

# THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

July 18, 2024

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 meeting conducted in accordance with California Government Code §§ 11133.

Members present: Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman

In attendance: Regents-designate Brooks, Komoto, and Wang, Faculty Representatives Cheung and Steintrager, Staff Advisors Emiru and Frias, Secretary and Chief of Staff Lyall, General Counsel Robinson, Provost Newman, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Executive Vice President Rubin, Interim Senior Vice President Turner, Vice Presidents Brown, Gullatt, Kao, and Lloyd, Chancellors Block, Gillman, Hawgood, Larive, Lyons, May, Muñoz, Wilcox, and Yang, and Recording Secretary Li

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

## 1. PUBLIC COMMENT

Chair Reilly stated that the University of California valued freedom of speech and viewed individual rights to free expression as key to the open discourse that is vital within higher education. The University sought to make room for all perspectives, and the upcoming public comment period would operate with these freedoms in mind, during which speakers would be given the opportunity to share their viewpoints. Given that some comments might elicit disagreement, the Board asked that all in attendance conduct themselves in a respectful manner that allows everyone an equal opportunity to express their opinions.

Chair Reilly 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. Eylon Geva, parent of UC San Diego student, commended Chancellor Khosla and the UCSD administration for peacefully removing the student encampment. He acknowledged the difficulty of balancing First Amendment rights with campus safety, UC policy, and the law but was deeply concerned about the effect of frequent anti-Israel protests on the campus atmosphere, as Jewish and Israeli students were hiding their identity and avoiding parts of campus. He added that the group Students for Justice in Palestine was vilifying students, and faculty and whole departments were supporting messages of hate toward the Jewish community.
- B. Benjamin Cosman, UCSD alumnus, stated that a Brandeis University report named three UC campuses among the top 12 most antisemitic campuses in the country. He

stated that one reason for this was faculty members abusing their positions to push their politics, such as cancelling classes so that students could attend a pro-Palestine rally. Mr. Cosman regarded this as a violation of Regents Policy 2301: Policy on Course Content and the Faculty Code of Conduct and stated that the University should enforce its rules.

- C. Arabella Tan, UC Berkeley alumna, strongly urged the Regents to engage in the resolution process with United Auto Workers (UAW) Local 4811 and to consider environmental, social, and governance (ESG) issues aligned with the United Nations Principles for Responsible Investment. She stated that investing in companies such as Blackrock and Lockheed Martin contradicted these principles, noting the closure of educational institutions and the destruction of hospitals in Gaza. Ms. Tan added that Regents used time, place, and manner restrictions to justify the violent arrest of peaceful protesters and continued to invest in genocide without accountability.
- D. Nelson Guardado, UC Irvine student, spoke in support of the Opportunity for All campaign. Mr. Guardado stated that the Regents would have to prove that UC did review the legal theory for employing undocumented students the next time the State Legislature votes on Assembly Bill 2586. Mr. Guardado denounced the number of police departments deployed in response to student protesters and called for the liberation of Palestine.
- E. Megan Lucero, UC Santa Barbara alumna, urged the Regents to heed the demands of the UC Divest coalition to divest from weapons manufacturing and the militarization of Israel. She stated that students have been a voice for peace and that a UC education should help people understand that the U.S. was funding and enabling what was happening. Ms. Lucero asked the University to engage in the resolution process with UAW 4811 and to drop charges against student protesters.
- F. Aryan Ohri, UC Santa Cruz student, stated that UC was funding a heavily militarized police department while students dealt with homelessness, a lack of health care, and physical and financial suffering. He stated that UC chose to oppress students who were advocating for Palestinians and that UC cancelled responses to students' calls for medical aid during protests.
- G. Sheima Amir-Araghi, UC Santa Cruz student, stated that the UCSC administration did not make much effort to negotiate with the UC Divest coalition encampment and that Regents and other leadership interfered with negotiation, which led to UCSC deploying over 500 members of law enforcement. Ms. Amir-Araghi stated that she suffered a mini stroke, retrograde amnesia, and extensive nerve damage after being slammed face-first into the asphalt and handcuffed for hours.
- H. Brook Haley, UC Irvine lecturer, encouraged the Regents to consider a resolution by the UCI Division of the Academic Senate to investigate Chancellor Gillman for the police presence on campus and for delaying the resolution of student protesters'

disciplinary cases. Mr. Haley stated that deans and course directors passed down a campaign of fear and intimidation that prevented professors from discussing genocide and ethnic cleansing, which countered the concept of academic freedom. He claimed that the Academic Senate accused some faculty of sympathizing with Hamas and receiving funding from George Soros.

- I. John Burner, UC student, stated that all ethnic groups were welcome to the pursuit of world-building and ending the genocide in Gaza. In his view, it is never acceptable to use repression and violence in place of uncomfortable conversations. He stated that the Regents deployed intense, mass violence that led to the hospitalization of many students, some of whom had lingering symptoms.
- J. Ronda Garcia, UC Berkeley alumna, implored UC to drop all charges against students and faculty. She expressed pride in her grandson, a UCSC student who was arrested, for drawing attention to the genocide in Gaza. Protesters were asking that UC divest from companies contributing to the destruction of the Palestinian people. She stated that arresting protesters barred them from future employment and travel and humiliated them with an arrest record.
- K. Alannah Tomich, UC Berkeley alumna, stated that she was saddened by the treatment of students, noting that UC was part of a proud history of nonviolent disobedience in the U.S. She called on UC to divest immediately from weapons and the genocide in Gaza, and to drop all charges against peaceful protesters.
- L. A speaker stated that, during the 16-hour police raid at UC Santa Cruz, her zip ties had been tightened and she was not allowed to remove a tampon that she had been using for over 12 hours, which left her at risk of toxic shock syndrome. She stated that it cost over \$600,000 to dismantle the UCLA encampment and that UC has spent millions of dollars to militarize police. Meanwhile, these dollars could fund campus ethnic resource centers and prevent budget cuts at various departments.
- M. A UCSC student recalled that, on May 31, she was sent to a hospital emergency department because a police officer had beaten her so badly that she could neither breathe nor move. She stated that she and others had been protesting the murder of Palestinians by Israel. She claimed that individuals at UC had fancy dinners with admitted fascists and racist donors. She stated that, as a queer Middle Eastern student, she has never felt more unsafe due to UC actions.
- N. Hoku Jeffrey, organizer at the Coalition to Defend Affirmative Action, Integration and Immigrant Rights, and Fight for Equality By Any Means Necessary (BAMN), stated that UC has dismantled encampments and minimized criticism of the Biden administration's support for genocide instead of defending free speech and academic freedom. He stated that, through its lawsuit against UC, the Louis D. Brandeis Center for Human Rights Under Law wished to take away funding from student organizations engaging in pro-Palestinian activity and create a legal justification for further censorship and repression. He added that approving item

*J2, Adoption of Regents Policy on Public and Discretionary Statements by Academic Units*, would be a disgrace and an outrage. Mr. Jeffrey demanded that UC accept student interveners in the Brandeis case.

- O. A speaker shared that he had witnessed police intimidating female student protesters on May 31. He stated that police were carrying unconscious protesters by their shoulders and feet, and that police turned the radio to a very high volume while transporting protesters to County jail. The speaker stated that one person in the van had suffered a concussion but was subjected to such auditory torture.
- P. Sarah Bacon, UCSB student, rejected allegations of antisemitism being made against student encampments due to their view that Zionism and Israel were responsible for the genocide in Gaza. Given that the University values freedom of speech, academic freedom, intellectual inquiry, and the right to peaceful protest, UC should be the first to defend criticism of any political ideologies, policies, and nation. Ms. Bacon strongly urged UC not to adopt the International Holocaust Remembrance Alliance's definition of antisemitism, as criticism of Zionism and Israel would be considered antisemitic under that definition.
- Q. Jason Lee, UC Irvine alumnus, addressed the pro-Palestinian movement on the campuses and stated that the charges filed against student protesters were a cloud of shame over his UC degree and institution.
- R. Jesse Sheehan, Berkeley resident, praised UC Berkeley students and the care he received at UCSF but decried the destruction of People's Park, which was steeped in Black history and free speech history. He stated that, this past week, he was assaulted by APEX Security guards who did not wear their names or badge numbers and that the guards had been involved in several other incidents as well.
- S. A speaker stated that one of the first arrests at the UCSC encampment was a student passerby on a bicycle who was tackled and arrested. She stated that UC enabled unprofessionalism and the brutalization of students and would spend millions on a single night instead of divesting from warfare. She added that UC cared little for its students and constituents.
- T. Caroline Colesworthy, UC Berkeley alumna, recalled that students have been calling for divestment since she was in college and stressed that complete divestment was the only morally responsible choice. She stated that, until UC completely divests and drops charges against student protesters, she would not wear UCB merchandise, donate, or recommend that her children attend UC.
- U. Donnie Waggoner, UCSC student, criticized the Regents for holding closed session meetings. He characterized the Regents as dictators for preventing several campuses from properly negotiating with student protesters. Mr. Waggoner stated that UC did nothing to address racist and antisemitic attacks on encampments.

- V. Elizabeth Schön, parent of a UCSD student, stated that she was deeply troubled by extreme and radical ideologies promoted by Students for Justice in Palestine (SJP) and some faculty and called for a thorough investigation into SJP funding sources. She underscored the need to enforce campus rules and to work toward unity rather than division and hatred. Ms. Schön stated that professors, who had a responsibility to educate students, cannot shield themselves under the guise of academic freedom to promote harmful ideologies. She added that the lack of diversity of thought hindered the fundamentals of democracy and peaceful conflict resolution.
- W. Bill Li, UCLA alumnus, stated that, if the University was limiting the freedom of speech, then he was happy that theoretical physicist Albert Einstein (1879–1955) was not affiliated with UC, citing Mr. Einstein’s belief that Jewish people should not have a Jewish state “with borders, an army, and a measure of temporal power.”

Chair Reilly thanked speakers for their comments. She noted that the Regents did not use this period to respond to speakers’ concerns but would often take up concerns raised after this meeting adjourned.

## 2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meetings of May 15, 16, and June 12, 2024 were approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Makarechian, Pack, Reilly, Salazar, Sarris, and Sherman, voting “aye.”<sup>1</sup>

## 3. **REMARKS FROM STUDENT ASSOCIATIONS**

President Drake introduced UC Student Association (UCSA) President Celene Aridin, who recently graduated from UC Davis.

Ms. Aridin shared that this was her last full Regents meeting and thanked the students for entrusting her with this position, her mentors for their guidance, and her mother who was in attendance. She highlighted issues that ought to be addressed next year. One was how students could engage with UC faculty and leadership. Another was her view that the elimination of programs and services drew students to the protest encampments. The UC Student Health Insurance Program (SHIP) partnership with Lyra to provide mental health services ended this year, and SHIP premiums increased. Students who participated in UC SHIP did not typically qualify for Medi-Cal but could not afford more expensive insurance plans. In regions like the Central Valley, many specialists did not accept UC SHIP. Encampments have offered students a chance to engage with each other at a time when campuses have cut funding to cultural programming. Students spent one-fourth of their time on campus and needed programs to interact with peers from similar cultural backgrounds. Ms. Aridin noted the lack of an indoor prayer space for Muslim students at UCLA and expressed hope that changes would be made. She underscored the importance of UC leadership meeting with student leaders of cultural organizations and building

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

relationships before incidents occur. She thanked President Drake, Regent Leib, and Chair Reilly for meeting with her and helping her understand University operations, but the average student did not have similar access to chancellors, provosts, and others in the administration. She hoped that UC would continue to invest in culturally relevant programming so that students could embrace their identities.

President Drake introduced UC Graduate and Professional Council (UCGPC) President Ryan Manriquez.

Mr. Manriquez began his remarks by wishing all a happy Disability Pride Month and thanking Ms. Aridin for her service. He welcomed Regent-designate Brooks and shared that she was the voice of reason and “auntie” of UCGPC. This had been a successful year for graduate and professional student advocacy. UCGPC now had a systemwide fee to expand programming; hosted its first in-person Grad Summit since the COVID-19 pandemic; held its first advocacy day in Sacramento, where students met with Lieutenant Governor Kounalakis; and arranged successful federal advocacy trips. UCGPC also advocated for the expansion of the Native American Opportunity Plan to include Professional Degree Supplemental Tuition. A continuing area of focus was the state of the world and of UC campuses. Mr. Manriquez expressed concern about and criticized the use of interim suspensions. He recalled seeing unimaginable scenes during protests, including the militarization of campuses and students being slammed to the ground. UC taught students how to think and not what to think, and students were engaging in issues that concerned them using civil discourse and civil disobedience. Mr. Manriquez expressed appreciation to the Regents for disclosing UC investments during the May meeting; students saw that billions of dollars were being invested in companies contributing to carnage all over the world. He urged UC to focus on environmental, social, and governance requirements when investing and implored the Board to empower the Chief Investment Officer to examine investment decisions. Mr. Manriquez stated that investing in companies like Boeing, which he believed was actively defrauding the Federal Aviation Agency, carried much financial risk. In his view, the most important issue in the next year would be rebuilding student trust. He echoed Ms. Aridin’s request that chancellors meet with students and student leaders, as international issues were central to student success. He noted that there was some animosity between student associations and campus leadership.

#### 4. **RESOLUTION IN APPRECIATION – GENE BLOCK**

Upon motion of Regent Leib, the following resolution was adopted, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting “aye.”

WHEREAS, the Regents of the University of California wish to honor and commend Gene Block as he prepares to step down as the sixth Chancellor of the University of California, Los Angeles, following a distinguished academic and administrative career that included 17 years of bold, creative and impactful leadership at UCLA; and

WHEREAS, as Chancellor, he has left an indelible imprint on the campus, raising \$5.49 billion through its Centennial Campaign—far exceeding the campaign’s goal—and nearly doubling annual research funding, which facilitated the physical development and academic preeminence of UCLA; and

WHEREAS, as a leading advocate of expanding access to education, he presided over a period of enrollment growth and consistent, record-breaking numbers of applications, while also leading UCLA’s efforts to enroll a diverse student body in the wake of the passage of Proposition 209, ensuring affordability by raising over \$500 million for scholarships and fellowships, adding 10,400 new beds in campus-owned residences, and providing the first-ever housing guarantee for undergraduate students, enabling underrepresented, low-income, and first-generation students to succeed; and

WHEREAS, he has expanded the footprint of UCLA with the intention of amplifying its economic impact and strengthening ties to Los Angeles, including opening community schools, developing new performance spaces to showcase the arts, expanding UCLA Health’s medical facilities and clinics, establishing UCLA Downtown to increase engagement with Los Angeles’s diverse communities, and launching UCLA South Bay in Rancho Palos Verdes and San Pedro; and

WHEREAS, under his visionary leadership, UCLA was named the number one public university by *U.S. News and World Report* for seven years in a row, and burnished its reputation nationally and internationally through programs such as UCLA’s Grand Challenges, which tackle society’s most pressing issues through its stellar interdisciplinary research; the development of the Healthy Campus Initiative, which has since spread across the UC system; the creation of the first music school in the UC system; and the establishment of the new UCLA Research Park, which will be a hub of research and innovation housing the California Institute for Immunology and Immunotherapy that will reshape the future of medicine, as well as other technological efforts to advance the common good; and

WHEREAS, as a leader committed to advancing equity, diversity, inclusion, and belonging, he created UCLA’s Office of Equity, Diversity and Inclusion and developed initiatives to support Bruins of all backgrounds and identities, including Black and Latino/a, Asian American, and Native American and Pacific Islander students and students who are former foster youth, parents, veterans, transfer students; and

WHEREAS, during his tenure, UCLA has significantly increased international partnerships, expanded study abroad opportunities, and deepened engagement with more than 500,000 alumni worldwide; and

WHEREAS, he led UCLA through the unprecedented challenges of the COVID-19 pandemic with steady leadership and policies that prioritized community health and well-being, pledging no employee layoffs, and supporting Bruins during a shift to remote teaching and learning; and

WHEREAS, his deep commitment to fostering a culture of volunteerism continues through UCLA's Volunteer Day, one of the nation's largest service projects for university students now in its 15th year;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their profound admiration of and gratitude to Gene Block for his unceasing dedication and commitment to the University and for his transformative leadership of the Los Angeles campus, which has earned him the high regard and great affection of the entire UC community and beyond;

AND BE IT FURTHER RESOLVED that the Regents extend to Gene Block heartfelt good wishes for the future, taking comfort in the fact that he will continue to be an active and vital participant in the life of the campus, and therefore instead of saying farewell, salute him and his remarkable legacy with a hearty and enthusiastic, "Go, Bruins!"

Regent Leib commended Chancellor Block for his 17 years of transformative leadership of the Los Angeles campus, praising visionary programs like the UCLA Grand Challenges, in which faculty worked across disciplines to solve society's most pressing issues. Regent Leib acknowledged Chancellor Block's leadership in securing a facility for the California Institute for Immunology and Immunotherapy, which would reshape the future of medicine for the world. Chancellor Block's focus on students has enhanced campus life, achieving a four-year housing guarantee for undergraduate students and creating UCLA's Office of Diversity, Equity and Inclusion to support Bruins of all backgrounds and identities. He steadily navigated UCLA through the COVID-19 pandemic, overseeing everything from cutting-edge research to establishing vending machines for COVID-19 tests. Regent Leib added that Chancellor Block was popular among students as a social media star. Chancellor Block strengthened the campus' ties to the City of Los Angeles, establishing the UCLA South Bay campus, expanding the reach of UCLA Health, stewarding the addition of a light rail line through campus, opening community schools, and launching UCLA Volunteer Day. The Board sent their best wishes as Chancellor Block returns to his pathbreaking research.

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

Chair Reilly 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 17, 2024:

- A. *Establishment of the Joe C. Wen School of Population and Public Health, UC Irvine*



The Committee recommended that Section 15 (a) of the Academic Units and Functions, Affiliated Institutions, and Related Activities of the University, as provided for in Standing Order 110.1, be amended as follows:

**Additions shown by underscoring; deletions shown by strikethrough**

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10. Professional Schools

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Public Health

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- Joe C. Wen School of Population and Public Health, at Irvine, with curricula leading to degrees of Bachelor of Arts, Bachelor of Science, Master of Science, Master of Public Health, and Doctor of Philosophy.

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**B. *Establishment of the School of Computing, Information, and Data Sciences at UC San Diego***

The Committee recommended that Section 15 (a) of the Academic Units and Functions, Affiliated Institutions, and Related Activities of the University, as provided for in Standing Order 110.1, be amended as follows:

**Additions shown by underscoring; deletions shown by strikethrough.**

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7. Academic Schools and Colleges at San Diego

(j) There is established at San Diego the School of Computing, Information, and Data Sciences with curricula leading to the degree of Bachelor of Science and graduate curricula leading to the degrees of Master of Science and Doctor of Philosophy.

**C. *The University of California Press—A New Chapter***

Regent Leib reported that the Committee heard a presentation about UC Press, which published 180 to 200 books of various genres every year and through which faculty have published writings about many societal issues. UC Press was a top university press that has also published books by Provost Newman and Regent Sarris, among others.

D. *The California Institutes for Science and Innovation: Research-Driven Engines of Impact*

Regent Leib reported that the Committee heard a presentation about the California Institutes for Science and Innovation which was established by the office of then Governor Gray Davis. Regent Leib noted the number of jobs, investments, innovations, and discoveries that have resulted from these institutes.

E. *BOARS Update on Mathematics (Area C) Preparation for UC*

Regent Leib reported that, following this presentation, he and other Regents wished to discuss with Provost Newman questions based on correspondence they had received to ensure that high school counselors and students understand UC requirements.

F. *University of California Collegiate Recovery Programs*

Regent Leib reported that the Committee heard a presentation about serious substance abuse issues on campus and the need to provide better support for those facing addiction. Committee members discussed some of the different sources of funding. Regent Leib exhorted the chancellors to orient the campuses' advocacy focus to the Counties to access Proposition 63 funds for mental health services and collegiate recovery programs.

Upon motion of Regent Leib, duly seconded, the recommendations of the Academic and Student Affairs Committee were approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting "aye."

**Report of the Compliance and Audit Committee**

The Committee presented the following from its meeting of July 17, 2024:

***Compliance Plan for 2024–25 and Internal Audit Plan for 2024–25***

The Committee recommended that the Regents approve the Compliance Plan for 2024–25, as shown in Attachment 1, and the Internal Audit Plan for 2024–25, as shown in Attachment 2.

Regent Leib explained that the Compliance Plan aimed to mitigate noncompliance in high-risk areas and ensure that the University's mission is supported by effective compliance controls as well as highlighted systemwide priorities for the fiscal year. The Internal Audit Plan included a systemwide audit plan and individual audit plans from each UC location.

Upon motion of Regent Leib, duly seconded, the recommendation of the Compliance and Audit Committee was approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez,

Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting “aye.”

