

# THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

March 20, 2008

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

Present: Regents Allen, Blum, Brewer, Bugay, De La Peña, Dynes, Garamendi, Gould, Hotchkis, Island, Kozberg, Marcus, Pattiz, Schilling, Varner, and Wachter (16)

In attendance: Regents-designate Cole, Scorza, and Shewmake, Faculty Representatives Brown and Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Financial Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Beckwith, Dooley, Foley, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Fox, Kang, Vanderhoef, and Yang, Acting Chancellor Grey, and Recording Secretary Bryan

The meeting convened at 11:15 a.m. with Chairman Blum presiding.

## 1. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Upon motion duly made and seconded, the minutes of the meetings of January 2008 were approved.

## 2. REPORT OF THE PRESIDENT

President Dynes presented the report concerning University activities and individuals. He noted the passing of Frank W. Clark, Jr., who served as a Regent from 1980 to 2000, recalling his contributions to the Board and his generosity toward the Los Angeles campus.

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

## 3. MOTION FOR CONSIDERATION

Upon motion of Regent Gould, duly seconded, the Board voted to consider items from the agenda of the March 4, 2008 meeting of the Committee on Governance. (See item 4., below.)







**B. *Discussion of Compliance Program Model***

Chief Compliance and Audit Officer Vacca discussed the status of compliance program development. The compliance function at the University of Texas is being used as a benchmark, because, among American universities, the University of Texas most resembles UC with its multiple campuses and combined structure. She informed the Committee that the four current priorities for UC's ethics and compliance program are also areas of priority risk for the University: conflicts of interest, research, contracts and grants, and compensation. Ms. Vacca outlined a proposed compliance infrastructure model for UC, in which Campus Compliance Risk Committees report to a systemwide UC Compliance Risk Council, which in turn reports to the Chief Compliance and Audit Officer, who reports to the Regents. She anticipated that this model will be presented to the full Board in July for adoption by the Board. Ms. Vacca briefly discussed the complexity of principal investigators' oversight responsibilities as an example of the challenges to pull compliance activities together. It was reported that a qualified candidate has been identified for the Expert Compliance Advisor position, and it is hoped to have an individual identified as Financial Advisor by the next meeting.

**C. *Action Items***

- (1) ***Amendment of Bylaws 12.1 (Responsibilities of the Committee on Audit); 21.5 (Duties and Responsibilities of the Senior Vice President–Chief Compliance and Audit Officer); 10.1 (Standing Committees); and 10.4 (Ex Officio Members)***

The Committee recommended that, following service of appropriate notice, Bylaws 12.1, 21.5, 10.1, and 10.4 be amended to change the Committee name to the Committee on Compliance and Audit and to specify the Committee's responsibility for compliance and risk oversight.

- (2) ***Amendment of Regents' Policy on Charter of the Committee on Audit***

The Committee recommended amendments to the Charter of the Committee on Audit to reflect more specific oversight responsibilities for the Committee regarding the Senior Vice President–Chief Compliance and Audit Officer, the Corporate Compliance program, and the new administrative reporting relationship between the University Auditor and the Senior Vice President–Chief Compliance and Audit Officer.

(3) ***Adoption of Regents' Policy on Appointment of Expert Advisors to the Committee on Audit and Regents' Policy on Indemnification of Regents in Civil Proceedings***

The Committee recommended (a) adoption of a Regents' Policy on Appointment of Expert Advisors to the Committee on Audit and (b) amendment of the Regents' Policy on Defense and Indemnification of Regents in Civil Proceedings to make conforming changes.

(4) ***Approval of External Audit Plan for the Year Ending June 30, 2008***

The Committee recommended that the scope of the external audit of the University for the year ending June 30, 2008, including the expanded external audit coverage of the Lawrence Berkeley National Laboratory, be approved.

