,000 in year one is more than 30 percent over the annual guaranteed compensation of $670,000 in the previous year's contract. In addition, the overall cumulative total guaranteed compensation of $7,575,000 in the proposed contract is more than 30 percent over the previous contract's overall cumulative total guaranteed compensation of $2,010,000, with the duration of the contracts adjusted so that a change in contract duration does not affect the comparison.

(2) Provide deferred compensation in the form of annual retention bonus payments totaling $2.2 million. This exceeds the September 2008 Parameters because the total deferred compensation in the form of retention bonus payments over the life of the contract is more than the equivalent of the first year's guaranteed compensation.

The retention payment will be paid following the last day of each contract year. The deferred compensation for each contract year is presented in the chart below:

Contract Year	Annual Retention Payment
Year 1 (5/21/21-5/20/22)	$100K
Year 2 (5/21/22-5/20/23)	$150K
Year 3 (5/21/23-5/20/24)	$200K
Year 4 (5/21/24-5/20/25)	$250K
Year 5 (5/21/25-5/20/26)	$300K
Year 6 (5/21/26-5/20/27)	$350K
Year 7 (5/21/27-5/20/28)	$400K
Year 8 (5/21/27-5/20/29)	$450K

(3) This contract will be effective from May 21, 2021 through May 20, 2029.

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

Chair Estolano explained that this action would set up a system of incentives that would encourage Mr. Knowlton to remain at UC Berkeley and was a preemptive action given the success of UC Berkeley's athletic programs. It would raise Mr. Knowlton's compensation to be on par with that of his PAC-12 conference colleagues.

Upon motion of Chair Estolano, duly seconded, the recommendation of the Governance Committee in item D above was approved, Regents Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Reilly, Sherman, and Zaragoza voting "aye," Regent Pérez voting "no," and Regent Torres abstaining.

Report of the Health Services Committee

The Committee presented the following from its meeting of June 23, 2021:

A. ***Update from the Executive Vice President of UC Health***

Regent Lansing reported that the Committee heard a COVID-19 update that was very different from the one presented at this meeting due to the changing nature of the pandemic.

B. ***Consent Agenda:***

(1) ***Approval for Participation in a Cancer Care Joint Venture with a Bay Area Health System, San Francisco Campus***

The Committee recommended:

a. Approval of UCSF Health's (UCSFH) establishment, with John Muir Health (JMH), of a joint venture (Walnut Creek Cancer Program, LLC, the Joint Venture) dedicated to operating an outpatient comprehensive cancer center in Walnut Creek, California (the Cancer Center), with UCSFH and JMH as its two corporate members, in furtherance of the charitable and educational purposes of UCSFH and JMH, including promoting health and providing or expanding access to healthcare services for a broad cross-section of the community. The investment of up to $40 million shall be an exchange for up to a 49 percent stake in the Joint Venture.

b. That the following be required, in connection with the above arrangements:

(i) Purposes/Mission: UCSFH's participation in the Joint Venture shall be in furtherance of its non-profit purposes and consistent with its clinical and academic missions.

(ii) Capital Calls/Additional Investment: Concurrence of the Chair of the Health Services Committee shall be required for any investment (e.g., in response to a capital call) beyond the above amounts, as well as any mergers, acquisitions, joint ventures, or sales of all or substantially all of the assets of the Joint Venture.

(iii) Exclusivity: Nothing in any agreement signed in connection with the Joint Venture will bind the University as a whole, UC Health, or any UC campus or UC medical center (other than UCSF); and all definitive agreements shall preserve UCSF Health's right at all times to participate directly or through the new companies where appropriate in systemwide initiatives notwithstanding any exclusivity agreements or policies otherwise adopted by the Joint Venture.

(iv) Use of University Name: UCSFH shall participate in a joint marketing arrangement for the Cancer Center, consistent with the requirements of California Education Code Section 92000. Any use of the UCSF or University of California name shall be subject to prior approval by the campus and shall be consistent with University policies governing use of the University's names and marks and appropriate licensing agreements.

(v) Access to Records: UCSF Health shall have access to all legal and financial records maintained by the Joint Venture.

(vi) Termination: The definitive agreements shall include appropriate provisions for termination or dissolution.

c. That the President of the University or his designee be authorized, after consultation with the Office of the General Counsel, to approve and execute any agreements reasonably required to implement UCSF Health's participation in the Joint Venture, including any subsequent agreements, modifications, or amendments thereto, provided that such agreements, modifications, amendments, or related documents are materially consistent with the terms above, and do not otherwise materially increase the obligations of the Regents or materially decrease the rights of the Regents.

(2) ***Participation in a Joint Venture to Develop a Medical Office Building in Fremont, California, San Francisco Campus***

The Committee recommended:

a. Approval of UCSF Health's establishment, with Washington Township Health Care District, of a joint venture (Warm Springs Health Center Partnership, LLC, the Joint Venture), with UCSF Health (UCSFH) and Washington Hospital Health System (WHHS) as its two corporate members, in furtherance of the charitable and educational purposes of UCSFH and WHHS, including promoting health and providing or expanding access to healthcare services for a broad cross-section of the community, and investment of up to $31 million over five years and UCSFH's tenancy-in-common interest in the real estate parcel at 45388 Warm Springs Boulevard, Fremont, California, in exchange for a 49 percent stake in the company.

b. That the following be required, in connection with the above arrangements:

(i) Purposes/Mission: UCSFH's participation in the Joint Venture shall be in furtherance of its non-profit purposes and consistent with its clinical and academic missions.

(ii) Capital Calls/Additional Investment: Concurrence of the Chair of the Health Services Committee shall be required for any investment (e.g., in response to a capital call) beyond the above amounts, as well as any mergers, acquisitions, joint ventures or sales of all or substantially all of the assets of the Joint Venture.

(iii) Exclusivity: Nothing in any agreement signed in connection with the Joint Venture will bind the University as a whole, UC Health, or any UC campus or UC medical center (other than UCSFH); and all definitive agreements shall preserve UCSFH's right at all times to participate directly or through the new companies where appropriate in systemwide initiatives notwithstanding any exclusivity agreements or policies otherwise adopted by the Joint Venture.

(iv) Use of University Name: Any use of the UCSFH or University of California name shall be subject to prior approval by the campus and shall be consistent with University policies governing use of the University's names and marks and appropriate licensing agreements.

(v) Access to Records: UCSFH shall have access to all legal and financial records maintained by the Joint Venture.

(vi) Termination: The definitive agreements shall include appropriate provisions for termination or dissolution.

c. That the President of the University or his designee be authorized, after consultation with the Office of the General Counsel, to approve and execute any agreements reasonably required to implement UCSFH's participation in the Joint Venture, including any subsequent agreements, modifications, or amendments thereto, provided that such agreements, modifications, amendments or related documents are materially consistent with the terms above, and do not otherwise materially increase the obligations of the Regents or materially decrease the rights of the Regents.

C. ***Proposed Request for the UCSF Benioff Children's Hospital Oakland Master Facilities Plan Phase 2 Including New Hospital Pavilion, San Francisco Campus***

This item was not summarized.

D. ***Speaker Series – Searching for the Cure: A Clinical Trial of CRISPR Technology in Sickle Cell Disease, Berkeley, Los Angeles, and San Francisco Campuses***

Regent Lansing reported that the Committee heard a presentation from Nobel laureate Jennifer Doudna on CRISPR technology.

E. ***Community Benefit and Impact, UC Health***

This item was not summarized.

Upon motion of Regent Lansing, duly seconded, the recommendations of the Health Services Committee were approved, Regents Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres, and Zaragoza voting "aye."

<u>Report of the National Laboratories Committee</u>

The Committee presented the following from its meeting of July 20, 2021:

A. ***Allocation of LLC Fee Income to Be Expended in Fiscal Year 2021–22***

The Committee recommended that the President of the University be authorized to expend an estimated $27.6 million from the University's net share of Triad National Security, LLC (Triad) and Lawrence Livermore National Security, LLC (LLNS) income earned in the respective LLC 2021 fiscal years (FY),[2] as projected by the LLCs, for the purposes and in the amounts described below:

(1) An estimated $1.6 million for the University's contractually-required share of compensation-related costs for LLC staff that are not reimbursed by the federal government under the prime contracts, including up to $400,000 for the UC/Los Alamos National Laboratory (LANL) Entrepreneurial Postdoctoral Fellowship Program.

[2] The University also remains a member of Los Alamos National Security, LLC (LANS), which managed Los Alamos National Laboratory through October 31, 2018. It is not expected that LANS will earn any appreciable net fee income during this next fiscal year.

(2) Consistent with the approved FY 2021–22 Office of the President (UCOP) budget, an appropriation in the amount of $7.33 million for FY 2021–22 to the UCOP budget for federally unreimbursed costs of University oversight of its interests at LANL and Lawrence Livermore National Laboratories (LLNL), paid or accrued July 1, 2021 through June 30, 2022, including, but not limited to, an allocable share of the costs of the President's Executive Office, the Provost, the Academic Senate, Human Resources, Compliance and Audit, Financial Accounting, UC National Laboratories (UCNL), Federal Governmental Relations, Office of Research and Graduate Studies, Office of the General Counsel, Office of the Secretary and Chief of Staff to The Regents, Office of the President facility charges, and the University-appointed Governors on the Boards of the LLCs. Any unspent funds allocated for this purpose will be transferred to the Capital and Campus Opportunity Fund (paragraph 8).

(3) An appropriation in the amount of $2 million to the LLNS/LANS Post-Contract Contingency Fund (PCCF) for FY 2021–22. Any income generated by the PCCF reserve fund under the University's Short Term Investment Pool (STIP) shall be reserved exclusively for the PCCF. In the event that the actual LLC income varies from the $27.6 million projection, the President is authorized to revise the allocation to the PCCF, up or down, in his discretion.

(4) No appropriation for FY 2021–22 to the fully funded LLC Fee Contingency Fund. Any income generated by the LLC Fee Contingency Fund under the University's STIP shall be reserved exclusively for the LLC Fee Contingency Fund.

