

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

January 18, 2007

The Regents of the University of California met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Present: Regents Blum, Coombs, Dynes, Garamendi, Gould, Hopkinson, Johnson, Kozberg, Lansing, Ledesma, Marcus, Moores, Parsky, Preuss, Ruiz, Schilling, Schreiner, Varner, and Wachter (19)

In attendance: Regents-designate Allen, Brewer, and Bugay, Faculty Representatives Brown and Oakley, Acting Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Hume, Executive Vice President Darling, Vice Presidents Broome, Gomes, Hershman, and Sakaki, Chancellors Birgeneau, Bishop, Córdova, Drake, Fox, Vanderhoef, and Yang, Acting Chancellors Abrams and Blumenthal, and Recording Secretary Bryan

The meeting convened at 12:55 p.m. with Chairman Parsky presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion of Regent Blum, duly seconded, the minutes of the meeting of November 15, 2006 were approved.

2. REPORT OF THE PRESIDENT

President Dynes presented the report concerning University activities and individuals.

Upon motion of Regent Preuss, duly seconded, the President's report was accepted, and it was directed that notes of thanks be sent to the donors of the gifts mentioned in the report, that congratulations be extended to those faculty and staff members who have been awarded honors, and that notes of sympathy and regret be sent to the families of those whose deaths were reported.

President Dynes called on Faculty Representative Oakley for his remarks. Professor Oakley recalled that the faculty had completed a report on the long-range budgetary picture for the University which contains recommendations for developing a budget strategy. He reported that in February the Academic Council and the executive vice chancellors will meet to discuss budget priorities and the issue of job slotting. The faculty's concerns about professional school fees will be incorporated in a discussion planned by the President for the March meeting. The Senate is revising the charter of the special committee that deals with the national laboratories to be responsive to the new challenges of laboratory management. He concluded his remarks by reporting that the Senate members are pleased to have had opportunities to participate, in the best traditions of shared governance, in the reorganization and restructuring activities in the Office of the President and the search for two new executive vice presidents.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

3. **RESOLUTION IN APPRECIATION – CRUZ M. BUSTAMANTE**

Upon motion duly made and seconded, the following resolution was approved.

WHEREAS, Cruz Bustamante has established an outstanding and extraordinary record of public service as a highly respected member of the California Assembly, distinguished Speaker of the Assembly, and pioneering Lieutenant Governor, the first Hispanic since 1878 to be elected to a statewide office; and

WHEREAS, during his early years, his arduous labor in the fields of the Central Valley gave him a vivid and lasting appreciation of California's vast agricultural enterprise, its workers, its risks, and its immense value to all Californians, as well as fervent belief in the vital role of public service in improving lives; and

WHEREAS, deeply cognizant of the invaluable role education plays in the development of our nation's most treasured and valuable resource, its children, he has devoted himself to advancing its cause in California, where among his notable achievements as a legislator, Regent, and Lieutenant Governor are his effective successful efforts to expedite creation of the tenth UC campus at Merced, the establishment of the California-Mexico Scholars Program, along with the creation of the College Opportunity Outreach Program, and the Schiff-Bustamante Standards-Based Instructional Materials Program; and

WHEREAS, his term on the Board of Regents as an ex officio Regent has spanned his tenure as both Speaker of the Assembly and Lieutenant Governor, terms in which he demonstrated a keen interest in the governance of higher education, and, despite the demands of office, was always available to participate in the deliberations of the Board on issues of great importance to this University and the state he loves so well, at all times eloquent and vigorous in articulating views firmly held and encouraging of lively and active debate among his fellow Regents; and

WHEREAS, deeply respected and admired for his vast knowledge of California, its people, and their dreams, he has consistently demonstrated a keen understanding of the intricate issues facing the state, as well a passionate commitment to educational opportunities for all, thus earning him the reputation as one whose contributions at every level of governance have advanced the well being of all Californians, as well as one who will serve as a remarkable role model for this and future generations of children in the Golden State;

NOW, THEREFORE, BE IT RESOLVED that the Regents extend their appreciation for Cruz Bustamante's service as a Regent and for his noteworthy contributions to the State of California, as well as their hope that he will continue to serve the people of California in other roles with the distinction, intelligence, and energy that have been the hallmarks of his life;

AND BE IT FURTHER RESOLVED that the Regents extend to Cruz and Arcelia Bustamante their warmest good wishes for happiness in their new life and direct that a suitably inscribed copy of this resolution be presented to them as a token as a token of the Regents' regard and esteem.

4. **RESOLUTION IN APPRECIATION – W. R. GOMES**

Upon motion duly made and seconded, the following resolution was approved.

WHEREAS, the Regents of the University of California wish to express their heartfelt appreciation to W.R. Gomes who is retiring after having served with distinction as Vice President for Agriculture and Natural Resources, having brought great expertise and vast experience to the challenging task of advancing research and extension in agriculture and natural resources and a variety of environmental programs throughout the State of California; and

WHEREAS, his influence has been felt from the redwoods of the north coast to the vast agricultural fields of the Central Valley to the urban and desert areas of Southern California through his visionary stewardship of the California Agricultural Experiment Station and California Cooperative Extension, both invaluable services keeping California at the forefront of the nation's production of food and fiber and safeguarding California's unsurpassed treasury of natural resources; and

WHEREAS, an internationally respected and eminent scientist, he has brought to his responsibilities a thorough understanding of the vital importance of the historic land-grant university concept, as well as a broad perspective on the complex and dynamic issues facing the agricultural community of the 21st century, consistently forging and maintaining strong bonds of trust and cooperation with the agricultural industry, offering wise advice and thoughtful counsel to California's decision makers, as well as providing perceptive leadership to the Division of Agriculture and Natural Resources during times of unprecedented fiscal challenges, preserving and enhancing vital research and Cooperative Extension programs; and

WHEREAS, his distinguished academic record includes classroom teaching and cutting-edge research at The Ohio State University and at the University of Illinois, where he left an indelible mark as Dean of the College of Agricultural, Consumer and Environmental Sciences, as well as numerous honors and

awards, and his keen insight into his field has made him an invaluable member of various state and national boards, including the Board on Agriculture and Natural Resources of the National Research Council, which he currently chairs, the Farm Foundation Agricultural Round Table, the California State Board of Food and Agriculture, and the California Farm Bureau Federation Board; and

WHEREAS, the Regents, his colleagues, fellow academics, industry leaders, and other stakeholders are unanimous in their estimation of him as a man of calm and steady leadership, unshakeable integrity, and admirable intellect, qualities that combined with his consistent good humor, empathy, and tact, have made him an invaluable member of the University of California family and one of its most respected emissaries;

NOW, THEREFORE BE IT RESOLVED that the Regents of the University of California express their heartfelt appreciation to Reg Gomes for his notable contributions to the field of agriculture over a long and distinguished career, as well as for his broad vision, steady presence, and skilled leadership of the Division of Agriculture and Natural Resources, and extend their warm thanks for the pleasure of his friendship and the wisdom of his counsel;

AND BE IT FURTHER RESOLVED that a suitably inscribed copy of this resolution be presented to Reg and Anne Gomes as a token of the Regents' heartfelt gratitude for a job well done and as a symbol of the Board's lasting affection and esteem.

5. **REPORT OF THE COMMITTEE ON FINANCE**

Adoption of Policy Restricting University Acceptance of Funding from the Tobacco Industry

The Committee recommended that action concerning the adoption of the following policy be postponed until the May 2007 meeting:

“The freedom of our academic community to pursue research and educational activities is vital to the University's mission and to its success as a world-class institution, and should be affected by University mandate only in rare and compelling circumstance. The collective use of sponsored research by the manufacturers and distributors of tobacco products as an industry to support a public deception about its products is unique, unprecedented and represents just such rare and compelling circumstance. Accordingly, The Regents of the University of California shall accept no funds from the manufacturers or distributors of tobacco products, their affiliates, or any entity controlling or controlled by such companies, that are to be used to study tobacco-related diseases, the use of tobacco products or the individual or societal impacts of such use.”

This policy will apply only to awards made in response to new proposals submitted after the date this policy becomes effective. Awards active as of the effective date of the policy will be allowed to continue, and acceptance of funds that may be awarded in response to proposals submitted prior to the effective date of the policy will be allowed.

Upon motion of Regent Gould, duly seconded, the recommendation of the Committee on Finance was approved.

6. **REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS**

A. ***Certification of Environmental Impact Report for the Southeast Campus Integrated Projects and Approval of Design, Student Athlete High Performance Center, Berkeley Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Southeast Campus Integrated Projects Environmental Impact Report, the Committee reported its:

- (1) Certification of the Final Environmental Impact Report, as modified by The Regents Item Supplement.
- (2) Adoption of the Findings and Statement of Overriding Considerations.
- (3) Adoption of the Mitigation Monitoring Program
- (4) Approval of the design of the Student Athlete High Performance Center, Berkeley campus.

[The Final Environmental Impact Report, Item Supplement, Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Amendment of External Financing for Stanley Quantitative Biosciences and Bioengineering Facility, Berkeley Campus***

The Committee recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Stanley Quantitative Biosciences and Bioengineering Facility: – preliminary plans, working drawings, construction, and equipment – \$143,296,000 total project cost, to be funded from gifts (\$93,421,000), the State through the California Institutes for Science and Innovation (\$34,875,000), and external financing using the “Garamendi” funding mechanism (\$15,000,000).

To: Berkeley: Stanley Quantitative Biosciences and Bioengineering Facility: – preliminary plans, working drawings, construction, and equipment – \$143,296,000 total project cost, to be funded from gifts (\$43,421,000), the State through the California Institutes for Science and Innovation (\$34,875,000), and external financing (\$65,000,000).

Deletions by strikeout, additions by underscore

- (2) The President be authorized to obtain external financing not to exceed ~~\$15,000,000~~ \$65,000,000 to finance the Stanley Quantitative Biosciences and Bioengineering Facility project, subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - b. The Berkeley campus’ share of the University Opportunity Fund shall be pledged for payment.
 - c. The general credit of The Regents shall not be pledged.
- (3) ~~The President be authorized to obtain standby financing not to exceed \$22,675,000 and interim financing not to exceed \$70,746,000, for a total of \$93,421,000, prior to awarding a construction contract for any gift funds not received at that time and subject to the following conditions:~~

- a. ~~Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.~~
 - b. ~~The Berkeley campus' share of the University Opportunity Fund shall be pledged for payment.~~
 - e. ~~The general credit of The Regents shall not be pledged.~~
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

C. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for Berkeley Art Museum and Pacific Film Archive, Berkeley Campus***

The Committee recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:
- Berkeley: Berkeley Art Museum and Pacific Film Archive – partial preliminary plans – \$3.5 million, to be funded from gifts.
- (2) The Berkeley campus return to the Committee on Grounds and Buildings to present the results of its planning efforts, including program and schematic design options, the status of the gift campaign, and a viable financial plan for the BAM/PFA project.

D. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for Institute for Regeneration Medicine Building, San Francisco Campus***

The Committee recommended that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Institute for Regeneration Medicine Building – preliminary plans – \$1.5 million, to be funded from gifts.

To: San Francisco: Institute for Regeneration Medicine Building – preliminary plans – \$6.3 million, to be funded from gifts.

E. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Approval of External Financing, Adoption of Negative Declaration, Amendment of the 2003 Long Range Development Plan and Approval of Design, Health and Wellness Center, Davis Campus*

The Committee recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Health and Wellness Center – preliminary plans – \$2.1 million to be funded from campus reserves.

To: Davis: Health and Wellness Center – preliminary plans, working drawings, construction, and equipment – \$50.3 million to be funded from Campus Expansion Initiative Reserves (\$5 million), Registration Fee Capital Reserves (\$1.3 million), and external financing (\$44 million).

Additions shown by underscore

- (2) The President be authorized to obtain external financing not to exceed \$44 million to finance the Health and Wellness Center project, subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - b. Repayment of the external financing shall be from the Student Health Center portion of the Campus Expansion Initiative referendum approved by student vote in fall 2002 and approved by the President on March 11, 2003, which shall generate net revenues sufficient to pay debt service and to meet all related financing requirements of the proposed funding.
 - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

~~(2)~~(5) Upon review and consideration of the environmental consequences of the proposed project as indicated in the Tiered Initial Study and Negative Declaration, The Regents:

- a. Adopt the Tiered Initial Study and Negative Declaration.
- b. Adopt the Findings.
- c. Amend the 2003 Long Range Development Plan (LRDP) land use designations on the project site from Housing and Physical Education/Intercollegiate Athletics/Recreation to Academic and Administrative.
- d. Approve the design of the Health and Wellness Center, Davis campus.

[The Tiered Initial Study, Negative Declaration, Findings, and 2003 LRDP were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

F. ***Adoption of Initial Study and Mitigated Negative Declaration and Approval of Design, Advanced Light Source User Support Building, Lawrence Berkeley National Laboratory***

Upon review and consideration of the environmental consequences of the proposed project in the Initial Study/Mitigated Negative Declaration, the Committee reported its:

- (1) Adoption of the Initial Study/Mitigated Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring Program.
- (3) Approval of the design of the Advanced Light Source User Support Building, Lawrence Berkeley National Laboratory.

[The Initial Study/Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

G. ***Adoption of Initial Study and Mitigated Negative Declaration and Approval of Design, Biomedical Sciences Facility, Santa Cruz Campus***

Upon review and consideration of the environmental consequences of the proposed project, the Committee reported its:

- (1) Adoption of the Initial Study and Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring Program.
- (3) Approval of the design of the Biomedical Sciences Facility, Santa Cruz campus.

The Committee acknowledged the concerns of the City of Santa Cruz and anticipated that negotiations would continue between the City and the campus in an effort to resolve certain issues.

[The Initial Study, Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

H. ***Acceptance of Modifications and Conditions of Approval by the California Coastal Commission, North and West Campus Long Range Development Plan Amendment, and Modification to Faculty and Sierra Madre Family Student Housing Projects, Santa Barbara Campus***

Upon review and consideration of the Coastal Commission Staff Report, the Committee reported its:

- (1) Acceptance of the California Coastal Commission's modifications to the North and West Campus Long Range Development Plan Amendment (LRDP Amendment) and Conditions of Approval to the North Parcel Faculty Housing and Sierra Madre Family Housing projects, including:
 - a. Reducing the total number of housing units to be developed in the North Parcel Faculty Housing and Sierra Madre Family Housing projects from 366 to 323 units.
 - b. Authorizing the President to approve, execute, and record an irrevocable dedication of, or an offer to dedicate, a Conservation Easement to a public agency or private association on the approximately 70-acre South Parcel of the North Campus prior to development of the North Parcel Faculty Housing for habitat conservation and public access consistent with the terms of the LRDP Amendment and Notice

of Impending Development as approved by the Coastal Commission.

- (2) Authorization of the President, after consultation with the General Counsel, to approve and execute:
 - a. The above referenced document.
 - b. All amendments to the above referenced document as may be necessary or appropriate for satisfying the requirements of the Coastal Commission development and management of the Projects.
 - c. Such additional documents as may be required by changing circumstances or unforeseen conditions as long as such amendments or additional documents do not substantially alter the foregoing transaction terms approved by The Regents.
- (3) Authorization of the Secretary to execute all documents approved by The Regents or the President necessary for the completion of these transactions.

Upon motion of Regent Kozberg, duly seconded, the recommendations of the Committee on Grounds and Buildings were approved.

7. **REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY**

A. ***Naming of UC Labor Program after Miguel Contreras***

The Committee recommended that the labor and employment research and education program funded by the 2006 Budget Act be named the Miguel Contreras Labor Program.

B. ***State Funding of Capital Projects: UC Endorsement of Bond Measure Campaigns***

The Committee recommended that:

- (1) The University's Administrative Guidelines for UC Campus Foundations relating to the expenditure of Campus Foundation funds in support of educational facilities bond measures be adopted as a Regental policy, and that the Regental policy shall state:

Campus Foundations may only make financial expenditures for campaign purposes that are legally appropriate to support measures clearly beneficial to the University, such as

educational facilities bond measures that include funding for the University of California, when such measures have been endorsed by The Regents.

- (2) Until the Office of the President returns to The Regents with a plan to implement this policy, including options for future educational facilities bond measures, and the plan is approved by The Regents, Campus Foundations will not expend any funds for educational facilities bond measures. This plan will include a process for determining compliance with the Regental policy.

Upon motion of Regent Marcus, duly seconded, the recommendations of the Committee on Educational Policy were approved.

8. **REPORT OF THE COMMITTEE ON OVERSIGHT OF THE DEPARTMENT OF ENERGY LABORATORIES**

Authorization to Approve and Execute Modification to the Department of Energy Contract for the Lawrence Berkeley National Laboratory to Amend Clauses and Add New Clauses as a Result of Changes to the Federal Acquisition Regulations and the Department of Energy Acquisition Regulations

The Committee recommended that the President be authorized to execute a modification to the provisions of Lawrence Berkeley National Laboratory contract DEAC02-05CH11231 in order to add two new clauses and incorporate revisions to eight clauses, as shown below:

Clause I.4 – FAR 52.203-6 Restrictions On Subcontractor Sales To The Government

The requirement to include this clause in all subcontracts over \$100,000 is changed to the simplified acquisition threshold.

Clause I.10 – FAR 52.209-6 Protecting The Government's Interest When Subcontracting With Contractors Debarred, Suspended, Or Proposed For Debarment

The threshold is increased from \$25,000 to \$30,000.

Clause I.16 – FAR 52.219-9 Small Business Subcontracting Plan

The threshold for requiring subcontracting plans on subcontracts other than construction is increased from \$500,000 to \$550,000.

Clause I.26 – FAR 52.222-35 Equal Opportunity For Special Disabled Veterans, Veterans Of The Vietnam Era, And Other Eligible Veterans

The flowdown requirement is increased from subcontracts over \$25,000 to contracts over \$100,000.

Clause I.28 – FAR 52.222-37 Employment Reports On Special Disabled Veterans, Veterans Of The Vietnam Era, And Other Eligible Veterans
The flowdown requirement is increased from subcontracts over \$25,000 to contracts over \$100,000.

Clause I.50 – FAR 52.244-6 Subcontracts For Commercial Items
The threshold at which FAR 52.219-8 becomes applicable is increased from \$500,000 to \$550,000.

Clause I.91 – DEAR 970.5227-2 Rights In Data-Technology Transfer (Deviation – July 2006)
The deviation expressly allows contractors to establish copyright in contract software, using an Open Source form of license, whether the software originated under the contract or was modified under the contract from other software subject to an Open Source license.

Clause I.92 – DEAR 970.5227-3 Technology Transfer Mission (Deviation – July 2006)
The deviation provides for an efficient process for the contractor to coordinate prospective licensing with the U.S. Trade Representative.

New clauses

Clause H.46 – Energy Efficiency In Energy Consuming Products (July 2006)
Pending formal adoption of the FAR clause, this new clause implements Section 104 of the Energy Policy Act of 2005.

Clause I.118 – FAR 52.222-50 Combating Trafficking In Persons (April 2006)
This new clause implements 22 U.S.C. 7104 as amended by Public Law 108-193 and 109-64, and is required for all service contracts that are not commercial services.

As a result of the changes the table of contents for the Lawrence Berkeley National Laboratory contract will be revised accordingly.

Upon motion of Regent Preuss, duly seconded, the recommendations of the Committee on Oversight of the Department of Energy Laboratories were approved.

9. REPORT OF THE COMMITTEE ON AUDIT**A. *Annual Report of External Auditors for the Year Ended June 30, 2006***

The Committee reported its acceptance, on behalf of The Regents, of the *Annual Report of External Auditors for the Year Ended June 30, 2006*.

B. *Approval of Regents' Policy on Audit Committee Charter*

The Committee recommended that the attached Charter (Attachment 1) be adopted as a Regents' Policy.

Upon motion of Regent Ruiz, duly seconded, the recommendations of the Committee on Audit were approved.

10. REPORT OF THE NOMINATING COMMITTEE

The Committee recommended the following appointments, effective immediately through June 30, 2007:

A. Appointment of Lieutenant Governor Garamendi as a member of the Committee on Educational Policy and the Committee on Finance.

B. Appointment of Regent Gould as Vice Chairman of the Board.

C. Appointment of Regent Kozberg as The Regents' representative to the California Postsecondary Education Commission, replacing Regent Gould.

Upon motion of Regent Kozberg, duly seconded, the recommendations of the Nominating Committee were approved.

11. REPORT OF THE SPECIAL COMMITTEE ON REGENTS' PROCEDURES**A. *Dates of Regents Meetings for 2008***

The Committee recommended that the following dates of Regents meetings for 2008 be approved.

2008

January 16-17

March 19-20

May 14-15

July 16-17

September 17-18

November 19-20

B. *Amendment of Policy on the Operation of the Board and Its Committees*

The Committee recommended that the Policy on the Operation of the Board and Its Committees be amended as shown below.

Addition shown by underscore

- (1) All items shall, and background material and reports for presentation to The Regents, including those of the Secretary and Chief of Staff, General Counsel, Chief Investment Officer, Senior Vice President-Chief Compliance and Audit Officer, and individual Regents, should be submitted in advance of the meeting to the President of the University, who shall be responsible for the preparation of agendas, the advance consultation with Committee Chairmen and the Chairman of the Board, and for the coordination of all material for presentation to The Regents. The Committee Chair will approve the agenda for his or her Committee, with the provision that any Regent may request that an item be placed on the agenda. Any Regent may place an item on the agenda of the Committee of the Whole.
- (2) The majority of the membership of a Standing Committee should serve more than one year to assure continuity.
- (3) Concurrent and off-cycle Committee meetings are encouraged when scheduling permits.

C. *Proposed Revisions to Regents' Policies on Capital Projects*

The Committee recommended approval of the attached revisions (Attachment 2) to Regents' policies relating to capital projects.