(5) ***External Audit Services***

The Committee recommended that management negotiate a fee arrangement with PricewaterhouseCoopers to provide external audit services to The Regents for a three-year period beginning with fiscal year 2008-2009. The results of the negotiation of the fee arrangement would be considered at the May meeting of the Committee on Audit.

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

6. **REPORT OF THE COMMITTEE ON COMPENSATION**

A. ***Slotting Structure of Certain Positions in the Office of the General Counsel***

The Committee recommended approval of an interim slotting structure for attorney positions in the Office of General Counsel, as shown in the table below.

<b>Position Title</b>	<b>Proposed SLCG Grade</b>	<b>SLCG Range Min</b>	<b>SLCG Range Midpt</b>	<b>Market Survey 50<sup>th</sup> Percentile</b>	<b>SLCG Range Max</b>
•Deputy Chief Counsel (Oakland)	108	\$192,300	\$244,900	\$232,600	\$297,400
•Chief Campus Counsel					
•Chief Health Sciences Counsel	107	\$172,300	\$218,700	\$207,600	\$265,000
•Managing Counsel <sup>(1)</sup>	106	\$154,200	\$195,200	N/A	\$236,100

•Principal Counsel<sup>(2)</sup>

•Senior Counsel	105	\$138,200	\$174,300	N/A	\$210,400
•Counsel	104	\$123,800	\$155,600	\$149,900	\$187,500
•Staff Counsel	102	\$99,200	\$124,100	\$123,400	\$148,900

(1) Primary responsibility is to assist the Chief Campus Counsel or Deputy Chief Counsel in managing three or more attorneys for a campus or functional/specialty area.

(2) Responsible for handling complex legal matters or projects in a highly specialized area of law, such as health sciences, intellectual property, or tax law.

B. *Individual Salary Actions*(1) *Appointment Salary for Vicki L. Ruiz as Dean–School of Humanities, Irvine Campus*

Approval of the following items in connection with the appointment for Vicki L. Ruiz as Dean–School of Humanities, Irvine campus:

- a. Per policy, appointment salary of \$221,300. This represents an 8.2 percent increase over Ms. Ruiz's annual adjusted academic salary of \$204,582 (Salary Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- b. This appointment is 100 percent time and effective January 1, 2008, pending approval of the Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits, and standard Senior Management benefits which include Senior Manager Life Insurances, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, ineligible to participate in Senior Management Supplemental Benefit Program due to tenured faculty position.
- Per policy eligible to accrue sabbatical credits due to dual academic appointment.

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) ***Title Change and Appointment Salary for Maureen L. Zehntner as Associate Vice Chancellor and Chief Executive Officer–Medical Center, Irvine Campus***

Approval of the following items in connection with the appointment of Maureen L. Zehntner as Associate Vice Chancellor and Chief Executive Office–Medical Center, Irvine campus:

- a. Title change from Chief Executive Officer to Associate Vice Chancellor and Chief Executive Officer–Medical Center. This change supports the restructuring efforts of the new Vice Chancellor for Health Affairs.
- b. Appointment salary of \$555,000 (SLCG Grade 117: Minimum \$522,300, Midpoint \$679,000, Maximum \$835,800) as Associate Vice Chancellor and Chief Executive Officer–Medical Center, Irvine campus. This represents a 22.4 percent increase in Ms. Zehntner's base salary of \$453,300.
- c. This appointment is 100 percent time and effective March 1, 2008 pending approval by the Regents.
- d. Per policy, eligibility for additional non-base building incentive pay (pursuant to the Clinical Enterprise Management Recognition Plan) of up to 20 percent (\$111,000) of annual base salary to be awarded based on meeting performance objectives.

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, participation in the Senior Management Supplemental Benefit Program at the rate of 5 percent.
- Per policy, an annual automobile allowance of \$8,916.

