

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

July 20, 2023

The Regents of the University of California met on the above date at the UCSF-Mission Bay Conference Center, San Francisco campus and by teleconference at 106 E. Babcock Street, Bozeman, Montana.

Members present: Anguiano, Cohen, Drake, Ellis, Kounalakis, Lee, Leib, Makarechian, Park, Pérez, Raznick, Reilly, Sarris, Sherman, Sures, and Tesfai

In attendance: Regents-designate Beharry and Pack, Faculty Representatives Cochran and Steintrager, Staff Advisors Emiru and Mackness, Secretary and Chief of Staff Lyall, General Counsel Robinson, Provost Newman, Chief Investment Officer Bachher, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Interim Senior Vice President Reese, Vice Presidents Brown and Lloyd, Chancellors Block, Christ, Gillman, Hawgood, Khosla, Larive, May, Muñoz, Wilcox, and Yang, and Recording Secretary Li

The meeting convened at 11:25 a.m. with Chair Leib presiding.

1. PUBLIC COMMENT

Chair Leib 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. Ada Briceño, Co-President of UNITE HERE Local 11, expressed concern that those who wished to speak during the public comment period had waited in the sun for a long period of time. Workers from 42 hotels in Southern California were on strike; they needed housing and food for their families. Ms. Briceño stressed that the Regents should listen to individuals who have come to speak about this issue.
- B. Jordan Fein, representative of UNITE HERE Local 11, asked that the Regents address issues raised by U.S. Representative Barbara Lee and 21 members of the U.S. Congress, who have written to the Board regarding practices at the Laguna Cliffs Marriott Resort and Spa. They asked what steps Aimbridge Hospitality has taken to negotiate and settle a fair contract that addresses the need for living wages, an adequate pension, health care, and fair staffing; how the hotel would ensure permanent employment to African American temporary workers; how the Regents would ensure that businesses owned by the UC system do not engage in predatory behavior and contractual violations; and how UC would enhance worker protection and increase diversity at UC-owned properties.
- C. Karely Amaya Rios, undocumented UCLA student, thanked the Regents for adopting the Regents Policy on Equitable Student Employment Opportunities

during the May meeting. This has given hope to millions of undocumented individuals across the country. She called for full implementation of the proposed strategy of the Opportunity for All campaign and for the employment of undocumented students at the University.

- D. Mary Entoma, UCLA alumna and community organizer for UNITE HERE Local 11, expressed dismay that Laguna Cliffs Marriott Resort and Spa employed few unionized Black workers but hired temporary Black workers to break the strike. Citing Regents Policy 4400, Policy on University of California Diversity Statement, Ms. Entoma asked UC to act consistently with its values. Over 150 students, faculty, staff, and alumni have signed a letter of support for hotel workers. She called on the University to direct the hotel to negotiate a fair contract and to hire temporary Black workers as permanent staff.
- E. Jean Carlo Perez, undocumented UC Irvine student, spoke in support of implementing the proposed strategy of the Opportunity for All campaign, which would help undocumented students become more financially stable and ease their burdens. Due to his immigration status, Mr. Perez received academic credit for his work as a research assistant instead of pay. He sometimes accessed groceries by visiting the food pantry or donating blood plasma for money.
- F. Maguen Vargas, undocumented UC Santa Barbara student, thanked the Regents for adopting the Regents Policy on Equitable Student Employment Opportunities. Ms. Vargas had been frustrated because she could not financially support her family, but the Opportunity for All campaign and the Regents' recent action brought her great joy. Providing equitable employment would help her graduate debt-free, strengthen Regents Policy 4400, Policy on University of California Diversity Statement, and remove barriers to employment.
- G. Abraham Cruz, undocumented UCLA student, thanked the Regents for adopting the Regents Policy on Equitable Student Employment Opportunities. University employment opportunities could change the livelihoods of thousands of UC undocumented students. Mr. Cruz stressed the urgency of the issue, as the Deferred Action for Childhood Arrivals (DACA) program faced federal court challenges and Congress was unlikely to enact immigration legislation. He urged the Regents Working Group on Equitable Student Employment Opportunities to heed the concerns of undocumented students and to work collaboratively.
- H. Michael Casey, President of the San Francisco Labor Council, expressed solidarity with UNITE HERE Local 11 and disappointment in the University for investing \$6.5 billion in Blackstone. Mr. Casey stated that UC could direct Blackstone to settle labor contracts at Laguna Cliffs Marriott Resort and Spa, Fairfield El Segundo, Aloft El Segundo, and Sheraton Phoenix Downtown.
- I. Teresa Romero, President of United Farm Workers, called on UC to direct the fair resolution of labor contract disputes at Laguna Cliffs Marriott Resort and Spa,

Fairfield El Segundo, Aloft El Segundo, and Sheraton Phoenix Downtown. She stated that UC should be a leader in the treatment of UC workers and workers from properties in its investment portfolio. More workers were joining this strike, one of the largest in the Los Angeles area. She noted that 21 members of Congress signed a letter supporting UNITE HERE Local 11 and calling for the permanent employment of Black workers at these hotels.

- J. Gary Williams, Pastor at St. Mark United Methodist Church and Co-Chair of Clergy and Laity United for Economic Justice (CLUE Justice), expressed alarm at the treatment of workers at Laguna Cliffs Marriott Resort and Spa. He asked UC to direct the settlement of this labor dispute and called for the permanent employment of temporary Black workers. Reverend Williams stressed that all workers deserve a living wage, an adequate pension, health care, affordable housing, and dignity.
- K. Emilse Pineda addressed the Board in Spanish and was accompanied by a translator. Ms. Pineda was a member of housekeeping staff at Laguna Cliffs Marriott Resort and Spa. Since becoming a unionized member of staff, her pay has increased. She joined the strike and was participating in the public comment period to advocate for better benefits and a pension. While Ms. Pineda was participating in the strike, a hotel guest struck her and cursed at her, but the hotel never identified this person to her or the union, and she believed that the guest did not face any consequences for his actions. Ms. Pineda was terrified to encounter the guest at the hotel while she was alone or if she was assigned to clean his room. She suffered headaches and fainted at work. She asked the Regents to direct the hotel to accept the workers' demands.

Regent Pérez shared that he heard a difference between Ms. Pineda's comments and the translation, and he sought clarification from Ms. Pineda in Spanish. According to Regent Pérez, Ms. Pineda stated that she was terrified to return to work out of fear of seeing the man who attacked her. She also stated that management were not concerned about identifying the guest or potentially exposing her to him when she returned to work.

- L. Payton Alaama, UC Irvine graduate student, shared that, according to a 2021–22 United Auto Workers survey, 92 percent of graduate student workers and 61 percent of postdoctoral researchers at UC were rent burdened. He urged the Regents to expedite the construction of affordable housing for students; set aside more funding for student basic needs; create campus-specific basic needs programs; make use of existing resources like the revolving loan fund; and put a stop to unfair pricing by companies like Blackstone and Irvine Company, which were raising student rent.
- M. Anahi Matias Santiago, undocumented UC Santa Cruz student, thanked the Regents for adopting the Regents Policy on Equitable Student Employment Opportunities. It has been challenging to navigate higher education as a first-generation student, and without access to scholarships, employment, and career development due to

her immigration status, she and her family have experienced financial insecurity. She stated that employment opportunities would have a significant impact on undocumented students across the state.