**Report of the Finance and Capital Strategies Committee**

The Committee presented the following from its meeting of July 17, 2024:

A. ***Consent Agenda:***

(1) ***Indemnification Terms in Banking Agreements***

The Committee recommended that:

- a. The President of the University be authorized to approve the terms of the agreement(s) with the Bank of New York Mellon Corporation (BNY Mellon), including a provision to “indemnify and hold harmless BNY, from any cost, liability or expense (including reasonable attorneys’ fees) arising out of any claim by a third party with respect to any Monetary Disbursement or funds transfer request, including without limitation any claim of any person that BNY Mellon is responsible for any act or omission by UC or an Authorized Person. In no event shall BNY Mellon be liable for any consequential, special, punitive or indirect loss or damage or legal costs or attorneys’ fees that UC may incur in connection with this Agreement, including without limitation, any loss or damage from subsequent wrongful dishonor resulting from BNY Mellon’s acts or omissions pursuant to this Agreement.”
- b. The President or designee, after consultation with the General Counsel, be authorized to approve and execute any documents necessary in connection with the above.
- c. The President or designee, after consultation with the General Counsel, be authorized to execute agreements with other banking institutions whose standard terms and conditions contain substantially similar indemnification language, and to ratify any such agreements that have already been signed containing similar such provisions.

(2) ***Pepper Canyon East District Phase 1, San Diego Campus: Preliminary Plans Funding***

The Committee recommended that the 2024–25 Budget for Capital Improvements and the Capital Improvement Program be amended to include:

San Diego: Pepper Canyon East District Phase 1 – preliminary plans – \$60 million, to be funded from auxiliary-student housing reserves.

**B. *Segundo Infill Student Housing, Davis Campus: Budget, Scope, External Financing, and Design Following Consideration of an Addendum to the 2018 Long Range Development Plan Environmental Impact Report Pursuant to the California Environmental Quality Act***

The Committee recommended that:

- (1) The 2024–25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Segundo Infill Student Housing – preliminary plans – \$4.1 million to be funded from housing reserves.

To: Davis: Segundo Infill Student Housing – preliminary plans, working drawings, construction, and equipment – \$100,047,000 to be funded from external financing (\$98,297,000) and housing reserves (\$1.75 million).

- (2) The scope of the Segundo Infill Student Housing project be approved. The project shall provide a five-story building of approximately 116,000 gross square feet. The building will house approximately 494 student residents in 206 rooms and will include community and support spaces with outdoor amenities.
- (3) The President of the University be authorized to obtain external financing in an amount not to exceed \$98,297,000 plus additional related financing costs to finance the Segundo Infill Student Housing project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:
  - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, the general revenues of the Davis campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
  - d. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

- (4) Following review and consideration of the environmental consequences of the Segundo Infill 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 the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
  - a. Adopt the CEQA Findings for the Segundo Infill Student Housing project, having considered both the 2018 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) for the Davis campus and June 2024 Addendum to the 2018 LRDP EIR.
  - b. Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the Davis campus as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2018 LRDP EIR.
  - c. Approve the design of the Segundo Infill Student Housing project, Davis campus.

**C. *Campus Integrated Utilities Solutions, Merced Campus: Preliminary Plans Funding, Phase 1 and Partial Preliminary Plans Funding, Phase 2***

The Committee recommended that the Regents:

- (1) Amend the 2024–25 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

Merced: Campus Integrated Utilities Solutions – preliminary plans for Phase 1, Short-Term Solutions, and partial preliminary plans for Phase 2, Long-Term Solutions – \$9,925,000 to be funded with external financing supported by State General Fund appropriations.
- (2) Approve external financing in an amount not to exceed \$9,925,000 plus related interest expense and additional related financing costs to finance the Campus Integrated Utilities Solutions and declare that external financing may be used to reimburse prior expenditures. The following requirements shall be satisfied:
  - a. The primary source of repayment shall be from State General Fund appropriations. Should State General Fund appropriation funds not be available, the President of the University 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. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

D. ***Multidisciplinary Life Sciences Building, San Diego Campus: Budget, Scope, External Financing, and Design Following Consideration of an Addendum to the 2018 Long Range Development Plan Environmental Impact Report Pursuant to the California Environmental Quality Act***

The Committee recommended that:

- (1) The 2023–24 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Multidisciplinary Life Sciences Building – preliminary plans – \$14 million, to be funded from campus funds.

To: San Diego: Multidisciplinary Life Sciences Building – preliminary plans, working drawings, construction, and equipment – \$383.5 million, to be funded with \$343.5 million from external financing and \$40 million from gift funding.

- (2) The scope of the Multidisciplinary Life Sciences Building project be approved. The project shall provide approximately 202,000 gross square feet including new space for biomedical and biological sciences research programs, undergraduate instructional laboratory and support space, wet research laboratory and support space, dry research laboratory and support space, and faculty offices and administrative support space. Shared spaces would include vivarium, conference, and building services. The project will also include site utilidor infrastructure for future campus expansion.
- (3) The President of the University be authorized to obtain external financing in an amount not to exceed \$343.5 million plus additional related financing costs to finance the Multidisciplinary Life Sciences Building project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:
  - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, the general revenues of the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.

- d. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.
- (4) The President be authorized to obtain interim financing in an amount not to exceed \$40 million, plus additional related financing costs to finance the Multidisciplinary Life Sciences Building project and declare that external financing may be used to reimburse prior expenditures. The San Diego campus shall satisfy the following requirements:
- a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. To the extent additional gifts and other funds are received as cash, the amount of interim financing will be reduced. To the extent additional gifts are received as documented pledges, the interim financing will be converted to standby financing.
  - c. If gifts or pledges or both are not received within five years from the initial financing draw in the full amount of the outstanding interim financing, the amount of outstanding interim financing in excess of the amount of gifts and pledges received will be converted to long-term external financing or the San Diego campus will pay down, within a reasonable time, the amount of outstanding interim financing in excess of the amount of gifts and pledges received.
  - d. As long as the debt is outstanding, the general revenues of the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - e. The general credit of the Regents shall not be pledged.
  - f. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.
- (5) Following review and consideration of the environmental consequences of the Multidisciplinary Life Sciences Building 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 the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- a. Adopt the CEQA Findings for the Multidisciplinary Life Sciences Building project, having considered the 2018 Long Range

Development Plan (LRDP) Environmental Impact Report (EIR) for the La Jolla Campus and Addendum No. 14 to the 2018 LRDP EIR.

- b. Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC San Diego, as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2018 LRDP EIR.
  - c. Approve the design of the Multidisciplinary Life Sciences Building project, San Diego campus.
- E. ***UCSF Benioff Children’s Hospital Oakland New Hospital Building, San Francisco Campus: Budget, Scope, External Financing, Amendment Number 11 to the UC San Francisco 2014 Long Range Development Plan, and Design Following Certification of an Environmental Impact Report Pursuant to the California Environmental Quality Act***

The Committee recommended that:

- (1) The 2024–25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:  
  
From: San Francisco: UCSF Benioff Children’s Hospital Oakland New Hospital Building – preliminary plans – \$84 million funded from hospital reserves.  
  
To: San Francisco: UCSF Benioff Children’s Hospital Oakland New Hospital Building – preliminary plans, working drawings, construction, and equipment – \$1,491,000,000 funded from external financing (\$891 million), gift funds (\$350 million), hospital reserves (\$163 million), and Children’s Hospital grant funds (\$87 million).
- (2) The scope of the UCSF Benioff Children’s Hospital Oakland New Hospital Building project be approved. The project shall provide an approximately 277,500-gross-square-foot (GSF) new hospital building, providing approximately 104 patient beds, a new and expanded emergency department, imaging, and surgical services; renovation of approximately 11,800 GSF in the existing Patient Tower and Diagnostic and Treatment Building to enhance inpatient clinical services; and a 270-space, approximately 103,180-GSF parking structure with a rooftop helistop.
- (3) The President of the University be authorized to obtain external financing in an amount not to exceed \$891 million plus additional related financing costs to finance the UCSF Benioff Children’s Hospital Oakland New Hospital Building and declare that external financing may be used to reimburse prior expenditures. The President shall require that:



- a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, the general revenues of UCSF Health shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
  - d. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.
- (4) Following review and consideration of the environmental consequences of the UCSF Benioff Children's Hospital Oakland New Hospital Building 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 the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- a. Certify the Environmental Impact Report for the UCSF Benioff Children's Hospital Oakland New Hospital Building project.
  - b. Adopt the Mitigation Monitoring and Reporting Program for the UCSF Benioff Children's Hospital Oakland New Hospital Building project and make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the San Francisco campus.
  - c. Adopt the CEQA Findings and Statement of Overriding Considerations for the UCSF Benioff Children's Hospital Oakland New Hospital Building project.
  - d. Approve Amendment No. 11 to the UC San Francisco 2014 Long Range Development Plan.
  - e. Approve the design of the UCSF Benioff Children's Hospital Oakland New Hospital Building project, San Francisco campus.

F. ***University of California Retirement Plan – Amendment to Provide Vesting Credit for Eligible Employees Transferring from Dignity Health Facilities to UCSF***

The Committee recommended that:

- (1) The University of California Retirement Plan (“UCRP”) be amended to grant an eligible Dignity Health employee who transitions employment directly from Dignity to the University of California, San Francisco (“UCSF”) on or after the closing date of the Affiliation Agreement between UCSF and Dignity Health, and as a direct result of the affiliation, and who otherwise is eligible to begin accruing service credit in UCRP as a UCSF employee, service credit under UCRP solely for vesting purposes (and not for purposes of benefit accrual) that is equivalent to the vesting service accrued by the employee under plans administered by Dignity Health and its affiliates (the “Dignity Plans”) as of the employee’s transition date, taking into account the different methods of crediting vesting service under the UCRP and the Dignity Plans.
- (2) The cost of providing the vesting credit under UCRP be funded by the acquired hospitals through UCSF via a supplemental contribution to UCRP during calendar year 2024.
- (3) Authority be delegated to the Plan Administrator to amend the UCRP as necessary to implement the change.

G. ***Update on the Final 2024–25 State Budget***

Regent Cohen reported that the Committee discussed the recently adopted State budget. The University was grateful to the State Legislature and Governor Newsom for their support, but the long-term outlook for the State Budget remained bleak. Regent Cohen stated that UC had one year of reprieve, during which it could engage in budget planning.

Upon motion of Regent Cohen, duly seconded, the recommendations of the Finance and Capital Strategies Committee except item B above, *Segundo Infill Student Housing, Davis Campus: Budget, Scope, External Financing, and Design Following Consideration of an Addendum to the 2018 Long Range Development Plan Environmental Impact Report Pursuant to the California Environmental Quality Act*, were approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting “aye.”

Upon motion of Regent Cohen, duly seconded, the recommendation of the Finance and Capital Strategies Committee of item B, *Segundo Infill Student Housing, Davis Campus: Budget, Scope, External Financing, and Design Following Consideration of an Addendum to the 2018 Long Range Development Plan Environmental Impact Report Pursuant to the California Environmental Quality Act*, was approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Leib, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting “aye” and Regent Makarechian abstaining.

**Report of the Governance Committee**

The Committee presented the following from its meeting of July 17, 2024:

A. ***2024 Market Reference Zones for Senior Management Group Positions***

The Committee recommended that the Regents approve the Market Reference Zones (MRZs) for:

- A. The positions in the Senior Management Group located at the UC campuses, Office of the President, UC Agriculture and Natural Resources, and Lawrence Berkeley National Laboratory, effective August 1, 2024, as shown in Attachment 3.
- B. The positions in the Senior Management Group specific to the health systems at the UC medical centers, effective August 1, 2024, as shown in Attachment 3, contingent upon the joint approval by the Health Services Committee and Governance Committee of the benchmarking framework.

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

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

Upon motion of Chair Reilly, duly seconded, the recommendations of the Governance Committee were approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting "aye" and Regent Kounalakis abstaining.

**Report of the Health Services Committee**

The Committee presented the following from its meeting of June 12, 2024:

A. ***Amendment of the Clinical Enterprise Management Recognition Plan***

This item was deferred.

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

This item was not summarized.

C. ***Improving Ambulatory Access across UC Health Facilities: An Update from the University of California Health Clinical Quality Committee***

This item was not summarized.

D. ***Promoting Strong Data Governance at UC Health***

This item was not summarized.

E. ***Comprehensive Reproductive Health Services at Student Health Centers***

This item was not summarized.

The Committee presented the following from its meeting of July 16, 2024:

F. ***Ratification of Assurance of Voluntary Compliance for Acquisition of Dignity Health Facilities, San Francisco Campus***

The Committee recommended that the Regents ratify the Assurance of Voluntary Compliance, shown in Attachment 5, which sets forth the terms and conditions upon which the Office of the Attorney General will conclude its review of UCSF Health's acquisition of St. Mary's Medical Center, Saint Francis Memorial Hospital, and related clinical assets in the City and County of San Francisco.

G. ***Amendment of the Clinical Enterprise Management Recognition Plan***

The Committee reported its approval of the amendment of the Clinical Enterprise Management Recognition Plan (CEMRP) as shown in Attachment 6. The proposed changes will be effective July 1, 2024.

Upon motion of Regent Pérez, duly seconded, the recommendation of the Health Services Committee was approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting "aye."

**Report of the Investments Committee**

The Committee presented the following from its meetings of July 17, 2024:

***Amendment to the Office of the Chief Investment Officer Annual Incentive Plan***

The Committee reported its approval of the amendment to the University of California Office of the Chief Investment Officer Annual Incentive Plan (OCIO-AIP) as shown in Attachment 7. The proposed changes will be effective July 1, 2024.

Regent Sherman reported that the Investments Committee approved this amendment, which would add a long-term incentive component to the Annual Incentive Plan to reward the staff of the Office of the Chief Investment Officer and would serve as a retention tool. Adding such a component would align UC's Annual Incentive Plan with the incentive plans of the California Public Employees' Retirement System and the California State Teachers' Retirement System. The proposed changes would be effective July 1, 2024. Per Regents Policy, the Committee had the authority to approve the recommendation, and no further action by the Board was required.

**Report of the Academic and Student Affairs Committee and the Compliance and Audit Committee**

The Committees presented the following from their joint meeting of July 17, 2024:

***Adoption of Regents Policy on Public and Discretionary Statements by Academic Units***

The Academic and Student Affairs Committee and the Compliance and Audit Committee recommended to the Regents the adoption of a Regents Policy on Public and Discretionary Statements by Academic Units, as shown in Attachment 8.

Regent Leib reported that the Committees appreciated the changes to the policy that reflected recommendations made by the Academic Senate. Members of the Committees asked questions about how the policy would be enforced; chancellors would be responsible for implementation.

Upon motion of Regent Leib, duly seconded, the recommendation of the Academic and Student Affairs Committee and the Compliance and Audit Committee was approved, Regents Batchlor, Cohen, Drake, Hernandez, Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting “aye” and Regent Beharry voting “no.”

**Report of the Health Services Committee and the Governance Committee**

The Committees presented the following from their joint meeting of July 17, 2024:

***2024 Benchmarking Framework for Non-State-Funded UC Health Senior Management Group Positions***

The Health Services Committee and the Governance Committee reported their approval of the 2024 benchmarking framework as shown in Chart 1 below.

**Chart 1**

- The 2022 Benchmarking Framework utilized market data for positions at **academic medical centers across the country with operating revenue of 0.5 to 2 times of the revenue for each UC medical center**. The revenue data included relevant Faculty Practice Group revenue as reported by each Health System. Following a review of refreshed 2024 data, within the current benchmarking framework, the resulting peer groups continue to represent the organizations with which UC competes for talent. Therefore, the 2024 Benchmarking Framework remains unchanged in terms of utilizing operating revenue as a key parameter.
- There are seven core Med Center SMG positions as noted in the blue box below. In 2022, based on revenue size, UCLA and UCSF shared the same MRZ data for the seven core positions, and the same was true for UCD and UCSD. UCI had a distinct MRZ for each of the seven core positions. For 2024, two median operating revenue peer groups were identified: Tier 1 as a \$6.6B Median Peer Group and Tier 2 as a \$3.8B Median Peer Group. Therefor due to size, UCLA and UCSF are assigned to Tier 1, and UCD, UCSD, and UCI are assigned to Tier 2. Due to the continued growth of the health systems, as each Tier 2 medical center (UCD, UCI, and UCSD) increases to a median revenue size of \$6.6B, their seven core positions can be assigned to the Tier 1 MRZs for those positions.

Seven Core Med Ctr SMG Positions		Median Operating Revenue*		
Chief Executive Officer Chief Financial Officer Chief Information Officer Chief Medical Officer Chief Nursing Officer Chief Operating Officer Chief Strategy Officer		UCSF Health - Med Center	\$6.8	Tier 1 \$6.6B Median Peer Group
		UCLA Health - Med Center	\$6.4	
		UCD Health - Med Center	\$3.8	Tier 2 \$3.8B Median Peer Group
		UCSD Health - Med Center	\$3.8	
		UCI Health - Med Center	\$2.4	
		UCR Health - Comm. Based	\$0.3	CEO Only Not yet in Tiers 1/2

*\*From audited financials plus FPG revenues as provided by UC Health at OP. Does not include projected revenue for recently completed or anticipated acquisitions. UCI is included in the same tier as UCD and UCSD in consideration of the four hospitals that were recently acquired and the new medical facilities under construction and/or recently opened.*

- For the UCR Health CEO and nine other SMG positions unique to their respective locations, appropriate market matches were identified utilizing the 2024 Benchmarking Framework, to reflect the difference in scope and responsibilities from the seven core Med Center SMG positions listed above.

Upon motion of Chair Reilly, duly seconded, the recommendation of the Health Services Committee and the Governance Committee was approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting “aye” and Regent Kounalakis abstaining.

**Report of the National Laboratories Committee**

The Committee presented the following from its meeting of July 17, 2024:

***Allocation of LLC Fee Income to be Expended in Fiscal Year 2024–25***

The Committee recommended that the President of the University be authorized to expend an estimated \$30 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 2024 fiscal years (FY),<sup>2</sup> as projected by the LLCs, for the purposes and in the amounts described below:

<sup>2</sup> 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.

- A. An estimated \$2.6 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. This category also includes up to \$500,000 for the UC/Los Alamos National Laboratory (LANL) Entrepreneurial Postdoctoral Fellowship Program and \$100,000 for the LANL childcare center. Any unspent funds allocated for this purpose will be transferred to the Fee Contingency Fund (paragraph D).
- B. Consistent with the approved FY 2024–25 Office of the President (UCOP) budget, an appropriation in the amount of \$9.1 million for FY 2024–25 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, 2024 through June 30, 2025, including, but not limited to, an allocable share of the costs of the President's Executive Office, the Provost, the Academic Senate, Human Resources, Ethics, Compliance and Audit Services, UC Finance, UC National Laboratories (UCNL), Federal Governmental Relations, Research and Innovation, 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 Fee Contingency Fund (paragraph D).
- C. An appropriation in the amount of \$3.2 million to the LLNS/Los Alamos National Security, LLC (LANS) Post-Contract Contingency Fund (PCCF) to be allocated for the University's expenses related to the Frederick National Laboratory for Cancer Research (FNLCR) contract competition. Pursuant to the approved FY 2024–25 UCOP budget, the Regents authorized the President to spend up to approximately \$2.1 million on FNLCR-related costs. Due to the nearly yearlong delay in the award of the FNLCR contract, which is now anticipated at the end of 2024, the President requests authority to expend an additional approximately \$1.1 million on FNLCR-related costs. 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 \$30 million projection, the President is authorized to revise the allocation to the PCCF, up or down, in his discretion.
- D. No appropriation for FY 2024–25 to the LLC Fee Contingency Fund (FCF). Any income generated by the LLC Fee Contingency Fund under the University's STIP shall be reserved exclusively for the LLC Fee Contingency Fund. In the event that the actual LLC income varies from the \$30 million projection, the President is authorized to revise the allocation to the FCF, up or down, in his discretion.

Due to increased nondiscretionary expenses described in Paragraphs A and B, the President of the University recommends that the National Laboratories Committee recommend to the Regents that the target balance for FCF be raised from the current \$7 million to \$12 million.