D. *Establishment of Permanent Positions of Staff Advisors to The Regents*

The Committee recommended that the positions of Staff Advisor to The Regents and Staff Advisor-Designate to The Regents (collectively referred to as Staff Advisors) be made permanent.

Upon motion of Regent Marcus, duly seconded, the recommendations of the Committee were approved.

12. REPORT OF THE COMMITTEE ON COMPENSATION

A. *Use of Fee Earned by the University for Un-reimbursed Salary Amounts for UC-Designated Key Personnel at Los Alamos National Security, LLC*

The Committee recommended that the amount of compensation unreimbursed by DOE-NNSA for five UC-designated key personnel at Los Alamos National Security, LLC (LANS) be reimbursed by the University from the fee earned by the University under the terms of the LANS contract.

The annual salaries shown below for each individual were effective October 1, 2006 as presented to and approved by the LANS Executive Committee Governing Board. The following tables confirm the annual salary to be paid to the individuals, the amount reimbursed by NNSA, and the amount to be reimbursed by the University. The total annual amount proposed for reimbursement by the University is \$79,975. The fund source will be the fee earned by the University under the terms of the LANS contract.

Proposed UC Annual Reimbursements for Federal FY2007 (October through September)

LANS Key Personnel from UC	Annual Salary Effective Oct 1, 2006	NNSA reimbursed amount	UC reimbursed amount
Anastasio	\$390,400	\$357,000	\$33,400
Mara	\$320,000	\$306,000	\$14,000
Wallace	\$260,000	\$251,500	\$8,500
Neu	\$237,100	\$214,200	\$22,900
Bishop	\$248,675	\$247,500	\$1,175
Total			\$79,975

The annual base compensation described for the above-named individuals shall constitute the University's total commitment under each respective program for those individuals until modified by The Regents and shall supersede all previous oral or written commitments.

B. *Use of Fee Earned by the University Under Prime Contract W-7405-ENG-48 for Un-reimbursed Salary Amounts for Senior Management Group and Non-Senior Management Group Personnel at Lawrence Livermore National Laboratory*

The Committee recommended that the amount of compensation unreimbursed by DOE-NNSA for senior management group and non-senior management group personnel at Lawrence Livermore National Laboratory (LLNL), as shown below, be reimbursed by the University from the fee earned under the terms of the current LLNL prime contract W-7405-ENG-48.

The following table displays the amounts already approved by The Regents to be paid to the individuals, the amounts reimbursed by NNSA, and the amounts to be reimbursed by UC.

LLNL SMG Member	Annual Salary Approved by The Regents Effective Oct 1, 2006	NNSA Reimbursed Amount	Proposed UC Reimbursed Amount
Miller	\$390,400	\$315,619	\$74,781
Murray	\$337,100	\$283,550	\$53,550
Leary	\$332,800	\$288,750	\$44,050
Moses	\$312,000	\$307,450	\$4,550
Diaz De La Rubia	\$292,500	\$290,250	\$2,250
Warner	\$291,000	\$260,040	\$30,960
Tulk	\$286,900	\$282,188	\$4,712
Bookless	\$283,100	\$278,425	\$4,675
Ferderber	\$272,900	\$245,410	\$27,490
Yunker	\$267,500	\$264,987	\$2,513
Sub-Total UC SMG			\$249,531
LLNL non-SMG			
Wisoff	\$243,696	\$235,510	\$8,186
Carter	\$233,724	\$232,500	\$1,224
Wapman	\$240,624	\$231,210	\$9,414
MacGowan	\$234,060	\$227,370	\$6,690
Barty	\$221,430	\$210,030	\$11,400
Spain	\$233,340	\$207,781	\$25,559
Craft Rogers	\$208,800	\$203,400	\$5,400
Koenig	\$204,000	\$195,600	\$8,400
Dunning	\$203,784	\$199,999	\$24,184
Conaway	\$198,292	\$192,271	\$6,021
King	\$199,999	\$194,877	\$5,122
Knight	\$204,504	\$170,525	\$33,979
Sub-Total UC non- SMG Amount			\$145,579
Total UC Amount			\$395,110

The annual base compensation described for the above-named individuals shall constitute the University's total commitment under each respective program for those individuals until modified by The Regents and shall supersede all previous oral or written commitments.

C. ***Incentive Pay for William H. Gurtner as Vice President–Clinical Services Development, Office of the President***

The Committee recommended approval of a performance incentive payment for William H. Gurtner as Vice President–Clinical Services Development, Office of the President:

- (1) Incentive payment of \$75,000 (17.9 percent of annual base salary) based on assessment of Mr. Gurtner's performance against goals and objectives, and as authorized under the terms of his letter of appointment approved by The Regents on December 4, 1995.
- (2) Effective upon approval by The Regents

Additional items of compensation currently include:

- Annual base salary of \$418,400.
- Per policy, leased automobile.
- Per policy, an Administrative Fund. Adjustments may occur annually as allowed by policy.
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

D. ***Creation of New Position and Slotting for Vice President–Health Sciences and Services, Office of the President***

The Committee recommended approval of the following position to allow recruitment to commence:

- (1) Establishment of a new position within the Senior Management Group, Vice President–Health Sciences and Services reporting to Executive Vice President and Provost Hume.

- (2) Approval of slotting of new position, Vice President–Health Sciences and services, at SLCG Grade 113; range minimum \$325,000, midpoint \$420,000, maximum \$515,000

Additional items of compensation will include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

E. *Individual Salary Items*

- (1) ***Promotional Increase and Title Change for David Hughes as Investment Officer, Office of the President***

The Committee recommended approval of the following items in connection with the promotional increase and title and job grade change for David Hughes as Investment Officer, Office of the President:

- a. Promotional increase of \$5,642 (4.6 percent) to bring his base salary from \$122,958 to \$128,600 (lagging the midpoint by -15.1 percent for SLCG Grade 104, minimum \$120,400, midpoint \$151,400, maximum \$182,400).
- b. Promotion to Investment Officer–Externally Managed Investments SLCG grade 104, 100 percent time.
- c. Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan, with an incentive target of 35 percent up to a maximum of 70 percent of base salary.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(2) ***Promotional Increase and Title and Grade Change for Omar Sanders as Investment Officer, Office of the President***

The Committee recommended approval of the following items in connection with the promotional increase and job grade change for Investment Officer Omar Sanders, Office of the President:

- a. Promotional increase of \$14,146 (10 percent) to bring his base salary from \$141,468 to \$155,614 (lagging the midpoint by -8.2 percent for SLCG Grade 105, minimum \$134,400, midpoint \$169,600, maximum \$204,700).
- b. Promotion to Investment Officer–Fixed Income Investments, SLCG grade 105, 100 percent time.
- c. Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan with an incentive target of 35 percent of up to a maximum of 70 percent of base salary.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(3) ***Stipend Adjustments for Various University Employees, Berkeley and Davis Campuses***

The Committee recommended approval of the application of these previously approved administrative stipends to the newly merited base salaries for Christina Maslach as Interim Dean–Undergraduate Division, College of Letters and Science, Berkeley campus; Mark Richards as Executive Dean–College of Letters and Science, Berkeley campus; and Fred E. Wood as Acting Vice Provost–Undergraduate Studies, Davis Campus.

Christina Maslach:

- a. Per Policy, administrative stipend of 15 percent (calculated against her October 1, 2006 merited salary, the stipend is \$26,000) to increase her base salary of \$173,400, for a total annual salary of \$199,400.
- b. This appointment is at 100 percent time, and this changed calculation is effective October 1, 2006 through June 30, 2007.
- c. If an adjustment to the base salary is made prior to the termination of this acting role, the 15 percent stipend will be recalculated against the new base salary.

Mark A. Richards:

- a. Per policy, administrative stipend of 15 percent (calculated against his October 1, 2006 merited salary, the stipend is \$31,400) to increase his base salary of \$209,000, for a total annual salary of \$240,400.
- b. This appointment is at 100 percent time and the changed calculation is effective October 1, 2006 through September 30, 2007.
- c. If an adjustment to the base salary is made prior to the termination of this acting role, the 15 percent stipend will be recalculated against the new base salary.

Fred E. Wood:

- a. As an exception to policy, administrative stipend of \$31,791 (26.9 percent) for a total annual salary of \$149,940. Original stipend amount was approved by The Regents. This action is being brought before the Regents because the stipend exceeds 15 percent.
- b. This appointment is at 100 percent time, and the extension of the administrative stipend is effective July 1, 2006 through March 31, 2007. This position is slotted on an interim basis at SLCG Grade Salary Grade 105; minimum \$130,900, midpoint \$165,100, maximum \$199,300.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(4) ***Salary for Manuel Porto M.D. as Acting Dean–College of Health Sciences and the School of Medicine, Irvine Campus***

The Committee recommended approval of the following items in connection with the compensation for Manuel Porto as Acting Dean–College of Health Sciences and the School of Medicine, Irvine campus.

- a. Annual appointment salary of \$257,000 (equal to his current base pay).
- b. As an exception to policy, an administrative stipend of \$15,709 per month (68.6 percent) to maintain Dr. Porto's current level of income, in recognition of the necessary reduction of clinical revenue he will realize while he assumes temporary administrative dean's duties and reduces his clinical practice.
- c. Effective November 1, 2006 and continuing until a new dean is appointed and the transition of responsibilities is final, or until October 31, 2007, whichever occurs first. The campus has recruited a Vice Chancellor of Health Affairs, who will initially also concurrently serve as Dean of the School of Medicine.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(5) ***Stipend for Thomas V. McAfee, M.D., Physician-in-Chief, Health Sciences, San Diego Campus***

The Committee recommended approval of the following items in connection with the with the assumption of additional temporary duties for Thomas V. McAfee as Physician-in-Chief, Health Sciences, San Diego campus:

- a. An administrative stipend of 10 percent (\$35,310) to increase his base salary of \$353,100, for a total annual salary of \$388,410.
- b. The stipend amount will be increased as the base salary is increased, so the stipend will equal 10 percent of the base salary.
- c. The responsibilities assumed by Dr. McAfee, resulting from the vacancy of the Associate Vice Chancellor–Finance and Administration position and the corresponding stipend will be in effect October 1, 2006 through September 30, 2007 or until the Associate Vice Chancellor–Finance and Administration position is filled, whichever occurs first.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, eligibility for the Clinical Enterprise Management Recognition Program.
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(6) ***Stipend for Ronaldo G. Espiritu as Associate Dean for Business and Fiscal Affairs, Health Sciences, San Diego Campus***

The Committee recommended approval of the following items in connection with the assumption of additional temporary duties for Ronaldo Espiritu as Associate Dean for Business and Fiscal Affairs, Health Sciences, San Diego Campus:

- a. An administrative stipend of 15 percent (\$26,600) to increase his base salary of \$177,300, for a total annual salary of \$203,900.
- b. The stipend amount will be increased as the base salary is increased, so the stipend will equal 15 percent of the base salary.
- c. The responsibilities assumed by Mr. Espiritu, resulting from the vacancy of the Associate Vice Chancellor–Finance and