(5) An appropriation in the amount of $10 million for FY 2021–22 for the UC Laboratory Fees Research Program and other research relevant to the missions of the National Laboratories and the University, including the UC–National Laboratory Graduate Student Fellowship Program. In the event all or part of this funding for the UC Laboratory Fees Research Program is not spent in FY 2021–22, the funding will be carried over to FY 2022–23 for the same purpose. In the event that the actual LLC income varies from the $27.6 million projection, the President is authorized to revise this allocation, up or down, in his discretion.

(6) An appropriation in the amount of $300,000 to fund the affiliation agreement between the University and the Livermore Lab Foundation (LLF). In the event all or part of this funding for LLF is not spent in FY 2021–22, the funding will be carried over to FY 2022–23 for the same purpose.

(7) An appropriation in the amount of $1 million for FY 2021–22 for the Accelerating Therapeutic Opportunities for Medicine (ATOM) collaboration.

(8) An appropriation in the amount of $1.7 million for FY 2021–22 for the Capital and Campus Opportunity Fund (CCOF). Consistent with the approved FY 2021–22 UCOP budget, the President is authorized to spend up to $1 million of CCOF funds on the SoCal Hub initiative and $200,000 of CCOF funds on the UC Postdoctoral Fellowship in Technology and International Security program, a collaboration of UCSD and UC-affiliated National Laboratories. Any income generated by this fund under the University's STIP shall be reserved exclusively for this fund. In the event that the actual LLC income varies from the $27.6 million projection, the President is authorized to revise the allocation to the CCOF, up or down, in his discretion.

(9) An appropriation in the amount of $2 million in FY 2021–22 for the Triad Reserve Fund. Any income generated by this fund under the University's STIP shall be reserved exclusively for this fund. In the event that the actual LLC income varies from the $27.6 million projection, the President is authorized to revise the allocation to the Triad Reserve Fund, up or down, in his discretion.

(10) Consistent with the approved FY2021–22 UCOP budget, an appropriation in the amount of $1.67 million for FY 2021–22 for the purpose of business development, which would support the University's efforts to explore and develop opportunities to participate in the management of one or more U.S. Department of Energy National Laboratories and other Federally Funded Research and Development Centers (FFRDCs) in addition to the three current UC-affiliated National Laboratories. Formal bids on specific Laboratory or FFRDC contracts would be subject to further Regental approval. Any unspent funds appropriated for this purpose will be transferred to the Capital and Campus Opportunity Fund (paragraph 8).

Upon motion of Regent Reilly, duly seconded, the recommendation of the National Laboratories Committee was approved, Regents Butler, Cohen, Drake, Elliott, Estolano, Guber, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres, and Zaragoza voting "aye."

Report of the Public Engagement and Development Committee

The Committee presented the following from its meeting of July 21, 2021:

A. ***Diversity in UC Innovation and Entrepreneurship: Campus Speaker***

Regent Reilly reported that the Committee heard a presentation from Damon Tull, Director for Industry Alliances at the UC Davis Graduate School of Management, on increasing diversity in innovation and entrepreneurship throughout the system. The University was establishing a systemwide Committee on Diversity, Equity, and Inclusion in Innovation and Entrepreneurship. The Committee suggested that the Special Committee on Innovation Transfer and Entrepreneurship call upon Mr. Tull for his advice.

B. ***State Investments in UC for 2021–22***

Regent Reilly reported that the Committee heard an update on the State budget. Determinations of when and how funding for mental health services, basic needs, and Student Academic Preparation and Educational Partnerships (SAPEP) would be spent have not yet been made.

C. ***Federal Governmental Relations Update***

Regent Reilly reported that the Committee received an update on activities by the federal government that are relevant to the University. The Committee expressed appreciation for the support that UC has received from the Biden administration.

D. ***Future Goals of the Committee for the Upcoming Year***

Regent Reilly reported that Committee discussed goals such as visiting the northern regions of California to encourage UC attendance; holding a Committee meeting at a community college campus; visiting a SAPEP program in urban Los Angeles with local legislators to highlight the success of such programs and build support for funding these programs; and organizing campus meetings under the theme “UC in my community” and exploring a campus’ positive impact on the local community.

Report of the Special Committee on Nominations

The Special Committee presented the following from its meeting of July 21, 2021:

Appointment of Certain Advisory Members to Standing Committees for 2021–22

The Special Committee recommended that:

A. Regents-designate be appointed as advisory members of Standing Committees, effective immediately through June 30, 2022, as follows:

(1) Regent-designate Pouchot be appointed as an advisory member of the Finance and Capital Strategies Committee, the Compliance and Audit Committee, and the Investments Committee.

(2) Regent-designate Timmons be appointed as an advisory member of the Academic and Student Affairs Committee, the National Laboratories Committee, and the Public Engagement and Development Committee.

(3) Contingent upon her appointment as student Regent for 2022-23, Regent-designate Blas Pedral be appointed as an advisory member of the Academic and Student Affairs Committee, the Investments Committee, and the Public Engagement and Development Committee.

B. Faculty Representatives be appointed as advisory members of Standing Committees, effective September 1, 2021 through August 30, 2022 as follows:

(1) Faculty Representative Cochran be appointed as an advisory member of the Academic and Student Affairs Committee, the Investments Committee, and the Public Engagement and Development Committee.

(2) Faculty Representative Horwitz be appointed as an advisory member of the Compliance and Audit Committee, the Finance and Capital Strategies Committee, and the National Laboratories Committee.

C. UC Davis Professor Robert Powell be reappointed as a non-voting advisory member of the National Laboratories Committee, effective immediately through June 30, 2022.

Upon motion of Regent Sherman, duly seconded, the recommendation of the Special Committee on Nominations was approved, Regents Butler, Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres, and Zaragoza voting "aye."

10. UNFINISHED BUSINESS

Amendment of Bylaw 23.5: Authority and Duties of Principal Officers

At the May 2021 meeting of the Board of Regents, notice was served that at the next regular meeting of the Regents, Bylaw 23.5(d) – Authority and Duties of Principal Officers, Chief Investment Officer, be amended as shown below.

Addition shown by underscoring

23.5 Authority and Duties of Principal Officers.

(d) Chief Investment Officer

The Chief Investment Officer serves as the chief University official having charge of all investment matters pertaining to the Corporation and University. The Chief Investment Officer provides advice and counsel to the Regents, to Board leadership and to University leadership regarding investment policy and performance and has direct access to the Board. The Chief Investment Officer oversees the acquisition, management and disposition of all assets held for investment purposes, as directed by Regents Policy, the Board and/or the President of the University, and acts as the custodian of all investment assets belonging to University; however, the Chief Investment Officer and the President will each have authority over the acquisition, management and disposition of all equity received by University campuses pursuant to licensing, incubator/accelerator activities and other commercial arrangements. Subject to the administrative oversight of the President of the University, the Chief Investment Officer provides investment services to the University and oversees all investment managers retained by the University to deliver such services. The Chief Investment Officer reports to the Board and to the President of the University. The Chief Investment Officer is expected to report to the Board any significant concerns regarding the Office of the President that could result in substantial financial, reputational or other harm to the University. With regard to audits and investigations of the Office of the President, the Chief Investment Officer reports solely and exclusively to the Board.

Upon motion duly made and seconded, the recommendation was approved, Regents Butler, Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres, and Zaragoza voting "aye."

11. **REPORT OF INTERIM, CONCURRENCE AND COMMITTEE ACTIONS**

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

Approvals Under Interim Action

The Chair of the Board, the Vice Chair of the Board, and the President of the University approved the following recommendation:

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

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. Per policy, appointment of Peggy Arrivas as Interim Associate Vice President – Capital Asset Strategies and Finance, Office of the President, effective June 15, 2021 through June 30, 2021.

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.

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 eligibility for Executive Salary Continuation for Disability (eligible and vested as a result of five or more consecutive years of Senior Management Group service).

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.

COMPARATIVE ANALYSIS

Recommended Compensation
Effective Date: June 15, 2021 through June 30, 2021
Annual Base Salary: $384,252
Incentive Compensation: N/A
Target Cash Compensation*: $384,252
Funding: Partially or Fully State-Funded

Budget and/or Prior Incumbent Data
Title: AVP-Capital Asset Strategies & Finance
Annual Base Salary: $324,805
Incentive Compensation: N/A
Target Cash Compensation*: $324,805
Funding: Partially or Fully State-Funded
*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

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.

12. **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 the Regents of the University of California:

A. From the Secretary and Chief of Staff to the Regents, the Summary of Communications Received for March and April, 2021. May 7, 2021.

B. From the President of the University, an update on the State budget process and its positive implications for the University of California. May 14, 2021.

C. From the Associate Vice President, External Relations and Communications, the Federal Update, 2021, Issue 5. May 26, 2021.

D. From the President of the University, a letter announcing that the California State Legislature passed the Budget Act of 2021 (AB 128, Ting). June 14, 2021.

E. From the President of the University, information on the Academic Senate's modifications to the University admission policy. June 16, 2021.

F. From the President of the University, the *Annual Report on Undergraduate Admissions Requirements and Comprehensive Review* for the fall 2020 admission cycle. June 16, 2021.

G. From the President of the University, the *2021-22 Annual Report on Self-Supporting Graduate Professional Degree Programs*. June 24, 2021.

H. From the Executive Vice President of UC Health, a COVID-19 and Coronavirus Update. July 1, 2021.

I. From the Chair of the Board, Chair of the Investments Committee, President of the University, and Chief Investment Officer, a paper titled "Diversity helps drive University of California's investment returns." July 1, 2021.

To the members of the Compliance and Audit Committee:

J. From the President of the University, the *Report on Financial Statements and Expenditures of Federal Awards in Accordance with the Uniform Guidance* for the year ended June 30, 2020. June 18, 2021.

To the members of the Health Services Committee:

K. From the President of the University, the *UC Medical Centers Report for the Nine Months Ended March 31, 2021*. June 24, 2021.