- E. An appropriation in the amount of \$10 million for FY 2024–25 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 2024–25, the funding will be carried over to FY 2025–26 for the same purpose. In the event that the actual LLC income varies from the \$30 million projection, the President is authorized to revise this allocation, up or down, in his discretion.
- F. An appropriation in the amount of \$400,000 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 2024–25, the funding will be carried over to FY 2025–26 for the same purpose, subject to an ongoing affiliation agreement.
- G. [RESERVED]<sup>3</sup>
- H. Consistent with the approved FY 2024–25 UCOP budget, an appropriation in the amount of \$2.45 million for the Capital and Campus Opportunity Fund (CCOF). Pursuant to the approved FY 2024–25 UCOP budget, the President is authorized to spend up to \$2 million of CCOF funds on the SoCal Hub initiative; \$350,000 of CCOF funds on the UC Postdoctoral Fellowship in Technology and International Security program, a collaboration of UCSD and UC-affiliated National Laboratories; and \$100,000 on the LANL Guest House project. 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 \$30 million projection, the President is authorized to revise the allocation to the CCOF, up or down, in his discretion.
- I. An appropriation in the amount of \$600,000 in FY 2024–25 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 \$30 million projection, the President is authorized to revise the allocation to the Triad Reserve Fund, up or down, in his discretion.
- J. Consistent with the approved FY 2024–25 UCOP budget, an appropriation in the amount of \$1.65 million 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 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 Fee Contingency Fund (paragraph D).

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<sup>3</sup> To maintain consistency from year to year, this section is reserved to document funding for the Accelerating Therapeutic Opportunities for Medicine program. This year, the program is not receiving funding from fee income.



Regent Hernandez reported that, during the Committee meeting, Regent Beharry asked how much of the \$10 million of the allocation for the UC Laboratory Fees Research Program would go toward the UC-National Laboratory Graduate Student Fellowship Program. The Regents planned to work closely with Vice President Maldonado to ensure that the allocation creates a pipeline for careers at the National Laboratories.

Upon motion of Regent Hernandez, duly seconded, the recommendation of the National Laboratories Committee was approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, Sarris, and Sherman voting “aye.”

### **Report of the Public Engagement and Development Committee**

The Committee presented the following from its meeting of July 17, 2024:

A. ***Update from Interim Senior Vice President of External Relations and Communications***

Regent Sarris reported that Interim Senior Vice President Turner provided the Committee with an update on events at the University, including the Data Science Challenge, in which students solved real-world problems alongside Lawrence Livermore National Laboratory staff. In the latest State Budget, UC received a \$134 million base budget increase despite the State’s precarious financial situation. UC was working with its partners to oppose potential cuts to UC funding in the federal budget, and the U.S. Congress was expected to pass a continuing resolution to avoid a government shutdown. In June, the UC Council of Vice Chancellors for Research met with leadership from several key science agencies in Washington, D.C., and External Relations and Communications staff won three Council for Advancement and Support of Education awards.

B. ***Unlocking the Potential of Artificial Intelligence in Healthcare***

Regent Sarris reported that the Committee heard a presentation about the enormous potential of artificial intelligence (AI), how AI tools were being integrated into research, education, and care delivery at UC Health, and the role that UC played with regard to governance at the State and federal levels. Committee members asked whether AI could help reduce medical malpractice and lower healthcare premiums; how UC could keep up with the astronomical investments in AI by private companies; how AI could be used to assist communities of color, especially communities without adequate access to health care; and how UC was addressing data privacy and security concerns.

C. ***UC Merced in the Valley and Sierra K-16 Collaboratives***

Regent Sarris reported that the 2021 State Budget Act provided \$250 million for a competitive grant program that supported K–16 collaboratives that could create

pathways from education to the workforce. The UC Merced Center for Educational Partnerships secured a planning grant of \$250,000 and an implementation grant of \$18.1 million to establish the WeWill! regional collaborative and was also invited to partner with other K–16 collaboratives. Committee members asked how data from these collaboratives was used to examine student retention and graduation. Student Observer Chely Saens called for greater support for underrepresented students at UC, particularly Black students.

**D. *Activating Alumni Associations for Advocacy***

Regent Sarris reported that the Committee heard a presentation about activities of the ten campus alumni associations, the systemwide Alumni Associations of the University of California, and efforts to activate alumni to support the University's legislative interests.

**Report of the Special Committee on Nominations**

The Special Committee presented the following from its meeting of July 17, 2024:

***Appointment of a Regent to a Standing Committee for 2024–25 and Appointment of Regents-designate and Faculty Representatives as Advisory Members to Standing Committees for 2024–25***

The Special Committee recommended that:

- A. Regent Beharry be appointed to the National Laboratories Committee, effective immediately through June 30, 2025.
- B. Regents-designate be appointed as advisory members of Standing Committees, effective immediately through June 30, 2025, as follows:
  - (1) Regent-designate Wang be appointed as an advisory member of the Investments Committee, the Academic and Student Affairs Committee, and the Public Engagement and Development Committee.
  - (2) Regent-designate Komoto be appointed as an advisory member of the Finance and Capital Strategies Committee and the Public Engagement and Development Committee.
  - (3) Contingent upon her appointment as student Regent for 2025–26, Regent-designate Brooks be appointed as an advisory member of the Finance and Capital Strategies Committee and the Public Engagement and Development Committee.
- C. Faculty Representatives be appointed as advisory members of Standing Committees, effective September 1, 2024 through August 30, 2025 as follows:

- (1) Faculty Representative Cheung be appointed as an advisory member of the Finance and Capital Strategies Committee, the Compliance and Audit Committee, and the Investments Committee.
- (2) Faculty Representative Palazoglu be appointed as an advisory member of the Academic and Student Affairs Committee, the Public Engagement and Development Committee, and the National Laboratories Committee.

Upon motion of Regent Hernandez, duly seconded, the recommendation of the Special Committee on Nominations was approved, Regents Batchlor, Beharry, Cohen, Drake, Hernandez, Kounalakis, Leib, Makarechian, Pack, Pérez, Reilly, Salazar, and Sarris voting “aye.”

6. **STATE OF STAFF AT THE UNIVERSITY OF CALIFORNIA**

This item was deferred.

7. **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 by Interim Action

- A. The Chair of the Board and the Chair of the Finance and Capital Strategies committee approved the following recommendation:

***Thirty Meter Telescope Observatory Project, Office of the President: Amendment of the Budget***

That the budget be augmented for the Thirty Meter Telescope Observatory to provide \$10 million in new spending authority to the President allowing for the contribution of University funds and resources toward the Project.

- B. The Chair and Vice Chair and of the Health Services Committee approved the following recommendation:

***Authority to Indemnify Epic and Cosmos Governing Council for Participation in Epic Cosmos, Davis, Irvine, Los Angeles, Riverside, and San Diego Campuses***

That the President (or his designee) be authorized to approve and execute a license agreement with Epic on behalf of any University of California Health campus that elects to participate in Epic Cosmos, including a third-party indemnification provision in favor of Epic and the Cosmos Governing Council, subject to the following conditions:

- (1) Each UC Health campus will share “Limited Data Sets” (as defined by the Health Insurance Portability and Accountability Act (HIPAA) and its implementing regulations) with Epic through a secure web-based application as specified by Epic, to be combined with other data to create the “Cosmos Dataset.”
- (2) Each UC Health campus will grant a license to Epic and other Cosmos users to use its Limited Data Sets for research, public health, and healthcare operations purposes and to disclose its Limited Data Sets to other Cosmos users.
- (3) Epic will grant a license to each UC Health campus to grant its users access to use the Cosmos Dataset for research, public health, and healthcare operations purposes. Each UC Health campus will be responsible for ensuring that its campus users comply with the terms of the license, including its limitations on data use.

## 8. **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 Office of the President, *Press Release: University of California campus guidelines on determining disciplinary actions*. May 9, 2024.
- B. From the President of the University, *UC President Issues Regents Policy Statement*. May 16, 2016.
- C. From Associate Vice President, Federal Government Relations, *Federal Update, 2024, Issue 5*. May 30, 2024.
- D. From the Secretary and Chief of Staff Office, *Summary of Communications to the Board of Regents*. June 3, 2024.
- E. From the President of the University, *Appointment of New Staff Advisor*. June 5, 2024.
- F. From the President of the University, *Annual Report on Undergraduate Admissions Requirements and Comprehensive Review for 2023*. June 7, 2024.
- G. From the Secretary and Chief of Staff to the UC Regents, *Senate Confirmation of Regents*. June 10, 2024.

- H. From the Secretary and Chief of Staff Office, *Summary of Communications to the Board of Regents*. June 13, 2024.
- I. From the President of the University, *Passage of AB 107, Budget Act of 2024*. June 13, 2024.
- J. From the President of the University, *Statement Regarding the UC Davis Encampment Status*. June 20, 2024.
- K. From the Secretary and Chief of Staff to the Regents, *Appointment of the UC Student and Policy Center Director*. June 26, 2024.
- L. From the President of the University, *Update on the Status of the Proposed General Obligation Facilities Bond for Public Education*. June 26, 2024.
- M. From Associate Vice President, Federal Government Relations, *Federal Update, 2024, Issue 6*. June 27, 2024.
- N. From the President of the University, *Budget Act of 2024*. June 29, 2024.

**To the Members of the Governance Committee**

- O. From the President of the University, *Indexed Compensation Level adjustment*. June 14, 2024.

**To the Members of the Health Services Committee**

- P. From the President and CEO of UC San Francisco Health, *Update Regarding UC San Francisco Health Acquisition of Dignity Health's San Francisco Hospitals*. June 25, 2024.

The meeting adjourned at 10:10 a.m.

Attest:

Secretary and Chief of Staff

# Compliance Plan for 2024-25

## Ethics, Compliance & Audit Services

Alexander A. Bustamante  
Senior Vice-President and Chief Compliance & Audit Officer

July 17, 2024

# Internal Audit Plan 2024-25

July 17, 2024

Ethics, Compliance and Audit Services

*Advancing Excellence Through Ethical Leadership*

**Proposed 2024 Market Reference Zones for  
Senior Management Group Positions**

\$ in thousands

MRZ Title	Proposed 2024 MRZs - Effective 8/1/24 (Base Salary)				
	P25	P50	P60	P75	P90
<b>Level One SMGs - Office of the President (including UCANR) and Lawrence Berkeley National Laboratory</b>					
President of the University	\$868.8	\$1,077.2	\$1,124.6	\$1,218.0	\$1,470.9
Executive Vice President - Academic Affairs and Provost	\$576.5	\$644.6	\$678.8	\$711.6	\$772.9
Executive Vice President - Chief Financial Officer	\$467.9	\$578.3	\$607.8	\$655.2	\$771.5
Executive Vice President - Chief Operating Officer	\$405.8	\$626.0	\$727.7	\$784.1	\$924.7
Executive Vice President - UC Health	\$878.0	\$972.1	\$1,049.1	\$1,164.6	\$1,335.6
Senior Vice President - Chief Compliance and Audit Officer	\$364.6	\$397.8	\$432.4	\$484.3	\$583.4
Senior Vice President - External Relations and Communications	\$340.4	\$402.3	\$420.2	\$448.2	\$514.8
Vice President - Investments and Chief Investment Officer (OCIO)	\$892.3	\$1,009.1	\$1,054.2	\$1,208.5	\$1,322.0
Senior Vice President - Legal Affairs and General Counsel	\$513.8	\$572.7	\$602.9	\$665.0	\$758.8
Vice President - National Labs	\$397.4	\$495.9	\$555.5	\$644.9	\$848.2
Secretary and Chief of Staff to the Regents	\$304.9	\$372.4	\$394.9	\$433.3	\$507.4
Vice President - Agriculture and Natural Resources (UC-ANR)	\$348.8	\$412.9	\$425.0	\$441.6	\$506.5
Director, Lawrence Berkeley National Laboratory (LBNL)	\$546.2	\$637.6	\$689.1	\$766.5	\$896.7
<b>Level Two SMGs - Office of the President (including UCANR) and Lawrence Berkeley National Laboratory</b>					
<u>UC Academic Affairs</u>					
Vice President - Graduate, Undergraduate and Equity Affairs	\$367.8	\$432.6	\$455.9	\$515.3	\$565.2
Vice President - Institutional Research and Academic Planning	\$340.5	\$389.6	\$411.2	\$434.3	\$487.0
Vice President - Research and Innovation	\$457.4	\$502.5	\$539.6	\$587.1	\$656.6
Vice Provost – Faculty Affairs and Academic Programs (Previous MRZ Title: Vice Provost – Academic Personnel)	\$272.8	\$331.7	\$390.3	\$414.4	\$436.6
<u>UC External Affairs and Communications</u>					
Associate Vice President - Federal Government Relations	\$295.0	\$350.5	\$376.0	\$411.2	\$472.7
Associate Vice President - State Government Relations	\$267.8	\$303.0	\$320.2	\$348.8	\$394.6
<u>UC Finance</u>					
Associate Vice President - Budget Analysis and Planning	\$252.8	\$311.4	\$342.7	\$391.6	\$473.5
Associate Vice President - Capital Financial Planning and Analysis	\$313.2	\$389.5	\$417.3	\$458.6	\$533.5
Associate Vice President - Capital Programs and Sustainability	\$300.0	\$369.0	\$384.0	\$406.4	\$505.5
Associate Vice President - Chief Procurement Officer	\$305.8	\$354.3	\$378.7	\$417.4	\$490.1
Associate Vice President - Chief Risk Officer	\$273.8	\$322.0	\$350.6	\$393.5	\$444.9
Associate Vice President - Systemwide Controller	\$314.9	\$371.7	\$394.4	\$433.8	\$489.5



## Proposed 2024 Market Reference Zones for Senior Management Group Positions

\$ in thousands

MRZ Title	Proposed 2024 MRZs - Effective 8/1/24 (Base Salary)				
	P25	P50	P60	P75	P90
<u>UC Health</u>					
Associate Vice President - Strategic Sourcing/Chief Transformation Officer, UC Health	\$493.5	\$558.3	\$591.7	\$641.9	\$760.1
Associate Vice President - Clinical Affairs and Chief Health Officer, UC Health (New MRZ - One SMG Position)	\$501.6	\$648.8	\$718.1	\$822.1	\$991.1
Associate Vice President - Finance and Chief Strategy Officer, UC Health (New MRZ - One SMG Position)	\$478.3	\$569.4	\$615.1	\$683.7	\$751.0
Associate Vice President - Health Sciences, UC Health	\$411.7	\$511.0	\$542.8	\$590.5	\$659.4
Medical Director - Student Health, UC Health	\$435.2	\$500.4	\$532.9	\$581.8	\$755.6
<u>UC Investments</u>					
Chief Operating Officer - Investment Services (OCIO)	\$422.4	\$441.7	\$484.8	\$549.4	\$709.4
Senior Managing Director - Investments (OCIO)	\$428.7	\$481.3	\$512.7	\$559.7	\$692.1
<u>UC Legal</u>					
Deputy General Counsel (Four SMG Positions - UC Legal)	\$401.5	\$448.0	\$473.9	\$526.2	\$603.9
Deputy General Counsel/ Chief Legal Counsel for Health Services (One SMG Position - UC Legal)	\$420.7	\$495.9	\$516.0	\$546.1	\$710.5
<u>UC National Labs</u>					
Associate Vice President - National Labs	\$337.8	\$421.5	\$472.2	\$548.1	\$721.0
<u>UC Operations</u>					
Vice President - Information Technology and Chief Information Officer	\$378.6	\$449.6	\$479.7	\$529.3	\$606.2
Vice President - Systemwide Human Resources	\$352.7	\$429.6	\$461.8	\$507.9	\$584.4
<u>UC ANR</u>					
Associate Vice President - Business Operations (UC ANR)	\$258.8	\$315.5	\$338.0	\$410.2	\$482.8
<u>LBNL</u>					
Associate Laboratory Director (LBNL)	\$378.2	\$429.4	\$470.7	\$532.7	\$717.1
Chief Financial Officer (LBNL)	\$340.5	\$435.0	\$484.3	\$558.2	\$731.0
Chief Laboratory Counsel (LBNL)	\$338.1	\$413.8	\$454.9	\$516.6	\$662.7
Deputy Laboratory Director for Operations and Chief Operations Officer (LBNL)	\$325.0	\$416.4	\$470.7	\$552.0	\$765.3
Deputy Laboratory Director for Research and Chief Research Officer (LBNL)	\$416.0	\$472.4	\$517.8	\$586.0	\$788.9

## Proposed 2024 Market Reference Zones for Senior Management Group Positions

\$ in thousands

MRZ Title	Proposed 2024 MRZs - Effective 8/1/24 (Base Salary)				
	P25	P50	P60	P75	P90
<b>Level One SMGs - Campuses</b>					
Chancellor	\$623.3	\$893.3	\$971.2	\$1,313.1	\$1,650.1
<b>Level Two SMGs - Campuses</b>					
Executive Vice Chancellor and Provost	\$434.9	\$564.5	\$610.2	\$843.6	\$917.0
Chief Campus Counsel	\$394.5	\$440.6	\$498.4	\$557.9	\$631.3
Dean - University Extension	\$246.8	\$313.9	\$328.2	\$370.0	\$438.3
University Librarian	\$214.8	\$268.3	\$293.7	\$369.0	\$428.1
Vice Chancellor - Academic Personnel	\$205.4	\$240.9	\$245.0	\$335.8	\$392.9
Vice Chancellor - Business Administration	\$330.9	\$472.7	\$509.3	\$598.2	\$855.5
Vice Chancellor - Business Development, Innovation and Partnerships <i>(Prev. UCSF Only; UCD Added; Available for all 10 Campuses)</i>	\$432.0	\$549.1	\$612.5	\$707.6	\$757.7
Vice Chancellor - Chief Financial Officer (Campus Only)	\$315.3	\$452.2	\$480.7	\$566.0	\$724.0
Vice Chancellor - Chief Financial Officer (Health System and Campus) <i>(Oversees Finance for General Campus, Health Sciences Schools and/or Med Ctr Financials)</i>	\$430.9	\$522.4	\$558.6	\$621.0	\$796.6
Vice Chancellor - Community and Government Relations	\$225.0	\$304.8	\$320.2	\$430.9	\$511.4
Vice Chancellor - Development/University Relations	\$393.5	\$499.7	\$557.9	\$653.9	\$789.6
Vice Chancellor - Diversity, Equity and Inclusion	\$250.8	\$312.4	\$336.0	\$420.8	\$475.2
Vice Chancellor - Enrollment Management <i>(New MRZ - SMG Position Available for All 10 UC Campuses)</i>	\$238.9	\$330.8	\$353.3	\$422.9	\$440.4
Vice Chancellor - Health Sciences <i>(Not dually appointed as Dean-SOM)</i>	\$1,075.1	\$1,273.9	\$1,371.5	\$1,493.9	\$1,706.2
Vice Chancellor - Health Sciences and Dean - School of Medicine	\$717.7	\$851.9	\$933.7	\$1,004.2	\$1,044.2
Vice Chancellor - Information Technology and Chief Information Officer (Campus Only)	\$301.7	\$387.6	\$416.7	\$469.1	\$541.3
Vice Chancellor - Information Technology and Chief Information Officer (Health System and Campus) <i>(Oversees IT for General Campus, Health Sciences Schools and/or Med Ctr IT)</i>	\$375.4	\$444.7	\$474.6	\$516.1	\$595.4
Vice Chancellor - Marine Sciences and Dean - Graduate School of Marine Sciences	\$291.0	\$416.9	\$439.2	\$472.6	\$481.4
Vice Chancellor - Research	\$344.2	\$433.5	\$460.1	\$530.4	\$625.3
Vice Chancellor - Strategic Communications	\$226.1	\$304.4	\$328.3	\$389.1	\$442.7
Vice Chancellor - Student Affairs	\$265.3	\$338.1	\$366.9	\$426.9	\$471.0