Administration position and the corresponding stipend will be in effect October 1, 2006 through September 30, 2007, or until the Associate Vice Chancellor–Finance and Administration, Health Science position is filled, whichever occurs first.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility for the Staff Recognition and Development Program.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(7) ***Stipend for Peter F. Cowhey as Dean–Graduate School of International Relations and Pacific Studies for Additional Duties as Acting Associate Vice Chancellor for International Affairs, San Diego Campus***

The Committee recommended approval of the following items in connection with the compensation of Peter F. Cowhey, Dean–Graduate School of International Relations and Pacific Studies for his additional duties as Acting Associate Vice Chancellor for International Affairs, San Diego campus:

- a. An administrative stipend of 15 percent (\$25,700), to increase his base salary of \$171,100, to a total annual salary of \$196,800.
- b. If an adjustment to the base salary is made prior to the termination of this acting role, the 15 percent stipend will be recalculated against the new base salary.
- c. Effective January 1, 2007 through December 31, 2007, or until the appointment of a permanent Associate Vice Chancellor for International Affairs, whichever occurs first.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- 0 percent tenured faculty position and accrual of sabbatical credits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(8) ***Stipend for Clifford Roberts as Acting Associate Vice Chancellor–Research Services, San Francisco Campus***

The Committee recommended approval of the following in connection with the appointment of Clifford R. Roberts as Acting Associate Vice Chancellor–Research Services, San Francisco campus:

- a. As an exception to policy, an administrative stipend of 20 percent (calculated against current academic appointment salary, the stipend is \$37,840) to increase his base salary of \$189,200, for a total annual salary of \$227,040.
- b. This appointment is at 100 percent time and effective upon approval through December 31, 2007, or until this responsibility is transferred to the new Associate Vice Chancellor–Research Service potentially including up to a three month transition period, whichever is sooner.
- c. If an adjustment to the base salary is made prior to the termination of this acting role, the 20 percent stipend will be recalculated against the new base salary.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(9) ***Stipend Adjustment for Daniel Neumark as Division Director–Faculty, Chemical Sciences Division, Lawrence Berkeley National Laboratory***

The Committee recommended approval of the following recalculation of the existing Administrative Stipend for Daniel Neumark, Scientific Division Director–Faculty, Chemical Sciences, Lawrence Berkeley National Laboratory:

- a. Approval to apply previously approved administrative stipend of 15 percent to new annualized salary resulting from a merit increase effective July 1, 2006 and an across-the-board increase effective October 1, 2006. This adjustment will result in an additional stipend amount of \$2,560 total (representing back pay) for both actions.
- b. As adjustments are made to the incumbent's base salary, the 15 percent stipend will be recalculated against the new base salary.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The source of funds for payment of this compensation item is Department of Energy funds as provided under the University's contract with the DOE. Separate approval by DOE of this item is not required.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(10) ***Administrative Stipend for Ernest L. Majer as Acting Scientific Director—Earth Sciences, Lawrence Berkeley National Laboratory***

The Committee recommended approval of the following items in connection with an administrative stipend for Ernest L. Majer as Acting Scientific Division Director—Earth Sciences, Lawrence Berkeley National Laboratory (LBNL):

- a. Per policy, administrative stipend of 15 percent (\$28,284), to increase his base salary of \$188,592, for a total annual salary of \$216,876.
- b. Effective November 30, 2006 through October 31, 2007, or until the appointment of a permanent Scientific Division Director, whichever is sooner.
- c. If an adjustment to the base salary is made prior to the termination of this acting role, the 15 percent stipend will be recalculated against the new base salary.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The source of funds for payment of this compensation is Department of Energy funds as provided under the University's contract with the DOE. Separate approval by DOE of this item is not required.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(11) ***Stipend Extension for Jeffrey A. Blair as University Counsel, Office of the General Counsel, Office of the President***

The Committee recommended approval of the following items in connection with a stipend extension for Jeffrey Blair as University Counsel in the Office of the General Counsel, Office of the President:

- a. Extend the existing administrative stipend of 41.7 percent (calculated against current salary, the stipend is \$67,200) in addition to his base salary of \$161,000, for a total annual salary of \$228,200.
- b. Since the stipend was approved through December 31, 2006, extend the effective period to facilitate the transition of responsibilities to the newly appointed General Counsel. The stipend would cease upon the appointment of the General Counsel's leadership team or on July 31, 2007, whichever occurs first.

Additional compensation and related items include:

- Standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(12) ***Stipend Extension for Debora Obley as Assistant Vice President—Budget Development and External Relations, Office of the President***

The Committee recommended approval of the following items in connection with a stipend extension for Debora Obley for additional responsibilities in the Budget Office, Office of the President:

- a. Administrative stipend of \$23,100 in addition to her base salary of \$154,100, for a total annual salary of \$177,200.
- b. Effective February 1, 2007 through January 31, 2008 or until there is a transition to a permanent management structure, whichever is earlier.

Additional items of compensation include:

- Per policy, 3 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(13) ***Salary Adjustment for John F. Cummins as Associate Chancellor—Chief of Staff, Berkeley Campus***

The Committee recommended approval of the following items in connection with the salary adjustment for John F. Cummins as Associate Chancellor—Chief of Staff, Berkeley campus, in recognition of the addition of responsibility for Government and Community Relations:

- a. A salary adjustment of \$12,400 (7.47 percent) added to his base salary of \$166,100 for a total annual salary of \$178,500. This increase, in addition to his approved merit increase, results in a total increase of 10.25 percent.
- b. Effective October 1, 2006.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, 3 percent contribution to the Senior Management Supplemental Benefit.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(14) ***Summer Salary for C. Ronald Huff as Dean–School of Social Ecology, Irvine Campus***

The Committee recommended approval of the following in connection with the one-time additional compensation payment for C. Ronald Huff as Dean–School of Social Ecology, Irvine campus:

- a. As an exception to policy, a one-time additional compensation payment of \$12,036, for total annual compensation of \$178,536.
- b. This additional compensation is for 19 days of research performed in July and August 2006 and will be paid from the discretionary research funds he receives as Dean.
- c. Per policy, Mr. Huff will forfeit 19 days of his accrued vacation.

The summer salary component of compensation described above shall constitute the University's total commitment under this policy until modified by The Regents and shall supersede all previous oral or written commitments.

(15) ***Salary Adjustment for James Fraser Stoddart as Director–California NanoSystems Institute, Los Angeles Campus***

The Committee recommended approval of the following items in connection with the salary adjustment for James Fraser Stoddart as Director–California NanoSystems Institute, Los Angeles campus:

- a. As an exception to policy, a salary adjustment of \$68,900 (30.7 percent) added to his base salary of \$224,400 for a total annual salary of \$293,300 to maintain a Director's salary equivalent to Mr. Stoddart's adjusted faculty salary. This

exception results in salary over the MSP salary grade range maximum.

- b. An effective date of September 1, 2006.

Additional items of compensation currently include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, accrual of sabbatical credits as a member of faculty.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(16) ***Salary Adjustment for Paul W. Drake as Dean–Division of Social Sciences, San Diego Campus***

The Committee recommended approval of the following items in connection with the salary adjustment for Paul W. Drake as Dean–Division of Social Sciences, San Diego campus.

- a. Salary adjustment of \$16,800 (8.3 percent) added to his base salary of \$201,900 for a total annual salary of \$218,700 to compensate Mr. Drake for the elimination of an ongoing 1/12th summer salary commitment. The previous commitment for summer salary was not consistent with current policy.
- b. Retroactive effective date of October 1, 2006.

Additional compensation and related items include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, accrual of sabbatical credits as a member of the faculty.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(17) ***Salary Adjustment for Gabriele Wienhausen as Provost–Sixth College, San Diego Campus***

The Committee recommended approval of the following items in connection with the salary adjustment for Gabriele Wienhausen, Provost–Sixth College, San Diego campus:

- a. A salary adjustment of \$10,800 (8.5 percent) added to her base salary of \$126,400 for a total annual salary of \$137,200, to establish a 2.7 percent differential between her academic appointment and her compensation as provost.
- b. Retroactive effective date of October 1, 2006.

Additional compensation and related items include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, eligible for leave in lieu of sabbatical as a member of the faculty.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(18) ***Merit and Equity Increases for Academic Appointees with Administrative Titles, San Diego Campus***

The Committee recommended that salary rates resulting from merit and equity proposals be approved, effective October 1, 2006, for four academic appointees in administrative titles, San Diego campus, as follows:

- Associate Vice Chancellor, Undergraduate Education, Mark Appelbaum, \$205,600.
- Director, San Diego Supercomputer Center, Francine Berman, \$248,400.
- Associate Vice Chancellor for Academic Planning and Resources, David Miller, \$207,300.
- Director, California Institute of Telecommunications and Information Technology, Larry Smarr, \$280,000.

The compensation described above shall constitute the University's total commitment under the 2005-06 merit and equity increase program until modified by The Regents and shall supersede all previous oral or written commitments.

(19) ***Incentive Payment for Charles F. Kennel as Vice Chancellor–Marine Sciences, Dean of the Graduate School–Marine Sciences and Director of Scripps Institution of Oceanography, San Diego Campus***

The Committee recommended approval of the following item for Charles F. Kennel as Vice Chancellor–Marine Sciences, Dean of the Graduate School–Marine Sciences, and Director of Scripps Institution of Oceanography, San Diego campus:

- a. As an exception to policy, annual individual incentive payment of \$9,630 (5.0 percent) based on a review of his accomplishments relative to the specific, measurable organizational and financial goals that had been established for the 2005-06 fiscal year by the Chancellor, as provided in his offer letter.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, Mortgage Origination Program loan.
- Per policy, 5 percent Senior Management Supplemental Benefit Program contribution.
- As exception to policy, automobile allowance of \$8,916 per year.
- Per policy, eligible for sabbatical credit.

The compensation described above shall constitute the University's total commitment under this agreement until modified by The Regents and shall supersede all previous oral or written commitments.

(20) ***Retention Increase for Bruce W. Spaulding as Senior Vice Chancellor–University Advancement and Planning, San Francisco Campus***

The Committee recommended approval of the following interim reslotting of the position and a retention increase for Bruce W. Spaulding as Senior Vice Chancellor–University Advancement and Planning, San Francisco campus:

- a. Reslotting to SLCG grade 111.
- b. Retention increase of \$46,000 (15.1 percent) to bring his base salary from \$304,000 to \$350,000 (above the midpoint of the salary range for SLCG Grade 111, Minimum \$260,400 Midpoint \$334,600 Maximum \$408,700).
- c. Eligibility for an annual incentive award, target award percentage to be determined upon implementation of a formal program with Universitywide application, to be approved by The Regents. Actual award will be based on attainment of pre-established goals and objectives.
- d. Effective upon approval by The Regents.