To the members of the Investments Committee:

L. From the Chief Investment Officer, an update on UC Investments, including information on the stock market, fixed income assets, the UC Retirement Savings Program, and operations and risk. May 10, 2021.

The meeting adjourned at 3:00 p.m.

Attest:

Secretary and Chief of Staff

Attachment 1
Proposed Adjustments to Student Charges

Undergraduate Students

- For undergraduates in State-supported programs, the applicable levels of Tuition, the Student Services Fee, and Nonresident Supplemental Tuition will be determined according to the following schedule:

Year Student First Enrolls at UC (Entering Cohort)	Increase Over Amount Charged to Students Who Entered in Prior Year
2021-22 or earlier	No increase
2022-23	Inflation + 2.0%
2023-24	Inflation + 1.5%
2024-25	Inflation + 1.0%
2025-26	Inflation + 0.5%
2026-27 and later	Inflation

- The applicable charge for an undergraduate student in an entering cohort shown above will remain in effect for six years from the time the student first enrolls. For students who first enrolled before 2021-22, the charge will remain in effect for six years from 2021-22 (i.e., through 2026-27).

- The President is authorized to develop appropriate policies and guidelines for implementing this schedule of charges, including but not limited to (a) policies and processes for determining a student's cohort; (b) circumstances in which a student may be permitted to remain enrolled beyond six years with no change in charges; and (c) the applicable level of charges for students in special programs or having special circumstances—e.g., students enrolled in off-campus programs (such as the Education Abroad Program) or Summer Session, visiting students, and students who remain enrolled beyond six years who do not qualify for an extension of their cohort rate as described in (b)—provided that the amounts charged do not exceed the amounts charged to the then-current entering cohort of students.

Graduate Students

- For graduate students in State-supported programs, adjustments to Tuition and the Student Services Fee will be pegged to the rate of inflation beginning with the 2022-23 academic year.

General Provisions

- The applicable rate of inflation for calculating adjustments to student charges will be based upon the average annual change in the California Consumer Price Index (CPI-U) over a rolling three-year period using upon the latest available forecast published by the California Department of Finance as of July 1 prior to the year indicated (e.g., July 1, 2021 for 2022-23) and adjusted to reflect any differences between actual and forecasted levels in the prior year.

- For any year in which the increase to a student charge would exceed six percent, the increase will be capped at six percent unless the Regents take action to approve a different amount.

- An amount equivalent to 40 percent of the undergraduate Tuition and Student Services Fee increase, 20 percent of the undergraduate Nonresident Supplemental Tuition increase, 50 percent of the Tuition and Student Services Fee increase for graduate academic students, and 44 percent of the Tuition and Student Services Fee increase for graduate professional students will be set aside for financial aid.

- Notwithstanding the levels of student charges described above, the Regents retain the ability to modify all student charges for any reason and in its sole discretion. The policy described herein does not create any legal right or cause of action.

ATTACHMENT 2

Regents Policy on Affiliations with Healthcare Organizations that Have Adopted Policy-Based Restrictions on Care

POLICY TEXT

1. Advancing the University's Public Mission. Prior to approving or executing any new or renewed affiliation with a health organization that has adopted policy-based restrictions on care (a "covered organization"), the sponsoring location must: (i) document the rationale for the affiliation, including any anticipated benefits or risks to the University's education, research, and service missions and to the broader patient community; and (ii) verify that access to policy-restricted services such as abortion, contraception, assisted reproductive technologies, gender-affirming care, and end of life care will be maintained or improved as a result of the affiliation. Under no circumstances may such an organization be granted responsibility or authority to operate or manage any University facility or program on behalf of the University.

2. Documenting Adherence to University Policies and Standards in all Affiliation Agreements. Agreements with covered health organizations must recite the University's role as a public entity and commitment to non-discrimination and evidence-based care; and must require all parties to comply with all federal and state anti-discrimination laws, including Cal. Civ. Code § 51 (prohibiting discrimination on the basis of sex [including pregnancy and childbirth as well as gender, gender identity, and gender expression], race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status), and to offer any procedure or service they choose to provide at their respective facilities or through their respective employees on a non-discriminatory basis. The University may not enter agreements with provisions that purport to require the University or its personnel or trainees to enforce or abide by policy-based restrictions on care including, but not limited to, religious directives, or that include any "gag clauses" interfering with their ability to counsel all patients on their treatment options. The University must retain the option to terminate such agreements if the University determines in its sole discretion that continued performance would be incompatible with its policies or values or that the affiliate has breached its promises to not restrict University providers' freedom to advise, refer, prescribe, or provide emergency items and services without restriction, including any necessary items and services to any patient for whom referral or transfer to another facility would risk material deterioration to the patient's condition.

3. Strengthening Patient and Provider Protections. Each University location contracting with healthcare organizations that have adopted policy-based restrictions on care must develop and implement a process to inform UC patients, faculty, staff, and trainees: (i) about such restrictions at sites to which they may be referred or assigned; (ii) that such referrals or assignments are voluntary; and (iii) and that information about alternative sites for care, practice, and training will be provided upon request. Each location must also develop a process to transfer patients who need restricted services to a UC or other location where the services can be provided. Processes for receiving, evaluating, and resolving complaints or grievances must also be developed and implemented.

4. Ensuring Reporting and Transparency. Each University location (including the Office of the President with respect to systemwide or multi-campus agreements) must provide an annual report to the Regents Health Services Committee: (i) listing all new or renewed

arrangements with covered organizations; (ii) summarizing complaints or grievances received from patients, students, faculty, and staff, as well as their resolution; (iii) providing quality monitoring data consistent with systemwide quality guidelines; and (iv) reporting on any identified noncompliance with the above standards. The first report, due in June 2022, must list all current arrangements with such institutions.

5. Implementation and Accountability. The President shall issue a systemwide policy to implement these requirements after consultation with the chancellors and representatives of the Academic Senate and UC Health. One year after implementation of that policy, the Office of Ethics, Compliance, and Audit Services shall conduct an audit of an appropriate sample of then-current contracts with covered affiliates to ensure their compliance with such policy. Thereafter, the frequency and scope of audits shall be determined by ECAS in consultation with the chairs of the Audit & Compliance Committee and the Health Services Committee. The University shall not enter into any new affiliation that fails to meet these requirements after July 1, 2021; any existing affiliation that does not meet these requirements must be amended to comply with this policy or phased out no later than December 31, 2023.

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.

PROCEDURES AND RELATED DOCUMENTS

Attachment 3

The following proposal outlines the key decision points required in considering the establishment of systemwide opt-out fees for the UC Student Association (UCSA) and the UC Graduate Professional Council (UCGPC).

Proposal

1. **Fee Structure**
   a. The fee will be established as two separate opt-out fees: one fee for UCSA and one fee for UCGPC. Each fee will be charged only to the corresponding student population (e.g., the UCSA fee will be assessed to undergraduates and the UCGPC fee will be assessed to graduate and professional students). The fees will be called the "UC Student Association (UCSA) Fee" and the "UC Graduate Professional Council (UCGPC) Fee."

2. **Fee Authority & Future Fee Adjustments**
   a. The Regents can exercise their authority to approve or not approve the fees, and they can maintain authority to approve future fee adjustments, including the ability to increase, reduce, or eliminate the fee.
   b. The fees may be assessed beyond the multi-year period covered by the initial proposal but not in excess of the levels specified in the final year.

3. **Fee Type**
   a. The UCSA and UCGPC fees will be considered non-mandatory systemwide University fees.

4. **Fee Implementation**
   a. Students will have a clear and unambiguous means to decline the payment of the UCSA or UCGPC fee, each time the fees are assessed.
   b. Students will have the option to opt-out of paying the UCSA or UCGPC fee prior to each academic term (quarter or semester). Campus deadlines for a student to opt-out will mirror those of the student health insurance waiver process.
   c. Once a student has elected to opt-out of the fee, their opt-out status will remain in effect for the duration of student's undergraduate or graduate (whichever is applicable) academic career at the campus. The student will not be required to opt-out of the fee prior to each term or academic year, but will be required to opt-out once again when beginning a new academic career or transferring to a new UC campus. For example:
      i. If an undergraduate student elects to opt-out of paying the UCSA Fee at the beginning of their first year, they will remain in the opt-out status for the remainder of their undergraduate career at that campus.
      ii. If a student elected to opt-out of the UCSA Fee as an undergraduate, and later enrolled as a graduate student, they will need to separately opt-out of the UCGPC Fee.
      iii. If a student were to opt-out of the fee at one UC campus and later transferred to another UC campus, they will need to opt-out of the fee once again at their new campus (if they continue to wish to opt-out).
   d. A student may elect to reverse their opt-out status, and begin paying the fee once again.
   e. When a break in enrollment occurs, any student who has elected to opt-out of paying the fee will have their opt-out status resumed without requiring further action to opt-out once again.

5. **Billing and Fee Payment**
    a. The fees will be in accordance with standard accounts receivable procedures at each campus (including the University of California Business and Finance Bulletins and Accounting Manuals, etc.).
    b. The fees will be itemized on the billing statement with other fees and included in the total amount due for that billing period. The fees will be designated on the billing statement as "UCSA Fee" and "UCGPC Fee." The billing statement will include an annotation noting that a student can opt-out of the fee and will refer to additional information (e.g., campus website) about the fee and opt-out process.
    c. All requests for refunds received by the University will be directed to UCSA or UCGPC.
    d. Students who do not elect to opt-out of the fee in accordance with the opt-out deadlines will be billed for the fee. If a student underpays their fees, the UCSA or UCGPC fee will be included on late bills sent to the student. If a student pays the total amount due except the UCSA or UCGPC fee, the student will be billed for that amount.
    e. Failure to pay the UCSA or UCGPC fee in any given academic term shall not be interpreted as failure to pay required fees for registration purposes. Therefore, a student's registration will not be held up, nor will a student be dropped from classes, because he or she did not pay the UCSA or UCGPC fee. In the absence of an official opt-out by the student, failure to pay the UCSA or UCGPC fee shall not be interpreted as an intention to opt-out of the fee.