## Proposed 2024 Market Reference Zones for Senior Management Group Positions

\$ in thousands

MRZ Title	Proposed 2024 MRZs - Effective 8/1/24 (Base Salary)				
	P25	P50	P60	P75	P90
<b>Level One SMGs - Medical Centers</b>					
<b>Chief Executive Officer (Medical Center)</b> <i>(Tier 1 - \$6.6 Billion Median Operating Revenue)</i>	\$1,544.0	\$1,907.2	\$2,141.2	\$2,492.2	\$3,229.7
<b>Chief Executive Officer (Medical Center)</b> <i>(Tier 2 - \$3.8 Billion Median Operating Revenue)</i>	\$1,062.6	\$1,511.9	\$1,703.1	\$1,989.9	\$2,568.8
<b>Chief Executive Officer (Community Based Services)</b> <b>UCR Health</b>	\$493.4	\$564.4	\$608.5	\$674.7	\$742.1
<b>Level Two SMGs - Medical Centers</b>					
<b>Chief Financial Officer (Medical Center)</b> <i>(Tier 1 - \$6.6 Billion Median Operating Revenue)</i>	\$741.6	\$971.6	\$1,051.4	\$1,171.2	\$1,498.2
<b>Chief Financial Officer (Medical Center)</b> <i>(Tier 2 - \$3.8 Billion Median Operating Revenue)</i>	\$534.5	\$793.4	\$865.1	\$972.6	\$1,167.9
<b>Chief Information Officer (Medical Center)</b> <i>(Tier 1 - \$6.6 Billion Median Operating Revenue)</i>	\$590.4	\$665.3	\$730.9	\$829.2	\$915.1
<b>Chief Information Officer (Medical Center)</b> <i>(Tier 2 - \$3.8 Billion Median Operating Revenue)</i>	\$526.0	\$619.0	\$651.3	\$699.8	\$827.2
<b>Chief Medical Officer (Medical Center)</b> <i>(Tier 1 - \$6.6 Billion Median Operating Revenue)</i>	\$711.7	\$809.0	\$931.5	\$1,115.3	\$1,308.0
<b>Chief Medical Officer (Medical Center)</b> <i>(Tier 2 - \$3.8 Billion Median Operating Revenue)</i>	\$592.1	\$726.7	\$776.7	\$851.8	\$1,131.7
<b>Executive Vice President and Chief Clinical Officer, UCSF Health</b> <i>(Prev. Assigned to UCSF CMO MRZ)</i>	\$717.4	\$828.4	\$957.0	\$1,149.8	\$1,384.1
<b>Chief Medical Officer, UCSF Health</b>	\$640.6	\$728.1	\$838.4	\$1,003.8	\$1,177.8
<b>Chief Nursing Officer/Chief Nursing Executive (Medical Center)</b> <i>(Tier 1 - \$6.6 Billion Median Operating Revenue)</i>	\$512.5	\$580.3	\$600.6	\$631.0	\$802.1
<b>Chief Nursing Officer/Chief Nursing Executive (Medical Center)</b> <i>(Tier 2 - \$3.8 Billion Median Operating Revenue)</i>	\$422.4	\$514.3	\$541.3	\$581.7	\$642.4
<b>Chief Operating Officer (Medical Center)</b> <i>(Tier 1 - \$6.6 Billion Median Operating Revenue)</i>	\$900.6	\$1,161.6	\$1,259.7	\$1,406.9	\$1,906.2
<b>Chief Operating Officer (Medical Center)</b> <i>(Tier 2 - \$3.8 Billion Median Operating Revenue)</i>	\$648.5	\$888.8	\$995.6	\$1,155.8	\$1,351.1
<b>Chief Operating Officer (Ambulatory Services), UCD Health</b>	\$359.0	\$481.0	\$522.3	\$584.4	\$763.1
<b>Chief Operating Officer (Physician Network), UCSD Health</b>	\$378.5	\$440.4	\$478.0	\$534.4	\$671.2
<b>Chief Strategy Officer (Medical Center)</b> <i>(Tier 1 - \$6.6 Billion Median Operating Revenue)</i>	\$599.0	\$703.0	\$757.1	\$838.2	\$966.1
<b>Chief Strategy Officer (Medical Center)</b> <i>(Tier 2 - \$3.8 Billion Median Operating Revenue)</i>	\$562.9	\$681.5	\$740.8	\$829.7	\$964.2
<b>Chief Strategy Officer, UCLA Health</b>	\$658.9	\$773.3	\$832.8	\$922.0	\$1,062.0
<b>President, Adult Services, UCSF Health</b> <i>(Prev. MRZ Title: Sr. Vice President, Adult Services, UCSF Health)</i>	\$644.5	\$756.9	\$804.0	\$874.7	\$1,013.6
<b>President, UCSF Benioff Children's Hospital</b> <i>(Prev. MRZ Title: Sr. Vice President, Children's Services, UCSF Health)</i>	\$1,160.7	\$1,269.2	\$1,330.8	\$1,423.1	\$1,662.8
<b>President, Faculty Practice Organization, UCSF Health</b> <i>(Prev. MRZ Title: Sr. Vice President, Adult Services, UCSF Health)</i>	\$731.7	\$864.7	\$884.9	\$915.1	\$1,105.1
<b>President, UCSF Health Care Network and Sr. Vice President - Chief Market Development Officer, UCSF Health</b> <i>(Prev. MRZ Title: Chief Strategy Officer and President, Health Affiliates Network)</i>	\$855.4	\$996.3	\$1,081.2	\$1,208.7	\$1,451.5

**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.

<b>NAME</b>	<b>TITLE</b>
Janet Reilly	Chair of the Board of Regents of the University of California

APPENDIX A  
ATTORNEY GENERAL'S CONDITIONS  
TO PROPOSED TRANSACTION

Attorney General's Conditions to Proposed Assumption of Control of Saint Francis Memorial Hospital and Saint Mary's Memorial Hospital, as well as associated clinics and other assets (the Hospitals) by The Regents of the University of California ("The Regents/UCSF Health").

In connection with this Assurance of Voluntary Compliance (AVC):

- (i) The Attorney General and the Regents/UCSF Health acknowledge they have entered into a Stipulation in connection with the assumption of control of the Hospitals.
- (ii) Pursuant to the Stipulation, these conditions shall become effective upon the Court's entry of the Proposed Order accompanying the Stipulation;
- (iii) The Regents/UCSF Health have entered into an Affiliation Agreement with Dignity Health, Dignity Community Care, Dignity Medical Foundation, Saint Francis Memorial Hospital Corporation, and CommonSpirit Health, attached hereto as Exhibit 1;
- (iv) These conditions are contingent on the parties in section (iii) consummating the transactions contemplated by the Affiliation Agreement; and
- (v) These conditions are also contingent on The Regents/UCSF Health using Commercially Reasonable Efforts to secure all required licensing and regulatory approvals in California, including those of the California Department of Public Health.

I.

These enumerated conditions of the AVC (Conditions) shall be legally binding under California Government Code Section 12533 on the following entities: (a) The Regents/UCSF Health; and (b) any affiliate, successor, or assignee acquiring ownership or control of the operating assets of SFMH<sup>1</sup> and/or SMMC,<sup>2</sup> including Saint Francis Memorial Hospital, a California nonprofit public benefit corporation that is the current owner of SFMH, ("Saint Francis Memorial Hospital Corporation") and which will control the assets of SFMH and SMMC following the completion of the transaction contemplated in the Affiliation Agreement (collectively, the "Bound Parties").

Unless otherwise specified, as used in this AVC, "Commercially Reasonable" shall mean reasonable, diligent, good-faith efforts to comply with the Conditions, as would be exercised by similarly situated operators of general acute care hospitals and medical clinics in similar markets

<sup>1</sup> Throughout this AVC, the term "Saint Francis Memorial Hospital" and "SFMH" shall mean the general acute care hospital located at 900 Hyde Street, San Francisco, California, 94109, and any other clinics, laboratories, units, services, or beds included on the license issued to SFMH by the California Department of Public Health (CDPH), effective as of the Closing Date of the Affiliation Agreement, and fully operational as of that date, unless otherwise indicated. Nothing herein shall preclude UCSF Health from renaming SFMH or from operating it under a fictitious name consistent with applicable law.

<sup>2</sup> Throughout this AVC, the term "St. Mary's Medical Center" and "SMMC" shall mean the general acute care hospital located at 450 Stanyan Street, San Francisco, California 94117 and any other clinics, laboratories, units, services, or beds included on the license issued to Saint Francis Memorial Hospital Corporation by CDPH, as of the Closing Date of the Affiliation Agreement, and fully operational as of that date, unless otherwise indicated.

1 in California, with comparable resources, payor mix, and payor rates servicing similar community  
2 needs. Except where specifically provided otherwise in these Conditions or as otherwise required  
3 by law, the Commercially Reasonable standard shall apply to all obligations under these  
4 Conditions.

5 The Regents/UCSF Health acknowledge and agree that compliance with applicable state and  
6 federal laws, regulations, and rules, including those governing the operation of general acute care  
7 hospitals is mandatory. The requirements of this AVC are in addition to, and not in lieu of, any  
8 other requirements of federal, state, or local law. Nothing in this AVC shall be construed as  
9 relieving The Regents/UCSF Health of the obligation to comply with all federal, state, and local  
10 laws, regulations, or rules, nor shall any of the Conditions be deemed as permission for The  
11 Regents/UCSF Health to engage in any acts or practices prohibited by such laws, regulations, or  
12 rules.

## 13 II.

14 For ten (10) years from the Closing Date of the Affiliation Agreement,<sup>3</sup> the Bound Parties shall be  
15 required to provide written notice to the Attorney General sixty (60) days prior to entering into any  
16 agreement or transaction to do any of the following:

- 17 a. Sell, transfer, lease, exchange, option, convey, or otherwise dispose of SFMH or  
18 SMMC or both; or
- 19 b. Transfer control, responsibility, management, or governance of substantially all of  
20 SFMH or SMMC or both.

## 21 III.

22 **Future Operation of SFMH.** For five (5) years from the Closing Date of the Affiliation  
23 Agreement, The Regents/UCSF Health or a Bound Party shall operate and maintain SFMH as a  
24 licensed general acute care hospital (as defined in California Health and Safety Code section 1250,  
25 subdivision (a)) with the same types and levels of services, and associated staffing as offered as of  
26 the Closing Date, and which provides the community served with equal or greater access to those  
27 services, including:

- 28 a. 24-hour emergency services;
- 29 b. emergency treatment stations;
- 30 c. certification as a Primary Stroke Center;
- 31 d. acute psychiatric services;
- 32 e. intensive care services;
- 33 f. orthopedic and sports medicine services;
- 34 g. a burn unit;
- 35 h. gender-affirming care, including surgical services;
- 36 i. nuclear medicine, imaging, and radiology services;
- 37 j. coronary care services, and cardiac and neurologic diagnostics;
- 38 k. cancer care; and
- 39 l. advanced gynecology and other minimally invasive surgery.

<sup>3</sup> As used herein, "Closing Date" has the same meaning as "Effective Time," as defined in  
Section 2.1 of the Affiliation Agreement.

1 IV.

2 **Maintenance of SFMH Services after Five Years.** For years six (6) through ten (10) from the  
3 Closing Date of the Affiliation Agreement, The Regents/UCSF Health shall use Commercially  
4 Reasonable efforts to ensure that the following services currently offered at SFMH shall be  
5 maintained at either the physical space currently used by SFMH or at a location within the City and  
6 County of San Francisco<sup>4</sup> with the same capacity and associated staffing as offered as of the  
7 Closing Date, and which provides the community served with equal or greater access to those  
8 services, including:

- 9 a. 24-hour emergency services;
- 10 b. emergency treatment stations;
- 11 c. intensive care services;
- 12 d. acute psychiatric services;
- 13 e. acute rehabilitation services;
- 14 f. certification as a Primary Stroke Center, and stroke and neurology services;
- 15 g. orthopedic and sports medicine services;
- 16 h. a burn unit;
- 17 i. gender-affirming care, including surgical services;
- 18 j. nuclear medicine, imaging, and radiology services;
- 19 k. coronary care services, and cardiac and neurologic diagnostics;
- 20 l. cancer care; and
- 21 m. advanced gynecology and other minimally invasive surgery.

22 If The Regents/UCSF Health or a Bound Party decides to discontinue, consolidate, materially  
23 decrease, or otherwise make material changes that adversely affect community access to the  
24 services covered in this condition, The Regents/UCSF Health shall give 60-day advance written  
25 notification to the Attorney General, and shall reasonably cooperate with any resulting information  
26 requests subject to any demonstrated legally recognized privilege and appropriate confidentiality  
27 protections; provided, however, that temporary service reductions of six months or less, that are  
28 necessary to complete physical improvements or seismic renovations at the Hospitals shall not  
require prior written notice to the Attorney General.

19 V.

20 **Future Operation of SMMC.** For five (5) years from the Closing Date of the Affiliation  
21 Agreement, The Regents/UCSF Health or a Bound Party shall operate and maintain SMMC as a  
22 licensed general acute care hospital (as defined in California Health and Safety Code section 1250,  
23 subdivision (a)) with the same types and levels of services and associated staffing as offered as of  
24 the Closing Date, and which provides the community served with equal or greater access to those  
25 services, including:

- 26 a. 24-hour emergency services;
- 27 b. emergency treatment stations;
- 28 c. acute psychiatric services, including adolescent inpatient psychiatric services;

26 <sup>4</sup> UCSF shall use Commercially Reasonable efforts to ensure community access to those  
27 services the same or better and mitigate any negative impacts to community access of these  
28 services, including, for example, providing transportation by shuttle, parking passes, transit passes,  
or any other mitigative assistance.

- d. intensive care services;
- e. certification as a Primary Stroke Center, and stroke and neurology services;
- f. cardiovascular services, including cardiac catheterization laboratory services and outpatient clinic;
- g. nuclear medicine, imaging and radiology;
- h. laboratory and diagnostic services;
- i. oncology services, including inpatient medical and surgical oncology services and outpatient services;
- j. orthopedic services including surgery and total joint replacement;
- k. social services;
- l. surgical services; and
- m. women's health services, including women's reproductive services.

## VI.

**Maintenance of SMMC Services after Five Years.** For years six (6) through ten (10) from the Closing Date of the Affiliation Agreement, The Regents/UCSF Health shall use Commercially Reasonable efforts to ensure that the following services currently offered at SMMC shall be maintained at either the physical space currently used by SMMC or at a location within the City and County of San Francisco with the same capacity and associated staffing as offered as of the Closing Date, and which provides the community served with equal or greater access to those services, including:

- a. 24-hour emergency services;
- b. emergency treatment stations;
- c. intensive care services;
- d. acute psychiatric services, including adolescent inpatient psychiatric services;
- e. acute rehabilitation services;
- f. certification as a Primary Stroke Center, and stroke and neurology services;
- g. orthopedic and sports medicine services;
- h. nuclear medicine, imaging, and radiology services;
- i. coronary care services, and cardiac and neurologic diagnostics;
- j. oncology services, including inpatient medical and surgical oncology services and outpatient services;
- k. surgical services;
- l. orthopedic services including surgery and total joint replacement; and
- m. women's health services, including women's reproductive services.

If The Regents/UCSF Health or a Bound Party decides to discontinue, consolidate, materially decrease, relocate, or otherwise make material changes that adversely affect community access to the services in this condition, The Regents/UCSF Health shall give 60-day advance written notification to the Attorney General, and shall reasonably cooperate with any resulting information requests, subject to any demonstrated legally recognized privilege and appropriate confidentiality protections; provided, however, that temporary service reductions of six months or less, that are necessary to complete physical improvements or seismic renovations at the Hospitals, shall not require prior written notice to the Attorney General.



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VII.

**Maintenance of Services Provided through Contract or Lease.** For ten (10) years The Regents/UCSF Health shall use Commercially Reasonable efforts to ensure that the following services and/or programs currently offered at SMMC (or associated clinic location(s)) shall be maintained at either their current physical space or at a location within the City and County of San Francisco with the same capacity and associated staffing as offered as of the Closing Date:

- a. Counseling Enriched Education Program (CEEP);
- b. mental health rehabilitation services;
- c. long-term acute care hospital services;
- d. Sister Mary Philippa Health Center; and
- e. SFO airport clinic.

If The Regents/UCSF Health or a Bound Party decides to discontinue, consolidate, materially decrease, relocate, or otherwise make material changes that adversely affect community access to the services covered in this condition, The Regents/UCSF Health shall give 60-day advance written notification to the Attorney General, and shall cooperate with any resulting information requests, subject to any demonstrated legally recognized privilege and appropriate confidentiality protections; provided, however, that temporary service reductions of six months or less, that are necessary to complete physical improvements or seismic renovations at the Hospitals shall not require prior written notice to the Attorney General.

To the extent that any reduction in service described in this Condition VII results from a third party electing to discontinue, terminate or refusing to extend the contract or lease that permits the provision of such services, The Regents/UCSF Health shall be required to notify the Attorney General within 30-days of the change in service.

VIII.

**Participation in Medicare and Medi-Cal.** For ten (10) years from the Closing Date of the Affiliation Agreement, The Regents/UCSF Health or a Bound Party shall ensure that SFMH and SMMC continue to:

- a. Be certified to participate in the Medi-Cal program at the Hospitals;
- b. Maintain Medi-Cal Managed Care and county contracts in effect as of the Closing Date, and provide the same types and levels of emergency and non-emergency services at the Hospitals to Medi-Cal beneficiaries (both county and Medi-Cal Managed Care) provided as of the Closing Date, on the same terms and conditions as other similarly situated Hospitals offering substantially the same services, without any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage, unless: (i) the contract is terminated by either party for cause,<sup>5</sup> (ii) the terms and conditions, including compensation, are not Commercially Reasonable, or (iii) not extended or renewed by a Medi-Cal Managed Care Plan or county on its own initiative without cause; and
- c. Be certified to participate in the Medicare program by maintaining a Medicare Provider Number to provide the same or greater types and levels of emergency and

<sup>5</sup> For-cause termination refers to the lawful dissolution of a contract pursuant to grounds stipulated therein and encompassing infractions such as breaches of contract, regulatory non-adherence, or deficiency in meeting prescribed standards of quality.

1 non-emergency services at the Hospitals to Medicare beneficiaries (both Traditional  
2 Medicare and Medicare Managed Care) as provided as of the Closing Date.

3 If The Regents/UCSF Health or a Bound Party determines that any contract covered in this  
4 condition satisfies subsection b.ii, The Regents/UCSF Health shall give written notification to the  
5 Attorney General within thirty (30) days of its determination, and shall reasonably cooperate with  
6 any resulting information requests, subject to any demonstrated legally recognized privilege and  
7 appropriate confidentiality protections.

8 **IX.**

9 **Charity Care Commitments.** For ten (10) years from the Closing Date of the Affiliation  
10 Agreement, The Regents/UCSF Health or a Bound Party shall provide an annual amount of charity  
11 care (as defined below) at SFMH equal to or greater than \$6,554,788 million and at SMMC equal  
12 to or greater than \$3,569,524 million (the Minimum Charity Care Amounts required) with an annual  
13 increase of 2.4%.<sup>6</sup>

14 For purposes hereof, the definition and methodology for calculating “charity care” and the  
15 methodology for calculating “costs” shall be the same as that used by HCAI for annual hospital  
16 reporting purposes. The Hospitals shall use and maintain a charity care policy that is no less  
17 favorable than the Financial Assistance Policy currently in effect at each hospital and in compliance  
18 with California and Federal law.

19 If the actual amount of charity care provided at SFMH for any year is less than the Minimum  
20 Charity Care Amount required for such year, The Regents/UCSF Health shall pay an amount equal  
21 to the deficiency to one or more tax-exempt entities that provide direct healthcare services to  
22 residents in the SFMH service area, including 94102, 94103, 94105, 94107, 94108, 94109, 94110,  
23 94111, 94112, 94114, 94115, 94116, 94117, 94118, 94121, 94122, 94123, 94124, 94127, 94130,  
24 94131, 94132, 94133, 94134, 94158, and 94965 ZIP codes.

25 If the actual amount of charity care provided at SMMC for any year is less than the Minimum  
26 Charity Care Amount required for such year, The Regents/UCSF Health shall pay an amount equal  
27 to the deficiency to one or more tax-exempt entities that provide direct healthcare services to  
28 residents in the SMMC service area, including 94102, 94103, 94105, 94107, 94108, 94109, 94110,  
94111, 94112, 94114, 94115, 94116, 94117, 94118, 94121, 94122, 94123, 94124, 94127, 94129,  
94131, 94132, 94133, 94134, and 94158 ZIP codes. Such payment(s) shall be made within six (6)  
months following the end of such year.

**X.**

**Availability and Administration of Financial Assistance Policy.** Within ninety (90) days from  
the Closing Date of the Affiliation Agreement and for ten (10) years from the Closing Date of the  
Affiliation Agreement, The Regents/UCSF Health or a Bound Party, as applicable, shall ensure that  
the Hospitals take the following steps to ensure that patients at each hospital are informed about  
the respective facility’s Financial Assistance Policy:

- a. A copy of the respective Financial Assistance Policy and the plain language summary of the Financial Assistance Policy shall be posted in a prominent location in the admissions area and any other location in the Hospitals as appropriate, and

<sup>6</sup> 2.4% is the average annual increase in the San Francisco Bay, California Medical Care Consumer Price Index (CPI) from 2020-2023.

- 1 where there is a high volume of patient traffic, including waiting rooms, billing  
2 offices, and outpatient service settings;
- 3 b. A copy of the Financial Assistance Policy, the Financial Assistance Application  
4 Form, and the plain language summary of the Charity Care and Cash Price Policies  
5 shall be posted in a prominent place on the Hospitals' websites, as applicable;
- 6 c. If requested by a patient, a copy of the Financial Assistance Policy, Financial  
7 Assistance Application Form, and the plain language summary shall be sent by mail  
8 at no cost to the patient;
- 9 d. As necessary and at least on an annual basis, The Regents/UCSF Health and the  
10 Hospitals will place an advertisement regarding the availability of financial  
11 assistance at each hospital in a newspaper of general circulation in the communities  
12 served by each hospital, or issue a Press Release to widely publicize the availability  
13 of the Financial Assistance Policy to the communities served by each hospital;
- 14 e. On no less than an annual basis, the Hospitals will work with affiliated  
15 organizations, physicians, community clinics, other health care providers, houses of  
16 worship, and other community-based organizations to notify members of the  
17 community (especially those who are most likely to require financial assistance)  
18 about the availability of financial assistance at the Hospitals; and
- 19 f. No later than sixty (60) days after the Closing Date of the Affiliation Agreement,  
20 and annually thereafter, the Hospitals shall train front-line staff who regularly  
21 interact with patients and their families concerning payment of services to make  
22 patients and their families aware of and informed about the availability of financial  
23 assistance at the Hospitals.