- N. Naomi Dasari, UCSB student and member of the Mauna Kea Protectors at UCSB, called on UC to invest in students' needs, support workers, divest from the Thirty Meter Telescope (TMT) project, and divest from Blackstone. She stated that, instead of increasing investment in housing, mental health services, or cost of living adjustments for student workers, UC was using tuition revenue to fund projects that students did not support, continue a legacy of colonialism and imperialism, build on stolen land, and fund agents of war.
- O. Danna Castro Galindo, UCLA student, thanked the Regents for adopting the Regents Policy on Equitable Student Employment Opportunities and expressed support for the implementation of the proposed strategy of the Opportunity for All campaign. Ms. Galindo and her family were granted citizenship ten years after seeking asylum, so she understood the challenge of not having work authorization.
- P. Reuben Perez, staff member of San Francisco Marriott Union Square and member of UNITE HERE Local 2, spoke in support of UNITE HERE Local 11. He stated that hotels across California have recovered from the COVID-19 pandemic but have not hired enough workers. Recalling his own experience being on strike in 2018, he demanded that the University direct the fair resolution of labor disputes at Laguna Cliffs Marriott Resort and Spa, Fairfield El Segundo, Aloft El Segundo, and Sheraton Phoenix Downtown.
- Q. Erik, member of UNITE HERE Local 2, spoke in support of UNITE HERE Local 11 and called on UC to direct the fair settlement of labor contracts. He stated that the treatment of workers affected the client experience. He compared food prepared by an overworked cook with food prepared by a cook who felt appreciated.
- R. Angelica Interiano, UCLA student and representative of the UC Divest coalition, called on the Regents to divest from companies that profit from the global housing crisis, displacement, the exploitation of workers, and the military-industrial complex and to invest in workers and students. She stated that, through its \$4 billion investment in Blackstone Real Estate Income Trust, the University was tied to hotel properties in Blackstone's portfolio. Ms. Interiano stated that it took years for the Regents to divest from companies perpetuating South African apartheid, and that UC asset manager Blackrock was perpetuating the ongoing colonization of Palestine, the military occupation of the Philippines, and the environmental degradation of Mauna Kea.
- S. Vincent Rasso, representative of the Campaign for College Opportunity, urged UC to share lessons learned and the policies and practices that have positively affected the recruitment and retention of underrepresented students in light of the U.S. Supreme Court's decision to do away with affirmative action. Mr. Rasso cited

holistic review, eliminating the SAT/ACT in admissions, the Eligibility in the Local Context program, and the Student Academic Preparation and Educational Partnerships (SAPEP) program as examples. The Campaign for College Opportunity applauded the allocation of SAPEP funding toward transfer and urged UC to adopt the Associate Degree for Transfer.

- T. Matthew Piña, Sheraton Phoenix Downtown staff member and member of UNITE HERE Local 11, asked the University to direct Blackstone to settle a fair labor contract, with affordable health care and a pension, for workers at the Laguna Cliffs Marriott Resort and Spa, Fairfield El Segundo, Aloft El Segundo, and Sheraton Phoenix Downtown. He stated that the Sheraton Phoenix Downtown was owned by Blackstone Real Estate Partners IX, a fund in which the University has invested. He shared that he struggled to pay for housing and health care, noting the high cost of insulin and gender-affirming care as a transgender man, and that he borrowed money from his family to subsidize his wages.
- U. Daniel Mitchell, Professor Emeritus of UCLA and board member of the UCLA Emeriti association, shared that surviving spouses of retirees were being told that their continuing UC health insurance coverage was being cancelled, which was contrary to terms of the plan, and that they would be notified when their coverage resumed. This has caused great stress for grieving survivors and could interrupt the medical care of elderly individuals. Retirees have asked the Office of the President for assistance but have not been successful and called on the Regents to intervene.
- V. Thomas Bradley, former temporary worker at Laguna Cliffs Marriott Resort and Spa, shared his belief that the hotel retaliated against him for joining the strike by cancelling his shifts. He stated that Black workers felt like second- or third-class citizens in the hotel industry. Mr. Bradley found it shameful that the hotel hired Black workers to break strikes after the protests related to the killing of George Floyd. He asked Regents to direct Laguna Cliffs Marriott Resort and Spa to settle the labor dispute.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

Upon motion duly made and seconded, the minutes of the meetings of May 17 and 18, 2023 were approved, Regents Anguiano, Cohen, Drake, Ellis, Kounalakis, Lee, Leib, Makarechian, Park, Pérez, Raznick, Reilly, Sarris, Sherman, Sures, and Tesfai voting “aye.”¹

3. **PRESIDENT’S OUTSTANDING STUDENTS AWARDS**

President Drake introduced UC Davis undergraduate student Abiel Malepeai, recipient of the 2023 President’s Award for Outstanding Student Leadership. Mr. Malepeai successfully advocated for a UC Davis retention initiative to be renamed the Strategic

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

Asian and Pacific Islander Retention Initiative to better represent the needs of Pacific Islander students. He co-chaired the Oceania: Pacific Islander Studies Research Working Group, which provided undergraduate students who identify as Pacifica, or those from the islands of the South Pacific and their descendants, with research and scholarship opportunities. He also helped establish and led the UCD Pacific Islander Student Association. President Drake congratulated Mr. Malepeai and his family, who came to receive the award on his behalf, and invited Chancellor May and Mr. Malepeai to make remarks.

Chancellor May congratulated Mr. Malepeai and regarded him as a highly respected equity champion. Mr. Malepeai has led programs and was an inaugural fellow at the Aggie Compass Basic Needs Center, and has advocated on behalf of students, particularly Native Hawaiian and Pacific Islander students, as a member of the Vice Chancellor's Cabinet of Student Leaders. He also served as a student emergency medical technician at the UC Davis Fire Department. A recent graduate, Mr. Malepeai aimed to become a primary care physician with an emphasis in health equity and policy.

Mr. Malepeai shared that receiving this award has reminded of him of the ancient Samoan saying, "the pathway to leadership is through service," which has guided his approach to life and leadership. Rather than seeking power and accolades, true leadership entailed dedicating oneself to the service of others and working tirelessly to improve his community. Mr. Malepeai acknowledged those who supported and encouraged him, especially his family. This award was a testament to the power of respect, love, obedience, and unity, which were at heart of his Samoan heritage. He looked forward to bringing these qualities to the field of medicine and would strive to lead by example. He thanked his fraternity, Kappa Alpha Psi, for their support, as well as President Drake, the selection committee, and the Regents for their acknowledgment of the importance of service for the underrepresented. Mr. Malepeai pledged to continue his service.

President Drake introduced UC San Diego medical student Maribel Patiño, recipient of the 2023 President's Award for Outstanding Student Leadership. Ms. Patiño was a first-generation college student who grew up working in watermelon fields in Kern County. She was currently pursuing dual doctoral degrees in medicine and neuroscience. Through her leadership, she has focused on addressing the needs of students from marginalized ethnic and socioeconomic backgrounds and improving diversity in the science, technology, engineering, and mathematics (STEM) fields. In 2016, Ms. Patiño co-founded and co-directed Colors of the Brain, a student organization dedicated to increasing diversity in neuroscience that has helped underrepresented students access research, fellowships, and graduate programs and medical education. She helped secure grant funding from the Kavli Institute for Brain and Mind (KIBM) for 19 recipients to date. President Drake congratulated Ms. Patiño and invited her and Chancellor Khosla to make remarks.

Chancellor Khosla congratulated Ms. Patiño and shared that she has committed to promoting diversity, equity, and inclusion in the STEM fields and neuroscience throughout her academic journey. Through her own experience working in agriculture with her parents, Ms. Patiño saw the adverse health effects of the industry, which inspired her to

become a physician and scientist. She was pursuing an M.D. and Ph.D. in neuroscience at UC San Diego, with a focus on inclusivity in academic research. Through this effort and successful fundraising, Ms. Patiño has enabled many students to pursue STEM fields and neuroscience in particular.

Ms. Patiño thanked to UCSD Associate Professor Brenda Bloodgood, her nominator, and KIBM Co-Directors Yishi Jin and Edward Callaway. KIBM was first to provide Colors of the Brain with financial assistance, and its support enabled the organization to launch a scholarship program, which funded summer research opportunities for underrepresented undergraduate students. Ms. Patiño believed that other institutions and funding agencies should seek and invest in individuals and groups which have consistently dedicated themselves to diversity efforts. She noted that graduate students shouldered much of the burden of this work despite demanding research responsibilities and should be compensated with a living wage and have access to affordable housing.

4. **REGENTS FOSTER YOUTH AWARD**

Chair Leib thanked the members of the selection committee, including Regents Reilly, Makarechian, Tesfai, as well as Belinda Vea, Project and Policy Analyst for Equity, Diversity, and Inclusion at the Office of the President.

Regent Reilly shared that, with a generous contribution from an anonymous donor, the Regents were able to honor all twelve nominees with a \$1,000 award in recognition of their perseverance, achievements, and contributions to their communities. Regent Reilly shared that the awardees overcame long odds to succeed academically and personally. She thanked members of the selection committee, the Regents who donated to the award, and former Student Regent Jamal Muwwakkil for establishing this fund. She invited Chancellor Christ and Ms. Smith, one of the award recipients, to make remarks.