6. **Administrative Costs**
    a. The opt-out system will be designed for compatibility with campus registration and billing processes and operated with cost efficiency and transparency as the primary goals.
    b. Start-up costs: [TBD] will be deducted from the UCSA and UCGPC fees in the entire amount for the 2022-23 academic year.
    c. Maintenance costs: Administrative costs associated with the actual collection of the fees in the amount of [TBD] per fee billed will be withheld by the University before remitting the fees collected to UCSA and UCGPC.
    d. The University will issue a check to UCSA and UCGPC each [Date TBD] for the amount of the fees collected that academic year, less administrative fees. Included with the check will be a receipt showing the number of students currently registered at each campus, and the number of students by campus who have elected to opt-out of the fee.
    e. Unanticipated costs: Additional unanticipated costs incurred in the processing and collection of the fees, which would normally be passed onto the campus unit for whom the fees are being collected, such as the correction of student identification numbers in the verification process, will be billed to UCSA and UCGPC on an actual hourly cost basis.

7. **Fee Amount**
    a. The UCSA fee will be set at an annual fee of $7 per undergraduate student and the UCGPC fee will be set at an annual fee of $7 per graduate student.

8. **Student Consultation**
    a. UCSA and UCPGC will be required to document that they have consulted with student leadership at each campus regarding the proposed UCSA and UCGPC Systemwide Fees, including the opt-out nature of the fee, the fee amount, and proposed UCSA and UCGPC budgets.

9. **UCSA and UCGPC relationship status to the University and Affiliation Agreement**

a. In order to facilitate the collection of fees on behalf of UCSA and UCGPC, the University will recognize UCSA and UCGPC as "Affiliated Organizations" via written agreement, consistent with Regents Policy 5203.
b. As part of the affiliation recognition an Affiliation Agreement ("Agreement") will be entered into between the University and each of UCSA and UCGPC to document how the University will charge, accept, and disburse the systemwide opt-out fees. The Agreements will also set forth terms and conditions for UCSA's and UCGPC's acceptance and use of the fees including, but not limited to:
    i. Requirements for UCSA and UCGPC to each separately engage a firm of independent certified public accountants to audit the financial statements and accounting records of UCSA and UCGPC on an annual basis; and
    ii. Indemnification, information sharing, and use of funds (i.e., for exclusively 501(c)(3) purposes) and prohibited use of funds (including using the funds for any activity that is prohibited for UC.
c. UCSA and UCGPC will each be required to inform the University of any change in its status as organizations qualified under Section 501(c)(3), including modification or revocation of such status; and 2) upon receipt of such notice, the University shall have the right to terminate the agreement immediately, which shall include termination of distribution of funds to UCSA and UCGPC, and return of any unspent funds by UCSA and UCGPC to the University.

10. <u>UCSA and UCGPC Staff</u>

a. For the fee proposal to move forward, UCSA and UCGPC staff will be required to become UC employees. Employment as University employees will be memorialized via the affiliation agreement.

11. <u>Retirement of Campus and UCOP Allocations to UCSA and UCGPC</u>

a. All existing campus allocations to UCSA and UCGPC as part of their membership dues will be retired in advance of the proposed fall 2022 implementation of the systemwide fees. Likewise, existing UCOP contributions to UCSA and UCOP will be retired. This includes UCOP travel reimbursements for UCSA and UCGPC board meetings, UCOP meetings, Regents meetings, and state or federal advocacy trips.

Attachment 4

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 her 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**
Cecilia V. Estolano	Chair of the Board of Regents of the University of California

Attachment 5 - Standing Orders Pertaining to Personnel Matters Proposed for Rescission

~~Standing Order 100.1: Designation and to Whom Responsible~~

~~a. Officers of the University shall be the President of the University, Executive Vice Presidents, Senior Vice Presidents, other Vice Presidents, Associate Vice Presidents, Assistant Vice Presidents, Chancellors, Vice Chancellors, and Director and Deputy Director of the Ernest Orlando Lawrence Berkeley National Laboratory, and Directors of University hospitals.~~

~~b. The President shall be responsible directly to the Board. All other Officers shall be responsible to the President directly or through designated channels, with the exception of the General Counsel and Vice President for Legal Affairs, the Chief Investment Officer and Vice President for Investments, and the Senior Vice President - Chief Compliance and Audit Officer, all of whom shall have dual responsibility to the Board and to the President.~~

~~100.2: Employment Status~~

~~a. Appointment and dismissal of the President of the University shall be by an affirmative vote of not less than a majority of the members of the Board.~~
~~b. Appointment (including temporary appointment of acting or interim status), or reemployment after retirement of all Officers of the University for whom Regental approval is required pursuant to Regental policies shall be voted by the Board upon recommendation of the President of the University following consultation, as appropriate, with an appropriate Standing Committee of the Board, as determined by the President, or with a special committee established for that purpose.~~
~~c. Action to demote or dismiss a Chancellor or the Director of the Ernest Orlando Lawrence Berkeley National Laboratory shall be voted by the Board upon recommendation of or following consultation with the President of the University.~~
~~d. Action to demote or dismiss other Officers of the University shall be taken by the President of the University upon recommendation of or following consultation with appropriate Officers and shall be reported to the Board.~~

~~100.3: Compensation~~

~~a. Compensation of the President of the University shall be determined by the Board upon recommendation of the Committee on Compensation.~~
~~b. Compensation of all other Officers of the University for whom Regental approval is required pursuant to Regental policies shall be determined by the Board upon recommendation of the President of the University through the Committee on Compensation.~~

100.4: Duties of the President of the University

~~(c)The President of the University, in accordance with such regulations as the President may establish, is authorized to appoint, determine compensation, promote, demote, and dismiss University employees, except as otherwise provided in the Bylaws and Standing Orders and except those employees under the~~

~~jurisdiction of the Secretary and Chief of Staff, Chief Investment Officer, and General Counsel of The Regents. Before recommending or taking action that would affect personnel under the administrative jurisdiction of Chancellors, Executive Vice Presidents, Senior Vice Presidents, other Vice Presidents, or the Director of the Ernest Orlando Lawrence Berkeley National Laboratory, the President shall consult with or consider recommendations of the appropriate Officer. When such action relates to a Professor, Associate Professor, or an equivalent position; Assistant Professor; a Professor in Residence, an Associate Professor in Residence, or an Assistant Professor in Residence; a Professor of Clinical (e.g., Medicine), an Associate Professor of Clinical (e.g., Medicine) or an Assistant Professor of clinical (e.g., Medicine); a Senior Lecturer with Security of Employment, or a Lecturer with Security of Employment, the Chancellor shall consult with a properly constituted advisory committee of the Academic Senate.~~

~~(d)The President and those of his staff to whom he may delegate such authority are authorized to act as agents of The Regents to carry out the collective bargaining responsibilities of the University under the Higher Education Employer-Employee Relations Act (HEERA sections are 3560-3599). Whenever the President, under either general or specific authority delegated to him, takes action affecting the terms and conditions of employment of University employees, it shall be understood that for employees represented by an exclusive representative, such action may be taken only after satisfaction of any obligation the University may have to meet and confer with respect to such action, and then only to the extent approved by the President.~~

~~(e)The President is authorized to grant leaves of absence with or without pay, in accordance with such regulations as the President may establish, except that paid leaves of absence that exceed ninety days for Chancellors, the Ernest Orlando Lawrence Berkeley National Laboratory Director, Executive Vice Presidents, Senior Vice Presidents, and other Vice Presidents shall be subject to approval by the Board upon recommendation of the President of the University.~~

(dd) Except as otherwise specifically provided in the Bylaws and Standing Orders, the President is authorized to execute on behalf of the Corporation all contracts and other documents necessary in the exercise of the President's duties, including documents to solicit and accept pledges, gifts, and grants, except that specific authorization by resolution of the Board shall be required for documents which involve or which are:

> ~~(4) Agreements for the provision of employee group insurance benefits, with the understanding that Board authorization shall not be required for periodic revisions to existing agreements when the revisions do not substantially change the authorized scope of the benefit plans.~~

~~100.5: Duties of the Vice Presidents~~

a. ~~The Executive Vice Presidents and Senior Vice Presidents shall perform such duties of the President of the University as the President shall designate. In the event of the unavailability or inability of the President to act, Executive Vice Presidents shall have and exercise all the duties and powers of the President, other than service as a Regent, in such order and to such extent as the President shall designate.~~
b. ~~Other Vice Presidents shall advise and assist the President of the University in connection with those functions of the administration of the University assigned to them by the President.~~

~~100.7: Duties of the Other Officers of the University~~

~~All Officers of the University, other than those whose duties are defined in the Standing Orders or by resolution of the Board, shall perform such duties and shall have such powers as the President shall prescribe.~~

~~101.1(c): Employment Status~~

~~Appointments, promotions, demotions, and dismissals of all faculty members and other employees, except as otherwise provided in the Bylaws, Standing Orders, or Regental policies, shall be under the jurisdiction of the President of the University, and of the Secretary and Chief of Staff, Chief Investment Officer, and General Counsel of The Regents in their respective areas of responsibility.~~

~~101.1(e): Employment Status~~

~~Reemployment appointments of retired University employees to any Senior Management Group or other staff position shall be governed by the Regents policy on Reemployment of University of California Retired Employees.~~

1~~03.1: Service Obligations~~

~~a. No compensation shall be paid to any Officer, faculty member, or other employee of the University unless actively engaged in the service of the University, in accordance with such regulations as the President may establish.~~

b. ~~No one in the service of the University shall devote to private purposes any portion of time due to the University nor shall any outside employment interfere with the performance of University duties. Arrangements for private employment by Officers, faculty members, or other employees of the University shall be subject to such regulations as the President may establish.~~