Additional items of compensation include:

- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, annual Auto Allowance of \$8,916.
- Per policy, currently participating in the Mortgage Origination Program.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(21) ***Incentive Payment for John E. Plotts as Assistant Vice President–Finance, Office of the President***

The Committee recommended approval of the following items in connection with the performance incentive payment for John E. Plotts as Assistant Vice President–Finance, Office of the President:

- a. As exception to policy, a performance incentive payment of \$22,270 (10 percent).
- b. Payment will be processed effective upon approval by The Regents.
- c. Continued eligibility to participate in this performance incentive program with annual awards not to exceed 10 percent of base salary determined by assessment of performance and contribution based on predetermined goals and objectives.

Additional items of compensation currently provided include:

- Annual base salary of \$222,700.
- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(22) ***Salary Action Items Corrections–Various Campuses***

The Committee recommended approval of the following corrections:

- a. Andrew J. Policano, Dean–Paul Merage School of Business, Irvine campus – Change approved merit recommendation from incorrect base salary of \$275,000 plus 2.5 percent merit increase resulting in merited base salary of \$281,900 to corrected base salary of \$281,900 plus 2.5 percent merit increase results in new base salary of \$288,900.

- b. Daniel Guerrero, Director Intercollegiate Athletics, Los Angeles campus – Change approved merit recommendation from incorrect base salary of \$246,800 plus 3.5 percent merit increase resulting in merited base salary of \$255,400 to corrected base salary of \$295,000 plus 3.5 percent merit increase resulting in new base salary of \$305,300.
 - c. Cristina C. Bambao, Administrative Nurse II, Medical Center, Davis campus – Change approved effective date from October 1, 2006 to September 24, 2006 to be consistent with the bi-weekly payroll schedule at the Medical Center, Davis campus.
- (23) ***Appointment Salary for David A. Brenner, M.D., as Vice Chancellor–Health Sciences and Dean–School of Medicine, San Diego Campus***

The Committee recommended approval of the following items in connection with the appointment of David A. Brenner, M.D., as Vice Chancellor–Health Sciences and Dean–School of Medicine, San Diego campus:

- a. Title of Vice Chancellor–Health Sciences and Dean–School of Medicine, SLCG 113.
- b. An initial five-year term, subject to continuation based on performance review; provided that nothing in this item shall alter the at-will status of Dr. Brenner's appointment, as reflected in the terms and conditions of the University's Senior Management Personnel Policies.
- c. Annual base salary of \$500,000, 100 percent time.
- d. Health Sciences Compensation Plan (HSCP) supplement applicable to Medical School Deans of \$220,000.
- e. Effective date of February 1, 2007.

Additional items of compensation include:

- Per policy, \$125,000 (25 percent) relocation allowance subject to a repayment requirement in the event that Dr. Brenner resigns within the first four years of employment.
- Per policy, 30 days of temporary housing and reimbursement of moving expenses.
- As an exception to policy, 2 house-hunting trips, the total number of days not to exceed 10 for Dr. Brenner and his spouse. Coach air fare, meals and lodging will be reimbursed.
- 0 percent tenured faculty position and accrual of sabbatical credits, subject to the normal academic approval process.
- Per policy, eligibility for participation in the Mortgage Origination Program loan up to \$1 million.
- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(24) ***Promotional Increase, Title Change, and Salary Grade Change for David Odatto as Executive Director–Medical Center Patient and Employees Services, San Francisco Campus***

The Committee recommended approval of the following items in connection with the promotion of David Odatto to Executive Director–Medical Center Patient and Employee Services, San Francisco campus:

- a. Re-slotting to SLCG grade 108 (minimum \$187,100 midpoint \$238,200 maximum \$289,300).
- b. Retention increase of \$25,000 (11.7 percent) to bring his base salary from \$213,200 to \$238,200 (to the midpoint of the salary range minimum \$187,100 midpoint \$238,200 maximum \$289,300).
- c. Title Change from Executive Director–Human Resources and Service Excellence to Executive Director–Patient and Employee Services.

- d. Continued eligibility for participation in the Clinical Enterprise Management Recognition Program (CEMRP) with a maximum payout of up to 20 percent of base salary (\$47,640; currently participates in the CEMRP at 20 percent).
- e. Effective upon approval of The Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(25) ***Stipend for Reynaldo F. Macias as Acting Dean–Division of Social Sciences, College of Letters and Science, Los Angeles Campus***

The Committee recommended approval of the following items in connection with the appointment of Reynaldo F. Macías as Acting Dean–Division of Social Sciences, College of Letters and Science, Los Angeles campus:

- a. An administrative stipend of 15 percent (\$26,800) to increase his adjusted academic salary of \$178,500 (inclusive of 2.5 summer ninths), for a total annual salary of \$205,300. The current stipend as Chair will be discontinued.
- b. If an adjustment to the annualized academic base salary is made prior to the termination of this acting role, the 15 percent stipend will be recalculated against the new annualized academic base salary.
- c. This appointment is at 100 percent time and is effective January 1, 2007 through December 31, 2007, or until the appointment of a permanent Dean–Social Sciences, whichever occurs first.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare Benefits.
- Per policy, eligible for sabbatical credits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(26) ***Stipend for Scott L. Waugh as Acting Executive Vice Chancellor and Provost, Los Angeles Campus***

The Committee recommended approval of the following items in connection with an administrative stipend for Scott L. Waugh as Acting Executive Vice Chancellor and Provost, Los Angeles campus:

- a. As an exception to policy, an administrative stipend of 41.3 percent (\$79,000) to increase his current base salary of \$191,500, to a total annual salary of \$270,500, which is below the minimum of the salary range for the slotted acting position.
- b. Effective January 1, 2007 through December 31, 2007, or until the effective date of the appointment of a permanent Executive Vice Chancellor, whichever occurs first.
- c. If an adjustment to the base salary is made prior to the termination of this acting role, the 41.3 percent stipend will be recalculated against the new base salary. Due to the stipend exceeding 15 percent, this would also continue to be an exception to policy.

Additional compensation and related items include:

- Per policy, continuation of the 5 percent monthly contribution to the Senior Management Supplemental Benefit Program, consistent with Mr. Waugh's appointment prior to July 1996.
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- 0 percent tenured faculty position and accrual of sabbatical credits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(27) ***Stipend Extension for Raymond Williams as Acting Dean–A. Gary Anderson Graduate School of Management, Riverside Campus***

The Committee recommended approval of extension of the stipend for Raymond Williams as Acting Dean–A. Gary Anderson Graduate School of Management, Riverside campus:

- a. Compensate for 10 days (80 hours) of service as Acting Dean–A. Gary Anderson Graduate School of Management, from July 1, 2006 to July 16, 2006, upon approval of The Regents.
- b. Compensation includes \$2,467.79 for 10 days of service.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(28) ***Retention Increase for M. Boone Hellmann as Associate Vice Chancellor–Facilities Design and Construction/Campus Architect, San Diego Campus***

The Committee recommended approval of the following items in connection with the retention of M. Boone Hellmann as Associate Vice Chancellor–Facilities Design and Construction/Campus Architect, San Diego campus:

- a. Retention increase of \$23,900 (14.4 percent) to increase his total annual base salary from \$166,100 to \$190,000 (above the midpoint of the salary range for SLCG Grade 105, minimum \$134,400, midpoint \$169,600 maximum \$204,700).
- b. Effective January 1, 2007, upon approval by The Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, 3 percent contribution to the Senior Management Supplemental Benefit Program.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(29) ***Retention Increase for Christine M. Casey as Assistant Vice President–Administrative Services, Agriculture and Natural Resources, Office of the President***

The Committee recommended that the following be approved in connection with the retention of Christine M. Casey as Assistant Vice President–Administrative Services, Agriculture and Natural Resources, Office of the President:

- a. Retention increase of \$15,500 (10 percent) to bring her base salary from \$155,500 to \$171,000 (above the midpoint of the salary range for SLCG Grade 104, minimum \$120,400, midpoint \$151,400, maximum \$182,400).
- b. Effective upon approval by The Regents.

Additional items of compensation include:

- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability and Relocation Allowance.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(30) ***Merit Increases for Athletic Coaches, Los Angeles Campus***

The Committee recommended that salary rates resulting from merit increases be approved, effective July 1, 2006, Los Angeles campus, as follows:

- a. William Martin, Head Coach, Men's Tennis – An 11.4 percent merit increase to his base salary of \$70,000, effective July 1, 2006, for new base salary of \$78,000. Merit increase has already been implemented. Total cash compensation includes:

- Base salary of \$78,000.
 - Imputed income value of courtesy automobile of \$6,612.
 - Advance on summer camp revenue of \$105,600.60 and a second payment on camp revenue of \$68,370.26.
 - Total cash compensation results in a total of \$258,582.86.
- b. Dwayne Walker, Defensive Coordinator, Football – A 13.3 percent merit increase to his base salary of \$150,000, effective July 1, 2006, for a new base salary of \$170,000. Merit increase has already been implemented. Total cash compensation includes:
- Base salary of \$170,000.
 - Guaranteed pay for services related to speaking engagements, tv/radio appearances at \$100,000.
 - Total cash compensation results in a total of \$270,000.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(31) ***Mortgage Origination Program Loan for Akhil Gupta as Professor of Anthropology, Los Angeles Campus***

The Committee recommended approval of a Mortgage Origination Program loan in the amount of up to \$1.25 million to Akhil Gupta, Professor of Anthropology, Los Angeles campus. This loan will comply with all other normal Mortgage Origination Program parameters.

F. ***Definition of Total Compensation for the Purpose of Defining the Annual Report on Compensation***

The Committee recommended that:

- (1) The following definition of total compensation be approved for the purpose of further defining the "Annual Report on Compensation," as recommended by the Task Force on UC Compensation, Accountability, and Transparency, and adopted by The Regents under *Regents Plans for Reforms in Response to the Report of the Task Force on UC Compensation, Accountability, and Transparency* in May 2006.
- (2) The definitions be approved of the "Annual Report on Compensation,"

including the group of University employees covered by the report, the time period, and other report parameters, as follows, as recommended by the Task Force on UC Compensation, Accountability, and Transparency, and adopted by The Regents in May 2006.

A. **Definition of Total Compensation and Total Cash Compensation**

TOTAL COMPENSATION shall be defined as:

1. All salary and other cash payments made to the employee or on behalf of the employee including but not limited to base salary, stipends, incentive payments, bonuses, cash awards, automobile allowances, or any other cash payments that would be considered W2 income to the employee.
2. One-time payments/reimbursements made to the employee or on behalf of the employee including but not limited to relocation allowance, temporary housing reimbursements or allowances, moving expense reimbursements, payments pursuant to post-retirement agreement, payments pursuant to severance/separation agreements, or any other reimbursements made to the employee that would be considered W2 income and are not considered business-related expenses.
3. Any benefits and perquisites including but not limited to: health and welfare benefits including retirement available to all career employees, senior manager life insurance, executive business travel insurance, executive salary continuation for disability, any home mortgage loans, senior management supplemental benefit program contributions, University provided housing, vacation and sick leave accrual, leased automobiles, post-retirement employment agreements, special or supplemental health or retirement benefits, severance or separation agreement benefits, any cash payment in connection with any severance or separation agreement, special sabbatical or other leave arrangements, or any other benefits or perquisites provided to the employee for services rendered to the University of California.