Chancellor Christ congratulated Ms. Smith, an exceptional student who has made an indelible impact on the Berkeley campus. She exemplified leadership, public service, and activism as a peer advisor for the Berkeley Hope Scholars Program, where she shared her own experiences with scholars and connected them to resources. She worked with local nonprofits and community colleges, led research projects at the UC Berkeley School of Social Welfare, and demonstrated that a single individual could ignite profound change.

Ms. Smith thanked Chancellor Christ, the Board, Chair Leib, and the selection committee for honoring her and her fellow awardees. She shared that she was currently in Sweden completing an internship. Ms. Smith expressed gratitude to the Berkeley Hope Scholars Program, where she worked as a peer advisor, and NET Growth Movement, an initiative that provides guaranteed income to foster youth as they transition into adulthood and where she worked as a design team member, for supporting her in her personal and professional life. She also thanked Charly King Beavers and Matt Benson of Berkeley Hope Scholars for their leadership and support.

5. REMARKS FROM STUDENT ASSOCIATIONS

President Drake introduced UC Student Association (UCSA) President Alexander Niles. He noted that Mr. Niles has graduated from UC Santa Barbara and that this was his last Regents meeting as UCSA President.

Mr. Niles began his remarks by thanking the Regents and staff from the Regents' Office and the Office of the President (UCOP) for working with students. He conveyed UCSA's solidarity with United Auto Workers (UAW) and University Professional and Technical Employees (UPTA) as they advocate for the fair implementation of their labor contracts and American Federation of State, County and Municipal Employees (AFSCME) 3299 as members advocate for a \$25 minimum wage. Students regarded the recent U.S. Supreme Court decision to ban affirmative action as a disturbing and disillusioning affront to UC values. While the University had many laudable, innovative programs to ensure racially equitable admissions, there was still much work to be done, and Mr. Niles hoped that this was a galvanizing moment and that UC could serve as an example for the rest of the country. However, with regard to racial equity, he questioned what message the University was sending to indigenous students with its involvement in the Thirty Meter Telescope project on Mauna Kea, when indigenous communities lack access to the lands in the UC Natural Reserve System, or when some UC campuses are out of compliance with the Native American Graves Protection and Repatriation Act (NAGPRA). Mr. Niles called on UC to meet the requirements of the recent State audit and ensure that the University has a sufficient number of full-time repatriation staff by the end of this month.

Mr. Niles thanked President Drake, the UCOP Office of Budget Analysis and Planning, and Regents Cohen and Ellis for making a State allocation of \$8 million in one-time matching funds for disability services immediately available to campuses so that they could begin implementing recommendations from the Systemwide Advisory Workgroup on Students with Disabilities. He also thanked them for listening to student perspectives. He thanked Regents Matosantos, Park, and Anguiano for advocating for transformative, data-supported recommendations. Students would continue to work with the University on this effort. Mr. Niles applauded Executive Vice President and Chief Financial Officer Brostrom's comments about making sure that ongoing, reliable funding is in place. He expressed hope that use of this funding is properly documented and that implementation of the recommendations is effectively coordinated. Mr. Niles concluded his remarks by addressing community safety. He opined that restorative justice, a confidential, voluntary mediation process that is separate from the criminal justice system, could help UC prevent and effectively respond to bullying, abuse, and sexual violence, suggesting that its use be expanded beyond UC Berkeley and UCSF. The goal of restorative justice was to identify the harm, prescribe steps to redress it such as counseling and setting boundaries, and address the root cause of the perpetrator's behavior to prevent future incidents. Issues of feasibility and confidentiality would need to be addressed, but restorative justice could provide a more immediate solution than recourse through Title IX, better prioritize care for survivors, and give more agency to survivors, especially those who do not wish to engage with Title IX or the criminal justice system.

President Drake introduced UC Graduate and Professional Council (UCGPC) President Ryan Manriquez. Formerly the President of the Associated Students of UC Davis, Mr. Manriquez was now a Master of Public Policy student at UC Berkeley.

Mr. Manriquez shared that he was a transfer student from Folsom Lake College and recognized the work of past UCGPC President Hayden Schill. He noted that there have been reports of the persecution of UC San Diego students for expressing their first amendment rights and the confiscation of their laptop computers and mobile phones by UC police, which could halt their summer research. He implored the Regents to examine these reports and consider other avenues of mediation. Mr. Manriquez regarded the U.S. Supreme Court's recent decision to ban the use of race in college admissions as an illegitimate attack on diversity in higher education. He foresaw that systems and institutions would turn to the University for guidance given its experience with a similar ban in California since 1996. The Opportunity for All campaign, comprised of undocumented students, the UCLA Center for Immigration Law and Policy, and the UCLA Labor Center, argued that the federal policy prohibiting the employment of undocumented students did not apply to State entities. He thanked Regents for adopting the Regents Policy on Equitable Student Employment Opportunities during the May meeting and expressed his wish for broad student representation in the Regents Working Group on Equitable Student Employment Opportunities.

Mr. Manriquez addressed the goal in the multi-year funding Compact between the State and UC to increase the number of students earning degrees or credentials in science, technology, engineering, and mathematics (STEM) by 25 percent by 2026–27 and to prioritize high-need disciplines in enrollment growth. He opined that, as the sole public institution with the ability to grant medical degrees in California, the University had a significant responsibility to shape the future of health care in the state. He recalled his own healthcare experiences and believed that the next generation of healthcare providers should have the tools to holistically treat individuals like him. Mr. Manriquez noted that July was Disability Pride Month, as well as the hardships faced by the disability community in light of the COVID-19 pandemic. According to discussion during the Academic and Student Affairs Committee meeting in January 2022, there was a 32 percent increase in accommodations for graduate students between 2019 to 2021. In the 2020 UC Graduate Student Experience Survey, 85 percent of nondisabled respondents felt they had the space and resources to succeed academically, while only 67 percent of respondents with disabilities agreed with this statement. He wished to work with the Systemwide Advisory Workgroup on Students with Disabilities to make a plan to establish a disability cultural center on every UC campus. Since the disability rights movement started in the City of Berkeley in the 1970s, Mr. Manriquez believed the UCB Disability Cultural Center should serve as a model for the system.

6. ANNUAL COUNCIL OF UNIVERSITY OF CALIFORNIA STAFF ASSEMBLIES REPORT

Dennis McIver, Immediate Past Chair of the Council of UC Staff Assemblies (CUCSA) and staff member from the Office of the President (UCOP), began the presentation. Since

1974, CUCSA has addressed the concerns of policy-covered UC staff, with delegations from each UC campus, UC Agriculture and Natural Resources, Lawrence Berkeley National Laboratory, and UCOP. Approximately 51,000 policy-covered employees supported the University's daily operations. In January, he addressed the Regents regarding UC retention; according to the 2021 CUCSA Staff Engagement Survey, 43 percent of respondents were seriously considering leaving UC. Career advancement, wellness, and compensation were also concerns for staff, and CUCSA formed work groups for each of these issues, with a focus on retention. Work groups developed solutions for retention issues after reviewing data from reports and consulting local and systemwide human resources (HR) offices, CUCSA alumni, and local staff assemblies. Systemwide HR estimated about 5,000 staff vacancies across the system, which was double the historical average. Mr. McIver stated that increased stress and reduced morale resulting from these vacancies was worsened by leadership's perceived lack of urgency to address them. Departures were also costly for the University. CUCSA leaders were discussing work group recommendations with President Drake, such as adopting the Okanagan Charter: an International Charter for Health Promoting University and Colleges, changing the message of overwork and burnout, helping staff understand their total compensation, and helping staff advocate for career development. The work groups' final presentations and reports were available on the CUCSA website.