~~103.4: Sabbatical Leaves~~

~~Sabbatical leaves are granted, in accordance with regulations established by the President, to enable recipients to be engaged in intensive programs of research and/or study, thus to become more effective teachers and scholars and to enhance their services to the University.~~

~~103.8: Death Benefit~~

~~Upon the death of any Officer, faculty member, or regular employee of the University, or Officer or regular employee of the Corporation, who has been employed a minimum of six months, a sum equal to the salary of the deceased for one month will be paid to the person or persons in the first of the following categories in which there is a survivor: legal spouse or domestic partner; child or children; parent or parents; or siblings. If there is no survivor in any of the foregoing categories, the benefit will be paid to the estate, or if there is no estate, to the individual designated as the beneficiary of the deceased's University-paid life insurance policy. This payment is in addition to any other benefit provided under a pension or retirement plan in effect for the deceased person.~~

~~120.1: University of California Retirement System~~

~~The Regents have established the University of California Retirement System.~~

~~120.2: Other Retirement Systems~~

~~Employees who are members of the Public Employees' Retirement System, the State Teachers' Retirement System, the Federal Civil Service Retirement System, and county retirement systems shall participate in said systems under the conditions described in Regents' policy.~~

~~120.3: Provisions and Amendments~~

~~All provisions of the University of California Retirement System and provisions relating to the participation of employees in other retirement systems shall be set forth in Regents' policy.~~

Attachment 6

Standing Orders Previously Incorporated into the Bylaws or Committee Charters Proposed for Rescission

100.4: Duties of the President of the University

~~(a)The President shall be the executive head of the University and shall have full authority and responsibility over the administration of all affairs and operations of the University, excluding only those activities which are the responsibility of the Secretary and Chief of Staff, Chief Investment Officer, General Counsel of The Regents, and Senior Vice President - Chief Compliance and Audit Officer. The President may delegate any of the duties of the office except service as an ex officio Regent.~~

~~(f)The President annually, through the appropriate Standing Committee, shall present to the Board recommendations as to the budget of the University, recommendations as to the Capital Improvement Program of the University, and recommendations as to requests for appropriations of funds for the University.~~

~~(g)The President shall fix and determine the amount, conditions, and time of payment of all fees, fines, and deposits to be assessed against students of the University, except that the President shall secure the Board's approval prior to the assessment of the University Registration Fee, Educational Fee, tuition fees, and fees and charges required in connection with the funding of loan financed projects, except student-fee-funded facilities, parking facilities and housing projects.~~

~~(h)The President shall fix the calendar of the University, provided that no session of instruction shall be established or abolished except with the advice of the Academic Senate and the approval of the Board.~~

~~(i)The President is authorized to make awards of fellowships, scholarships, and prizes with the advice of the Chancellors and the Academic Senate, and to approve expenditures from appropriations, gifts, and endowments for these purposes.~~

~~(j)The President shall consult with the Chancellors and the Academic Senate regarding the educational and research policies of the University, and shall keep the Chancellors and the Academic Senate informed about significant developments within the University and within the State and Federal governments which may have serious consequences for the conduct of education and research within the University. The President shall present recommendations to the Board concerning the academic plans of the University and of the several campuses. The President shall transmit to the Board any memorial which the Academic Senate may address to The Regents.~~

~~(k)The President shall develop, initiate, implement, and approve fundraising campaigns for the benefit of the University in accordance with the policies of the Board.~~

~~(l)The President shall represent the Corporation and the University in all matters requiring action by the Congress or officers of the United States or by the Legislature or officers of the State of California.~~

~~(n)The President is authorized to permit expenditures against contracts, grants, and gifts, or against firm commitments thereon, provided that the contracts, grants, and gifts have been solicited or negotiated in accordance with established Regental policy.~~

~~(s)The President is authorized, in accordance with the terms specified by the donor, to designate the purpose for which, and the campus or other location at which, the income and/or principal of a gift shall be used and to make allocations in accordance therewith.~~

~~(t)The President is authorized to determine, consistent with any expressed intent of the donor, the purpose for which and the campus or other location at which a gift shall be used, to determine whether income and/or principal shall be used, and to make allocations and reallocations in accordance therewith, to the extent not specified by the donor of a gift.~~

~~(u)Any action taken pursuant to sections (s) and (t) above shall conform to established University programs and policies and shall not constitute a commitment requiring expenditures in excess of budgeted items.~~

~~(v)The President is authorized, after consultation with the General Counsel, to return to the donor all or any unused portion of a gift of personal property, when the purposes of the gift have been fulfilled or fulfillment has become impossible or impracticable and when alternative uses are precluded.~~

~~(w)The President is authorized to write off bad debts, provided reserves for that purpose are adequate or that specific income or an appropriation is available for that purpose.~~

(dd) Except as otherwise specifically provided in the Bylaws and Standing Orders, the President is authorized to execute on behalf of the Corporation all contracts and other documents necessary in the exercise of the President's duties, including documents to solicit and accept pledges, gifts, and grants, except that specific authorization by resolution of the Board shall be required for documents which involve or which are:

2. ~~Renewal or modification of the prime contracts with the Department of Energy for the operation of the Ernest Orlando Lawrence Berkeley National Laboratory, the Los Alamos National Laboratory or the Lawrence Livermore National Laboratory that, in the opinion of the General Counsel, would constitute a cardinal change as a matter of law; and renewals or substantive modifications of the Los Alamos National Security LLC and Lawrence Livermore National Security LLC Agreements.~~

3. ~~Loans of funds of the Corporation, other than loans from established student, faculty, and staff loan funds.~~

5. ~~Affiliation agreements with other institutions or hospitals involving direct financial obligations or commitments to programs not previously approved.~~

~~(ii) The President shall be the custodian of all contracts of purchase and sale, gift agreements, leases, licenses, easements and rights of way, ground leases, mortgages, deeds of trust, insurance policies and other documents relating to real property transactions for University-related purposes custody for which is not established elsewhere in the Bylaws and Standing Orders.~~

~~(mm)The President is authorized to develop and implement policies and procedures on matters pertaining to intellectual property, including patents, copyrights, trademarks, and tangible research products, and to execute documents necessary for the administration of intellectual property, including those which may contain commitments existing longer than seven years. The President annually shall report to the Board on matters pertaining to intellectual property.~~

~~(oo)The President is authorized to administer University participation in corporations, companies, and partnerships, provided that such participations have been approved by the Board for University-related purposes, and to execute all documents in connection therewith on behalf of the University. The President shall be the custodian of all documents related to such participations.~~

~~(pp)[1] The President shall be the representative of the Corporation in, and is authorized to execute agreements in connection with, all matters relating to bank accounts and bank services; banking relationships; financial and banking type services provided by entities other than banks, including but not limited to, the following:~~

~~(1) The President shall select the banks in which funds of the Corporation are deposited and from which funds are disbursed.~~

~~(2) The President is authorized to transfer to the name of the Corporation all bank accounts, including time certificates of deposit, received as gifts to the Corporation, and to make withdrawals from or close such accounts.~~

~~(3) The President is authorized to designate representatives of the University who may sign checks, drafts or other orders for the payment of money or initiate electronic transfers of funds against University checking accounts, provided that all such representatives are covered by fidelity bond. The President is authorized to approved the use of and to direct banks or other depositories to honor facsimile signatures.~~

~~(4) The President is authorized to designate a list of representatives of the Corporation who may sign checks, drafts or other orders for the payment of money or initiate electronic transfers of funds against bank accounts used for deposit of Chief Investment Officer's General Cash and to make withdrawals from savings accounts, provided that all such actions have been approved by two such representatives, including one from the Office of the President and one from the Office of the Chief Investment Officer, and provided further that all such representatives are covered by fidelity bond, and provided that nothing herein shall be construed as empowering the President to direct banks or other depositaries to honor facsimile signatures except on authority of the Committee on Finance.~~

~~(5) The President is authorized to make arrangements for lockbox, electronic transfer of funds, escrow services, credit card and other services to facilitate the collection or disbursement of funds.~~

~~(rr) Notwithstanding any provision in the Bylaws or Standing Orders to the contrary, including, without limitation, paragraphs (dd)(3) (loans of Corporation funds), (dd)(5) (certain affiliation agreements), (dd)(6) (agreements for the collection of fees), (dd)(9) (assumption of liability), and (oo) (participations) of this Standing Order, the President is authorized to approve and execute on behalf of the Corporation all contracts and documents relating to transactions that primarily arise from or serve the programs and services of UC Health or any of its components, as defined in Bylaw 12.7, where the transaction can~~

[1] Added 3-14-02 and as amended 9-21-06.