B. **Definitions and Parameters for the Annual Report on Compensation**

1. **Population Covered under the Annual Report on Compensation**

- a. This report will include the “named positions” for which The Regents retains direct authority to approve compensation, as specified in *Procedures for Setting Compensation in 2006-07 for Those Classified in the Senior Leadership Compensation Group and Other Specified Non-Faculty Employees* (approved by The Regents in July 2006):

president
executive and senior vice presidents
vice presidents
associate and assistant vice presidents
auditor
controller
principal officers of The Regents
chancellors and vice chancellors
national laboratory directors and deputy directors
medical center CEOs
deans

Other positions, including the top five most highly compensated positions at each UC location, may be designated by The Regents for review and approval of compensation actions.

The Annual Report on Compensation will also include positions for those employees who are in the Senior Leadership Compensation Group (SLCG) and all non-faculty academic administrators whose cash compensation exceeds the Indexed Compensation Level (ICL), currently at \$200,000, as increased in accordance with *Policies on Universitywide and Senior Leadership, and Procedures for Senior Leadership Compensation* (approved by The Regents in November 2005 as item RE61). Compensation for the purpose of determining the ICL shall include all compensation included in item A1 plus relocation allowances from A2, above. This definition of compensation is consistent with and supports The Regents’ current practice for determining the ICL for reviewing and approving executive compensation.

This is in accordance with the guidelines established in the item *Policies on Universitywide and Senior Leadership Compensation, and Procedures for Senior Leadership Compensation* and under *Procedures for Setting Compensation in 2006-07 for Those Classified in the Senior Leadership Compensation Group and Other Specified Non-Faculty Employees*.

- b. Employees in one of the named positions but in an acting or interim capacity will be included in the report. Employees who serve in a named position during the reporting year but step down from that role and are no longer active in that role on December 31 of the reporting year will also be included in the report.

Although not considered a part of total compensation, and therefore not included in the Annual Report on Compensation, data will be collected and tracked on the following: spousal employment agreements as a component of hiring, housing maintenance for those who are required to reside in University housing, and administrative fund for business related expenses. This information will continue to be included in the individual action items presented to The Regents for approval.

2. **Timeframe for Reporting under the Annual Report on Compensation**
This report will be produced and presented to The Regents for review and approval in March of each year (or the next scheduled Regents meeting) and include the compensation details noted above for the preceding calendar year for the population described above. Since the 2006 Annual Report on Compensation will be the first report under the change from a fiscal year basis to a calendar year basis, to cover the gap in reporting a separate report will be generated for calendar year 2005, to be presented to The Regents in May 2006.
3. **Compensation Elements Displayed for the Annual Report on Compensation**

Data will be displayed for each person covered under this report, per the table as provided in Attachment 3.

G. ***Amendment of the University of California Retirement System (UCRS) Plans to Expand Eligible Rollover Provisions, Conform All UCRS Plan Fiduciary Oversight Structure Definitions, and Clarify and Conform Other Technical Plan Provisions***

The Committee recommended the approval of amendments to the UCRS Plans to provide for the following:

- (1) Allow non-spouse beneficiaries to roll over eligible distributions from UCRS plans to eligible IRAs, effective for distributions made after December 31, 2006 as provided for in the Pension Protection Act of 2006 (PPA).
- (2) Expand provisions for rollovers of after-tax contributions from qualified plans to eligible Retirement Savings Program plans, effective for distributions made after December 31, 2006 as provided for in the PPA.
- (3) Allow direct rollovers of eligible distributions from UCRS plans to Roth IRAs, effective for distributions after December 31, 2007 as provided for in the PPA.
- (4) Conform and clarify the authority of the Plan Administrator to adopt UCRS plan amendments to comply with mandatory changes in California law consistent with the Plan Administrator's current authority to adopt amendments to comply with changes in Federal law.
- (5) Clarify the scope of the Plan Administrator's authority to correct errors in the administration of the UCRS plans to achieve equitable resolutions, with concurrence of the Office of General Counsel, and the extent to which the Plan Administrator may rely on information furnished by third parties.
- (6) Clarify the fiduciary oversight of The Regents, the Office of the Treasurer, and the Plan Administrator with respect to the PERS Plus 5 Plan and 415(m) Plan. The proposed modification is similar to the clarifications previously approved by The Regents in May 2006 with respect to UCRP and in March 2005 with respect to the Retirement Savings Program plans.
- (7) Conform the claims and claims review procedures in the PERS Plus 5 Plan and 415(m) Plan to those of the other UCRS plans.

- (8) Conform the UC PERS Plus 5 Plan definition of “actuarially equivalent” for the purpose of projecting costs and liabilities to current practice and to the UCRP definition, effective for the July 1, 2007 valuation report.
- (9) Delegate authority to the Plan Administrator to implement these plan amendments.

H. ***Approval of Interim Policy on Outside Professional Activities for University Officers and Designated Staff***

The Committee recommended approval of the following interim modification to the Presidential Policy on Outside Professional Activities for University Officers and Designated Staff (Policy), consistent with the recommendations of the Task Force on UC Compensation, Accountability and Transparency, as follows:

- (1) This interim policy shall apply to all University employees who are members of the Senior Management Group or who are Designated Officers of the University, hereafter referred to as “Designated Employees.”
- (2) Service on a for-profit board that is not an entity of the University of California, for which the Designated Employee receives compensation and for which the Designated Employee has governance responsibilities, herein after referred to as the Designated Board, shall not exceed three such Designated Boards unless approved in advance and in writing by the Chair of the Compensation Committee of The Regents and the President.
- (3) Any such service on any Board including Designated Board(s) shall not negatively impact any employee’s, including any Designated Employee’s, ability to perform his or her duties and responsibilities, nor result in any potential conflict of interest, related to his or her University of California position.
- (4) The time required by the Designated Employee to perform his or her obligations on a Designated Board(s) shall occur during non-University business hours, or the Designated Employee shall use his or her vacation hours.
- (5) All Designated Employees shall obtain prior written approval to serve on any Board, including Designated Board(s), from their immediate supervisor.

- (6) Board Service in Excess of Three
- a. Those Designated Employees who currently serve on more than three Designated Boards shall notify The President of the University of such service and the Designated Boards upon which they serve, and shall divest themselves of those Designated Boards in excess of three such Designated Boards by December 31, 2007.
 - b. A Designated Employee who currently exceeds the limit set forth in paragraph (2) above and who desires to continue to exceed this limit after December 31, 2007, shall obtain prior approval from the Chair of the Committee on Compensation and the President prior to December 31, 2007 for such additional Designated Board service. Consideration shall be given to the circumstances surrounding the undertaking of service on any Designated Board in excess of three in determining the ability of the Designated Employee to continue such service.

This modification will become effective immediately and will stay in effect until implementation of a revised permanent policy which is under systemwide review.

In the event a conflict arises between this modification and current policies and/or guidelines, including policies relating to faculty, the interim provision shall prevail.

Upon motion of Regent Hopkinson, duly seconded, the recommendations of the Committee on Compensation were approved.

13. **REPORT ON INTERIM ACTIONS**

Acting Secretary Shaw reported that, in accordance with authority previously delegated by The Regents, interim action was taken on routine or emergency matters as follows:

- A. The Chairman of the Board, the Chair of the Committee on Compensation, and the President of the University approved the following recommendations:

(1) ***Creation of a New Position of Associate Vice Chancellor–Student Academic Affairs and Appointment of Joseph I. Castro, San Francisco Campus***

That the following be approved in connection with the classification and appointment of Joseph I. Castro, San Francisco campus:

- a. Approval of creation of a new position, Associate Vice Chancellor–Student Academic Affairs.
- b. Approval of slotting of a new position, Associate Vice Chancellor–Student Academic Affairs (SLCG grade 107; minimum \$167,600, midpoint \$212,700, maximum \$257,800).
- c. Appointment to the position of Associate Vice Chancellor–Student Academic Affairs at a salary of \$199,500, 100 percent time.
- d. Effective upon approval by The Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Exception to policy, participation in the Mortgage Origination Program (MOP). This is an exception to policy, as this loan program applies to members of the Academic Senate or those holding an equivalent title and members of the Senior Management Group, and this position is not a member of either.*
- Exception to policy, one month temporary housing allowance. This is an exception to policy as this policy applies to Senior Management Group members only.*
- Exception to policy, reimbursement of moving expenses/movement of household goods. This is an exception to policy as this policy applies to Senior Management Group members only.*
- Exception to policy, 25 percent Relocation Allowance of \$49,875 with a four-year payback clause. This is an exception to policy because the candidate resides within California and is a current UC employee. This request is to address specifically the significantly higher market cost of housing in the San Francisco Bay area.

* The above first three exceptions to policy are due to the fact that this position at most campuses has a title of Vice Chancellor and is a member of the Senior Management Group eligible for these items.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(2) ***Appointment Salary for Cathy A. Sandeen as Dean–Continuing Education and University Extension, Los Angeles Campus***

That the following be approved in connection with the appointment of Cathy A. Sandeen, Los Angeles campus:

- a. The title of Dean–Continuing Education and University Extension, SLCG Grade 106.
- b. At a salary of \$178,500, 100 percent time.
- c. An effective date of December 1, 2006.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, reimbursement of reasonable and customary moving expenses, one month temporary housing allowance.
- Per policy, participation in the Mortgage Origination Program (MOP), available to be exercised within a period not to exceed 24 months from date of appointment.
- As an exception to policy, a repayment agreement for two personal (education) loans which originated while Ms. Sandeen was employed by the Santa Cruz campus for which a balance remains.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(3) ***Administrative Stipend for Harry Le Grande as Acting Vice Chancellor–Student Affairs, Berkeley Campus***

That the following be approved in connection with the administrative stipend be approved for Harry Le Grande as Acting Vice Chancellor–Student Affairs, Berkeley campus:

- a. As an exception to policy, an administrative stipend of 22.7 percent (\$34,619) to increase his base salary of \$152,481, for a total annual salary of \$187,100, which is the minimum of the salary range for the slotted position.
- b. Effective January 1, 2007 through December 31, 2007, or until the effective date of the appointment of a permanent Vice Chancellor, whichever occurs first.
- c. If an adjustment to the base salary is made prior to the termination of this acting role, the 22.7 percent stipend will be recalculated against the new base salary. Due to the stipend exceeding 15 percent, this would also continue to be an exception to policy.

Additional compensation and related items include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(4) ***Appointment Salary for Rosio Alvarez as Operations Division Director–Information Technologies and Chief Information Officer, Lawrence Berkeley National Laboratory***

That the following items in connection with the appointment salary be approved for Rosio Alvarez as Operations Division Director–Information Technologies and Chief Information Officer, Lawrence Berkeley National Laboratory:

- a. Appointment salary of \$208,008 (below the LBNL midpoint of Salary Grade N15; Range Minimum \$165,684, Midpoint \$248,472, Maximum \$331,260), 100 percent time.
- b. Effective January 1, 2007.

