

**STATEMENT ON REORGANIZATION OF
UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT
(as prepared for delivery)**

**Gerald L. Parsky
Chairman of the Board of Regents
March 16, 2006**

The Regents of the University of California yesterday (March 15, 2006) discussed at length how to address the challenges the University currently faces in regard to executive compensation.

There is no minimizing the Regents' concern about the lapse in compliance with Regental policies and principles. Going forward, the Regents have full confidence that President Dynes understands that concern and shares with us a commitment to addressing the problems that face the University. The Regents are steadfast in our determination to establish the University of California as a national leader in business practices, in order that they might support, and not further distract us from, our primary mission to provide quality teaching, research and public service to the people of California.

The Regents and the President will immediately embark on a process to reorganize the Office of the President. We will begin by assessing, possibly with the help of outside experts, how best to organize and staff the President in ways that strengthen the business practices and management of the University to better complement the University's academic excellence.

The positions we will consider creating include a chief operating or administrative officer and a chief financial officer, with responsibility for non-academic functions within the Office of the President.

In order for the Regents to provide sufficient oversight, we will also create an independent compliance officer. This position will report directly to The Regents with responsibility for ensuring compliance with University policies and practices, but with an equal focus on preventing problems from occurring in the first place and, when they do occur, to work with The Regents and the administration to constructively devise and implement solutions.

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