~~reasonably be anticipated to commit or generate up to the lesser of (i) 1.5% of the relevant Medical Center's annual operating revenue for the previous fiscal year, or (ii) $25 million. This approval authority may be exercised only with the review and approval of the Chair or Vice Chair of the Committee on Health Services, and does not extend to any transaction for a Medical Center that, when combined with other transactions approved by the President under this paragraph (rr) for that Medical Center during the fiscal year, would reasonably be anticipated to commit or generate more than the lesser of (i) 3% of the relevant Medical Center's annual operating revenue for the previous fiscal year, or (ii) $50 million; nor to any transaction involving more than one Medical Center.~~

~~100.6: Duties of the Chancellors~~

a. ~~The Chancellor of each campus shall be the chief campus officer thereof and shall be the executive head of all activities on that campus, except as herein otherwise provided and excepting such activities as may be designated by the Board as University-wide activities; and with reference to these on a particular campus the Chancellor shall be consulted. In all matters within the Chancellor's jurisdiction, the Chancellor shall have administrative authority within the budgeted items for the campus and in accordance with policies for the University as determined by the President of the University. The Chancellor shall be responsible for the organization and operation of the campus, its internal administration, and its discipline; and decisions made by the Chancellor in accordance with the provisions of the budget and with policies established by the Board or the President of the University shall be final. The Chancellor of each campus shall nominate Officers, faculty members, and other employees on that campus in accordance with the provisions of these Standing Orders.~~
b. ~~The Chancellor on each campus shall appoint all the members of the instructional staff deemed necessary for the conduct of instruction in any summer session on that campus, and may fix their remuneration in accordance with the provisions of the budget established by the Board and of the salary scales of the University.~~
c. ~~The Chancellor of each campus shall preside at all formal functions on that campus. At formal exercises and ceremonies attended by the President, the Chancellor shall present the President, who, as the University's chief executive, shall function in accordance with the University's rules for protocol and procedure. The Chancellor, with the approval of the President, may replace or supplement formal exercises on the campus, including Commencement exercises, with informal functions at which Vice Chancellors, Provosts, or Deans may preside.~~

~~101.1: Employment Status~~

a. ~~Appointments of Regents' Professors and University Professors shall be voted by the Board upon recommendation of the President of the University, following consultation with the Committee on Educational Policy.~~

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

~~103.2: 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.~~

~~103.9: 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.~~

~~105.1: Organization of the Academic Senate~~

- ~~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.~~

~~105.2: Duties, Powers, and Privileges of the Academic Senate~~

- ~~a. The Academic Senate, subject to the approval of the Board, shall determine the conditions for admission, for certificates, and for degrees other than honorary degrees. It shall recommend to the President all candidates for degrees in course and shall be consulted through committees appointed in such manner as the President may determine in connection with the award of all honorary degrees.~~

- ~~b. The Academic Senate shall authorize and supervise all courses and curricula offered under the sole or joint jurisdiction of the departments, colleges, schools, graduate divisions, or other University academic agencies approved by the Board, except that the Senate shall have no authority over courses in the Hastings College of the Law, San Francisco Art Institute, in professional schools offering work at the graduate level only, or 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.~~

~~d. The Academic Senate is authorized to select a committee or committees to advise a Chancellor concerning a campus budget and to select a committee or committees to advise the President concerning the University budget.~~

~~e. The Academic Senate shall have the right to lay before the Board, but only through the President, its views on any matter pertaining to the conduct and welfare of the University.~~

Attachment 7

Proposed Amendment of Bylaws 22.2 – Authority of the Board/Specific Reservations, 23.5 – Authority and Duties of Principal Officers, 30 – President of the University, and 31 – Chancellors

Additions shown by underscoring; deletions shown by strikethrough

22.2 Specific Reservations.

The matters in the following areas are specifically reserved to the Board and/or its Committees for approval or other action, within parameters that may be specified in a Committee Charter or Regents Policy:

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(e) Appointment and Compensation Matters

- Appointing, demoting or dismissing the President of the University, Chancellors, the Lawrence Berkeley National Laboratory Director and the Principal Officers of the Regents
- Approving compensation for the President of the University, Chancellors, the Lawrence Berkeley National Laboratory Director or Principal Officers of the Regents
- Approving paid leaves of absence for the President of the University, Chancellors, the Lawrence Berkeley National Laboratory Director or Principal Officers of the Regents, as specified in policy
- Approving University compensation plans and policies, including policies regarding outside professional activities, within parameters specified by Committee Charter or Regents Policy
- Approving substantial changes to the scope or availability of employee or retiree group health insurance benefits; or the creation of vested rights to such benefits
- Approving University retirement benefit and retiree health plans, within parameters specified by Committee Charter or Regents Policy
- Approving emerita/~~E~~emeritus ~~status~~ title suffix for ~~retired~~ Principal Officers of the Regents and ~~other Officers of the University~~ the President of the University, as specified in Regents Policy

Bylaw 23.5 – Authority and Duties of Principal Officers

Principal Officers are authorized to appoint, determine compensation, promote, demote and dismiss University employees in their respective areas of responsibility.

Bylaw 30. President of the University

The President of the University is appointed by and serves at the pleasure of the Board, and exercises authority delegated by the Board pursuant to Bylaw 22.1.

The President is the executive head of the University and shall have full authority and responsibility over the administration of all affairs and operations of the University, except those activities within the responsibility of the Principal Officers. The President facilitates the development by the Board of the University's direction, goals and strategy. The President implements the policies and objectives of the

Board, and keeps the Board informed of all significant developments affecting the University. The President may delegate any of the duties of the office except service as an *ex officio* Regent.

The President administers the day to day central and/or system-wide functions of the University, except those activities within the responsibility of the Principal Officers. The President develops, and on the approval of the Board, manages the University budget and is authorized to determine fees that are not reserved to the Regents. Except as otherwise reserved to the Regents or the Principal Officers of the Regents, the President is authorized to appoint, determine compensation, promote, demote and dismiss University employees and to carry out the collective bargaining responsibilities of the University under the Higher Education Employer-Employee Relations Act.

The President serves as the academic leader of the University, subject to any authority delegated to the Academic Senate, and is expected to consult with the Academic Senate, consistent with the principles of shared governance, on issues of significance to the general welfare and conduct of the faculty.

The President is charged with establishing a University environment that is conducive to compliance with law, regulation, policy and ethical principles. The President is expected to promote diversity in the University community, consistent with applicable law and the public mission of the University.

The President serves as principal administrative spokesperson for the University, promoting the University's interests and managing its reputation with external stakeholders. Except as may be otherwise provided in the Bylaws or as may be within the authority of a Principal Officer, the President represents the University before the executive and legislative branches of the state and federal governments, and of any foreign governments.

Bylaw 31. Chancellors

The Chancellors of the University campuses are appointed by and serve at the pleasure of the Board, on recommendation of and in consultation with the President of the University. The Chancellors serve as the executive heads of their respective campuses, implementing the policies and objectives of the Board and of the President of the University, and apprising the Board and the President of the University of significant developments affecting their campuses and the University. The Chancellors set the policies, goals and strategic direction for their campuses, consistent with those of the University. The Chancellors are responsible for the organization, internal administration, operation, financial management, and discipline of their campuses within the budget and policies approved by the Board and/or the President of the University. They oversee all faculty personnel and other staff at their locations, and appoint all members of the instructional staff, and may fix their remuneration in accordance with the provisions of the budget established by the Board and the salary scales of the University. The Chancellors shall consult with a properly constituted advisory committee of the Academic Senate regarding appointment, compensation, promotion or dismissal of Senate faculty.

On recommendation of the Academic Senate, the Chancellors are authorized to confer academic degrees on candidates successfully completing their courses of instruction. The Chancellors are authorized to serve as principal spokespersons for their campuses, and shall preside at all formal functions of their campuses unless they delegate the presiding function to a campus provost, vice chancellor, or dean.

Attachment 8 – Proposed Bylaw 32 – Officers of the University

Additions shown by underscoring

<u>Bylaw 32 – Officers of the University</u>

<u>Officers of the University shall be defined as individuals who are Level One Senior Management Group members.</u>

Attachment 9

Proposed Rescission of Regents Policy 7301 – Policy on Extended Administrative Leaves with Pay, Regents Policy 7302 – Policy on Officers' Leaves of Absence or Vacation Leaves, and Regents Policy 7706 – Reemployment of UC Retired Employees

~~Regents Policy 7301: Policy on Extended Administrative Leaves With Pay~~

~~Approved May 20, 1994~~
~~Updated September 22, 2005~~

~~The Board endorses as Regental policy the Presidential practice announced on April 6, 1994 that no extended paid administrative leaves will be approved for Chancellors, Vice Presidents, or Laboratory Directors~~

~~Regents Policy 7302: Policy on Officers' Leaves of Absence or Vacation Leaves~~

~~Approved November 16, 1962~~
~~Amended September 22, 2005~~

~~A Principal Officer or Acting Principal Officer of The Regents (the General Counsel, Secretary, and Treasurer) who plans a leave of absence or vacation leave for a period of more than 90 days shall request approval from the Chairman of the Board of Regents.~~

See next page for Regents Policy 7706

~~Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions~~

~~Approved September 18, 2008~~

~~Amended February 9, 2009 and September 18, 2013~~

~~**Responsible Officer:** Vice President–Human Resources~~

~~**Responsible Office:** Human Resources~~

~~**Effective Date:** November 14, 2013~~

~~**Next Review Date:** The Responsible Officer will review the policy annually for update purposes and will conduct a full review at least every three years.~~

~~**Who is Covered:** All UC retired employees (Senior Management Group members; staff employees; and academic appointees) who are reemployed into Senior Management Group positions or staff positions. Recall appointments for academic appointees are governed by *Academic Personnel Policy 205 (Recall for Academic Appointees)* and the *Guidelines for Rehire of UC Retirees.* This policy is applicable to retired academic appointees who are rehired into SMG or staff positions; however, it does not apply to academic appointees recalled into academic administrator, teaching, research, or service appointments.~~

~~CONTENTS~~

~~I. POLICY SUMMARY~~

~~This policy governs the reemployment of all Retired Employees (as defined in Section II. below) into Senior Management Group (SMG) or staff positions.~~

~~II. POLICY DEFINITIONS~~

~~Career Appointment:~~ ~~An appointment established at a fixed or variable percentage of time at 50 percent or more of full-time that is expected to continue for one year or longer.~~

~~COBRA:~~ ~~The Consolidated Omnibus Budget Reconciliation Act (COBRA), which gives University employees and their covered family members the right to temporarily continue their UC-sponsored group health coverage in situations that would ordinarily cause the individual to lose coverage.~~

~~Exception to Policy:~~ ~~An action that exceeds what is allowable under current policy or that is not expressly provided for under any policy. Any such action must be treated as an exception.~~

~~Executive Officer:~~ ~~The University President, Chancellor, or Laboratory Director.~~

~~Normal Retirement Age:~~ ~~Normal retirement age under UCRP means age 50 with a minimum of 5 years of service credit for Safety Members and age 60 with a minimum of 5 years of service credit for all other Members.~~

~~Retired Employees:~~ ~~Former University employees (SMG members, staff employees, and academic appointees) who have separated from University service and elected monthly retirement income or a lump sum cashout under the University of California Retirement Plan.~~