Additional items of compensation are:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, reimbursement of an expanded relocation benefit up to \$50,394 that does not include a cash component.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(5) ***Administrative Stipend for Janet C. Gong as Acting Vice Chancellor–Student Affairs, Davis Campus***

That the following items in connection with the administrative stipend be approved for Janet C. Gong as Acting Vice Chancellor–Student Affairs, Davis campus:

- a. As an exception to policy, Administrative Stipend of 16.44 percent (\$26,416), increasing her annual base salary from \$160,684 to \$187,100 to bring her to the minimum of SLCG 108 (minimum \$187,100, midpoint \$238,200, maximum \$289,300). Given the size of this program in comparison to other campuses, it is important to award a stipend that brings Ms. Gong's salary to the minimum of the salary range.
- b. Effective January 1, 2007 through December 31, 2007, or until the effective date of an appointment of a permanent vice chancellor, whichever is earlier.
- c. If an adjustment to the base salary is made prior to the termination of this acting role, the 16.44 percent stipend will be recalculated against the new base salary.

Additional compensation and related items include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(6) ***Benefit Payments on Behalf of Los Alamos Employees Prior to Transfer of Assets and Liabilities***

That The Regents amend the University of California Retirement Plan (UCRP) effective as of December 31, 2006, to pay the benefit accrued as of May 31, 2006, to or on behalf of a member in the LANS Defined Benefit Plan (LANS Plan) who retires from LANS or dies, or whose alternate payee requests that his or her benefits start, before sufficient assets are transferred from UCRP to the LANS Plan, provided the following requirements are satisfied:

- a. The distributee must elect payment in one of the distribution forms available under the LANS Plan.
- b. The Department of Energy/National Nuclear Security Administration (DOE/NNSA) confirms in writing that (i) the University-DOE/NNSA contract (Contract) provision limiting transfers from UCRP to the LANS Plan to amounts necessary to satisfy the cash flow needs of the LANS Plan is waived; (ii) the DOE/NNSA will treat any taxes, penalties, claims, expenses and other losses that arise out of or in connection with such payments as reimbursable costs; (iii) the DOE/NNSA will make its best effort to come to agreement with the University regarding the asset/liability transfer as soon as possible, which is anticipated to be within the next three months; (iv) the DOE/NNSA acknowledges that the University reserves its right to terminate the arrangement upon a finding by the Plan Administrator that it is causing an undue administrative burden on UCRP; and (v) UCRP will receive credit for all such payments and earnings on such payments at the agreed-upon rate in the true up of the final transfer of assets and liabilities.
- c. The amount, form, and starting date of each such stated monthly payment to an identified member, beneficiary, or designated payee are confirmed in an Exhibit to Appendix L to UCRP approved by the Plan Administrator prior to the date of the first payment to or on behalf of a LANS Plan Member.

The authority to make such payments from UCRP shall cease no later than the date of the final transfer of assets and liabilities from UCRP to the LANS Plan, at which time benefits will begin to be paid under the LANS Plan. This item is presented pursuant to the Regental Policy on Interim Authority approved March 14, 1975, as amended July 18, 1986, authorizing approvals

of routine and emergency matters that require action between meetings of The Regents.

B. The Chairman of the Board, the Chair of the Committee on Finance, and the President of the University approved the following recommendations:

(1) ***Approval of Indemnification Terms in an Agreement with the United States Navy, Santa Barbara Campus***

That the President be authorized to execute a Release of Liability and Indemnity Agreement with the United States Navy that contains indemnification language that might require assumption by the University of third-party liability, an action for which approval by The Regents is required under Standing Order 100.4(dd)(9).

(2) ***Approval of Indemnification Terms in an Agreement with the Pacific Gas and Electric Company, Santa Barbara Campus***

That the President be authorized to execute an Interconnection Agreement for Net Energy Metering for Residential and Small Commercial Solar or Wind Electric Generating Facilities of 10 Kilowatts or Less with the Pacific Gas and Electric Company that contains indemnification language that might require assumption by the University of third-party liability, an action for which approval by The Regents is required under Standing Order 100.4(dd)(9).

C. The Chairman of the Board, the Chair of the Committee on Grounds and Buildings, and the President of the University concurred in the following recommendations:

(1) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Robert Paine Scripps Center for Science, Society and the Environment, San Diego Campus***

a. That the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

From: San Diego: Robert Paine Scripps Center for Science, Society and the Environment – preliminary plans, working drawings, construction, and equipment – \$7,755,000 funded from gift funds.

To: San Diego: Robert Paine Scripps Center for Science, Society and the Environment – preliminary plans, working drawings, construction, and equipment – \$12,647,000 to be funded from gift funds (\$8,410,000), campus funds (\$1,237,000) and external financing (\$3,000,000).

Pursuant to Bylaw 21.4(d) and Standing Order 100.4 (nn):

- b. That the President be authorized to approve standby financing not to exceed \$2,063,000 prior to awarding a construction contract for any gift funds not received by that time and subject to the following conditions:
- (i) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - (ii) Repayment of any financing shall be from gift funds, and in the event such gift funds are insufficient, from the UC San Diego campus' share of the University Opportunity Fund.
 - (iii) The general credit of The Regents shall not be pledged.
- c. That President be authorized to approve external financing not to exceed \$3,000,000 to finance the project listed in a. above, subject to the following conditions:
- (i) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - (ii) Repayment of the debt shall be from the UC San Diego campus' share of the University Opportunity Fund.
 - (iii) The general credit of The Regents shall not be pledged.
- d. That the Officers of The Regents be authorized to provide certification that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- e. That the Officers of The Regents be authorized to execute all documents necessary in connection with the above.

(2) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Berkeley Lab Guest House, Lawrence Berkeley National Laboratory***

- a. That the President amend the 2006-07 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

Lawrence Berkeley National Laboratory: Berkeley Lab Guest House – preliminary plans, working drawings, and construction – \$10,937,000 to be funded from external financing (\$9,993,000), Howard Hughes Medical Institute Grant (\$747,000), and funds available to LBNL (\$197,000).

Pursuant to Bylaw 21.4(d) and Standing Order 100.4(nn):

- b. That the President approve and authorize external financing not to exceed \$9,993,000 to finance the Berkeley Lab Guest House project, subject to the following conditions:
- (i) Interest only, based on amount drawn down, shall be paid on the outstanding balance during the construction period.
 - (ii) As long as the debt is outstanding, Berkeley Lab Guest House revenues shall be established at levels sufficient to provide excess net revenues sufficient to pay the debt service and to meet the related requirements of the proposed funding, and to the extent such revenues are insufficient, repayment shall be from unrestricted monies available to the Director of the Lawrence Berkeley National Laboratory.
 - (iii) The general credit of The Regents shall not be pledged.
- c. That the Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- d. That the Officers of The Regents be authorized to execute all documents necessary in connection with the above.

14. REPORT OF PERSONNEL ACTIONS

Acting Secretary Shaw reported that, in accordance with Bylaw 14.7(b), the following reports personnel actions taken at the November 2006 meeting and a special meeting on December 21, 2006. A roll call vote was taken on item C. (roll call vote required by State law on all actions taken in meetings held by teleconference).

- A. Appointment of Charles F. Robinson as General Counsel and Vice President–Legal Affairs, Office of the President, 100 percent, effective January 1, 2007.
- B. Appointment of Judy K. Sakaki as Vice President–Student Affairs, Office of the President, 100 percent, effective January 1, 2007.
- C. Appointment of Gene D. Block as Chancellor, Los Angeles Campus, 100 percent, effective no later than August 1, 2007. The roll call vote was as follows: Regents Coombs, De La Peña, Dynes, Gould, Hopkinson, Johnson, Kozberg, Ledesma, Parsky, Preuss, Ruiz, Schilling, Schreiner, Varner voting “aye” (14).

15. REPORT OF COMMUNICATIONS

Acting Secretary Shaw presented summaries of communications received subsequent to the November 2006 meeting which may be referred to President Dynes for response as appropriate.

16. AMENDMENT OF BYLAW 20.2–OFFICERS OF THE CORPORATION

At the November 16, 2006 meeting of The Regents of the University of California, Regent Marcus served notice that at the next regular meeting he would move amendment of Bylaw 20.2–Officers of the Corporation, as follows:

Deletion shown by strike out, additions by underscore

BYLAW 20

OFFICERS OF THE CORPORATION

20.2 Election.

The Board shall elect the Chairman, Vice Chairman, and Principal Officers except the President, who shall be the Governor of the State. The Chairman and Vice Chairman shall be elected at the May meeting of the Board and shall hold office for one year commencing on July 1 and until their successors are elected. In event of an interim vacancy in the office of Chairman, the Vice Chairman shall hold office until a successor is elected. The Chairman of the Board shall not be

elected for more than two consecutive years plus an immediately preceding unexpired term, if any. The Vice Chairman of the Board shall not be elected for more than ~~one~~ two terms plus an immediately preceding unexpired term, if any. All other Officers shall be elected at such times as vacancies may occur and shall hold office at the pleasure of the Board. The election and removal of the Chairman, Vice Chairman, and Principal Officers of the Corporation shall be by the affirmative vote of a majority of the members of the Board, except that the election of a Chairman Pro Tempore shall be by the vote of a majority of the members of the Board present and voting at any regular or special meeting of the Board at which such election takes place.

Upon motion of Regent Marcus, duly seconded, the recommendation was approved.

17. **AMENDMENT OF BYLAWS 10.1, 10.2, AND 16.4**

At the November 16, 2006 meeting of The Regents of the University of California, Regent Marcus served notice that at the next regular meeting he would move amendment of Bylaw 10.1, 10.2, and 16.4, as follows:

Deletions shown by strike out, additions by underscore

BYLAW 10.

COMMITTEES OF THE BOARD OF REGENTS

10.1 Standing Committees.

(b) The following shall be the Standing Committees of the Board:

Committee on Audit
Committee on Compensation
Committee on Educational Policy
Committee on Finance
Committee on Governance
Committee on Grounds and Buildings
Committee on Health Services
Committee on Investments
Committee on Long Range Planning
Committee on Oversight of the Department of Energy Laboratories

- (c) Each Standing Committee shall have no fewer than five members, nor more than ten the numbers set forth in the following schedule, in addition to ex officio members:

From October 15, 1977 to June 30, 1981.....	10
From July 1, 1981 to June 30, 1985	11
From July 1, 1985 to June 30, 1988	12
From July 1, 1988 to March 1, 1990	11
After March 1, 1990	10

- (d) Members of Standing Committees shall hold office until the appointment of their successors.