Chair-Elect Jennifer Bowser, staff member from UC Santa Barbara, stated that CUCSA was comprised of volunteers who sought to improve communications between administrators and staff and to serve UC by advising and providing the staff perspective to decision makers. Over the years, CUCSA has advocated for a paid family leave plan, which became official policy in 2021; continued salary increases for non-represented staff; and the creation of the Staff Advisors to the Regents position. In addition to the aforementioned work groups, an additional group engaged with current and past CUCSA members, staff assembly members, and local and Systemwide HR staff to develop CUCSA's strategic plan for the next five years. This plan featured 16 priorities and three overarching goals: to increase awareness of CUCSA's mission and purpose, improve continuity of internal practices, and create and strengthen relationships. Implementation of strategies toward achieving these goals would begin next year. Ms. Bowser congratulated all 2022–23 CUCSA award recipients. In addition to the Kevin McAuley Memorial Outstanding Staff Award, CUCSA added new awards recognizing local staff assembly board members and CUCSA alumni. She thanked this year's Outstanding Senior Leader Award recipient, Chancellor Muñoz, for his dedication to addressing staff needs. Ms. Bowser concluded by noting that CUCSA transitioned to new leadership in July.

Chair John Bodenschatz, staff member from UC Irvine, introduced the new CUCSA board. In addition to Ms. Bowser and Mr. McIver, Jeremy Thacker from UC Irvine would be the next Operations Officer, and Derrick DeMarco from UC Santa Cruz would be the Communications Officer, a new role. Mr. Bodenschatz stated that UC must invest more in staff to become an employer of choice and shared CUCSA's upcoming priorities: continued advocacy on critical matters, fair compensation and robust benefits, and sense of belonging and purpose. Systemwide HR's assessment of benefit offerings presented an opportunity to determine how the University could elevate those benefits, such as below-

market rental housing for newer staff who could later qualify for home loans and down payment funding. CUCSA would consider how best to promote sense of purpose among colleagues and create an environment where staff are able to present their authentic selves, as a sense of belonging was as critical as fair compensation. Mr. Bodenschatz suggested that Regents meet with staff assemblies when visiting campuses to learn about the staff experience firsthand. Through these meetings, staff could also learn about vision and priorities from leaders and how staff support the University's mission and goals.

Staff Advisor Mackness asked what top three things UC could do differently for staff. Mr. McIver noted longer-term efforts, such as Systemwide HR's development of a policy on tuition for dependents of UC employees and the Systemwide HR benefits survey, as well as the aforementioned staff housing and fair compensation recommendations. More urgent changes included the addition of a systemwide director of wellness position to coordinate campus efforts and adopting the Okanagan Charter. He also suggested improving messaging from leadership about wellness and career advancement and streamlining processes for stipends, reclassifications, and promotions in order to recognize the extra work performed by staff.

7. STRATEGIC PLAN AND FISCAL YEAR 2023–24 BUDGET FOR UC HEALTH, OFFICE OF THE PRESIDENT

[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.]

This item was deferred.

The Board recessed at 1:05 p.m.

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The Board reconvened at 1:10 p.m. with Chair Leib presiding.

Members present: Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures and Tesfai

In attendance: Regents-designate Beharry and Pack, Faculty Representatives Cochran and Steintrager, Staff Advisors Emiru and Mackness, Secretary and Chief of Staff Lyall, General Counsel Robinson, Provost Newman, Executive Vice President and Chief Financial Officer Brostrom, Chief Compliance and Audit Officer Bustamante, Executive Vice President and Chief Operating Officer Nava, Interim Senior Vice President Reese, Vice President Lloyd, Chancellors Christ, Hawgood, Khosla, Larive, Muñoz, Wilcox, and Yang, and Recording Secretary Li

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

Chair Leib stated that Chairs of Committees and Special Committees that met at this meeting 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.

Report of the Academic and Student Affairs Committee

The Committee presented the following from its meeting of July 19, 2023:

A. ***Role of UC Research Entities in State Policy Development***

Regent Anguiano reported that this presentation was part of a series about how the University applies research and thought leadership to California's biggest challenges.

B. ***Update on Improving Financial Aid Offer Letters***

Regent Anguiano reported that the Committee had a robust discussion about the University's close partnership with the National Association of Student Financial Aid Administrators to continue improving UC financial aid offer letters.

C. ***Student Academic Preparation and Educational Partnerships (SAPEP) New Ongoing Funding Update: Focus on Transfer***

Regent Anguiano emphasized the importance of this ongoing discussion in light of UC's efforts to engage California Community College campuses with lower rates of transfer to the University.

D. ***Reimagining How and Where UC Happens: UC Reengagement Consortium***

Regent Anguiano reported that representatives from the UC Reengagement Consortium discussed degree completion programs, and a student who participated in UC Merced Extension's Degree Completion Program shared her experiences. Regent Anguiano highlighted reentry students' need for more flexibility and online course offerings.

Report of the Compliance and Audit Committee

The Committee presented the following from its meeting of July 19, 2023:

Approval of Compliance Plan for 2023–24 and Internal Audit Plan for 2023–24

The Committee recommended approval of the Compliance Plan for 2023–24, as shown in Attachment 1, and the Internal Audit Plan for 2023–24, as shown in Attachment 2.

Upon motion of Regent Elliott, duly seconded, the recommendation of the Compliance and Audit Committee was approved, Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures, and Tesfai voting “aye.”

Report of the Finance and Capital Strategies Committee

The Committee presented the following from its meeting of July 19, 2023:

A. *Consent Agenda:*

(1) *Consent Item: Fiscal Year 2023–24 General Revenue Bond Issuance*

The Committee recommended that the Regents authorize the President of the University to:

- a. Issue an aggregate principal amount not to exceed \$2.5 billion plus financing costs under the University’s General Revenue Bond Indenture in Fiscal Year 2023–24. As long as the bonds are outstanding, the following requirements shall be satisfied:
 - i. The campuses receiving such proceeds shall maintain revenues in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - ii. The general credit of the Regents shall not be pledged.
- b. Take all appropriate actions related to the action outlined above, including, but not limited to approval, execution, and delivery of all necessary or appropriate financing documents.

(2) *Consent Item: Preliminary Plans Funding and External Financing, UC Merced/Merced Community College District “Promise” Intersegmental Student Affordable Housing Building, Merced Campus*

The Committee recommended that:

- a. The 2022–23 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Merced: UC Merced/Merced Community College District “Promise” Intersegmental Student Affordable Housing Building – preliminary plans – \$10.05 million to be

funded from external financing supported by State General Fund appropriations (\$9.68 million) and 2022–23 General Fund for the Higher Education Student Housing Grant Program appropriated to “Merced College for an intersegmental project with the University of California, Merced” (\$370,000).

- b. The President of the University be authorized to obtain external financing for the UC Merced/Merced Community College District “Promise” Intersegmental Student Affordable Housing Building project of \$9.68 million plus related interest expense and additional related financing costs. The President shall require that:
 - i. The primary source of repayment shall be from State General Fund appropriations, pursuant to the Education Code Section 92493 et seq. Should State General Fund appropriation funds not be available, the President shall have the authority to use any legally available funds to make debt service payments.
 - ii. The general credit of the Regents shall not be pledged.

B. *Preliminary Plans Funding and External Financing, Clean Energy Campus – Electrified Heating and Cooling Plant, Distribution, and Distributed Energy Resources, Berkeley Campus*

The Committee recommended that:

- (1) The 2022–23 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Berkeley: Clean Energy Campus – Electrified Heating and Cooling Plant, Distribution, and Distributed Energy Resources – preliminary plans – \$40 million to be funded with external financing supported by State General Fund appropriations.
- (2) External financing be approved in an amount not to exceed \$40 million plus related interest expense and additional related financing costs to finance Clean Energy Campus – Electrified Heating and Cooling Plant, Distribution, and Distributed Energy Resources. The following requirements shall be satisfied:
 - a. The primary source of repayment shall be from State General Fund appropriations, pursuant to the Education Code Section 92493 et seq. Should State General Fund appropriation funds not be

available, the President shall have the authority to use any legally available funds to make debt service payments.

- b. The general credit of the Regents shall not be pledged.