~~Senior Management Group:~~ ~~Individuals whose career appointments are in the Senior Management Group personnel program. Employees with a dual academic appointment at 0% and an appointment to a Senior Management Group position will be considered to possess a career appointment in the Senior Management Group.~~

~~SMG Level One:~~ ~~The position of President, all SMG positions that directly report to the Regents and/or the President, and the Chief Executive Officers of the medical centers.~~

~~SMG Level Two:~~ ~~All SMG positions that are not in SMG Level One.~~

~~Top Business Officer:~~ ~~Executive Vice President–Business Operations for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location’s financial reporting and payroll as designated by the Executive Officer.~~

~~III. POLICY TEXT~~

~~*A. Scope*~~

~~Retired Employees may be reemployed by the University in accordance with the provisions of this policy, which incorporates requirements developed [1] to address legal concerns regarding preservation of the tax-qualified status of the University of California Retirement Plan (UCRP) as described in Section B. below and [2] to address the University’s concerns~~

~~regarding operation of a public retirement plan, administrative feasibility, and compliance as described in Section C. below.~~

~~B. IRS Restrictions for Preserving the Tax-Qualified Status of UCRP~~

~~The Internal Revenue Code imposes restrictions on the timing of the distribution of benefits to participants in defined benefit plans such as UCRP. Generally, payments are permitted when an employee retires or attains normal retirement age. Otherwise, retirement benefits should remain in the plan so they will be available to provide support to participants after they cease working. Failure to satisfy the distribution timing restrictions could disqualify the plan, which could cause the vested benefits of UCRP members to become immediately taxable.~~

~~If an employee retires before reaching the normal retirement age under a pension plan, the Internal Revenue Service (IRS) may question whether the employee's retirement is a true separation from service or a strategy to access retirement funds that otherwise would not be available to the employee.~~

~~Normal retirement age under UCRP means age 50 with a minimum of 5 years of service credit for Safety members and age 60 with a minimum of 5 years of service credit for all other members. Once an employee attains normal retirement age, the IRS no longer is concerned about an employee's access to retirement funds because those funds were intended to be available at that age.~~

~~The following factors support a determination that a true separation from service has occurred for an employee who has not reached normal retirement age:~~

- ~~The employee and the employer did not engage in discussions regarding reemployment before the employee's separation from service. The IRS has singled out this factor as critical to support the occurrence of a true separation. Therefore, for employees who have not reached normal retirement age, discussions about reemployment are prohibited until after the employee has received his or her first monthly payment or lump sum cashout or 30 days after separation, whichever is later. (For employees who have reached normal retirement age, discussions about reemployment prior to actual separation are not prohibited.)~~
- ~~The length of the break in service before reemployment is reasonable~~
- ~~Both the employer and the employee intended that a separation from service occur and that it be permanent~~
- ~~Upon separation from service, the employee surrendered something of value, such as seniority rights or access to benefits available only to active employees~~
- ~~The employer processed the employee as if he or she were separating from service. For example, a COBRA election or information on retiree health insurance coverage was provided to the employee upon separation, or benefits not available to anyone other than active employees were terminated, or a separation date was entered into the payroll/personnel system~~
- ~~The employee is reemployed into a position that requires different skills from those used in his or her prior position or is with a different department or supervisor~~
- ~~The employee was employed by an unrelated employer prior to reemployment~~

~~C. University Policy Restrictions~~

~~The following restrictions on the reemployment of Retired Employees are based on University policy which has been developed to reflect responsible stewardship of the University related to the perception of individuals drawing a retirement benefit and another~~

~~UC income simultaneously, and to provide public accountability, transparency, and sound succession planning. Individuals receiving UCRP monthly retirement income who are reemployed into career appointments and suspend their monthly retirement payments are exempted from complying with certain restrictions as delineated in Section 5 below.~~

~~1. University Need~~

~~Reemployment must be as a result of University need, such as the Retired Employee possesses skills and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement; or the hiring department anticipates that the Retired Employee will assist a replacement to acquire necessary skills and knowledge.~~

~~For situations in which a Retired Employee is reemployed on a temporary basis into a career position (such as the same position held before retirement or another vacant career position), the job must be posted and a search begun within 30 days of the vacancy being created and a minimum 30-day recruitment period must be held.~~

~~Written documentation on University need must be provided for all reemployment actions, including specification of the duration of the appointment in order to support the existence of University need.~~

~~2. Break in Service~~

~~A Retired Employee must not be reemployed until there has been a break in service of at least 30 days, but preferably 90 days. The break in service restriction is not required to preserve the tax-qualified status of UCRP if the Retired Employee has reached normal retirement age at the time of separation from service; however, this policy requires that the break in service restriction be applied to all Retired Employees.~~

~~In addition, employees who have not reached normal retirement age must not engage in discussions concerning reemployment until after they have received their first monthly payment or lump sum cashout or 30 days after separation, whichever is later.~~

~~3. Appointment Percentage~~

~~Due to potential Medicare complications and to minimize situations where individuals draw a retirement benefit and another UC income simultaneously, this policy requires that Retired Employees be reemployed with an appointment of no more than 43% during any 12 month period. Appointments may not normally exceed 12 months. Appointments in excess of 43% time may be approved in accordance with Section IV.C. or Section IV.D. of this policy as appropriate. Extensions beyond 12 months may be approved in accordance with Section IV.C. or Section IV.D. of this policy as appropriate. Appointments at 43.75% time or more provide eligibility to Retired Employees for UC-sponsored employee medical coverage, which makes Medicare become the secondary payer.~~

~~It is the intent of this policy that Retired Employees be reemployed with limited appointments that do not qualify them for active employee health and welfare benefits, regardless of whether the Retired Employee has elected monthly retirement income or a lump sum cashout.~~

~~Appointment at no more than 43% also ensures that Retired Employees who elected monthly retirement income are reemployed with limited appointments and do not become active members in UCRP.~~

4. ~~Duration of Reemployment~~

   ~~Reemployment in one or multiple positions must not exceed a total of 12 months. If reemployment is necessary after 12 months has expired, the request must be approved in accordance with Section IV.C. or Section IV.D. of this policy as appropriate.~~

5. ~~Reemployment into Career Appointments~~

   ~~A Retired Employee who is receiving UCRP monthly retirement income, but agrees to suspend the payments, may be reemployed into a career appointment subsequent to an appropriate recruitment and break in service, and is not subject to the policy restrictions in Sections 1, 3 and 4 above, but is subject to Section 2.~~

   ~~A Retired Employee who took a lump sum cashout may not be reemployed into a career appointment and is subject to Sections 1, 2, 3 and 4 above.~~

~~*D. Reporting Requirements and Disclosure*~~

1. ~~Reporting Requirements~~

   ~~For each Retired Employee reemployed into a staff position, the locations must submit a completed *UCRP Retired Employee Election Form* (not required for Retired Employees who received a lump sum cashout) to the Vice President–Human Resources at the time the Retired Employee is reemployed.~~

   ~~In addition, the locations must submit a summary report semi-annually by June 30 and December 31 of each year to the Vice President–Human Resources that incorporates a list of all reemployed Retired Employees, with identification of appointments greater than 43% within a 12-month period and appointments for which other types of variations from policy have been approved, and provide documentation that required approvals were obtained.~~

2. ~~Disclosure~~

   ~~In accordance with University policy, individuals inside or outside the University are entitled to have access to information in employees' personnel records in conformance with State of California statutes and University records policies. The Executive Officer is to establish procedures for the release of information. Examples of information which is public information and is to be released upon request include name, current salary, retirement compensation, and appointment type.~~

~~IV. APPROVAL AUTHORITY~~

~~*A. Implementation of the Policy*~~

~~The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may develop procedures or other supplementary information to support the implementation of this policy. Such supporting documentation does not require approval by the Regents. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources will work with the Responsible Officer of each policy to implement each policy.~~

~~*B. Revisions to the Policy*~~

~~The Regents is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.~~

~~The Vice President–Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and *Standing Orders* of the Regents.~~

~~The Executive Vice President–Business Operations has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the *Principles for Review of Executive Compensation* (Regents Policy 7201) and other governance policies.~~

~~*C. Approval of Actions Authorized by this Policy*~~

~~Actions authorized by this policy must be approved in accordance with this section.~~

1. ~~For Retired Employees reemployed into Level One SMG positions, Level Two SMG positions, or positions designated as Officers of the University but that are not part of the SMG, reemployment actions must be approved in accordance with Section IV.C. of the policy on *SMG Appointment and Compensation* (Regents Policy 7701). The base salary at the appointment rate in the rehire position will be used to determine appropriate placement in the Market Reference Zone or salary grade, as applicable.~~
2. ~~For Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position (the total cash compensation at the appointment rate in the rehire position will be used) exceeds the Indexed Compensation Level:~~
    a. ~~The Regents has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who report directly to the President or who are designated by the President as Other Specified Employees.~~
    b. ~~For staff positions at the Office of the President, the President has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who do not report directly to the President.~~
    c. ~~For staff positions at a campus or the Lawrence Berkeley National Laboratory, the President has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who report directly to the Chancellor or Laboratory Director.~~
    d. ~~For staff positions at his/her location, the Chancellor and Laboratory Director have the authority to approve reemployment actions that are applicable to reemployed Retired Employees who do not report directly to the Chancellor or Laboratory Director.~~
3. ~~For Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position (the total cash compensation at the appointment rate in the rehire position will be used) does not exceed the Indexed Compensation Level:~~
    a. ~~Reemployment actions authorized by this policy must be approved in accordance with local procedures, which must include a provision for review and sign off by the local Chief Human Resources Officer prior to approval by the location's Chancellor or Laboratory Director.~~

       ~~The Chancellor or Laboratory Director may delegate the authority to approve actions authorized by this policy that are applicable to Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position does not exceed the Indexed Compensation Level. The Chancellor and Laboratory Director remain~~

~~accountable for all reemployment actions at his/her location and for submission of timely and accurate reports in compliance with Section V.A. of this policy. Documentation of the delegation of authority must be submitted to the Vice President—Human Resources. The Office of the President will conduct periodic audits of delegations and reemployment actions.~~