10.2 ~~Nominating Committee.~~

- (a) ~~The Chairman of the Board no later than March of each year shall appoint five members of the Board to the Nominating Committee for the ensuing year. The Chairman of the Board and the President of the University shall not be eligible for appointment to the Nominating Committee. No member of the Board who has been appointed to the Nominating Committee for two successive terms shall be eligible again for appointment until the lapse of one year. Said Nominating Committee, following consultation with the Chairman of the Board and the President of the University, shall nominate at the regular meeting in May a Chairman and a Vice Chairman of the Board and a Chairman, a Vice Chairman, and members of each Standing Committee for the ensuing year and, upon approval by the Board, the members so nominated thereupon shall be deemed appointed to such offices and committees. The member nominated as Vice Chairman of the Board may be, but is not required to be, selected from among the members nominated as Chairmen of the several Standing Committees.~~
- (b) ~~Vacancies on all Standing Committees shall be filled through nomination by the Nominating Committee. Vacancies on the Nominating Committee shall be filled by the Chairman of the Board.~~
- (e) ~~The Regents' representative and alternate representative to the California Postsecondary Education Commission shall be nominated by the Nominating Committee and upon approval by the Board the persons so nominated shall be deemed appointed as such representative and alternate representative, respectively. The representative and alternate representative shall be nominated by the Nominating Committee at the regular meeting in May of each year for a two-year term commencing on July 1. Vacancies shall be filled through nomination by the Nominating Committee. In accordance with California Education Code §66901, the representative and alternate representative are to be chosen from among~~

~~the appointed members of the Board of Regents. Members of the Board who are employed by any institution of public or private postsecondary education shall be ineligible to serve as representative or alternate representative if they are permanent, full-time employees of such institutions or if they there have part-time teaching duties exceeding six hours per week. The representative and alternate representative may be reappointed to serve additional terms.~~

10.32 Special Committees.

Special Committees shall be appointed by the President or Chairman of the Board upon authority of the Board with such powers and duties as the Board may determine, provided that no Special Committee shall be created to act upon any matter appropriate to be acted upon by a Standing Committee. A Special Committee shall act for no more than one year from the date of appointment and shall be considered discharged upon the expiration of said year, unless specifically authorized by the Board at the time of its appointment, or from year to year, to act for a longer period. No Special Committee shall have more than seven members in addition to ex officio members.

10.43 Subcommittees.

Each Committee shall have such Subcommittees as may be required for the effective conduct of the business of the Committee, provided, however, that Subcommittees shall be created only in response to need and to serve a specific purpose. Members of each Subcommittee shall be appointed by the Chairman of the Committee of which it is a part, and each Subcommittee shall serve for no more than one year from the date of its appointment and shall be considered discharged upon the expiration of said year, unless specifically authorized by the Board at the time of its appointment, or from year to year, to act for a longer period. No Subcommittee shall have more than five members in addition to ex officio members.

10.54 Ex Officio Members.

The President of the Corporation, the Chairman of the Board or in the Chairman's absence the Vice Chairman of the Board, the former Chairman of the Board for the year immediately following a term of office as Chairman provided that the former Chairman is still a Regent, and the President of the University shall be ex officio members of all Standing Committees, of all Special Committees, and of all subcommittees, except that the President of the University shall not be a member of the Committee on Audit or of Special Committees concerned with the selection of a President of the University.

~~The President of the Corporation shall be an ex officio member of the Nominating Committee.~~

The Chairman of each Committee shall be an ex officio member of each subcommittee of that Committee.

BYLAW 16

BOARD AND COMMITTEE PROCEDURES

16.4 Quorums of Committees.

Five members of any standing committee, special committee, or subcommittee shall constitute a quorum for the transaction of business, ~~except that in the case of the Nominating Committee, any three members shall constitute a quorum.~~

Upon motion of Regent Marcus, duly seconded, the recommendation was approved.

18. **ADDITION OF BYLAW 12.9–GOVERNANCE COMMITTEE AND BYLAW 12.10–COMMITTEE ON LONG RANGE PLANNING**

At the November 16, 2006 meeting of The Regents of the University of California, Regent Marcus served notice that at the next regular meeting he would move amendment of the Bylaws to add Bylaw 12.9–Governance Committee, and Bylaw 12.10–Committee on Long Range Planning.

Deletions shown by strikeouts; Additions by underscore

BYLAW 12

RESPONSIBILITIES OF STANDING COMMITTEES

12.9 Committee on Governance.

The Committee on Governance shall:

- a. Consist of members appointed by the Chairman of the Board no later than March of each year for the ensuing year. The Chairman of the Board and the President of the University shall not be eligible for appointment to the Committee on Governance. However, the President of the Corporation shall be the ex officio member of the Committee. No member of the Board who has been appointed to the Committee on Governance for two successive terms shall be eligible again for appointment until the lapse of one year.

- b. Following consultation with the Chairman of the Board and the President of the University, nominate, at the regular meeting in May, a Chairman and a Vice Chairman of the Board and a Chairman, a Vice Chairman, and members of each Standing Committee for the ensuing year and, upon approval by the Board, the members so nominated shall be deemed appointed to such offices and committees. The member nominated as Vice Chairman of the Board may be, but is not required to be, selected from among the members nominated as Chairmen of the several Standing Committees.
- c. Nominate The Regents' representative and alternate representative to the California Postsecondary Education Commission. Upon approval by the Board, the persons so nominated shall be deemed appointed as such representative and alternate representative, respectively. The representative and alternate representative shall be nominated by the Committee on Governance at the regular meeting in May of each year for a two-year term commencing on July 1. In accordance with California Education Code Section 66901, the representative and alternate representative are to be chosen from among the appointed members of the Board of Regents. Members of the Board who are employed by any institution of public or private postsecondary education shall be ineligible to serve as representative or alternate representative if they are permanent, full-time employees of such institutions or if they have part-time teaching duties there that exceed six hours per week. The representative and alternate representative may be reappointed to serve additional terms.
- d. Nominate members to fill vacancies on all other Standing Committees and vacancies for The Regents' representative and alternate representative to the California Postsecondary Education Commission. Vacancies on the Committee on Governance shall be filled by the Chairman of the Board.
- e. Consider and recommend to the Board policies relating to Standing Committee service and participation, including the number of committees on which each Regent will serve, whether meetings are coterminous or concurrent, and specialized expertise requirements for members of specific committees.
- f. Consider and recommend to the Board on Bylaw functionality and effectiveness (i.e. quorum, maximum membership on committees, etc.), and recommend changes to the Board as necessary.
- g. Consider and recommend to the Board regarding the appointment, responsibilities and authorities of officers, committee chairs, and committees, and recommend changes to the Board as necessary.

- h. Consider and recommend to the Board on the format of Regents meetings.

12.10 Committee on Long Range Planning.

The Committee on Long Range Planning shall:

- a. Consist of Regent members, who will regularly consult with an Advisory Board representing a broader range of constituents, including members of the Long Range Guidance Team, chancellors, vice chancellors, faculty members, deans, students, alumni, and other administrative leaders.
- b. Consider and recommend to the Board on all matters that assist the University in planning for the future in ways that will aid in developing the institution and in enhancing its strengths, with the intention of maintaining the University's world-class mission of research, teaching, and community service.
- c. Consider and recommend to the Board on the role and process through which the Committee and its Advisory Board suggest action items that would positively affect the future of the University.

Upon motion of Regent Marcus, duly seconded, the recommendation was approved.

19. **REPORT OF THE PRESIDENT: MAILINGS BETWEEN MEETINGS**

The President reported that on the dates indicated, the following were mailed to The Regents or to its Committees:

To Members of the Committee on Audit

- A. Internal Audit Activity report for the quarter ended September 30, 2006. December 14, 2006 (Schedule of Reports)

To Members of the Committee on Compensation

- B. Report on Exception Policy and Utilization Statistics under the Mortgage Origination and Supplemental Home Loan Programs. November 13, 2006
- C. Report on Health Sciences Compensation Plan Participants' Compensation that Exceed the Reporting Threshold. November 21, 2006 (Schedule of Reports)
- D. Salary actions taken for Professors in accordance with authority previously delegated to the President. January 5, 2007

To Members of the Committee on Finance

- E. University of California Technology Transfer Annual Report. December 1, 2006 (Schedule of Reports)
- F. Annual Report on University Employee Housing Assistance Programs for 2005-06. January 5, 2007 (Schedule of Reports)

To Members of the Committee on Health Services

- G. Medical Center Activity and Financial Status Report for the month ended July 31, 2006. November 2, 2006 (Schedule of Reports)
- H. Medical Center Activity and Financial Status Report for the two months ended August 31, 2006. November 13, 2006 (Schedule of Reports)
- I. Medical Center Activity and Financial Status Report for the three months ended September 30, 2006. December 13, 2006 (Schedule of Reports)
- J. Medical Center Activity and Financial Status Report for the four months ended October 31, 2006. January 5, 2007 (Schedule of Reports)

To Members of the Committee on Investments

- K. Treasurer's Office Annual Report for fiscal year ended June 30, 2006. November 21, 2006 (Schedule of Reports)
- L. University of California Foundations Investment Performance and Assets Allocation Report for the quarter ending June 30, 2006. January 5, 2007.

The Regents of the University of California

- M. Preliminary proposal for a four-year medical school at Charles R. Drew University of Medicine and Science, and a request by the Governor to allow Drew's president and Assembly Member Dymally to speak at the November Regents' meeting. November 8, 2006
- N. *Statement of the Academic Council on Interaction Between UC's Faculty and the UC Associated National Laboratories*, adopted by the Assembly of the Academic Senate on October 11, 2006. November 8, 2006
- O. Letter from Academic Council Chair Oakley describing the Academic Senate's recent resolutions on the issue of research funding. November 8, 2006

- P. Final draft report of the Advisory Council on Future Growth in the Health Professions. November 8, 2006
- Q. Financial projections for the proposed School of Law at UC Irvine. November 13, 2006
- R. The book, *Science in the National Interest: Photographs Celebrating Six Decades of Excellence*, commemorating the 60th anniversary of the University's management of the Los Alamos National Laboratory. November 20, 2006
- S. Information on impending article in the *San Francisco Chronicle* concerning outside consulting and other contracts entered into by the Division of University Affairs and specifically those involving the Strategic Communications Office. November 29, 2006
- T. Announcement about selection of consultant to perform the review of UC's compensation-related policies and procedures. December 4, 2006
- U. Information concerning the illegal access by a computer hacker to a restricted database at UCLA that contained personal information. December 11, 2006
- V. Budget projections for all fund sources for fiscal year 2006-07 at each campus. December 20, 2006
- W. Analysis of the 2005-06 payroll database focusing on the issue of "above-base pay" compensation. December 20, 2006
- X. Annual summary of University-operated housing fees to be charged in fiscal year 2006-2007. December 20, 2006
- Y. Annual report of the University's health system compliance programs. January 5, 2007
- Z. Additional information regarding the illegal breach at UCLA's restricted campus database. January 9, 2007
- AA. Press release and message to the UC Riverside community concerning the arrest of a UC employee on charges of soliciting and accepting bribes. January 20, 2007
- BB. Additional details on the arrest of a UC Riverside employee arrested on bribery charges. January 12, 2007

The meeting adjourned at 1:10 p.m.

Attest:

Acting Secretary