C. ***Authorization of Terms for Urban Services Agreement and Potential Annexation, Merced Campus***

The Committee recommended that the Regents:

- (1) Authorize the President of the University, on behalf of the Merced campus, to approve and execute, after consultation with the General Counsel, an agreement with the City of Merced memorializing the terms pursuant to which the University will support the City's application to annex the entire acreage of the Merced campus (1,026 acres) as follows:
 - a. Permit the Merced campus to support annexation of the entire acreage of the Merced campus into the City for the purpose of providing City services, provided that any conditions proposed by the Merced Local Agency Formation Commission (Merced LAFCO) in its draft resolution are not inconsistent with the following provisions:
 - i. The entirety of the UC Merced campus as identified in the 2020 Long Range Development Plan (LRDP), a total area of 1,026 acres, will be annexed into the City of Merced.
 - ii. The City will provide water and sewer services to the entire 1,026-acre campus. The City's service obligation will be tied to the campus population and development as described in the UC Merced LRDP, as amended or updated by the Regents over time (i.e., upon annexation, the City's service obligation shall increase to 15,000 students, the enrollment projection in the 2020 LRDP, and shall further increase if and when this enrollment projection is updated).
 - iii. There shall be no cap or limitation on campus enrollment, or the amount and type of campus development and uses (i.e., total building space, student housing, parking, retail/restaurant space, and incubator space).
 - iv. The University retains its full powers of organization and government set forth in Article IX, Section 9, of the California Constitution.

- b. Monthly water and sewer service use charges shall accurately reflect the City's cost to provide service to the UC Merced campus, through rates based on the applicable user category as defined in the City of Merced Municipal Code (MMC), consistent with rates paid by other users of the same category.
 - c. The new agreement will maintain the current "per student" charge structure for water and sewer facilities charges set forth in the Services Agreement, both up to and beyond enrollment of 10,000 students. Any future capacity/connection charges for additional campus development will be negotiated by the parties, subject to the limitations on charges for capital improvements set forth in Government Code Section 54999.3.
 - d. The City will extend by ten years, through 2043, the reimbursement period for campus-provided water and sewer infrastructure (from developers who connect to the campus-funded water and sewer lines in the future) in the 2003 Permanent Financing Capital Facilities Fee Agreement.
 - e. The City will modify the 2016 Transportation Agreement to clarify that the campus shall only contribute its proportionate share of the cost to widen Bellevue Road.
- (2) The President, after consultation with the General Counsel, shall be authorized to approve and execute any additional documents necessary to implement the terms of the new agreement.

Regent Cohen stated that the annexation of the Merced Campus by the City of Merced, provided for in this item, laid the groundwork for the campus' future.

D. *University of California Retirement Plan – Proposal to Adopt Changes in Actuarial Assumptions*

The Committee recommended that:

- (1) The Regents' consulting pension actuary's recommendations regarding economic and non-economic actuarial valuation assumptions for the UC Retirement Plan (UCRP) summarized in Attachment 3 be adopted. As applicable, these actuarial assumptions will also be used for the actuarial valuations of the University of California-Public Employees' Voluntary Early Retirement Incentive Program (UC-VERIP) and the UC Retiree Health Benefit Program.

- (2) The Plan Administrator be authorized to implement the changes summarized in Attachment 3 and in the actuarial experience study for the UCRP for the period July 1, 2018 to June 30, 2022.

Regent Cohen reported that discussion of actuarial assumptions would continue at an upcoming meeting.

E. ***Update on the Final 2023–24 State Budget***

Regent Cohen reported that presentation of the 2023–24 State budget, which was beneficial to the University, highlighted the creation of a matching fund for disability services. The budget for disability services would be discussed further at a future meeting.

F. ***UCPath Update***

This item was not summarized.

Upon motion of Regent Cohen, duly seconded, the recommendations of the Finance and Capital Strategies Committee were approved, Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures, and Tesfai voting “aye.”

Report of the Governance Committee

The Committee presented the following from its meeting of July 20, 2023:

A. ***Approval of Extension of the Appointment of and Compensation for Jeffrey Stewart as Interim Vice Chancellor for Diversity, Equity and Inclusion, Santa Barbara Campus as Discussed in Closed Session***

The Committee recommended approval of the following items in connection with the extension of the appointment of and compensation for Jeffrey Stewart as Interim Vice Chancellor for Diversity, Equity and Inclusion, Santa Barbara campus:

- (1) Per policy, appointment of Jeffrey Stewart as Interim Vice Chancellor for Diversity, Equity and Inclusion, Santa Barbara campus, at 100 percent time.
- (2) Per policy, an annual base salary of \$415,368. At the conclusion of the interim appointment, Mr. Stewart’s base salary will revert to his nine-month faculty salary in effect as of June 30, 2022 (\$308,300) in addition to any increases under academic salary programs in effect during the full duration of his interim appointment.
- (3) Per policy, continued eligibility to accrue sabbatical credits as a member of the tenured faculty, consistent with academic personnel policy.

- (4) Per policy, continuation of standard pension and health and welfare benefits.
- (5) Mr. Stewart will comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- (6) This action will be effective July 1, 2023 through June 30, 2024, or until a new Vice Chancellor for Diversity, Equity and Inclusion, Santa Barbara campus, is appointed, whichever occurs first.

The compensation described above shall constitute the University's total commitment until modified by the Regents or 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.

Upon motion of Chair Leib, duly seconded, the recommendation in item A above of the Governance Committee was approved, Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures, and Tesfai voting "aye."

B. *Approval of the Appointment of and Compensation for Talmadge King, Jr., M.D. as Interim Executive Vice President – UC Health, Office of the President as Discussed in Closed Session*

The Committee recommended approval of the following items in connection with the appointment of and compensation for Talmadge King, Jr., M.D. as Interim Executive Vice President – UC Health, Office of the President:

- (1) Per policy, appointment of Talmadge King, Jr., M.D. as Interim Executive Vice President – UC Health, Office of the President.
- (2) Per policy, an annual base salary of \$894,240. At the conclusion of the interim appointment, Dr. King's annual base salary will revert to his annual base salary in effect as of June 30, 2023 (\$759,276) plus any adjustments made under the UC San Francisco salary program during the interim appointment.
- (3) Per policy, continued participation in the Health Sciences Compensation Plan with a negotiated "Y" payment of \$164,000 and an incentive-based "Z" payment with a target of 20 percent (\$158,841) and a maximum of 30 percent (\$238,261) of Dr. King's annual base salary, including the 2023–24 systemwide salary program increase effective July 1, 2023 (\$794,203), as Dean – School of Medicine and Vice Chancellor – Medical Affairs based on attainment of pre-established annual objectives.

- (4) Per policy, continued eligibility to accrue sabbatical credits as a member of the tenured faculty, consistent with academic personnel policy.
- (5) Per policy, continuation of standard pension and health and welfare benefits and standard senior management benefits including eligibility for senior manager life insurance and executive salary continuation for disability (eligible and vested after five consecutive years of Senior Management Group service).
- (6) Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- (7) Dr. King will continue to comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- (8) This action will be effective July 1, 2023 through December 31, 2023, or until a new Executive Vice President – UC Health, Office of the President, is appointed, whichever occurs first.

The compensation described above shall constitute the University's total commitment until modified by the Regents or 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.

Upon motion of Chair Leib, duly seconded, the recommendation in item B above of the Governance Committee was approved, Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures, and Tesfai voting “aye” and Regent Kounalakis abstaining.

Report of the Health Services Committee

The Committee presented the following from its meeting of June 14, 2023:

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

This item was not summarized.

B. ***Systemwide Strategic Investment Plan and UC Health Division Fiscal Year 2023–24 Budget, Office of the President***

This item was not summarized.

C. ***Community Benefit and Community Impact Annual Report***

This item was not summarized.

The Committee presented the following from its meeting of July 19, 2023:

D. *Acquisition of General Acute Care Hospital Assets, San Francisco Campus*

The Committee recommended that:

- (1) Subject to satisfactory completion of due diligence and the requirements set forth in Section 2 below, the following actions are authorized:
 - a. UCSF Health (UCSFH) may acquire certain assets controlled by CommonSpirit Health (“CSH”), including St. Mary’s Medical Center (“SMMC”), Saint Francis Memorial Hospital (“SFMH”), select supporting outpatient clinics, and select real property assets as listed in Attachment 4.
 - b. At conclusion of the Proposed Transactions the Regents, through UCSFH, will control all operations of SMMC, SFMH and the other assets included as described above either directly or through an entity controlled by the Regents.
- (2) The following business terms will be required in connection with the closing of the Proposed Transactions:
 - a. Purposes/Mission: The Proposed Transactions shall be in furtherance of UCSFH’s mission of promoting health and expanding access to healthcare services for a broad cross-section of the community and consistent with its clinical and academic purposes.
 - b. Capital Commitment: UCSFH will commit no more than \$100 million in consideration to acquire the assets included as part of the Proposed Transaction. In the event UCSFH does not commit to pay the total negotiated consideration at closing, UCSFH will pay the balance of the total consideration, as may be adjusted by customary post-closing adjustments and indemnification obligations, over no longer than a seven-year term.
 - c. Excluded Liabilities. Except for the specific liabilities negotiated in connection with the definitive agreements executed to effectuate the Proposed Transactions, UCSF will not assume or be liable or responsible for any of the liabilities of CSH (or any affiliate of CSH), including debt and other liabilities relating to the assets included in the Proposed Transaction, incurred prior to the closing of the Proposed Transaction.
 - d. Policies Applicable to Acquired Assets: As a condition to closing the Proposed Transaction, all assets will be deconsecrated. Thus, as

of the closing date, neither the Ethical and Religious Directives nor the Statement of Common Values will apply to the facilities nor govern facility operations, policies, or staff.