~~*D. Approval of Exceptions to this Policy*~~

~~Unless there is explicit and specific authorization for an action by this policy, the action is considered to be an exception to this policy and must be approved in accordance with this section.~~

1. ~~For Retired Employees reemployed into Level One SMG positions, Level Two SMG positions, or positions designated as Officers of the University but that are not part of the SMG, reemployment actions must be approved in accordance with Section IV.C. of the policy on *SMG Appointment and Compensation* (Regents Policy 7701). The base salary at the appointment rate in the rehire position will be used to determine appropriate placement in the Market Reference Zone or salary grade, as applicable.~~
2. ~~For Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position (the total cash compensation at the appointment rate in the rehire position will be used) exceeds the Indexed Compensation Level:~~
    a. ~~The Regents has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who:~~
        i. ~~Are designated as Other Specified Employees by the President;~~
        ii. ~~Will report directly to the President;~~
        iii. ~~Will report directly to the Chancellor or Laboratory Director, or~~
        iv. ~~Work at the Office of the President.~~
    b. ~~The President has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who do not report directly to the Chancellor or Laboratory Director.~~
3. ~~For Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position (the total cash compensation at the appointment rate in the rehire position will be used) does not exceed the Indexed Compensation Level:~~
    a. ~~The local Chief Human Resources Officer must review and sign off on a request for an exception to this policy before submission to the location's Chancellor or Laboratory Director for approval.~~

        ~~The Chancellor and Laboratory Director may delegate the authority to approve exceptions to this policy but remain accountable for all reemployment actions at his/her location.~~

~~V. COMPLIANCE~~

~~*A. Compliance with the Policy*~~

~~The following roles are designated at each location to implement compliance monitoring responsibility for this policy:~~

~~The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of policy compliance, including collecting all relevant compensation package activity, and creating specified regular compliance reports (such as a monthly compensation compliance report) for review by the location's Top Business Officer.~~

~~The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports (such as a monthly compensation compliance report) for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits a copy of the compliance report to the Executive Officer for signature.~~

~~The Executive Officer is accountable for monitoring and enforcing compliance mechanisms, ensuring monitoring procedures are in place, approving the specified regular compliance reports (such as a monthly compensation compliance report), and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.~~

~~The Vice President–Human Resources is accountable for reviewing the administration of this policy. The Senior Vice President–Chief Compliance and Audit Officer will periodically monitor compliance to these policies, and the process and results will be reported annually to senior management and the Regents through the Committee on Compensation.~~

~~B. Noncompliance with the Policy~~

~~Noncompliance with the policy is handled in accordance with the Regents'~~ *~~Guidelines for Corrective Actions Related to Compensation Practices~~* ~~and~~ *~~Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews~~*~~.~~

~~Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President–Chief Compliance and Audit Officer and the Regents at least three times per fiscal year.~~

~~REVISION HISTORY~~

~~As a result of the issuance of this policy, the following document is rescinded as of the effective date of this policy and is no longer applicable:~~

- *~~Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions~~* ~~(Regents Policy 7706), dated January 1, 2009~~

~~The following documents were rescinded as of January 1, 2009, the original effective date of this policy, and are no longer applicable to Retired Employees reemployed January 1, 2009 or later into Senior Management Group or staff positions:~~

- *~~Guidelines for Rehire of UC Retirees~~*
- *~~Reappointment Guidelines for Rehired Retirees~~*

~~IMPLEMENTATION PROCEDURES~~

~~FREQUENTLY ASKED QUESTIONS~~

Attachment 10

Regents Policy on Service Obligations and Leaves of Absence

POLICY SUMMARY/BACKGROUND

This policy describes the service obligations of all employees of the University as well as leaves of absence.

POLICY TEXT

A. Service Obligations

No compensation shall be paid to any employee of the University unless actively engaged in the service of the University, in accordance with such regulations as the President may establish.

No one in the service of the University shall devote to private purposes any portion of time due to the University nor shall any outside employment interfere with the performance of University duties. Arrangements for outside professional activities by any employee of the University shall be subject to such regulations as the Regents or President may establish.

B. Leaves of Absence

The President is authorized to grant leaves of absence with or without pay, in accordance with Senior Management Group, academic personnel, and/or University personnel policies, as applicable. Any exceptions to policy for Senior Management Group members require approval by the Regents.

C. Faculty and Other Academic Appointees

Academic appointees are subject to Academic Personnel Manual policies and/or University policies pertaining to leaves of absence, as applicable. Sabbatical leaves are granted in accordance with regulations established by the President and under principles affirmed in Regents Policy 2305.

COMPLIANCE/DELEGATION

By special action of the Regents, a Chancellor may be authorized to suspend the pay of a faculty member on involuntary leave pending a disciplinary action. The President has delegated authority for all other decisions regarding leaves of absence to the Chancellors, Laboratory Director, the Executive Vice President – Chief Operating Officer, and Vice President of Agriculture and Natural Resources at their respective locations.

By special action of the Regents, a Chancellor may be authorized to suspend the pay of a faculty member on involuntary leave pending a disciplinary action.

The President has delegated to the Provost and Executive Vice President – Academic Affairs the authority to act for the President with respect to specific academic personnel matters including the granting of leave of absence.

Chancellors and the Vice President – Agriculture and Natural Resources are delegated authority to approve leaves of absence for academic appointees under their respective jurisdictions, subject to the provisions and time limitations established in Academic Personnel Manual policies and/University policies.

The President has delegated the authorities and responsibilities in this policy for non-academic employees to the Chancellors, Executive Vice President–Chief Operating Officer, Vice President–Agriculture and Natural Resources, Principal Officers of the Regents, and the Lawrence Berkeley National Laboratory Director. The authorities granted in the policy may be redelegated except as otherwise indicated.

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.

PROCEDURES AND RELATED DOCUMENTS

- Senior Management Group Outside Professional Activities Policy (Regents Policy 7707)
- APM - 025 – Conflict of Commitment and Outside Activities of Faculty Members
- APM - 671 - Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants
- PPSM II – 42: Disability Leave
- PPSM II – 43: Personal Leave
- PPSM II – 46: Administrative Leaves with Pay
- PPSM 63 – Investigatory Leave
- PPSM 2.210 – Absence from Work
- Regents Policy 2305 – Policy on Sabbatical Leaves of Absence
- APM - 740 – Leaves of Absence/Sabbatical Leaves
- PPSM II-50 - Sabbatical Leaves
- APM - 700 through 760: Leaves of Absence

Unless otherwise required by the Bylaws or Regents Policies, changes to procedures and related documents do not require Regents approval, and inclusion or amendment of references to these documents can be implemented administratively by the Office of the Secretary and Chief of Staff upon request by the unit responsible for the linked documents.

Attachment 11

Amendment of Regents Policy 7201 – Principles for Review of Executive Compensation and Regents Policy 7600 – Policy on University of California Retirement System

Additions shown by underscoring; deletions shown by strikethrough

Regents Policy 7201: Principles for Review of Executive Compensation

Approved May 15, 1992
Amended November 19, 1993, January 21, 2010, July 15, 2010, and September 18, 2013

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~~4. Any paid leave of absence for Officers of the University granted by the President pursuant to Standing Order 100.4(e), shall be reported to the Board by the President. Any paid leave of absence for the President, or for Principal Officers of The Regents shall be approved by The Regents. Any paid leave of absence that exceeds ninety days for Chancellors, the Ernest Orlando Lawrence Berkeley National Laboratory Director, Executive Vice Presidents, Senior Vice Presidents, and other Vice Presidents shall be subject to approval by the Board of Regents; and~~

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Regents Policy 7600: Policy on University of California Retirement System

Adopted January 20, 1989
Amended 1990, 2004, and September 22, 2005

POLICY SUMMARY/BACKGROUND

The Regents of the University of California have established the University of California Retirement System. This policy summarizes the purpose of the retirement system and responsibility for its oversight and administration.

POLICY TEXT

~~Subject to and concurrent with adoption of the substance of the Standing Order of The Regents Relating to the University of California Retirement System (Standing Order 120) as Regents' policy the University of California Retirement will consist of:~~ The Regents have established the University of California Retirement System (UCRS) which consists of:

The University of California Retirement Plan

The University of California Defined Contribution Plan

The University of California Tax-Deferred 403(b) Plan

The University of California 457(b) Deferred Compensation Plan

The primary purpose of UCRS is to provide savings and retirement income to eligible employees of the University of California and its affiliate, Hastings College of Law, and their beneficiaries. The UCRS is created and maintained for their exclusive benefit and is intended to be permanent and ongoing. The Regents, however, reserve the right to amend or terminate the UCRS, or individual plans within the UCRS, at any time in accordance with the applicable provisions of each plan.

The Regents have broad oversight responsibility for the administrative and investment functions of the UCRS.

All provisions of the UCRS plans shall be set forth in the Plan Documents and/or Plan Regulation for each plan.

COMPLIANCE/DELEGATION

The President of the University shall serve as Plan Administrator of the UCRS except to the extent the duties of the Plan Administrator are delegated under University policies and procedures to another individual, in which case such individual shall serve as the Plan Administrator with respect to the delegated duties.

The Office of the Chief Investment Officer (OCIO) has primary responsibility for implementing the investment policies established by The Regents, maintaining investment options as applicable, and serving as custodian of plan assets. The OCIO may, however, re-delegate all or part of its duties as custodian to an entity that satisfies the requirements of Section 408(n) of the Internal Revenue Code. The custodian shall hold all assets of the Plan under its control for the benefit of Participants and their Beneficiaries.

PROCEDURES AND RELATED DOCUMENTS

University of California Retirement Plan

UC Retirement Plan Regulations

University of California Tax-Deferred 403(b) Plan

University of California Tax-Deferred403(b) Plan Regulations

University of California 457(b) Deferred Compensation Plan

University of California 457(b) Deferred Compensation Plan Regulations

University of California Defined Contribution Plan

UC Defined Contribution Plan Regulations