## 24 XI.

25 **Community Benefit Programs.** For ten (10) years from the Closing Date of the Affiliation  
26 Agreement, The Regents/UCSF Health or a Bound Party shall provide an annual amount of  
27 Community Benefit Services at the Hospitals equal to the amount provided in fiscal year ending  
28 June 30, 2024 (the Minimum Community Benefit Services Amount), as adjusted under the  
methodology described below. The Regents/UCSF Health or a Bound Party shall continue  
supporting community benefit programs supported by the Hospitals as of the Closing Date, or  
consult with the Hospitals' Community Advisory Board prior to replacing or reducing funding to  
those programs. As of the Closing Date, the programs currently supported by the Hospitals include:

- 29 a. Tenderloin Health Services (SFMH);
- 30 b. Reimbursement for Physician Indigent Care (SFMH);
- 31 c. Community grants program (SFMH and SMMC);
- 32 d. Rally Family Visitation Program (SFMH);
- 33 e. Transportation service (SMMC);
- 34 f. Uncompensated specialized testing (SFMH);
- 35 g. Community grants program (SFMH and SMMC);
- 36 h. San Francisco Health Improvement Partnership (SFMH and SMMC);
- 37 i. Graduate Medical Education, whether sponsored by The Regents/UCSF Health, a  
38 Bound Party, or another duly accredited organization;<sup>7</sup>

<sup>7</sup> Nothing in this condition shall prevent The Regents/UCSF Health from consolidating the  
existing Graduate Medical Education programs offered by SMMC with those offered by UCSF  
Health at other locations so long as the programs continue to use SMMC as an education site and  
the overall number resident cap slots does not decrease.

- j. Breast Cancer Second Opinion Panel (SMMC); and
- k. Breast Cancer Support Group (SMMC).

For the second year and each subsequent year, the Minimum Community Benefit Amount shall increase yearly by 2.4 percent.<sup>8</sup>

If the actual amount of community benefit services provided at SFMH or SMMC for any year is less than the Minimum Community Benefit Services Amount (as adjusted pursuant to the above annual percentage increase) required for such year, The Regents/UCSF Health shall pay an amount equal to the deficiency to one or more tax exempt entities that provide community benefit services for residents in the SFMH or SMMC service areas. Such payment(s) shall be made within six (6) months following the end of such year.

## XII.

**Community Advisory Board.** For ten (10) years from the Closing Date, The Regents/UCSF Health or a Bound Party shall maintain a Community Advisory Board (including physicians, medical and other staff, and community representatives for both SMMC and SFMH) at the Hospitals (Community Advisory Board). The Regents/UCSF Health and the Hospitals shall consult with the Community Advisory Board at least sixty (60) days prior to making any material non-emergency reductions to the types, levels, or locations of services and the Hospitals shall consult with the Community Advisory Board at least sixty (60) days prior to making any material non-emergency reductions in services or community benefit programs at the Hospitals. The Community Advisory Board may comment on all reports submitted to the Attorney General regarding compliance with the Conditions.

## XIII.

**Capital Commitments.** The Regents/UCSF Health or the Saint Francis Memorial Hospital Corporation shall invest at least \$430 million capital to the Hospitals and/or services and programs described in these Conditions over a ten (10) year period following the Closing Date (Capital Expenditures). The Capital Expenditures shall include at least \$80 million in funding for electronic medical record systems and related technology investments at the Hospitals and at least \$350 million in deferred maintenance and physical infrastructure improvements to support the provision of the services and programs described in these Conditions (including, for example, those improvements necessary to maintain compliance with Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended). The Regents/UCSF Health or the Saint Francis Memorial Hospital Corporation shall present the annual capital budget for the Hospitals in advance to the Community Advisory Board for discussion and solicitation of input.

## XIV.

**Seismic Safety Planning and Reporting.** The Regents/UCSF Health or the Saint Francis Memorial Hospital Corporation will provide the Attorney General with courtesy copies of HCAI filings required by the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act and future statutes, including a Seismic Improvement Plan with a budget and timeline for completion.

<sup>8</sup> See footnote 6.

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**XV.**

**Maintenance of City and County Contracts.** For seven (7) years from the Closing Date of the Affiliation Agreement, The Regents/UCSF Health or a Bound Party shall not engage in convenience termination of the following contracts with the City and County of San Francisco, or its subdivisions, departments, or agencies, for services at SFMH and SMMC unless: (i) the contract is terminated by either party for cause, (ii) the terms and conditions, including compensation, are not Commercially Reasonable, or (iii) the contract is not extended, renewed or otherwise terminated by the local government or the State, as applicable.

For SFMH, those contracts include:

- a. Memorandum of Understanding – 340 B Program;
- b. Agreement for Supervised Therapeutic Visitation Services (Rally Family Visitation Services); and
- c. Residency Affiliation Agreement.

For SMMC, those contracts include:

- a. Orthopedic Residency Affiliation Agreement;
- b. General Services Agreement;
- c. Mental Health and Substance Abuse Services;
- d. Community Behavioral Health Services;
- e. SMMC Transportation Service;
- f. Uncompensated Specialized Testing;
- g. Community Grants Program;
- h. San Francisco Health Improvement Partnership;
- i. Graduate Medical Education;
- j. Breast Cancer Second Opinion Panel; and
- k. Breast Cancer Support Group.

If The Regents/UCSF Health or a Bound Party determines that any contract covered in this Condition satisfies subsection b.ii, UCSF Health shall give written notification to the Attorney General within thirty (30) days of its determination, and shall reasonably cooperate with any resulting information requests, subject to any demonstrated legally recognized privilege and appropriate confidentiality protections.

**XVI.**

**Hospital Medical Staff Governance.** For seven (7) years from the Closing Date, the governing body of the Hospitals shall not act unilaterally to approve amendments to the Medical Staff Bylaws of the Hospitals that would result in a modification to the composition of the Medical Staff of the Hospitals as of the Closing Date. Nothing in this condition shall preclude the Medical Staff Bylaws of the Hospitals from being amended from time to time at the initiative of the medical staff at large or duly elected medical staff leaders, or from being amended to comply with changes to applicable law, Regents' policies, or accreditation standards. Further, nothing in this condition shall restrict or limit the Hospitals' or the medical staff's ability to conduct credentialing activities, peer review and investigatory oversight activities in a manner consistent with the Medical Staff Bylaws, applicable law, and applicable accreditation standards.

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**XVII.**

**Open Medical Staff and Physician Affiliations.** For ten (10) years from the Closing Date, the Hospitals will not otherwise expressly or implicitly condition medical staff privileges, on the employment, contracting, affiliation, or appointment status of a physician with The Regents/UCSF Health or any affiliate other than the Hospitals.

**XVIII.**

**Medical Staff Contracting.** For seven (7) years from the Closing Date, neither The Regents/UCSF Health nor the governing body of the Hospitals shall impose any requirement upon any member of the Hospitals' medical staff, as a condition of their medical staff membership or privileges that expressly or implicitly:

- a. restricts, or imposes implicit or express exclusivity on, those physicians' or providers' ability to contract with payors;
- b. restricts, or imposes implicit or express exclusivity on, those physicians' or providers' ability to refer patients to health facilities, physicians, or other healthcare providers that are not affiliated with, employed by, or otherwise contracted with UCSF Health or any of its affiliates; and
- c. imposes any noncompetition, non-solicitation, nondisclosure, noninterference, non-disparagement, or other restrictive covenant obligation.

For the avoidance of doubt, the Hospitals and The Regents/UCSF Health may adopt, amend, investigate, and enforce policies and procedures that prohibit unlawful kickbacks, referrals, and inducements. The Hospitals shall ensure equal access to healthcare without discrimination, and without respect to their payor or their source of referral. Nothing in this Condition shall preclude The Regents/UCSF Health or the Hospitals from requiring that practicing physicians participate in the specific payor plans offered at the Hospitals or prohibit The Regents/UCSF Health or the Hospitals from maintaining exclusive contracts for hospital-based physician arrangements;<sup>9</sup> provided, however, that neither The Regents/UCSF Health nor the Hospitals will require a medical group, as a condition of bidding on or entering such an arrangement with the Hospitals, or any of their physicians, to have or maintain a faculty appointment or any affiliation with The Regents/UCSF Health.

**XIX.**

**Discrimination.** From the Closing Date of the Affiliation Agreement, the Hospitals shall prohibit discrimination on the basis of any protected personal characteristic in accordance with state and federal civil rights laws, including section 51 of the California Civil Code and title 42, section 18116 of the United States Code. Categories of protected personal characteristics include, as of the date of this Agreement:

- a. Gender, including sex, gender, gender identity, and gender expression;
- b. Intimate relationships, including sexual orientation and marital status;
- c. Ethnicity, including race, color, ancestry, national origin, citizenship, primary language, and immigration status;
- d. Religion;
- e. Age; and

<sup>9</sup> Hospital-based physician arrangements include emergency department coverage, hospitalist coverage, pathology services, radiology/imaging services and anesthesiology services.

1 f. Disability, including disability, protected medical condition, and protected genetic  
2 information.

3 **XX.**

4 **Negotiation and Management of Commercial Payor Contracts.** For seven (7) years from the  
5 Closing Date, unless a payor voluntarily requests otherwise, the Hospitals shall negotiate all  
6 commercial, Medicare Managed Care Contracts, and Medi-Cal Managed Care Contracts,  
including contracts for Covered California, with any payor, separately and independently from  
UCSF Health.

7 A. The Hospitals will not expressly or implicitly condition the participation of or impose any  
8 payor contract terms, including prices or any other conditions, concerning SFMH and SMMC or  
any of its affiliates on the participation of, or any payor contract terms concerning, UCSF Health  
or any of its affiliates with any payor or future payor, including:

9 1. Engaging a payor in “all-or-nothing” contracting for facility services by expressly or  
10 impliedly requiring the payor to contract with facilities other than the Hospitals and not  
11 permitting the payor to contract with the Hospitals (either individually or together)  
12 separately, including by conditioning the participation, pricing, or payor contract terms of  
the Hospitals in a commercial or government-sponsored product on any of the following:

- 13 a. Participation or payor contract terms of any facility other than the Hospitals in the  
14 same or any other commercial or government-sponsored product offered by the  
payor;
- 15 b. Pricing any facility other than the Hospitals in the same or any other commercial  
16 or government-sponsored product offered by the payor; and
- 17 c. Status of any facility other than the Hospitals (including the decision on whether to  
18 include or exclude) in the payor’s center of excellence program (or other program  
19 designed to differentiate facilities based on their quality of care, their cost, or other  
consideration), or the exclusion of any third party’s facility in the payor’s center of  
excellence program (or other similar program).

20 2. Interfering with or otherwise engaging in any action, direct or indirect, to prevent a payor  
21 from contracting with any other hospital, provider, or facility or to prevent the  
22 introduction or promotion of narrow, tiered, or steering commercial or government-  
23 sponsored products or value-based benefit designs for commercial or government-  
sponsored products (i.e. benefit designs that attempt to reward providers for affordability  
and/or quality), including reference pricing.

24 B. UCSF Health or any of its affiliates will not expressly or implicitly condition the  
25 participation of or impose any payor contract terms, including prices or any other conditions,  
concerning UCSF Health or any of its affiliates on the participation of, or any payor contract  
26 terms concerning, SFMH and SMMC with any payor or future payor, including:

27 1. Engaging a payor in “all-or-nothing” contracting for facility services by expressly or  
28 impliedly requiring the payor to contract with facilities other than the Hospitals and not  
permitting the payor to contract with the Hospitals (either individually or together)

1 separately, including by conditioning the participation, pricing, or payor contract terms of  
2 the Hospitals in a commercial or government-sponsored product on any of the following:

- 3 a. Participation or payor contract terms of any facility other than the Hospitals in the  
4 same or any other commercial or government-sponsored product offered by the  
5 payor;
- 6 b. Pricing any facility other than the Hospitals in the same or any other commercial  
7 or government-sponsored product offered by the payor; and
- 8 c. Status of any facility other than the Hospitals (including the decision on whether to  
9 include or exclude) in the payor's center of excellence program (or other program  
designed to differentiate facilities based on their quality of care, their cost, or other  
consideration), or the exclusion of any third party's facility in the payor's center of  
excellence program (or other similar program).

- 10 2. Interfering with or otherwise engaging in any action, direct or indirect, to prevent a payor  
11 from contracting with any other hospital, provider, or facility or to prevent the  
12 introduction or promotion of narrow, tiered, or steering commercial or government-  
13 sponsored products or value-based benefit designs for commercial or government-  
sponsored products (i.e. benefit designs that attempt to reward providers for affordability  
and/or quality), including reference pricing.

14 C. *Separate Payor Negotiating Teams.* The Hospitals shall continue to maintain a team of  
15 negotiators for payor contracts exclusively responsible for negotiating payor contracts for SFMH  
and SMMC (Community Hospitals Negotiating Team) that will not overlap with, and otherwise  
shall be kept separate from the team of negotiators for UCSF Health (UCSF Negotiating Team).

16 UCSF Health and any its affiliates shall continue to maintain a team of negotiators for payor  
17 contracts exclusively responsible for negotiating payor contracts for UCSF Health that will not  
18 overlap with, and otherwise shall be kept separate from the Community Hospitals Negotiating  
19 Team. To the extent UCSF Health or the Regents negotiate system-wide contracts across the  
entire University of California healthcare system, they shall not evade the provisions in this  
Condition through such system-wide contractual negotiations or system-wide contracts.

20 The Community Hospitals Negotiation Team and UCSF Negotiating Team shall operate  
21 independently of each other and shall have the exclusive responsibility of negotiating their  
22 respective payor contracts separately and in competition with each other and other healthcare  
systems.

23 At the voluntary request of a specific payor or future payor and upon written notice to the  
24 Attorney General's Office for each and every applicable joint negotiation, UCSF Health shall be  
25 permitted to negotiate a payor contract for hospital services jointly for both the Hospitals and  
UCSF Health for that specific payor for that specific payor contract.

26 D. *Segregation of Information.* For purposes of these Conditions, "Payor Contracting  
27 Information" shall mean prices; rates; price-related terms (including maximum reimbursement  
28 amounts allowed or amounts paid for services), definitions, conditions, or policies; and pricing  
methodologies concerning contracts or negotiations with a specific payor or future payor;  
provided, however, that "Payor Contracting Information" shall not include: (i) information that is  
in the public domain or that falls in the public domain through no violation of these Conditions or



1 breach of any confidentiality or non-disclosure agreement with respect to such information by  
2 UCSF Health or any of its affiliates; (ii) information that becomes known to UCSF Health from a  
3 third party that UCSF Health reasonably believes has disclosed that information legitimately; (iii)  
4 information that is required by law to be publicly disclosed; (iv) information of a payor that  
5 applies to all providers or to all providers within a category (e.g., provide type or geography)  
6 unrelated to provider prices, rates, or price-related terms; or (v) aggregate information<sup>10</sup>  
7 concerning the financial condition of the Hospitals. This paragraph shall not be construed to  
8 require the Hospitals to have a separate and independent electronic system of any kind for storing  
9 and accessing clinical information from UCSF Health. Nor shall it be construed to require UCSF  
10 Health to maintain separate teams to manage billing, reimbursement, collections, and related  
11 activities (“Contract Administration”); provided, however, that UCSF Health prohibits the  
12 sharing of any Payor Contracting Information applicable to UCSF Health and any of its affiliates  
13 with the Community Hospitals Negotiating Team and prohibits the sharing of any Payor  
14 Contracting Information applicable to the Community Hospitals with the UCSF Negotiating  
15 Team.

16 Payor Contracting Information with respect to the Hospitals shall not, directly or indirectly, be  
17 transmitted to or received by the UCSF Negotiating Team or by UCSF Health and any of its  
18 affiliates, and Payor Contracting Information with respect to UCSF Health or any of its affiliates  
19 shall not, directly or indirectly, be transmitted to or received by the Community Hospitals’  
20 Negotiating Team, except as provided in this Condition.

21 No later than ninety (90) days after this AVC becomes effective, UCSF Health shall implement  
22 procedures and protections<sup>11</sup> to ensure that Payor Contracting Information for UCSF Health or  
23 any of its affiliates, on the one hand, and the Hospitals, on the other, is maintained separately and  
24 confidentially, including but not limited to:

- 25 1. Establishing an information firewall (Firewall) that prevents the UCSF Negotiating Team,  
26 UCSF Health or any of its affiliates from requesting, receiving, sharing, or otherwise  
27 obtaining any Payor Contracting Information with respect to the Hospitals, and prevents  
28 the Community Hospitals Negotiating Team from requesting, receiving, sharing, or  
otherwise obtaining any Payor Contracting Information with respect to UCSF Health or  
any of its affiliates.

The Firewall shall include reasonable confidentiality protections, internal practices,  
training, segregation of personnel, communication restrictions, data storage restrictions,  
protocols, and other system and network controls and restrictions, all as reasonably  
necessary to make the Firewall effective.

The Firewall shall also include measures by which the Monitor, as appointed pursuant to  
condition XXVI, the Hospitals, and UCSF Health shall (1) investigate any suspected  
material violation of any established policies and procedures; (2) develop and implement  
appropriate remedial training and/or disciplinary action for any substantiated violation; (3)  
adopt disclosure mitigation measures in the event of a breach; and (4) document and

<sup>10</sup> “Aggregate information” shall mean information that is aggregated across services and  
across payors.

<sup>11</sup> After this AVC becomes effective and before the procedures and protections are  
implemented, UCSF Health and any of its affiliates shall use Commercially Reasonable Efforts to  
ensure that Payor Contracting Information for UCSF Health or any of its affiliates, on the one  
hand, and the Hospitals, on the other, is maintained separately and confidentially.

1 maintain records of reported Firewall policy violations to provide to the Attorney  
2 General's Office upon request.

- 3 2. Establishing a software application or other data system that houses Payor Contracting  
4 Information (Contract System) that is utilized by the UCSF Negotiating Team that is  
5 separate or clearly partitioned from the Contract System that is utilized by the Community  
6 Hospitals Negotiating Team to ensure the confidentiality of Payor Contracting  
7 Information;
- 8 3. Causing each of UCSF Health's employees with access to Payor Contracting Information  
9 to maintain the confidentiality of that information, including but not limited to:  
10 a. requiring each employee to sign a statement that the individual will comply with  
11 these terms;  
12 b. maintaining complete records of all such statements; and  
13 c. providing an officer's certification to the Attorney General's Office as part of the  
14 annual reporting required by this AVC stating that such statements have been  
15 signed and, to the best of that officer's knowledge, information, and belief, are  
16 being complied with by all relevant employees.
- 17 4. This Condition shall not operate to prevent UCSF Health's officers from requesting,  
18 receiving, sharing, using or otherwise obtaining Payor Contracting Information relating to  
19 any the Hospitals, including, but not limited to, aggregated information related to costs,  
20 quality, patient mix, service utilization, experience data, budgets, capital needs, expenses,  
21 and overhead. Provided that, however, UCSF Health's officers may not share Payor  
22 Contracting Information regarding the Hospitals with the UCSF Health Negotiating Team,  
23 or regarding UCSF Health and any of its affiliates with the Community Hospitals  
24 Negotiation Team. This Condition also shall not operate to preclude any Regent, in the  
25 exercise of their duties as a Regent, nor any Regents-appointed auditor, in the exercise of  
26 the auditor's independent duties to the Regents, from receiving any and all information  
27 and documents they may require; provided, however, that such Regents and auditors shall  
28 be required, as a condition of their access, to not share any Payor Contracting Information  
regarding UCSF Health and any of its affiliates with the Community Hospitals  
Negotiating Team and any Community Hospitals Payor Contracting Information with the  
UCSF Negotiating Team.
5. If a payor or future payor voluntarily elects to negotiate and contract jointly for hospital  
services for both UCSF Health and the Hospitals, nothing in this AVC shall prohibit  
UCSF Health from requesting or obtaining Payor Contracting Information with respect to  
hospital services for both UCSF Health and the Hospitals for that particular payor or from  
using that Payor Contracting Information for that particular Payor with respect to the joint  
negotiations and contracting for that particular Payor Contract.
6. Nothing in this AVC shall prevent the department that will be responsible for contract  
administration for both UCSF Health and the Hospitals (Corporate Payor Contracting  
Department) from requesting Payor Contracting Information from the UCSF Negotiating  
Team or the Community Hospitals Negotiating Team, provided, however, that:

- 1 a. the Payor Contracting Information that is requested and obtained is used solely for  
2 the purpose of contract administration, and
- 3 b. the Corporate Payor Contracting Department is prohibited from providing, sharing,  
4 or otherwise making available Payor Contracting Information from the UCSF  
5 Negotiating Team to or with the Community Hospitals Negotiating Team; or from  
6 the Community Hospitals Negotiating Team to or with the UCSF Negotiating  
7 Team.