- e. Systemwide Initiatives: Nothing in any agreement signed in connection with the Proposed Transaction shall bind the University as a whole, UC Health, or any UC campus or medical center other than UCSF; and all definitive agreements shall preserve UCSF's right to participate directly or through new companies in systemwide (i.e., UC Health) initiatives.
- (3) The President of the University or his designee, after consultation with the Office of the General Counsel, and following action pursuant to the California Environmental Quality Act ("CEQA"), be authorized to approve and execute any agreements reasonably required to implement the foregoing, 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.

Upon motion of Regent Pérez, duly seconded, the recommendation of the Health Services was approved, Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures, and Tesfai voting "aye."

Report of the National Laboratories Committee

The Committee presented the following from its meeting of July 19, 2023:

A. Allocation of LLC Fee Income to Be Expended in Fiscal Year 2023–24

The Committee recommended that the President of the University be authorized to expend an estimated \$29.69 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 2023 fiscal years (FY),² as projected by the LLCs, for the purposes and in the amounts described below:

- (1) An estimated \$2 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 and \$100,000 for the LANL childcare

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.

center. Any unspent funds allocated for this purpose will be transferred to the Capital and Campus Opportunity Fund (paragraph 8).

- (2) Consistent with the approved FY 2023–24 Office of the President (UCOP) budget, an appropriation in the amount of \$7.72 million for FY 2023–24 to the Office of the President’s budget for federally unreimbursed costs of University oversight of its interests at LANL and Lawrence Livermore National Laboratory (LLNL), paid or accrued July 1, 2023 through June 30, 2024, 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, UC Legal, Office of the Secretary and Chief of Staff to The Regents, UCOP 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 \$2.2 million to the LLNS/LANS Post-Contract Contingency Fund (PCCF) for FY 2023–24. Consistent with the approved FY 2023–24 UCOP budget, the President is authorized to spend up to \$1.6 million on the University’s proposal-related efforts to manage the Frederick National Laboratory for Cancer Research. 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 \$29.69 million projection, the President is authorized to revise the allocation to the PCCF, up or down, in his discretion.
- (4) No appropriation for FY 2023–24 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 2023–24 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 2023–24, the funding will be carried over to FY 2024–25 for the same purpose. In the event that the actual LLC income varies from the \$29.69 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 2023–24, the funding will be carried over to FY 2024–25 for the same purpose, subject to an ongoing affiliation agreement.

- (7) An appropriation in the amount of \$1 million for FY 2023–24 for the Accelerating Therapeutic Opportunities for Medicine (ATOM) collaboration.
- (8) An appropriation in the amount of \$4.3 million for FY 2023–24 for the Capital and Campus Opportunity Fund (CCOF). Consistent with the approved FY 2023–24 UCOP budget, the President is authorized to spend up to \$2 million of CCOF funds on the SoCal Hub initiative and \$300,000 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 \$29.69 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 \$500,000 in FY 2023–24 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 \$29.69 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 FY 2023–24 UCOP budget, an appropriation in the amount of \$1.67 million for FY 2023–24 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 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 National 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 Hernandez, duly seconded, the recommendation of the National Laboratories Committee was approved, Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures, and Tesfai voting “aye.”

B. *Appointment of Regent as Voting Member and Chair of the Board of Directors of Triad National Security, LLC*

The Committee recommended that:

- (1) The appointment of Regent Jay Sures as a voting Director of the Board of Directors of Triad National Security, LLC, effective January 1, 2024, be approved; and
- (2) The appointment of Regent Jay Sures as Chair of the Board of Directors of Triad National Security, LLC, effective January 1, 2024, be approved.

Upon motion of Regent Hernandez, duly seconded, the recommendation of the National Laboratories Committee was approved, Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Reilly, Sarris, Sherman, and Tesfai voting “aye,” Regent Pérez voting “no,” and Regent Sures abstaining.

Report of the Public Engagement and Development Committee

The Committee presented the following from its meeting of July 19, 2023:

A. ***A Virtual Eleventh Campus: The Impacts of UC Emeriti in California and Beyond***

Regent Reilly reported that the Committee heard a presentation about the thousands of emeriti faculty who were furthering the University’s mission by volunteering, teaching, mentoring, publishing, and engaging in a variety of other activities.

B. ***UC Natural Reserve System: Uncovering Nature-Based Solutions to the Climate Crisis and Educating the Next Generation of Environmental Leaders***

Regent Reilly reported that the Committee heard a presentation about the history and background of the UC Natural Reserve System (NRS). Currently, there were 41 reserves representing all major ecosystems of California, and they were used primarily for public research. The reserves also served as a resource for research and learning for students and faculty. Regents were invited to visit the reserves.

C. ***State Governmental Relations Update***

Regent Reilly reported that the Committee heard a discussion primarily about the State budget.

Report of the Special Committee on Innovation and Entrepreneurship

The Special Committee presented the following from its meeting of June 2, 2023:

A. ***Innovation and Entrepreneurship at UC Berkeley***

This item was not summarized.

B. ***Entrepreneurship Council Update***

This item was not summarized.

C. ***Recognition Plan***

This item was not summarized.

D. ***Speaker Series: UC Berkeley Professor Ana Claudia Arias***

This item was not summarized.

E. ***Measuring the Economic and Societal Impacts of UC Innovation Transfer and Entrepreneurship – Part II***

This item was not summarized.

F. ***Updates: (1) Amgen v. Sanofi and (2) Federal Grant Guidelines – Department of Energy-Funded Technologies***

This item was not summarized.

The Special Committee presented the following from its meeting of July 18, 2023:

G. ***Update on Royalty Audit Identification Approach***

This item was not summarized.

H. ***Innovation and Entrepreneurship at UC San Francisco***

Chair Leib reported that the Special Committee engaged in a discussion with Chancellor Hawgood about innovation and entrepreneurship at UCSF.

I. ***Speaker Series: A Journey from Basic Immunogenetics to a Company Producing Cancer Immunotherapy***

Chair Leib reported that the Special Committee heard a presentation from UCSF Professor Alexander Marson.

Report of the Special Committee on Nominations

The Special Committee presented the following from its meeting of July 19, 2023:

Appointment of Regents to Standing Committees for 2023–24 and Appointment of Regents-designate and Faculty Representatives as Advisory Members to Standing Committees for 2023–24

The Special Committee recommended that:

- A. Regent Sarris be appointed to the Academic and Student Affairs Committee and the Public Engagement and Development Committee, effective immediately through June 30, 2024.
- B. Regents-designate be appointed as advisory members of Standing Committees, effective immediately through June 30, 2024, as follows:
 - (1) Regent-designate Pack be appointed as an advisory member of the Academic and Student Affairs Committee and the National Laboratories Committee.
 - (2) Regent-designate Salazar be appointed as an advisory member of the Academic and Student Affairs Committee and the Finance and Capital Strategies Committee.
 - (3) Contingent upon his appointment as student Regent for 2024–25, Regent-designate Beharry be appointed as an advisory member of the Academic and Student Affairs Committee and the Compliance and Audit Committee.
- C. Faculty Representatives be appointed as advisory members of Standing Committees, effective September 1, 2023 through August 30, 2024 as follows:
 - (1) Faculty Representative Steintrager be appointed as an advisory member of the Compliance and Audit Committee, Finance and Capital Strategies Committee, and the National Laboratories Committee.
 - (2) Faculty Representative Cheung be appointed as an advisory member of the Academic and Student Affairs Committee, Public Engagement and Development Committee, and the Investments Committee.