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) ***Appointment Salary for Anthony Perez as Chief Health Sciences Counsel, San Diego Campus***

Approval of the following items in connection with the appointment of Anthony Perez as Chief Health Sciences Counsel at the San Diego campus:

- a. As an exception to policy, a salary increase of \$44,000 (26.5 percent), to bring his annual base salary from \$166,000 to \$210,000.
- b. This appointment is at 100 percent time and will become effective March 24, 2008.
- c. As contemplated by policy, eligibility to participate in the Mortgage Origination Program (MOP). This loan will comply with all standard MOP loan policies.
  - i. This individual is not a member of the eligible population as defined by MOP policy. However, policy does provide for Presidential authorization of individuals, outside of that population, based upon essential recruitment and retention needs and goals of the institution. Instances, such as this one, wherein the individual's compensation exceed the Indexed Compensation Level (ICL) must be approved by the Regents.
  - ii. The loan amount will not exceed \$800,000. If a larger loan amount is deemed appropriate, the Regents hereby authorize the Chancellor to approve a loan amount not to exceed the maximum allowable under policy (\$1.33 million).

Additional items of compensation are:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility for Staff Recognition and Development Program award up to 10 percent of base salary annually.

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) ***Title Change and Promotional Increase for Michele Cucullu as Investment Officer–Private Equity Investments, Office of the President***

Approval of the following items in connection with the promotional increase and title change for Michele Cucullu as Investment Officer–Private Equity Investments, Office of the President:

- a. Promotion to Investment Officer–Private Equity Investments SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100) at 100 percent time.
- b. As an exception to policy, a promotional increase of \$40,420 (31.2 percent), bringing her base salary from \$129,580 to \$170,000.
- c. Effective March 1, 2008.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan with a maximum incentive payout of 70 percent of base salary. Target payout level is 35 percent of base salary and awards are paid out over a three (3)-year period, with one-third paid out in the first year and the remainder deferred over the next two (2) years.

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) ***Title Change and Promotional Increase for Thomas Lurquin as Director–Private Equity, Office of the President***

Approval of the following items in connection with the title change and promotional increase for Thomas Lurquin as Director–Private Equity, Office of the President:

- a. Promotion to Director–Private Equity SLCG 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400) at 100 percent time.
- b. A promotional increase of \$27,843 (15 percent), bringing the base salary from \$185,623 to \$213,466.

- c. Effective March 1, 2008.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan with a maximum incentive payout of 90 percent of base salary. Target payout level is 45 percent of base salary, and awards are paid out over a three(3)-year period, with one-third paid out in the first year and the remainder deferred over the next two (2) years.

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) ***Title Change and Promotional Increase for Kay Harrison Taber as Assistant Vice President–Administrative Services, Agricultural and Natural Resources, Office of the President***

Approval of the following items in connection with the title change and promotional increase for Kay Harrison Taber as Assistant Vice President–Administrative Services, Agriculture and Natural Resources, Office of the President:

- a. Promotion to Assistant Vice President–Administrative Services, Agriculture and Natural Resources, at SLCG 104 (Minimum \$123,800, Midpoint \$155,600, Maximum \$187,500) at 100 percent time.
- b. A promotional increase of \$24,809 (19.8 percent), to bring annual base salary from \$125,191 to \$150,000.
- c. Effective April 1, 2008.

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, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

- Per policy, eligibility to participate in the Mortgage Origination Program (MOP), with a loan amount not to exceed the maximum allowable under policy (currently \$1.33 million). This loan will comply with all standard MOP loan policies.

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 Julianne J. Larsen as Acting Associate Vice Chancellor–University Development, San Diego Campus***

Approval of the following items in connection with a stipend for Julianne Larsen for additional duties as Acting Associate Vice Chancellor–University Development, San Diego campus:

- a. A stipend of 15 percent (\$26,130), to increase her base salary of \$174,200 to a total annual salary of \$200,330\* (SLCG Grade: 107 Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- 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 14, 2008 through December 31, 2008, or until the appointment of a permanent Associate Vice Chancellor–University Development, whichever occurs first.