8 Within ninety (90) days of the Closing Date of the Affiliation Agreement, UCSF Health and the  
9 Hospitals shall affirm to the Attorney General's Office that they will continue to maintain, as  
10 separate, non-overlapping negotiating teams, the Community Hospital Negotiating Team, the  
11 UCSF Health Negotiating Team, and the Joint Negotiating Team, respectively, and identify the  
12 members of each negotiating team. UCSF Health and the Hospitals shall provide annually,  
13 starting January 1, 2025, an update as to the identity of the members of each negotiating team and  
14 continue to affirm that they are maintaining these separate, non-overlapping negotiating teams.

15 **XXI.**

16 **Price Cap Period.** For five (5) years from the Closing Date, the maximum that the Hospitals may  
17 charge a payor for any Commercial or government-sponsored product for general acute care  
18 hospital services will be governed by the applicable payment provisions in the contract terms that  
19 are in effect for SMMC, SFMH, or Dignity Health, and that payor as of the Closing Date, subject  
20 to any renewal contract terms that are negotiated in compliance with this AVC so long as such  
21 annual price increase shall not exceed four percent (4.0%).

22 For purposes of this Condition XXI, price increases do not cover increases in the costs incurred by  
23 the Hospitals as disclosed in applicable collective bargaining agreements that are in excess of 4.0%.  
24 In the event the Hospitals negotiate with a payer an increase in excess of 4.0%, the Monitor and the  
25 Attorney General shall have 60 days from the date of execution of the payer agreement to request  
26 information about or raise any objection to the excess increase. In the event the Hospitals do not  
27 reach an agreement satisfactory to the Attorney General, the parties shall meet and confer as  
28 provided in Condition XXV herein.

29 **XXII.**

30 **Annual Compliance Report.** For ten (10) years from the Closing Date of the Affiliation  
31 Agreement, the Hospitals and UCSF Health shall submit to the Attorney General, no later than six  
32 (6) months after the conclusion of each calendar year, a report describing in detail compliance with  
33 each Condition set forth herein during that calendar year. The Chief Executive Officer(s) of the  
34 Hospitals and of UCSF Health (with respect to those Conditions that apply directly to UCSF  
35 Health) shall certify that the report is true, accurate, and complete to the best of their knowledge,  
36 information, and belief, and provide documentation of the review of the report by the Community  
37 Advisory Board and Regents Health Services Committee.

38 **XXIII.**

39 At the request of the Attorney General, the Bound Parties shall provide such information as is  
40 reasonably necessary for the Attorney General and the Monitor (as applicable), as appointed  
41 pursuant to Condition XXVI, to monitor compliance with the Conditions. The Attorney General

1 will, at the request of the Bound Parties and to the extent provided by law, keep confidential any  
2 information so produced except in so far as is necessary for the enforcement of these Conditions in  
3 a judicial proceeding, subject to a protective order the Monitor may investigate and issue a report  
4 and recommendation on any Condition where compliance, partial noncompliance, or  
5 noncompliance by the Hospitals is involved, and the text of the Condition provides that review is  
6 in the scope of the Monitor's engagement. To the extent that either a complaint is received by the  
7 Attorney General or by the Monitor involving compliance, noncompliance, or partial compliance  
8 with these Conditions by UCSF Health or its affiliates, only the Attorney General shall have the  
9 power to investigate such compliance, partial compliance, or noncompliance with these Conditions.  
10 The Attorney General is entitled to request the cooperation of UCSF Health and its affiliates with  
11 any such investigation and such cooperation shall not be unreasonably withheld.

#### 12 XXIV.

13 The Bound Parties shall reimburse the Attorney General for reasonable, documented investigative  
14 costs incurred in connection with any investigative follow-up by the Attorney General, up to a  
15 maximum of \$500,000 during the ten (10) year term of this AVC.

#### 16 XXV.

17 The Attorney General reserves the right to enforce against the Bound Parties each and every  
18 provision set forth herein to the fullest extent provided by law under California Government Code  
19 section 12533 and shall be entitled to all of the remedies against the Bound Parties provided for by  
20 California Government Code section 12533. Any action by the Attorney General to enforce these  
21 Conditions may be brought in the Superior Court of San Francisco, and any applicable appellate  
22 court therefrom. Before bringing any such action, the Attorney General's Office and UCSF Health  
23 shall meet in good faith to discuss and try to reasonably resolve any such dispute without litigation  
24 and shall discuss in good faith resorting to mediation, with a mutually acceptable mediator and  
25 costs for the mediation to be split in half between the Attorney General's Office and UCSF Health.

#### 26 XXVI.

27 The Attorney General shall have the power to appoint and will promptly appoint an independent  
28 monitor (Monitor) to monitor and evaluate compliance with the Conditions herein as applicable to  
the Hospitals only, for seven (7) years from the Closing Date of the Affiliation Agreement.<sup>12</sup>

To be qualified to serve as the Monitor, a candidate must disclose to the Attorney General any  
potential conflict of interest, be experienced with hospital operations and managed care contracting  
in general, if not also knowledgeable as to hospital operations and managed care contracting in  
California. The Bound Parties will disclose candidates they propose to serve as the Monitor to the  
Attorney General and the Attorney General will disclose candidates it proposes to serve as the  
Monitor to the Bound Parties.

The Attorney General and the Bound Parties shall consider diversity, equity, and inclusion in  
proposing candidates to serve as the Monitor. The Attorney General will give due consideration to  
any candidates proposed by the Bound Parties and the Bound Parties will give due consideration to  
any candidates proposed by the Attorney General.

Any interviews of any candidates will be jointly conducted by the Bound Parties and the Attorney  
General.

<sup>12</sup> The Attorney General will monitor and evaluate compliance with these Conditions in every other respect.

1 Not later than thirty (30) days after the Attorney General's selection of the Monitor, the Bound  
2 Parties shall execute an agreement that, subject to the prior approval of the Attorney General,  
3 confers on the Monitor those rights, powers, and authorities necessary to permit the Monitor to  
4 perform their duties.

5 The Bound Parties may require the Monitor and each of the Monitor's staff and experts to sign a  
6 customary confidentiality agreement; provided however, that such agreement shall not restrict the  
7 Monitor from providing any information to the Attorney General.

8 The Monitor shall have the power to conduct and provide ongoing oversight and surveillance of  
9 the Bound Parties' compliance with the applicable Conditions described in this AVC. The Monitor  
10 shall have all powers reasonably necessary to monitor compliance with the Conditions, including  
11 the power to:

- 12 1. Take complaints regarding compliance with the Conditions from payors, competitors of  
13 the Bound Parties, employees of the Hospitals, and Foundation Physicians Medical  
14 Group, employees of UCSF Health and UCSF Health Medical Foundation, or from the  
15 Attorney General (with reasonable notice to be provided thereafter to all parties);
- 16 2. Inspect records and compel disclosure of confidential documents maintained by SFMH  
17 and SMMC subject to any demonstrated legally recognized privilege and appropriate  
18 confidentiality protections;
- 19 3. Interview staff, patients, visitors, contractors, and other interested persons subject to  
20 reasonable prior notice and the opportunity for the Bound Parties to have counsel present;
- 21 4. Hire staff and experts reasonably necessary to conduct the activities within the scope of  
22 the Monitor's engagement; and
- 23 5. Make recommendations concerning enforcement to the Attorney General.

24 The Bound Parties shall reasonably cooperate with the Monitor in the performance of the Monitor's  
25 work and shall take no action to interfere with or impede the Monitor's ability to monitor  
26 compliance with the Conditions.

27 The Bound Parties shall provide annual reports to the Attorney General of the Bound Parties' efforts  
28 to comply with the Conditions. The Attorney General may confer with the Monitor regarding the  
annual reports to determine compliance with Conditions under the scope of the Monitor's duties.

The Bound Parties will be solely responsible for the expenses of the Monitor, including staff and  
experts of the Monitor, in performing the services described in this Condition; provided however,  
that the Bound Parties will not be compelled to pay more than \$750,000 in the aggregate, with a  
one-time supplement of up to \$225,000, upon the Attorney General's good cause determination for  
the services provided by the Monitor during the term of the Monitor's engagement.

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**XXVII.**

Retaliation or threats of retaliation based on any payor, entity, or individual having provided information in conjunction with the Conditions herein to the Attorney General, the Monitor, or to a court is prohibited.

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Proposed change to CEO objective weighting is on page 7  
Additions shown by underscore; deletions shown by strikeout

**The University of California  
Clinical Enterprise Management Recognition Plan (CEMRP)  
For Plan Year July 1, 2024 through June 30, 2025**

**1. PLAN PURPOSE**

The purpose of the University of California Clinical Enterprise Management Recognition Plan (CEMRP or Plan) is to provide at-risk, variable incentive compensation opportunity to those employees responsible for achieving or exceeding key Clinical Enterprise objectives. Consistent with healthcare industry practices, the UC Health System uses performance-based incentive compensation programs to encourage and reward achievement of specific financial and/or non-financial objectives (e.g., quality of care or patient satisfaction and safety, budget performance) and strategic objectives which relate to the Clinical Enterprise's mission.

The annual Short Term Incentive (STI) component of the Plan provides participants with an opportunity to receive a non-base building cash incentive based on the achievement of specific annual financial, non-financial, and strategic objectives relative to the mission and goals of the UC Health clinical enterprise.

The three-year Long Term Incentive (LTI) component is a non-base building incentive that is intended to encourage and reward top executives of the UC Health clinical enterprise for the achievement of multi-year strategic initiatives, to support and reinforce those results that will promote the long-term success of each UC Health location and collectively the clinical enterprise systemwide emphasizing the importance of the long-term strategic plan. In addition, the LTI assists in retaining the executive talent needed to achieve multi-year organizational objectives by complementing (but not duplicating) the focus of the short-term objectives of the Clinical Enterprise Management Recognition Plan. The Medical Center Chief Executive Officers (CEOs) of each UC Health System will participate in the LTI.

In summary, the Plan encourages the teamwork required to meet challenging organizational goals while encouraging individual participants to strive for personal excellence through individual and/or departmental performance objectives.

**2. PLAN OVERSIGHT**

Development, governance, and interpretation of the Plan will be overseen by an independent Administrative Oversight Committee (AOC), organized by the Vice President – Systemwide Human Resources and Associate Vice President – Total Rewards, and comprised of the following voting members:

- Chancellor of each campus with a Health System
- Executive Vice President – Chief Operating Officer
- Executive Vice President – Chief Financial Officer
- Executive Vice President – UC Health

The AOC, in its deliberations pertaining to the development or revision of the Plan, may consult with representatives from the Health Systems. The AOC will abide by the Political Reform Act, which would prohibit Plan participants from making, participating in making, or influencing decisions that would affect whether they participate in the Plan, the objectives that will govern whether they earn awards under the Plan, and the amount of awards paid to them under the Plan. The Office of General Counsel will be consulted if there are any questions about the application of the Political Reform Act in this context. The Senior Vice President – Chief Compliance and Audit Officer will assure that periodic auditing and monitoring will occur, as appropriate.

### **3. PLAN APPROVAL**

The Plan will be subject to an annual review conducted by the AOC to address design issues and market alignment. The Plan will be implemented each year upon the approval of the AOC if no substantive or material changes to the Plan are being recommended.

If the AOC recommends any substantive or material changes to the Plan, including, but not limited to, changes in the award opportunity levels, the AOC will obtain the approval of the President and the Regents' Health Services Committee before implementing such changes. Reasonable efforts, given all circumstances, will be made to delay implementing substantive or material Plan changes until after the end of the current Plan year. However, if changes are implemented during the Plan year that would affect the award calculations, changes will only be applied prospectively to the remaining portion of the Plan year. Plan changes recommended by the AOC that are not material or substantive, or are deemed to be technical corrections, may be approved by the AOC after consultation with the President and will then be implemented by the AOC at an appropriate time. The Regents will receive reports of all changes to the Plan.

### **4. PLAN YEAR**

The CEMRP year will correspond to the University's fiscal year, beginning July 1 and ending the following June 30.

The applicable performance period for CEMRP's LTI component will begin July 1 of the Plan year and end three years later on June 30th.

### **5. PLAN ADMINISTRATION**

The Plan will be administered under the purview of the Associate Vice President - Total Awards, at the Office of the President, consistent with the Plan features outlined in this document, and as approved by the President and the Regents' Health Services Committee. The Plan features and provisions outlined in this document will supersede any other Plan summary.

### **6. ELIGIBILITY TO PARTICIPATE**



Eligible participants in CEMRP are defined as the senior leadership of the Clinical Enterprise who have significant strategic impact and a broad span of control with the ability to effect enterprise-wide change. Campus and/or health system attorneys, members of Ethics, Compliance and Audit teams, and members of development/fundraising teams are not eligible to participate in CEMRP.

Eligibility to participate in CEMRP's LTI component is reserved for those senior executives who are in a position to make a significant impact on the achievement of long-term strategic objectives, specifically the CEOs at each of the Health Systems.

Plan participation in any one year does not provide any right or guarantee of eligibility or participation in any subsequent year of the Plan. The AOC will review and approve the Participant List prior to the start of each plan year.

Plan participants may be added after the Plan year has begun, subject to CEMRP's eligibility requirements and AOC approval.

Participants in this Plan may not participate in any other incentive or recognition plan during the Plan year, including the Health Sciences Compensation Plan, except in the event of a mid-year transfer within the University. Specifically, if a Plan participant is eligible for only a partial year award under this Plan because a mid-year transfer of position renders him or her eligible for Plan participation for only a portion of the Plan year, he or she may participate in a different University plan for the other portion of the Plan year. Concurrent participation in this Plan and another University incentive plan is not permitted.

CEMRP STI participants must have a minimum of six months of service to participate in the Plan and will receive a prorated award in their first year of participation. Similarly, participants who were not working for a significant portion of the Plan year may receive a prorated award in appropriate circumstances, as determined by the AOC. Participants who transfer within the University to a position that would not be eligible for participation in the Plan are eligible to receive a prorated award for that Plan year if they worked in the CEMRP-eligible position for at least six months.

An LTI participant hired or promoted into an LTI-eligible position between July 1, 2024 and December 31, 2024 of the 2024-25 Plan year will be assigned one or more long-term objective(s) for the three-year period from July 1, 2024 to June 30, 2027. The new LTI participant will be eligible for their first LTI incentive opportunity at the close of the three-year period ending June 30, 2027. The LTI award will be prorated by dividing the number of complete months the participant is in an eligible role during that three-year period by the number of months in the full performance period (36 months).

Prior to the beginning of the Plan year, the AOC will approve the Plan's participants and provide the President and the Chair of the Regents' Health Services Committee with a list of participants for that Plan year, including appropriate detail regarding each participant.

## **7. AWARD OPPORTUNITY LEVELS**

As part of their competitive total cash compensation package, Plan participants are assigned threshold, target, and maximum incentive award levels, expressed as a percentage of their base

salary. These award opportunity levels serve to motivate and drive individual and team performance toward established objectives. Target awards will be calibrated to expected results while maximum awards will be granted only for superior performance against established performance standards. Actual awards for any individual participant may not exceed the maximum award opportunity level assigned. Award opportunity levels are determined, in part, based on the participant’s level within the organization and the relative scope of responsibilities, impact of decisions, and long-term strategic impact. If a participant changes positions during the Plan year within the same institution (defined as the participant’s Health System) and the participant’s level within the organization changes based on the table below, the participant’s award should be adjusted to take into account the amount of time spent in each position.

**CEMRP STI Annual Award Opportunity (as percent of salary)**

<b>Position Level within Organization</b>	<b>Threshold Opportunity</b>	<b>Target Opportunity</b>	<b>Maximum Opportunity</b>
Tier 1: Medical Center Chief Executive Officers	10%	20%	30%
Tier 2: Senior Executive Clinical Enterprise Leadership	7.5%	15%	25%
Tier 3: Other Clinical Enterprise Leadership	7.5%	15%	20%

The individuals eligible to participate in CEMRP’s LTI component will be assigned one or more long-term performance objective(s) for the three-year period that begins with each new CEMRP Plan year, resulting in overlapping three-year LTI cycles. The LTI Threshold, Target, and Maximum award opportunity for the Medical Center CEOs will be 5 percent, 10 percent, and 15 percent, respectively, as shown in the chart below. The actual awards will be based on final assessments at the conclusion of the three-year LTI performance period and paid at the same time as the STI awards are paid.

**CEMRP LTI Award Opportunity (as percent of salary)**

<b><u>Position Level within Organization</u></b>	<b><u>Threshold Opportunity</u></b>	<b><u>Target Opportunity</u></b>	<b><u>Maximum Opportunity</u></b>
Tier 1: Medical Center Chief Executive Officers	5%	10%	15%

**8. PERFORMANCE STANDARDS**

Each Plan participant will be assigned Performance Objectives which have standards of performance defined as Threshold, Target, and Maximum performance consistent with the following:

**Threshold Performance** – Represents the minimum acceptable performance standard for which an award can be paid. This level represents satisfactory results, but less than full achievement of stretch objectives.

**Target Performance** – Represents successful attainment of expected level of performance against stretch objectives.

**Maximum Performance** – Represents results which clearly and significantly exceed all performance expectations for the year. This level of accomplishment should be rare.

The same performance standards will be used for LTI performance objectives, but they will relate to performance over a three-year period rather than a one-year period.

## 9. PERFORMANCE OBJECTIVES AND WEIGHTINGS

At the beginning of each fiscal year, each participant will be assigned a set of financial and/or non-financial performance objectives that align to the mission and goals of the Clinical Enterprise systemwide and each participant's respective UC Health location

Objectives set at the Systemwide Clinical Enterprise level encourage cooperation between the UC Health locations for the benefit of the entire UC Health Clinical Enterprise systemwide. Institutional performance objectives are specific to each UC Health location to encourage teamwork and recognize the collective effort needed to achieve challenging organizational goals. Individual or departmental performance objectives are designed to focus attention on key individual or departmental goals.

For purposes of this Plan, individual/departmental performance objectives should not be identical to regular job requirements or expectations as overall job performance is assessed as part of the Annual Performance Review Process.

All CEMRP performance objectives must be stretch in terms of achievement potential, must be aligned with specific Institutional and/or Clinical Enterprise initiatives, and are often connected with or supplement ongoing job responsibilities.

Each of the STI and LTI performance objectives will relate to one or more of the categories below:

- Financial Performance
- Quality Improvements
- Patient Satisfaction
- Key Initiatives in Support of the Strategic Plan
- People and other Resource Management

There will be no more than nine STI performance objectives for each participant comprised of the following: (1) Up to three objectives relating to the performance of the *Clinical Enterprise* (defined as Systemwide); (2) Up to three objectives relating to the performance of the *Institution* (defined as the participant's Health System); (3) For all participants other than those eligible for the LTI component, up to three objectives relating to *Individual* and/or *Departmental* performance. If an Individual/Departmental performance objective has three components and the

Threshold, Target, and Maximum performance standards are framed as “meet one of three,” “meet two of three,” and “meet three of three,” respectively, each component must have equal importance and weighting. While this type of Individual/Departmental performance objective is permissible, Individual/Departmental performance objectives with clear metrics for each performance standard are preferred.

Annual STI Individual/Departmental performance objectives will be established by each participant’s supervisor in consultation with the Medical Center CEO of their respective Health System for all participants other than those eligible to participate in the LTI component. The established individual objectives will be implemented and administered by the Chief Human Resources Officers that oversee each health system.

The annual STI Institutional performance objectives for each Health System will be established by the respective Chancellors in advance of the Plan year. The established institutional objectives will be implemented and administered by the respective Medical Center CEOs.

The annual STI performance objectives for the Systemwide Clinical Enterprise Level will be established by the EVP-UC Health, who must consult with the President, the Chair of the Regents’ Health Services Committee, and the Chair of the Board of Regents. The established systemwide objectives will be implemented and administered by the Systemwide Office of UC Health under the purview of the EVP-UC Health.

LTI participants will also be assigned one or more LTI performance objective(s) for each three-year performance period. The LTI performance objective(s) will require longer-term, multi-year efforts to achieve. LTI performance objectives must contain details that define Threshold, Target, and Maximum performance and include metrics and benchmarks, as appropriate. The LTI performance objectives will be established by the EVP-UC Health, who must consult with the President, and the Chair of the Regents’ Health Services Committee and the Chair of the Board of Regents. The established LTI objectives will be implemented and administered by the Systemwide Office of UC Health under the purview of the EVP-UC Health.

