

Approved

COMMITTEE ON FINANCE
September 20, 2007

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

A. APPROVAL OF THE FINAL 2007-08 BUDGET

The Committee recommends approval of changes to the University of California 2007-08 budget plan for State General Funds to make it consistent with the final budget act adopted by the Legislature and the Governor.

B. AUTHORIZATION TO SUBMIT APPLICATIONS FOR PROPOSITION 71 GRANT FUNDING FOR MAJOR FACILITIES GRANTS AND TAKE RELATED ACTIONS TO RECEIVE FUNDING

With the concurrence of the Committee on Grounds and Buildings, the Committee recommends that:

1. The Regents authorize the chancellors to submit applications for Proposition 71 grant funding for California Institute for Regenerative Medicine Major Facilities Grant Program.
2. The Regents authorize the President or his designee, after consultation with the General Counsel, to execute grant contract documents and take such further actions, including but not limited to:
 - a. The establishment of a mechanism for financial transactions.
 - b. Execution and delivery of such additional, related instruments, certificates, statements, and documents as are reasonably required to obtain the Grants.
3. Any action taken by the President or his designees, in furtherance of the matters authorized by the foregoing actions, is hereby ratified, approved, and confirmed as the act and deed of The Regents.
4. Approval of the individual capital projects, including its financial feasibility, for which the grant funding would be applied, will follow the standard University approval practices.

C. AUTHORIZATION FOR APPROVAL OF APPROPRIATIONS FROM LANS LLC FEE INCOME TO BE EXPENDED IN FY 2007-2008

The Committee recommends the following resolution that:

1. The President be authorized to expend, for the following purposes and in the following amounts, from the University's net share of Los Alamos National Security (LANS), LLC income earned from contract inception through September 30, 2007:
 - a. Supplemental compensation and other payments previously approved by the Regents for certain LANS LLC employees, incurred through September 30, 2007 – \$1.2 million.
 - b. An appropriation to the Office of the President budget for federally unreimbursed costs of University oversight of its interest in LANS LLC and LLNS LLC, paid or accrued through June 30, 2008, including but not limited to an allocable share of the costs of the Regents, the Secretary and Chief of Staff to the Regents, Human Resources, Finance, Strategic Communications, Governmental Affairs, the General Counsel, the University appointed Governors on the LLCs, and the Vice President for Laboratory Management – \$2.6 million.
 - c. An appropriation to a new LLC post-contract contingency fund – \$700,000.
2. The balance of fee income to be appropriated to scientific research in the following priority order:
 - a. California Institutes for Science and Innovation – \$2.5 million
 - b. UC Campus-Los Alamos Research and Education Initiatives – \$3.05 million
 - c. Los Alamos-New Mexico Universities Research Initiatives – \$1.5 million
 - d. Science and Technology Policy Initiatives – \$1.0 million
 - e. UC System-Wide Institute for Geophysics and Planetary Physics – \$500,000
 - f. UC Institute on Global Conflict and Cooperation – \$500,000
 - g. Collaborative Research Program – \$1.0 million
 - h. UC Professorship – \$1.0 million
 - i. UC National Laboratory Doctoral Student Fellowship Program – \$1.0 million
 - j. Net fee income received in excess of the above appropriation would be used to supplement funding for S&T Policy Initiatives, Collaborative Research Program and the UC National Laboratory Doctoral Student Fellowship Program

3. IT IS RESOLVED that the intent of the University is to maximize the use of fee income for science while maintaining appropriate oversight, and The Regents will review such allocation.

D. ADOPTION OF POLICY REQUIRING SPECIAL REVIEW/APPROVAL PROCEDURES PRIOR TO UNIVERSITY SUBMISSION OF RESEARCH PROPOSALS TO TOBACCO INDUSTRY FUNDERS

The Committee recommends that RE89 [“Adoption of Policy Restricting University Acceptance of Funding from the Tobacco Industry,” presented at the July 18, 2007 Regents meeting] be withdrawn from consideration, and instead adopt a substitute resolution as follows:

1. The Regents exhort University researchers to:
 - a. Consider carefully whether to accept research funding from the tobacco industry (and whether their research might be better served by seeking funding from alternate sources).
 - b. Exercise the utmost care in assuring that their research (including research carried out with tobacco industry funding) adheres to the highest scientific and ethical standards. This includes being particularly vigilant about not allowing any funder to direct or control the outcome of the research or the dissemination of its results.
2. The Regents direct the Chancellor to establish a policy requiring that prior to the submission of any proposal to seek research funding from the tobacco industry, the research proposal must be reviewed by a scientific review committee drawn from the community of scholars designated by the Chancellor for this purpose, and must be approved by the Chancellor. Additionally, The Regents shall receive timely notice of such grants and a description of the research to be undertaken. Under the policy:
 - a. The scientific review committee shall be charged with reviewing proposals intended for submission to tobacco industry funders, and with advising the relevant Chancellor regarding whether a proposed study uses sound methodology and appears designed to allow the researcher to reach objective and scientifically valid conclusions.
 - b. The review committee shall be composed of at least three faculty members with expertise in areas of science relevant to the proposal being submitted. If a standing committee is established for this purpose, a provision shall be made allowing for consultation with experts in additional areas or from specific campuses, as needed, to appropriately evaluate a particular research proposal.

- c. For each proposal it reviews, the scientific review committee shall produce a written report including a recommendation as to whether the proposal should be approved for submission, and/or whether any changes should be made to the proposal prior to submission, along with the rationale for the committee's recommendation. The report should be sent to the researcher, the Chancellor, the President, and The Regents and shall be publicly posted on the UCOP website.
 - d. Chancellors shall be directed to take the advice of the review committee into account in deciding whether to approve submission of the proposal by the campus. Chancellors shall also be directed to take into account any advice issued by the campus conflict of interest committee, in cases where under existing policy requirements, the researcher has disclosed a financial interest in the research sponsor.
 - e. The Chancellor shall issue his or her determination (i.e., whether the proposal is to be approved for submission, with or without changes) in writing, including a rationale for his or her determination, with a copy to be sent to the researcher, the President, and The Regents. A copy of the Chancellor's determination letter shall be publicly posted on the UCOP website.
3. The Regents direct the President to prepare and submit to The Regents an annual report summarizing the number of proposals submitted to the scientific review committee, the number approved, and the number funded, along with a description or abstract of each proposal. The reporting requirement shall be kept in place for at least five years, which will allow The Regents to review the type of research conducted by University researchers with funding from the tobacco industry. After five years, the President will consult with The Regents to evaluate whether the reporting requirement should be continued.