

## 2006 UC Annual Report on Compensated Outside Professional Activities

Like many universities, as well as public and private companies, UC policy allows its personnel to participate in outside professional activities, both compensated and uncompensated, in recognition of the myriad benefits that accrue to the University, and the people of California, from such activities:

“...Longstanding University policies and practices, including Regents’ Standing Orders, have recognized the value of contributions made by University employees to external educational and research institutions, not-for-profit professional associations, state and Federal government, and private sector organizations. Considerable benefit accrues to the University from such service, deriving from association of University leaders with business leaders and the exchange of ideas among them. Such associations are intended to create a broader and deeper understanding and awareness of the University of California and its value to the State and the nation...”

**Current Policy:** To help ensure that such outside activity does not conflict with University responsibilities, at their January 2007 meeting the Regents adopted a revised policy regarding compensated outside activities for senior managers, consistent with the recommendations of the Task Force on UC Compensation, Accountability and Transparency. This revised policy was adopted on an interim basis and will remain in effect until implementation of a permanent policy, which is currently under systemwide review. Highlights of the current interim policy include:

- Compensated service on a for-profit board that is not a UC entity, for which the employee has governance responsibilities, shall not exceed three such boards unless approved in writing by the Chair of the Regents’ Compensation Committee and the President.
- Any such board service shall not negatively impact the employee’s ability to perform their UC responsibilities, nor result in any potential conflict of interest for UC.
- The time required by the employee to perform their obligations on a board shall occur during non-University business hours or the employee shall utilize their vacation hours.
- Board service in excess of three:
  - For employees serving on more than three compensated boards, those individuals shall notify the President of such service, and shall divest themselves of those boards in excess of three by December 31, 2007.
  - An employee who currently exceeds the limit and who desires to continue to exceed this limit after December 31, 2007, shall obtain prior approval from the Chair of the Regents’ Compensation Committee and the President prior to December 31, 2007.

**Covered Population:** Positions covered by the report include the president, executive and senior vice presidents, vice presidents, auditor, principal officers of the Regents, chancellors and vice chancellors, laboratory directors and deputy directors, medical center CEOs and deans.

**Reporting Methodology:** The report was developed through the local Senior Management Group Coordinator, as a result of the self-reporting of the individual administrator.

**Annual Reporting:** Consistent with its commitment and policies regarding transparency and public accountability, this report is to be published annually each spring for the activity of the prior calendar year. This report will also be presented to the Legislature following the Regents’ March meeting as part of the University’s 2006 legislative report on executive compensation.

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