All performance objectives must be SMART (specific, measurable, attainable, relevant, and time-based). Assessment of participants’ performance and contribution relative to these objectives will determine their actual award amount.

Peer group and/or industry data must be used where appropriate to provide a benchmark and performance standard. Performance objectives at the Systemwide and Institutional levels are typically measured against relative peer/industry benchmarks in the market. Where an established internal or external benchmark is used, baseline metrics must be included to enable a determination of the degree to which the intended results would require stretch performance.

The Chief Human Resource Officer at each Health System will be responsible for ensuring that all Individual/Departmental objectives for participants at that location meet the SMART standards before obtaining sign-off from the CEO and Chancellor. The STI and LTI performance objectives for all participants will be subject to review and approval by the AOC prior to the beginning of the Plan year or as soon as possible thereafter. The AOC will consult the Senior Vice President – Chief Compliance and Audit Officer in an independent advisory capacity during its review of Plan participants’ objectives.

The participants’ performance toward their assigned STI objectives may be measured across three organizational levels as noted above (Systemwide, Institutional, and Individual/ Departmental) and will be weighted according to the percentages listed in the table below.

**Weighting of STI Annual Objectives**

Position Level within Organization	Clinical Enterprise (Systemwide) Level	Institutional Level	Individual and/or Departmental Level
Tier 1: Medical Center Chief Executive Officers	<del>50%</del> 30%	<del>50%</del> 70%	0%
Tier 2: Senior Executive Clinical Enterprise Leadership	30%	50%	20%
Tier 3: Other Clinical Enterprise Leadership	20%	50%	30%

Each participant’s supervisor will provide notification to each participant of: (a) the participant’s performance objectives for the Plan year, (b) the performance standards that will be used to measure Threshold, Target, and Maximum performance for each objective, (c) the performance weightings that will apply to the participant’s performance objectives, and (d) a copy of this Plan document.

**10. PLAN FUNDING AND MINIMUM THRESHOLD FOR FINANCIAL STANDARD**

Full funding of STI awards for participants at a Health System in the plan year are to be paid from health revenues only. Payment of awards is contingent upon each Health System’s ability to pay out the awards while maintaining a positive Modified EBIDA. This minimum threshold financial standard is based on the calculation of Modified EBIDA as reported to the Regents’ Health Services Committee.

In the event that the Health System cannot meet that financial standard for the Plan year, and the Health System attains key Institutional non-financial objectives, the AOC may consider and approve, in consultation with the Chancellor and EVP – UC Health, partial STI award payouts for some or all of that Health System’s Plan participants based on the Award Opportunity Levels defined above and participants’ achievement of their assigned STI performance objectives for the Plan year.

**11. INCENTIVE AWARD ELIGIBILITY CRITERIA**

Participants must be active full-time employees of the University at the conclusion of the Plan year (i.e., as of midnight on June 30th) to be eligible to receive an STI award for that Plan year, unless the circumstances of their separation from the University entitle them to a full or partial award as set forth in the Separation from the University provision below in Section 13.

LTI participants must be active full-time employees at the conclusion of the three-year period associated with an LTI performance objective (i.e., as of midnight on June 30th of the third year) to be eligible to receive an LTI award for that period.

Participants must have at least a “Meets Expectations” or equivalent overall rating on their performance evaluation for the Plan year to be considered for an STI award under the Plan for that Plan year or an LTI award for the performance period that concludes at the end of that Plan year. A manager may reduce or eliminate an award according to the participant’s overall performance rating with the approval of the AOC. However, an overall performance rating below “Meets Expectations” will eliminate the total award for that participant for that Plan year or performance period.

A participant who has been found to have committed a serious violation of state or federal law or a serious violation of University policy at any time prior to distribution of an STI or LTI award will not be eligible for such awards under the Plan for that Plan year and/or performance period. If such allegations against a participant are pending investigation at the time of the award distribution, the participant’s award(s) may be withheld pending the outcome of the investigation. If the participant’s violation is discovered later, the participant may be required to repay awards for the Plan years and/or performance periods in which the violation occurred.

Likewise, when it has been determined that a participant’s own actions or the participant’s negligent oversight of other University employees played a material role in contributing to a serious adverse development that could harm the reputation, financial standing, or stability of the participant’s Health System (*e.g.*, the receipt of an adverse decision from a regulatory agency, placement on probation status, or the adverse resolution of a major medical malpractice claim) or, with regard to the Clinical Enterprise overall, the AOC has the discretion to decide that the participant will either not be eligible for an STI or LTI award under the Plan that year or will receive an award that has been reduced as a result of and consistent with the participant’s role with regard to the adverse development. If the participant’s role regarding the adverse development is still under investigation at the time of award distribution, the participant’s award for the Plan year may be withheld pending the outcome of the investigation.

If the participant’s role in the adverse development is discovered later, the participant may be required to repay awards for the years in which the actions or negligent oversight occurred.

## **12. INCENTIVE AWARD APPROVAL PROCESS**

At the end of each Plan year, proposed incentive awards will be submitted to Systemwide HR under the purview of the AVP, Total Rewards. Except as set forth below. Awards amounts will be reviewed and approved by the AOC. The AOC will consult the Senior Vice President – Chief Compliance and Audit Officer in an independent advisory capacity during its review of proposed incentive awards. The AOC will provide the chair of the Regents’ Health Services Committee and the President with a listing of award recommendations before awards are scheduled to be paid. On behalf of the AOC, the Systemwide HR under the purview of the AVP, Total Rewards will provide the President and the Regents with the award details in the Annual Report on Executive Compensation.

Approved incentive awards will be processed after the Vice President – Systemwide Human Resources provides notification to release the awards unless they have been deferred pursuant to the provision set forth below.

Annual incentive awards will be payable in cash, subject to appropriate taxes and pursuant to normal University payroll procedures. The participant’s total University salary (which includes

base salary and any stipends but does not include any prior year incentive award payouts or disability pay) as of June 1st of the Plan year will be used in the calculation of the incentive award amount.

The assigned Description of Service code of “XCE” specific to the Plan **must** be used when paying awards to Plan participants.

This Plan may be terminated or replaced at any time for any reason upon the recommendation of the President, in consultation with the Chair of the Regents’ Health Services Committee. Reasonable efforts, given all circumstances, will be made to delay Plan termination until after the current Plan year has concluded. However, if the Plan is terminated during the Plan year, awards for the current year will still be processed based on participants’ performance during the portion of the Plan year prior to termination.

Notwithstanding any other term in the Plan, current year incentive awards may be deferred if the Regents issue a declaration of extreme financial emergency upon the recommendation of the President or if the Systemwide Clinical Enterprise experiences a consolidated negative Modified EBIDA as reported to the Regents’ Health Services Committee. In such situations, the deferral would be made upon the recommendation of the AOC and require the approval of the President and the Chair of the Regents’ Health Services Committee. In such a case the current year deferred awards will earn interest at the Short Term Investment Pool rate. Award payments that have been approved, but deferred, will be processed and distributed as soon as possible. In no event will awards be deferred longer than one year.

The University may require repayment of an award that was made as a result of inappropriate circumstances. For example, if there is an inadvertent overpayment, the participant will be required to repay the overage. If the participant has not made the repayment before an award for the employee for a subsequent Plan year is approved, the outstanding amount may be deducted from the employee’s subsequent award.

### 13. SEPARATION FROM THE UNIVERSITY

The table below indicates whether a participant who separates from the University will be eligible to receive a full or partial STI award and specifies when forfeiture of such awards will occur. Retirement will be determined based upon applicable University policies. In order to determine the most accurate STI award for the current Plan year, partial payments will be calculated at the end of the Plan year and issued in accordance with the normal process and schedule.

Reason for Separation	Separation During Plan Year (i.e., on or before June 30, 2025)	Separation on or after July 1, 2025
Voluntary Separation for any reason other than retirement	<ul style="list-style-type: none"> <li>• Forfeiture of STI award for 2024-25 Plan year.</li> </ul>	<ul style="list-style-type: none"> <li>• Payout of full STI award for 2024-25 Plan year.</li> </ul>
<ul style="list-style-type: none"> <li>• Retirement</li> <li>• Medical separation due to disability</li> <li>• Death*</li> <li>• Involuntary separation due to reorganization or restructuring</li> </ul>	<ul style="list-style-type: none"> <li>• Partial STI award for 2024-25 Plan year.</li> </ul>	<ul style="list-style-type: none"> <li>• Payout of full STI award for 2024-254 Plan year.</li> </ul>

Involuntary termination due to misconduct or inadequate performance	<ul style="list-style-type: none"> <li>• Forfeiture of STI award for 2024-25 Plan year.</li> </ul>	<ul style="list-style-type: none"> <li>• Forfeiture of STI award for 2024-254 Plan year.</li> </ul>
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\*In such cases, payments will be made to the estate of the participant.

LTI awards are not eligible for full or partial payment if a participant separates from the University before the conclusion of the applicable three-year LTI performance period; forfeiture will occur.

#### **14. TREATMENT FOR BENEFIT PURPOSES**

Incentive awards under this Plan are not considered to be compensation for University benefit purposes, such as the University of California Retirement Plan or employee life insurance programs.

#### **15. TAX TREATMENT AND REPORTING**

Under Internal Revenue Service Regulations, payment of incentive awards under this Plan must be included in the participant's income as wages subject to withholding for federal and state income taxes and applicable FICA taxes. The payment is reportable on the participant's Form W-2 in the year paid.



**Additions shown by underscore; deletions shown by strikethrough**

**The University of California  
Office of the Chief Investment Officer  
Annual Incentive Plan (AIP)  
For Plan Year July 1, 2024 through June 30, 2025**

### **I. Plan Purpose**

Under the authority granted by The Board of Regents, the purpose of the University of California Office of the Chief Investment Officer Annual Incentive Plan (“Plan”) is to provide the opportunity for at risk variable financial incentives to those employees responsible for attaining or exceeding key objectives in the Office of the Chief Investment Officer (CIO) which are consistent with University investment objectives.

Incentive awards are earned based on the achievement of specific financial, non-financial, and strategic objectives relative to the mission and goals of the Office of the CIO and the performance of the investment portfolio. The Plan focuses participants on maximizing returns in excess of stated performance benchmarks for all funds managed while assuming appropriate levels of risk. It is intended to support teamwork so that members of the Office of the CIO operate as a cohesive group.

The annual Short Term Incentive (STI) component of the Plan provides participants with an opportunity to receive an annual non-base building cash incentive based on the performance of the University’s total investment portfolio, the asset class s and/or functional groups managed by the individual participant, and the individual participant’s qualitative performance.

The Long Term Incentive (LTI) component provides participants with an opportunity to receive an non-base building cash incentive based on overlapping three year performance periods that is intended to encourage and reward the investment team’s achievement of adding value through multi-year strategic investment objectives.

~~The incentive award is earned based on the achievement of specific financial, non-financial, and strategic objectives relative to the mission and goals of the Office of the CIO and the performance of the investment portfolio. The Plan focuses participants on maximizing returns in excess of stated performance benchmarks for all funds managed while assuming appropriate levels of risk. It is intended to support teamwork so that members of the Office of the CIO operate as a cohesive group.~~

### **II. Plan Year**

The Plan year for the STI component will correspond to the University’s fiscal year, beginning July 1 of each year and ending the following June 30.

The applicable performance period for the LTI component will begin on July 1 and end three years later on June 30th.

### **III. Plan Oversight**

Development, governance and interpretation of the Plan will be overseen by an independent Administrative Oversight Committee (AOC) comprised as follows:

- Executive Vice President – Chief Operating Officer
- Executive Vice President – Chief Financial Officer

- Vice President – Systemwide Human Resources
- Associate Vice President – Total Rewards

The AOC, in its deliberations pertaining to the development or revision of the Plan, may consult with the CIO or other key members of the CIO’s staff. The AOC will abide by the Political Reform Act, which ~~would may~~ prohibit Plan participants, ~~such as the CIO and other members of the CIO’s staff,~~ from making ~~or,~~ participating in making ~~,~~ ~~or influencing~~ decisions that would affect whether they participate in the Plan, the objectives that will govern whether they earn awards under the Plan, and the amount of awards paid to them under the Plan. The Office of General Counsel will be consulted if there are any questions about the application of the Political Reform Act in this context. The Chief Compliance and Audit Officer will assure that periodic auditing and monitoring will occur, as appropriate.

#### **IV. Plan Approval**

The Plan will be subject to an annual review conducted by the AOC to address design issues and market alignment. The Plan will be implemented each year upon the approval of the AOC if no changes to the Plan are being recommended. If the AOC recommends any substantive or material changes to the Plan, including, but not limited to, changing the award opportunity levels, the AOC will obtain the approval of the President and the Regents’ Investments Committee before implementing such changes. Reasonable efforts, given all circumstances, will be made to delay implementing substantive or material Plan changes until after the current Plan year has ended. However, if changes are implemented during the Plan year that would affect the award calculations, changes will only be applied prospectively to the remaining portion of the Plan year. Moreover, no changes will affect awards earned by Plan participants for performance in prior Plan years. Plan changes recommended by the AOC that are not material or substantive, or are deemed to be technical corrections, may be approved by the AOC after consultation with the President and will then be implemented by the AOC at an appropriate time. The Regents will receive reports of all substantive or material changes to the Plan.

#### **V. Plan Administration**

The Plan will be administered by ~~the Executive Director—Systemwide Compensation Programs and Strategy~~ Systemwide Human Resources, consistent with the provisions of this Plan approved by the President and the Regents. The Plan features and provisions outlined in this document shall supersede any other Plan summary.

Except as set forth below, all award amounts will be reviewed by and require the approval of the AOC. In the unlikely event that the AOC proposes an award that is not consistent with the terms of this Plan document, approval by the President and Regents will be required. The AOC will consult the Chief Compliance and Audit Officer in an independent advisory capacity during its review of proposed awards. Any incentive award for the CIO or any other participant who is a direct report to the Regents and/or the President will require the approval of the Regents in addition to the AOC.

#### **VI. Eligibility to Participate**

Eligible participants for the STI and LTI components of the Plan include senior management, professional investment and trading staff and other key positions in the Office of the CIO, as recommended by the CIO and subject to approval by the AOC. Eligibility is reviewed annually

by the CIO and is subject to approval by the AOC, prior to the beginning of the Plan year or as soon as possible thereafter.

A participant who has been found to have committed a serious violation of state or federal law or a serious violation of University policy at any time prior to distribution of an award will not be eligible for such awards under the Plan for that Plan year and/or performance period. If such allegations against a participant are pending investigation at the time of the award distribution, the participant's award(s) may be withheld pending the outcome of the investigation. If the participant's violation is discovered later, the participant may be required to repay awards for the Plan years and/or performance periods in which the violation occurred.

Participants in the Plan may not participate in any other incentive or recognition plan during the plan year, except in the event of a mid-year transfer within the University. Specifically, if a Plan participant is eligible for only a partial ~~year~~ award under this Plan because a mid-year transfer of position renders him or her eligible for Plan participation for only a portion of the Plan year, he or she may participate in a different University plan for the other portion of the Plan year. Concurrent participation in this Plan and another University plan is not permitted.

Prior to the beginning of the Plan year, or as soon as possible thereafter, the AOC will provide the President and the Chair of the Regents' Investments Committee with a list of Plan participants for that Plan year, including appropriate detail regarding each Plan participant.

Plan participation in any one year does not provide any right or guarantee of eligibility or participation in any subsequent year of the Plan.

Participants must be active full-time employees of the University in the Office of the CIO at the conclusion of the Plan year (i.e., as of midnight on June 30th) to be eligible to receive an **STI** award for that Plan year, unless the circumstances of their separation from the University entitle them to a full or partial award as set forth in the Separation from the University provision below in Section ~~XHXV~~.

LTI Pparticipants must be active full-time employees of the University in the Office of the CIO at the conclusion of the three-year period performance period (i.e., as of midnight on June 30th of the third year) to be eligible to receive an LTI award for that period.

Eligible employees who are hired and/or appointed into an eligible position after the start of the Plan year must have an employment start date and/or appointment date into an eligible position no later than January 15, to be eligible to receive ~~an a~~ STI award for that Plan year. For the LTI component, eligible employees must have an employment start date and/or appointment date into an eligible position no later than the start of the 2nd year of the three-year performance period to be eligible to receive a LTI award for the three-year performance period in which they were hired and/or appointed into an eligible position. Section XIV addresses the calculation of awards for participants eligible for a partial performance period.

Participants who were not working for a significant portion of the Plan year may receive a partial **STI** award, if they are active full-time employees in the OCIO at the end of the Plan year. Likewise, participants who were not working for a significant portion of the three-year performance period may receive a LTI award if they are active full-time employees in the

OCIO at the end of the three-year performance period. For the purpose of this Plan, leave of absence status will be determined by applicable University policies governing such leaves.

## VII. Performance Standards

Each performance objective (for both the STI and LTI components) will include standards of performance defined as follows:

- **Threshold Performance:** This level represents satisfactory results, but less than full achievement of performance objectives.
- **Target Performance:** This level represents full achievement of all performance expectations.
- **Maximum Performance:** This level represents results that clearly exceed expectations.

## VIII. STI Incentive Award Opportunity Levels

Plan participants in the STI component are assigned award levels that serve to motivate individual, group and total entity performance as part of a competitive total cash compensation package. STI participants are eligible to receive an incentive award, expressed as a percentage of their base salary that corresponds to predetermined target levels of performance. Actual incentive award levels may be greater or less than the target opportunity level, depending on performance relative to policy portfolio benchmarks and individual contribution. STI award opportunity levels by position are as follows:

Position	Threshold Opportunity (as % of Salary)	Target Opportunity (as % of Salary)	Maximum Opportunity (as % of Salary)
Chief Investment Officer (CIO)	50%	100%	200%
Senior Managing Directors & Chief Operating Officer	30%	60%	120%
Managing Directors	25%	50%	100%
Investment and Risk Directors	22.5%	45%	90%
Investment Officers	17.5%	35%	70%
Sr. Investment Analyst /Portfolio Mgr	10%	20%	40%
Other Participants, including Operations Managers/Directors	10%	20%	40%

## IX. STI Performance Objectives

The three Performance Objective categories for the STI component of the of the Plan are:

1. Quantitative Entity Performance (e.g., total investment portfolio performance)
2. Quantitative Asset Class ~~and/or Functional Group~~ Performance, if applicable
3. Individual/Qualitative performance

The quantitative investment performance objectives will be reviewed and approved by the AOC in consultation with the CIO, the President, ~~and~~ Chair of the Regents' Investments Committee, and an independent investment consultant prior to the beginning of the Plan year or as soon as possible thereafter and communicated by the CIO to the plan participants within a reasonable time after approval. Performance objectives for each Plan participant must

include the Entity Performance, the Asset Class Performance (where applicable), and the Individual/Qualitative Performance.

Individual/Qualitative Performance objectives for the STI component may be established in, but are not limited to, the following areas:

- Leadership
- Implementation of operational goals
- Management of key strategic projects
- Effective utilization of human and financial resources

Individual/Qualitative performance objectives for the STI component for each Plan participant other than the CIO will be defined by his/her supervisor. These objectives will be subject to endorsement by the CIO and approval by the AOC prior to the beginning of the Plan year or as soon as possible thereafter. The individual performance objectives of the CIO will be defined annually by the President, who may consult with the Chair of the Regents' Investments Committee, prior to the beginning of the Plan year or as soon as possible thereafter. The AOC will consult the Chief Audit and Compliance Officer in an independent advisory capacity during its review of Plan participants' objectives.

Prior to the beginning of the Plan year or as soon as possible thereafter, the-supervisor of each Plan participant will provide him/her with written documentation that (a) identifies the participant's individual performance objectives applicable to the Plan, (b) defines the performance standards and metrics that will be used to measure threshold, target, and maximum performance for each investment objective, and assigns performance weightings to the participant's objectives.

#### **X. STI Performance Measures and Weightings**

For Plan participants other than the CIO, the participant's performance against assigned Individual/Qualitative goals will be assessed by the participant's supervisor and require the approval of the CIO. The CIO's performance against assigned Individual/Qualitative objectives will be assessed by the President, who will consult with the Chair of the Regents' Investments Committee.

Quantitative investment performance of both the University portfolios and the market indexes for STI performance objectives is measured using a three-year rolling average. This method provides for longer term focus on and accountability for sustainable performance results. Investment returns in a given year, whether positive or negative, affect the average, and thus the payout, over three separate Plan years. The lowest value of any award in a given year will be zero.