Upon motion of Regent Elliott, duly seconded, the recommendation of the Special Committee on Nominations was approved, Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, and Tesfai voting “aye” and Regent Sarris abstaining.

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

Secretary and Chief of Staff Lyall 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

- A. The Chair of the Board, the Chair of the Finance and Capital Strategies Committee, and the President of the University approved the following recommendation:

Amendment to the 2023–24 Budget Plan and State Budget Request

That the Regents approve an amendment to the University of California’s 2023–24 budget plan to include a request for \$10.6 million in one-time State support for enhancements to ASSIST, an intersegmental program that facilitates transfer from California Community Colleges to the University of California and the California State University.

- B. The Chair of the Board, the Vice Chair of the Board, and the Secretary and Chief of Staff approved the following recommendations:

(1) ***Appointment of Principal Officer Delegate***

That the Regents approve the appointment of Assistant Secretary to the Regents Erin Bricker to serve as an Officer of the Corporation, in the position of Principal Officer Delegate.

(2) ***Rescission of Appointment of a Regent to a Standing Committee***

That, at the request of Regent Batchlor, her appointment to the National Laboratories Committee for 2023–24 be rescinded, effective immediately.

- C. The Chair of the Board, the Chair of the Finance and Capital Strategies Committee, and the Chair of the Academic and Student Affairs Committee approved the following recommendation:

Approval of F3 Innovate, a Nonprofit Public Benefit Corporation

That the Regents approve that:

- (1) UC Merced and the UC Agriculture and Natural Resources division (UC ANR) be authorized to each hold one seat on the governing board of F3 Innovate, a new California nonprofit public benefit corporation, under the following conditions:
- a. Purpose: Advancing educational, scientific, and economic development goals of the F3 Initiative to facilitate research and development in climate-smart food and agricultural technology and to improve the quality of life in Central Valley communities.
 - b. Structure and Governance: F3 Innovate will be a California nonprofit corporation governed by its articles of incorporation and bylaws and overseen by a Board of Directors (the Board). Each of the following six founding entities will appoint one director:
 - i. UC Merced

- ii. UC ANR
- iii. California State University, Fresno (Fresno State)
- iv. California Department of Food and Agriculture (CDFA)
- v. California Governor's Office of Business and Economic Development (GO-Biz)
- vi. Central Valley Community Foundation (CVCF)

The Board will appoint up to five at-large directors from diverse stakeholder groups in the Central Valley. Under California law, no more than 49 percent of the Board may be "interested persons" (i.e., compensated for services). F3 Innovate will have a Chair, Vice Chair, Secretary, Treasurer, Chief Executive Officer, and a Chief Financial Officer.

- c. Intellectual Property (IP) Terms: IP generated by UC employees will be subject to the UC Patent Policy, and any revenue generated by UC IP which is licensed to F3 Innovate will be shared with UC on commercially reasonable terms.
 - d. UC Liability: As a nonprofit corporation, F3 Innovate will be a legal entity separate and distinct from the entities that form it. It will be able to enter its own contracts, hire its own staff, and engage in independent activities to further its purposes. F3 Innovate will apply for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and will be able to receive grants and awards of funds as a charitable nonprofit organization. Because F3 Innovate will fully comply with corporate formalities, be capitalized, and operate as an independent organization rather than as an instrumentality of UC, UC should not be held responsible for F3 Innovate's debts and liabilities. Moreover, the proposed Bylaws of F3 Innovate provide that the nonprofit corporation will indemnify its directors and officers against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation to the full extent permitted by law.
- (2) The President of the University be authorized and may further delegate such authority to the Chancellor of UC Merced and the Vice President of UC ANR, after consultation with UC Legal, to approve and execute any agreements reasonably required to effectuate the above approval.

- (3) The President be authorized, and may further delegate such authority to the Chancellor of UC Merced and the Vice President of UC ANR, after consultation with UC Legal, to exercise the authorities reserved to UC as a member of F3 Innovate, including appointment of representatives to the F3 Innovate Board of Directors, except any authorities expressly reserved to the Regents in the Regents' Bylaws.

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

Secretary and Chief of Staff Lyall 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 Chair of the Board, a letter announcing the appointments to the Special Committee on the Selection of a Student Regent and the Committee to Select the Recipient of the Annual Regents Foster Youth Award. May 7, 2023.
- B. From the President of the University, a letter outlining the Governor's May Revision to the 2023–24 Budget Plan. May 12, 2023.
- C. From the Secretary and Chief of Staff, announcing the Senate Rules Committee unanimous recommendation of Regents Batchlor, Chu, Matosantos, and Robinson as Regents. May 15, 2023.
- D. From Associate Vice President of Federal Governmental Relations, Federal Update, 2023, Issue 5. June 1, 2023.
- E. From the President of the University, announcing that University of California, Riverside was invited to join the Association of American Universities (AAU). June 1, 2023.
- F. From Vice President of UC Agriculture and Natural Resources (ANR), Connected Newsletter of UC ANR, May 2023, Volume 7, Number 5. June 2, 2023.
- G. From the President of the University, announcing the retirement of University of California, Berkeley Chancellor, Carol Christ. June 15, 2023.
- H. From the President of the University, indicating that the California State Legislature passed the Budget Act of 2023. June 15, 2023.
- I. From the Secretary and Chief of Staff, letters announcing the appointments to the Special Committee on Athletics, the Working Group on Equitable Student Employment Opportunities, and the Working Group on the Future of UC Riverside Health. June 27, 2023.

- J. From Associate Vice President of Federal Governmental Relations, Federal Update, 2023, Issue 6. June 28, 2023.
- K. From the President of the University, UC statement on the Supreme Court's decision regarding the use of race in college admissions. June 29, 2023.
- L. From the Secretary and Chief of Staff, press release announcing Governor Newsom's Regental appointments. June 30, 2023.
- M. From the President of the University, 2023–4 Fee Levels for Self-Supporting Graduate Professional Degree Programs (SSGPDPs). July 6, 2023.
- N. From the President of the University, a letter announcing that Assembly Bill 102 was signed into law by Governor Newsom. July 10, 2023.

To the Members of the Finance and Capital Strategies Committee:

- O. From the President of the University, the Significant Information Technology Projects Report for the period January 1, 2023 through April 30, 2023. July 6, 2023.

To the Members of the Governance Committee

- P. From the President of the University, a letter announcing an adjustment to the Indexed Compensation Level. June 20, 2023.

To the Members of the Health Services Committee:

- Q. From the President of the University, UC Medical Centers Report for the Nine Months Ended March 31, 2023. June 20, 2023.
- R. From the President of the University, the Annual Report on Student Health and Counseling Centers and UC Student Health Insurance Plan. July 5, 2023.

The meeting adjourned at 1:35 p.m.

Attest:

Secretary and Chief of Staff

Compliance Plan for 2023-24

July 19, 2023

Internal Audit Plan for 2023-24

July 19, 2023

**SUMMARY OF CONSULTING PENSION ACTUARY'S RECOMMENDATIONS REGARDING
ACTUARIAL VALUATION ASSUMPTIONS FOR UCRP**

Economic Assumptions

Assumption	Description	Recommendation
Inflation	Future increases in the Consumer Price Index (CPI), which drives investment returns and active member salary increases as well as cost-of-living adjustments (COLA).	Maintain rate at 2.50 percent per annum
Investment Return	Estimated average future net rate of return on current and future assets of UCRP as of the valuation date. This rate is used to discount liabilities.	Maintain rate at 6.75 percent per annum
Administrative Expenses	Fees for administrative, legal, accounting and actuarial services, as well as routine costs for printing, mailings, computer-related activities and other functions carried out for Plan operation are paid from Plan assets.	Increase from 0.40 percent of covered payroll to 0.45 percent of covered payroll
Salary Increases	Increases in the salary of a member between the date of the valuation to the date of separation from active service. It includes components of inflation, real "across the board" (real ATB) salary increases and merit and promotion (M-P) increases in salary.	<ul style="list-style-type: none"> • Inflation: see above • Real ATB: Maintain at 0.75 percent • M-P: Increases for both Faculty and Staff/Safety members