Additional compensation and related items include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility to participate in the UCSD Development Officer Variable Pay Plan (DOVPP), with a maximum payout of up to 15 percent of base salary annually (\$26,130).\*

\*Eligibility for DOVPP results in total cash compensation above the Regental approval threshold of \$205,000.

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.

(8) ***Stipend for Steven W. Relyea as Acting Vice Chancellor–External Relations, San Diego Campus***

Approval of the following items in connection with a stipend for Steven W. Relyea for additional duties as Acting Vice Chancellor–External Relations, San Diego campus:

- a. As an exception to policy, a stipend of 18.8 percent (\$45,000), to increase his base salary of \$240,000 to a total annual salary of \$285,000 (SLCG Grade 109: Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- b. If an adjustment to the base salary is made prior to the termination of this acting role, the 18.8 percent stipend will be recalculated against the new base salary.
- c. Effective January 1, 2008 through December 31, 2008, or until the appointment of a permanent Vice Chancellor–External Relations, whichever occurs first.

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, 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.

(9) ***Stipend Extension for David Rein as Director–Finance and Operations, UCSF Medical Group, and Acting Vice Dean–Administration, Finance, and Clinical Affairs, School of Medicine, San Francisco Campus***

Approval of the following items in connection with a stipend extension for David Rein as Director–Finance and Operations, UCSF Medical Group, and Acting Vice Dean–Administration, Finance, and Clinical Affairs, School of Medicine, San Francisco campus:

- a. An extension of his existing stipend of \$26,910 (15 percent), to increase his base salary of \$179,400 to \$206,310 (SLCG Grade 110: Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- b. The stipend amount will be increased as the base salary is increased, so the stipend will equal 15 percent of the base salary, at a 100 percent appointment.
- c. Continued eligibility to participate in the School of Medicine Management Incentive Plan with a maximum payout of up to 20 percent of base salary (\$35,880).
- d. Per policy, effective March 1, 2008, through June 30, 2008, or the completion of a three-month transition period after the interim duties are transferred to the new Vice Dean—Administration, Finance, and Clinical Affairs, School of Medicine, whichever occurs first.

Additional items of compensation include:

- Per policy, continued eligibility for 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.

(10) ***Title Change, Interim Re-slotting, and Salary Adjustment for Ronald L. King as Chief Financial Officer—Health Affairs, Irvine Campus***

Approval of the following items in connection with a title change, interim re-slotting, and salary adjustment for Ronald L. King as Chief Financial Officer—Health Affairs, Irvine campus. These actions recognize the assumption of additional responsibilities as a result of the elimination of the Associate Dean for Fiscal Affairs—School of Medicine position as part of the restructuring:

- a. Title change from Chief Financial Officer—Medical Center to Chief Financial Officer—Health Affairs. This new title reflects the additional broader responsibility resulting from combining his current duties with those of the Associate Dean for Fiscal Affairs—School of Medicine.
- b. Approval of interim re-slotting of newly restructured position, Chief Financial Officer—Health Affairs at SLCG Grade 113 is consistent

with a recommendation by Mercer Human Resource Consulting (Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100).

- c. Salary adjustment from \$380,000 to \$431,500. This represents a 13.6 percent increase to Mr. King's base salary.
- d. This change is effective March 1, 2008, pending approval of the Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits, and standard Senior Management benefits which include Senior Manager Life Insurances, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, 5 percent monthly contributions to the in Senior Management Supplemental Benefit Program.
- Per policy, eligibility for additional non-base building incentive pay (pursuant to the Clinical Enterprise Management Recognition Plan) of up to 20 percent (\$86,300) of annual base salary to be awarded based on meeting performance objectives.

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) ***Corrections to Merit and Equity Increases for Certain Officers of the University and Other Senior Managers, Merced Campus***

Approval of the following corrected salary rates shown below, effective October 1, 2007, for certain Officers of the University and Officers of The Regents, pursuant to Bylaw 12.8(f)(1), and Standing Order 100.3(b); and for other employees with cash compensation above \$205,000, as required by Bylaws 12.8(f)(3) and 12.8(f)(4), and Standing Order 101.2(a)(2).