If the Entity and/or; Asset Class and/or Functional Group experience negative three-year rolling average returns (or other, applicable performance measurement periods, as described in Section XI, below) in any year, regardless of relative performance against benchmarks, that year's STI award for that component (Entity and/or; Asset Class and/or Functional Group) will be zero. In those years where a component has negative three-year rolling average returns and nil awards, a participant may nevertheless earn awards tied to the other components where performance is positive, as well as for Individual/Qualitative performance. Negative performance in the current year will have no adverse impact on the

deferred portions of prior year STI awards.

Awards for the STI component are determined based on achievement of performance objectives relative to policy portfolio benchmarks and individual contribution, and in accordance with the payout curve established for each performance objective. Performance measures for participants in their first full Plan year or later are weighted as displayed in the table below.

Position	Weighting for Entity Performance Objectives	Asset Class Performance Objectives, if applicable	Weighting for Individual/Qualitative Performance Objectives
Chief Investment Officer	75%	0%	25%
Senior Managing Directors (Risk Mgmt and Chief Operating Officer)	75%	0%	25%
Senior Managing Directors (Asset Class)	50%	25%	25%
Managing Directors (Asset Class)	50%	25%	25%
Directors (Asset Class)	50%	25%	25%
Investment Officers Asset Class	50%	25%	25%
Investment Officers, Risk Management	75%	0%	25%
Managing Directors and Directors, Risk	75%	0%	25%
Sr. Investment Analysts	75%	0%	25%
Other Participants, including Operations Managers	75%	0%	25%

#### XI. STI Transitional Weightings for New Hires

In recognition of a participant's limited ability to affect attainment of objectives during the first two years of service, the following adjustments are made in the STI Weighting table for participants in their first three Plan years, as reflected in the following table.

Time Period	Weighting for Quantitative Performance Objectives (Entity, Asset Class, <del>Functional Group</del> )	Weighting for Individual/Qualitative Performance Objectives
First <i>partial</i> year	50% / 1 year performance	50%
Year 1 (first full year)	75% / 1 year performance*	25%
Year 2 (second full year)	75% / 2 years' performance*	25%
Year 3 (third full year)	Standard participation as provided by level under the Plan	

\* or including weighting for asset class performance, as provided in the chart in Section X.

In special cases, such as for a new participant charged with the restructuring of an entire asset class or strategy, the above weights may be modified at the recommendation of the CIO, subject to approval by the AOC. In such a case, the participant will be required to meet specific objectives that contribute to long-term performance.

The phase-in of new asset classes will be handled in a similar way, that is, performance for

the first year of a new asset class will be based on a single year’s return; performance for the second year of the class will be based on the first two years’ returns. See the Administrative Guidelines for more details of specific circumstances.

**XII. LTI Award Opportunity Levels**

Plan participants in the LTI component are assigned Award opportunity levels to motivate collaborative team performance tied to longer-term accomplishments of multi-year strategic initiatives as part of a competitive target cash compensation package. LTI participants are eligible to receive an incentive award, expressed as a percentage of their base salary received in their final year of a three-year performance period, that corresponds to predetermined target levels of performance. Actual incentive award levels may be greater or less than the target opportunity level, depending on performance relative to policy portfolio benchmarks at the end of each three-year performance period. LTI award opportunity levels by position are as follows:

<u>Position</u>	<u>Threshold Opportunity (as % of Salary)</u>	<u>Target Opportunity (as % of Salary)</u>	<u>Maximum Opportunity (as % of Salary)</u>
<u>Chief Investment Officer (CIO)</u>	<u>50%</u>	<u>100%</u>	<u>200%</u>
<u>Senior Managing Directors &amp; Chief Operating Officer</u>	<u>30%</u>	<u>60%</u>	<u>120%</u>
<u>Managing Directors</u>	<u>25%</u>	<u>50%</u>	<u>100%</u>
<u>Investment and Risk Directors</u>	<u>22.5%</u>	<u>45%</u>	<u>90%</u>
<u>Investment Officers</u>	<u>17.5%</u>	<u>35%</u>	<u>70%</u>
<u>Sr. Investment Analyst /Portfolio Mgr</u>	<u>10%</u>	<u>20%</u>	<u>40%</u>
<u>Other Participants, including Operations Managers/Directors</u>	<u>10%</u>	<u>20%</u>	<u>40%</u>

**XIII. LTI Performance Objectives, Measures and Weightings**

The quantitative LTI investment performance objective for each three-year performance period and will be reviewed and approved by the AOC in consultation with the CIO, the President, Chair of the Regents’ Investments Committee, and an independent investment consultant prior to the beginning of each three-year performance period or as soon as possible thereafter and communicated by the CIO to the plan participants within a reasonable time after approval.

Level of attainment above or below target for the LTI award will be based on the asset performance of the General Endowment Pool (GEP) and the UC Retirement Pool (UCRP), with a weighting of 75% GEP and 25% UCRP. The award earned will depend on team accomplishment of the applicable three-year performance measure with no other individual or qualitative components, weightings or other breakouts.

New hire participants in the LTI component will not have transitional weightings like those described above in Section XI for the STI award component. See Section VI for discussion of LTI component eligibility for new hire participants.

**XIV. Award Determination and Processing**

Annual STI and LTI incentive awards will be payable in cash, subject to appropriate taxes and pursuant to normal University payroll procedures. ~~The participant’s total Base~~ salary-

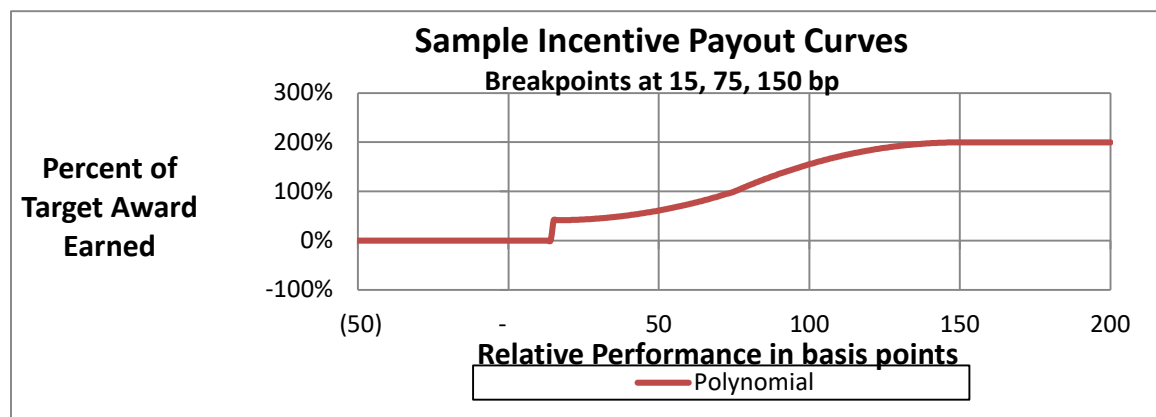
(which includes base salary, and plus any stipends received as an eligible participant as a plan participant during the plan year but does not include any prior year incentive award payouts or disability pay) paid as of the end of the Plan year (i.e., as of midnight on June 30) will be used in the calculation of to calculate that participant's the STI and LTI award amount for that plan years. That same amount received during the third year of a three-year performance period will be used to calculate that participant's LTI award amount for that performance period. For plan year 2024-25, the first possible LTI award payouts for the 2024-27 performance period will be calculated using base salary plus any stipends received by each participant as a plan participant during the 2026-27 plan year.

The current position held by the participant at the end of the Plan year or the applicable performance period will determine the award opportunity level in the calculation:

- For Investment Officers and above, the STI award will be payable in three annual payments comprised of 50 percent paid after the conclusion of the current Plan year, 25 percent paid when awards are paid for the next Plan year and 25 percent paid when awards are paid for the Plan year after that.
- For participants below the Investment Officer level (as reflected in the charts above), the STI award is payable in one lump sum for each plan year; there is no deferral of any portion of their awards.
- LTI awards will be paid to eligible participants after the conclusion of each the applicable three-year performance period at the same time that STI awards are paid.

The deferred portion of STI awards earn interest during the period of deferral based on the performance of the Total Entity, calculated using a three-year rolling average (but not less than zero). The calculation of the interest percentage will be completed at the close of each plan year. Payments of the deferred portions of awards for prior Plan years are generally issued during the fall of each year when the non-deferred portion of awards are paid for the recently concluded Plan year. Accrued awards for participants on approved leave of absence will be paid according to the normal schedule.

A polynomial payout curve is used to determine actual awards for performance levels between threshold and maximum and relative to Entity and; Asset Class, and Functional Group quantitative performance objectives. The chart below shows an example of the polynomial payout curve. In this example, the Threshold is 15 bp, the Target is 75 bp, and the Maximum is 150 bp.





The primary advantage of the polynomial curve is that it supports higher proportional awards for better performance thereby encouraging participants to achieve target level or higher performance.

**XV. -Separation from the University**

For STI awards, the table below indicates whether a participant who separates from the University will be eligible to receive partial STI awards and/or payout of deferred portions of the STI awards for prior Plan years and also specifies when forfeiture of such awards will occur. Payment of deferred portions of prior Plan year awards will be paid with interest, as described in Section XXIV. Retirement will be determined based upon applicable University policies. In order to determine the most accurate STI award for the current Plan year, partial payments will be calculated at the end of the Plan year and issued in accordance with the normal process and schedule. The table, below, provides an example the determination of how separations will be handled.

Reason for Separation	Separation During Plan Year (i.e., on or before June 30, 2025)	Separation on or after July 1, 2025
<ul style="list-style-type: none"> <li>Voluntary Separation for any reason other than retirement</li> </ul>	<ul style="list-style-type: none"> <li>Forfeiture of <u>STI</u> award for 2024-25 Plan year.</li> <li>Forfeiture of deferred portions of <u>STI</u> awards from 2022-23 and 2023-24 Plan years.</li> </ul>	<ul style="list-style-type: none"> <li>Payout of 50% of <u>STI</u> award for 2024-25 Plan year; forfeiture of remainder.</li> <li>Payout of half of deferred portion of <u>STI</u> award for 2023-24 Plan year; forfeiture of remainder.</li> <li>Payout of remaining portion of deferred <u>STI</u> award for 2022-23 Plan year.</li> </ul>
<ul style="list-style-type: none"> <li>Retirement</li> <li>Medical separation due to disability</li> <li>Death*</li> <li>Involuntary separation due to reorganization or restructuring</li> </ul>	<ul style="list-style-type: none"> <li>Partial <u>STI</u> award for 2024-25 Plan year.</li> <li>Payout of all deferred portions of <u>STI</u> awards from 2022-23 and 2023-24 Plan years.</li> </ul>	<ul style="list-style-type: none"> <li><u>STI</u> Award for 2024-25.</li> <li>Payout of all deferred portions of <u>STI</u> awards from 2022-23 and 2023-24 Plan years.</li> </ul>
<ul style="list-style-type: none"> <li>Involuntary termination due to misconduct or inadequate performance</li> </ul>	<ul style="list-style-type: none"> <li>Forfeiture of <u>STI</u> award for 2024-25 Plan year.</li> <li>Forfeiture of deferred portions of <u>STI</u> awards from 2022-23 and 2023-24 Plan years.</li> </ul>	<ul style="list-style-type: none"> <li>Forfeiture of <u>STI</u> award for 2024-25 Plan year.</li> <li>Forfeiture of deferred portions of <u>STI</u> awards from 2022-23 and 2023-24 Plan years.</li> </ul>

\* In such cases, payments will be made to the estate of the participant.

For LTI awards, participants who are not active full-time University employees at the conclusion of the three-year performance period being measured (i.e., as of midnight on June 30th of the third year), except for retirement in the 3<sup>rd</sup> year, are not eligible to receive an LTI award for that performance period. Forfeiture will occur, and no LTI award will be paid, except as noted, to an eligible participant that retires in the third year of the performance period and any LTI award for subsequent years in progress on the participant’s retirement date will be forfeited.

**XVI –Extraordinary Market Environments**

In periods of unusual market and economic stress, when the entity experiences negative investment returns, regardless of the entity’s relative performance against benchmarks, the

portion of the current Plan year awards for both the STI and LTI components that would normally be paid at the end of the current Plan year may be deferred. If this deferral mechanism is invoked, awards will be reviewed and approved in the usual manner. But, in conjunction with that review and approval process, deferral will be recommended by the AOC and then approved by the President and the Chairs of the Regents' Investments Committee. In such a case, the portion of the current Plan year STI and LTI awards that have been deferred will earn interest during the period of deferral, as defined in Section XIVH, above. The portion of the current Plan year awards that have been deferred will be processed and distributed as soon as possible. However, in no event will they be deferred longer than one year.

### **XVII –Award Approval Process**

The AOC must convene to review all recommended awards within a reasonable time after the close of the Plan year. The AOC will provide the President and the Chair of the Regents' Investments Committee with a listing of award recommendations before awards are scheduled to be paid. Payouts to individuals of approved awards will be processed as soon as possible unless the provision in Section XIV-XVI above regarding Extraordinary Market Environments applies.

On behalf of the AOC, ~~the Executive Director—Systemwide Compensation Programs and Strategy~~Systemwide Human Resources will provide the President and the Regents with the award details in the Annual Report on Executive Compensation (AREC). The AREC will also report awards paid to non-SMGs whose compensation falls within the AREC's reporting criteria.

This Plan may be terminated or replaced at any time for any reason upon the recommendation of the President, in consultation with the Chairs of the Regents' Investments Committee, and with the approval of the Regents. Reasonable efforts, given all circumstances, will be made to delay Plan termination until after the current Plan year has concluded. However, if the Plan is terminated during the Plan year, ~~prorated~~ STI awards for the current year will still be processed based on participants' performance during the portion of the Plan year prior to termination. Moreover, such termination will not affect STI awards earned by Plan participants for performance in prior Plan years. If this Plan is terminated, the LTI component will be terminated, and no LTI awards will be made.

The University may require repayment of an award that that was made as a result of inappropriate circumstances. For example, if there is an inadvertent overpayment, the participant will be required to repay the overage. If the participant has not made the repayment before the award for the employee for a subsequent year is approved, the outstanding amount may be deducted from the employee's subsequent award.

## Regents Policy on Public and Discretionary Statements by Academic Units May 2024

### POLICY SUMMARY/BACKGROUND

Upholding the values of freedom of speech and inquiry are core values of the University of California. Under the First Amendment and principles of academic freedom, faculty members, individually and collectively, have the right to express their views. While individual members of the University community are free to express constitutionally protected viewpoints through all non-official channels of communication, long-standing principles of academic freedom have recognized that when faculty members speak or write as individuals, they should make every effort to indicate that they are not speaking for the institution. This Policy sets forth the responsibilities of and procedures for Academic Campus Units when issuing public statements.

### POLICY TEXT

A. **DEFINITIONS.** For the purposes of this Policy, these terms are defined as follows:

**Academic Campus Units** refer to officially recognized University academic departments or divisions as well as other official academic University entities, including schools, centers, laboratories, institutes, campus divisions of the Academic Senate, and campus University Extension units.

**Homepage** refers to the page typically first encountered on a website that usually contains links to the other pages of the site, serving as a table of contents for the site; the main page of a website.

**Public Statements** refer to communications by an Academic Campus Unit or its lead administrator purporting to be made on behalf of the Academic Campus Unit and distributed, disseminated, posted online or otherwise shared via mass distribution with University constituencies or the public. This term includes an Academic Campus Unit's messages sent to University constituencies or the public regarding its curricular offerings, its traditional mission statements, or strategic plans; administrative activities, operations or resources; news announcing University or campus activities, programs or initiatives; or news and events related to faculty research, teaching, and individual or collective scholarly endeavors. This term also encompasses Discretionary Statements.

**Discretionary Statements** refer to communications by an Academic Campus Unit purporting to be made on behalf of the Academic Campus Unit and distributed, disseminated, posted online, or otherwise shared via mass distribution with University constituencies or the public, that are not part of the day-to-day, term-to-term operations of the unit, and that comment on institutional, local, regional, global or national events, activities or issues. Discretionary Statements do not include an Academic Campus Unit's messages sent to University constituencies or the public regarding its curricular offerings, traditional mission statements or strategic plans; administrative activities, operations or resources; news announcing University or campus activities, programs or initiatives; or news and events related to faculty research, teaching, and individual or collective scholarly endeavors.

## **B. POLICY STATEMENT**

This Policy sets forth the responsibilities and procedures for Academic Campus Units issuing Public Statements, including Discretionary Statements. In particular, the Policy requires the following:

- That all Public Statements (including Discretionary Statements) be consistent with applicable law and University policy;
- That Discretionary Statements be accompanied by a disclaimer expressly stating that the statement should not be taken as a position of the University, or the campus, as a whole;
- That Academic Campus Units that intend to produce and disseminate Discretionary Statements develop and publish procedures that comply with the rules outlined below; and
- That Discretionary Statements should not appear on the main homepage of a website of an academic Unit, and instead should be posted on a separate page identified for such statements.

This Policy applies only to Academic Campus Units and does not address statements made by individual university community members or groups of University community members. The University affirms the rights of individual university members, and of groups of University members, to author and publish statements and circulate them in their own private networks or on an individual University community member's page on a unit's website.

The rules outlined below for Discretionary Statements aim to ensure that the viewpoints of Academic Campus Units are not understood to reflect the views of the University. The rules also aim to ensure that members of the community associated with the Academic Campus Unit enjoy the freedom to speak or not to speak, to deliberate or not deliberate about issues, where such speech is not a required element of their job description, and that their decision whether and how to speak through Discretionary Statements compliant with this policy is insulated from repercussions on and off campus. These procedures also aim to protect members of an Academic Campus Unit from being misrepresented or misunderstood to endorse a position that they have not chosen to endorse and to insulate them from pressure to endorse a position when they hold a minority viewpoint.

This Policy shall be construed in a manner consistent with the First Amendment and other applicable laws.

## **C. REQUIREMENTS FOR PUBLIC STATEMENTS**

All Public Statements made by Academic Campus Units (including Discretionary Statements) must comply with applicable laws and University policies, including but not limited to University and campus policies governing:

- Conflicts of interest.
- Anti-violence, anti-discrimination, and anti-harassment.

- Use of University technology.
- Privacy and personal information, including the University’s policies regarding FERPA (Family Educational Rights and Privacy Act) and HIPAA (Health Insurance Portability and Accountability Act).
- Intellectual property, including policies on copyright and use of the University’s names and assets.
- University codes of conduct, including the Faculty Code of Conduct.

Public Statements may not promote, endorse, or oppose political campaigns or candidates for elected or appointed government office, or comment in support of, or in opposition to, specific ballot measures.

#### **D. REQUIREMENTS FOR DISCRETIONARY STATEMENTS**

In addition to the above requirements for Public Statements, Academic Campus Units that seek to make and disseminate Discretionary Statements must create, publicize, and follow procedures that articulate the process by which such statements will be produced, posted, and archived. Academic Campus Units have substantial discretion about the details of these procedures. The guidance in the Academic Senate recommendations for department political statements released in June 2022 outline the recommendations below. The procedures must incorporate these recommendations (including parallel procedures for statements made by subgroups of the Unit on behalf of the subgroup if permitted by the Unit):

- Discretionary Statements must be accompanied by a clear disclaimer that the Unit is not speaking for the University, all members of a Unit (unless unanimous), or the campus, as a whole.
- Units should develop standards governing the practice of issuing Discretionary Statements, and then memorialize these standards in written bylaws or policies that govern departmental practice and are publicly available. These bylaws or policies should be flexible enough to take into account the varied contexts within which the desire to issue a statement might arise.
- As part of this process, Units should decide who is included in the Unit when the Unit makes a statement. Units ought to include in their deliberations all those for whom they claim to speak when issuing discretionary statements. Units must collect the vote anonymously to minimize pressure on members of the Unit who hold minority views.
- Any Unit Discretionary Statement should be accompanied by some explanation of whose views it represents. Such an explanation can take a number of forms. For example, Units could:
  - a. accompany all statements with a disclaimer that the statements do not necessarily reflect the views of every member of the Unit;
  - b. accompany all statements with a report that the statements reflect “unanimity,” “a supermajority,” (at least two-thirds), or a “simple majority” of the Unit members (at least 51 percent);
  - c. issue all statements in the name of the dean or chair of the Unit;
  - d. list the results of a Unit vote on whether to issue the statement.

In addition, Discretionary Statements must not appear on the main homepage of a website of an academic unit, and instead should be posted on a separate page identified for such statements. Links to discretionary statements may be placed on an Academic Campus Unit's homepage.

### **COMPLIANCE/DELEGATION**

Campuses or Academic Campus Units may adopt additional policies on the use of Unit electronic resources provided that any such policies must not reduce or eliminate the requirements contained in this policy. Per Bylaw 31, the Chancellors serve as the executive heads of their respective campuses and implement the policies and objectives of the Board and the President of the University, and apprise the Board and the President of significant developments affecting their campuses and the University.

### **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.