SUMMARY OF CONSULTING PENSION ACTUARY'S RECOMMENDATIONS REGARDING ACTUARIAL VALUATION ASSUMPTIONS FOR UCRP

Non-Economic Assumptions

Assumption	Description	Recommendation
Mortality Rates	Estimates the probability of dying at each age. Mortality rates are used to project life expectancies.	<p>Pre-Retirement – Pub-2010 Teacher Employee Amount-Weighted Above-Median Mortality Table, table rates decreased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021</p> <p>Healthy Retirees – Pub-2010 Teacher Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021. For Faculty, table rates are decreased by 15% for males and decreased by 5% for females. For Staff & Safety, table rates are not adjusted for males and increased by 5% for females.</p> <p>Beneficiaries in Pay Status as of Valuation – Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table, table rates are not adjusted for males and decreased by 10% for females, projected generationally with two-dimensional mortality improvement scale MP-2021.</p> <p>Beneficiaries not in Pay Status as of Valuation – When calculating the liability for the continuance to a beneficiary of a surviving member, the Staff & Safety Healthy Retiree mortality tables will be used for beneficiary mortality both before and after the expected death of the Faculty, Staff, or Safety member. Upon the actual death of the member (i.e. for all beneficiaries in pay status as of the valuation date), the</p>

**SUMMARY OF CONSULTING PENSION ACTUARY'S RECOMMENDATIONS REGARDING
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		<p>Contingent Survivor mortality tables as stated above will be used.</p> <p>Disabled Retirees – Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table, table rates are not adjusted for males and decreased by 5% for females, projected generationally with two-dimensional mortality improvement scale MP-2021</p> <p>Members who have “crossed over” will continue to be valued using disabled mortality tables</p> <p>Separate tables for males and females</p>
Mortality for Actuarial Equivalence Basis	Mortality table used for converting Plan benefits under one form of payment to an actuarially-equivalent amount under a different form of payment.	Use “static” version of mortality table that approximates the generational mortality table recommended for healthy retirees and beneficiaries shown above
Disability Incidence Rates	Estimates the probability of becoming disabled at each age.	Overall decreases in the rates and change to unisex based disability rates
Termination Rates	Estimates the probability of leaving active UCRP membership after attaining each level of service credit.	Overall decreases in the rates
Retirement Rates for Members Retiring from Active Membership	Estimates the probability of retirement at each age at which members are eligible to retire, given attainment of that age.	<p>1976 Tier Faculty:</p> <ul style="list-style-type: none"> • < 20 years of service: Increases • 20+ years of service: Increases <p>1976 Tier Staff:</p> <ul style="list-style-type: none"> • < 20 years of service: Decreases • 20+ years of service: Increases • Extend the retirement rates from age 75 to age 80 <p>Safety Members – Decreases and extend the retirement rates from age 65 to 67.</p>

**SUMMARY OF CONSULTING PENSION ACTUARY'S RECOMMENDATIONS REGARDING
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		<p>2013 & 2016 Tier Faculty: Increases</p> <p>2013 & 2016 Tier Staff: Increases and extend the retirement rates from age 75 to 80.</p> <p>Modified 2013 Tier Staff:</p> <ul style="list-style-type: none"> • < 20 years of service: Increases • 20+ years of service: Decreases • Extend the retirement rates from age 75 to age 80 <p>Adjust retirement timing to assume members will retire at the middle of the year on average.</p> <p>Reduce the assumed Inactive COLA applied to new retirements from active status from 2 percent to 1 percent to reflect the assumption above regarding retirement timing.</p>
Retirements for Members Retiring from Inactive Membership	Inactive vested members assumed to retire at a fixed age.	<p>2013 & 2016 Tier Members – Maintain at age 63</p> <p>Maintain at age 60 for all other inactive vested members</p>

**SUMMARY OF CONSULTING PENSION ACTUARY'S RECOMMENDATIONS REGARDING
ACTUARIAL VALUATION ASSUMPTIONS FOR UCRP**

Assumption	Description	Recommendation
Eligible Survivor Assumptions	Assumptions regarding how many non-retired members will have eligible survivors at retirement, the age and gender of the eligible survivor(s) and the number of eligible survivors.	For actives and deferred vested members, maintain the percent married at retirement assumption at 80 percent for males and 60 for females. Maintain the spouse age difference and gender assumption as follows: <ul style="list-style-type: none"> • Male Members – Three years older than their female spouses • Female Members – Two years younger than their male spouses
Assumption for Unused Sick Leave Converted to Service Credit	Estimated proportion of unused sick leave at separation converted to service credit.	Maintain the current sick leave conversion rates
Lump Sum Cashout (LSC) Take-Rate	Rate at which retirement-eligible members opt to receive a LSC in lieu of monthly retirement income.	Overall decreases in the rates
Unknown Data for Members	Assumed demographic data for members with unknown information.	For unknown gender assume all members with unknown gender at the Lawrence Berkeley National Laboratory are male, and all others are female
Future Benefit Accruals	Amount of Service Credit projected to be earned by active members in years after the valuation date.	Maintain the current assumption that all active members earn one year of Service Credit each year in the future

The recommendation for any current assumption not listed here is to maintain the current assumption for the July 1, 2023 valuation.

ATTACHMENT 4

Real Property Included in the Proposed Transaction

The combined owned parcels on the St. Mary's Medical Center and Saint Francis Memorial Hospital campuses to be included in the Proposed Transaction reflects a total of 7.95 acres.

Dignity Health, SMMC, owns the following parcels, to be included in the Proposed Transaction:

Address	Type	Building Size (Sq ft)	Key Features
450 Stanyan St., San Francisco, CA	Acute Care Hospital	402,799	<u>Licensed Space:</u> <ul style="list-style-type: none">▪ 167 Med Surg Beds▪ 37 Intensive Care Beds▪ 36 Acute Rehabilitation Beds▪ 9 Operating Rooms▪ 3 Cath Labs <u>Leased Space:</u> <ul style="list-style-type: none">▪ Kentfield Long Term Acute Care Unit: Lease Expires in 2026; Space - 27,297 sq ft; 60 beds (6th floor)▪ Crestwood Stabilization Unit: Lease Expires in 2028; Space – 26,857 sq ft; 54 beds (5th floor)
2200 Hayes St., San Francisco, CA	Psychiatric Hospital	41,198	35 Beds
One Shrader St., San Francisco, CA	Medical Office Building	55,000	10 medical offices/clinics; parking
2250 Hayes St., San Francisco, CA	Medical Office Building	75,362	24 clinic / administrative spaces; parking

Dignity Community Care, SFMH owns the following parcels, to be included in the Proposed Transaction:

Address	Type	Building Size (Sq ft)	Key Features
900 Hyde St., San Francisco, CA	Acute Care Hospital	470,856	<u>Licensed Space:</u> <ul style="list-style-type: none">▪ 205 Medical/Surgical Beds▪ 20 Acute Rehabilitation Beds▪ 10 Intensive Care Beds▪ 8 Coronary Care Beds▪ 16 Intensive Burn Care Beds▪ 11 Operating Rooms▪ 35 Psychiatric Beds
909 Hyde St., San Francisco, CA	Medical Office Building	93,796	35 medical offices/clinics; administrative spaces; parking
1199 Bush St., San Francisco, CA	Medical Office Building	80,987	21 medical offices/clinics; administrative spaces; parking
1234 Pine St., San Francisco, CA	Parking Lot	11,600	Freestanding, attended parking garage

St. Mary's Medical Center



Saint Francis Memorial Hospital



Dignity Health, St. Mary's Medical Center, leases the following parcels, which will be included as a lease transfer in the Proposed Transaction:

- San Francisco International Airport, International Terminal, Level 3, San Francisco, CA: Medical Clinic

Dignity Community Care, Saint Francis Memorial Hospital leases the following parcels, which will be included as a lease transfer as part of the Proposed Transaction:

- 24 Willie Mayes Plaza, San Francisco, CA: Medical Clinic known as "Saint Francis Health Center at the Ballpark" which currently has three clinic units: (1) Occupational Health Center (lease expires 12/2029), (2) Outpatient Physical Therapy Clinic (lease expires 11/2024), and (3) the Dignity Health Medical Foundation Clinic (lease expires 11/2024)
- 1777 Botelho Drive, Walnut Creek, CA: Medical Clinic that is a Center for Sports Medicine and Therapy.