The item reflects only compensation related to merit and equity adjustments recommended for approval.

LOCATION	EMPLOYEE NAME	TITLE	CORRECTED BASE SALARY
UCM SMG	Alley, Keith	Executive Vice Chancellor and Provost	\$ 240,500
UCM SMG	Garamendi II, John	Vice Chancellor for University Relations	\$ 207,200
UCM SMG	Miller, Mary	Vice Chancellor for Administration	\$ 203,500
UCM SMG	Pallavicini, Maria	Dean, School of Natural Sciences	\$ 203,400
UCM SMG	Wright, Jeffrey	Dean, School of Engineering	\$ 202,400
UCM SMG	Kogut, Richard	Associate Vice Chancellor and Chief Information Officer	\$ 187,700
UCM SMG	Lawrence, Jane	Vice Chancellor for Student Affairs	\$ 181,800
UCM SMG	Miller, Robert	University Librarian	\$ 162,300

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

Approval of the following items in connection with the salary adjustment for Ronaldo G. Espiritu as Associate Dean for Business and Fiscal Affairs, Health Sciences, San Diego campus. This action recognizes the assumption of additional responsibilities over time, as well as those resulting from reorganization.

- a. Salary adjustment of \$37,200 (20.2 percent), to increase his annual base salary from \$184,400 to \$221,600. Proposed slotting of the position at SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. Effective March 1, 2008.

Additional items of compensation are:

- 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.

(13) ***Slotting of Three Existing Positions in the Office of the Treasurer***

Approval of the following items in connection with the slotting of three positions of Director in the Office of the Treasurer:

- a. Slotting of the position of Director of Communications, currently held by Susan Rossi, at SLCG Grade 102 (Minimum \$99,200,

Midpoint \$124,100, Maximum \$148,900), as recommended by Mercer Human Resource Consulting.

- b. Slotting of the position of Business Manager, currently held by Nelson Chiu, at SLCG Grade 102 (Minimum \$99,200, Midpoint \$124,100, Maximum \$148,900), as recommended by Mercer Human Resource Consulting.
- c. Slotting of the position of Director of Investment Operations, currently held by Robert Yastishak, at SLCG Grade 103 (Minimum \$110,800, Midpoint \$139,000, Maximum \$167,100), as recommended by Mercer Human Resource Consulting.
- d. Effective upon approval by the Regents.

(14) ***Salary Adjustment for Anne L. Shaw as Associate Secretary of The Regents***

Approval of a salary adjustment for Anne L. Shaw as Associate Secretary of The Regents, based on the additional permanent responsibilities added to her position. The addition of these responsibilities has already been incorporated into her job classification through the standard administrative process within the Office of the President.

- a. Salary adjustment of \$20,800 (19.2 percent over her annual base salary), from \$108,600 to \$129,400, effective retroactively to February 1, 2008. Since this recommendation would eliminate her stipend of \$16,284, the actual salary adjustment would be 3.6 percent over her total annual salary of \$124,884.

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.

(15) *Approval to Use Fee Earned by the University for Unreimbursed Performance Incentive Payments for UC-Designated Key Personnel at Los Alamos National Security, LLC (LANS)*

Approval of performance incentive awards for the period October 1, 2006 through September 30, 2007 for ten UC-designated key personnel at Los Alamos National Security, LLC, as proposed below, based on their performance against pre-determined goals and objectives. The source of funds will be from the fee earned by the University under the terms of the LANS contract.

<b>UC-Designated Key Personnel at LANS</b>	<b>Annual Salary Effective October 2006</b>	<b>Proposed Incentive Award, as Percent of Base Salary (max 20%) for Period 10/1/06 thru 9/30/07</b>	<b>Proposed Corresponding Award Amount for Period</b>
Anastasio	\$390,400	18%	\$70,272
Mara	\$320,000	15%	\$48,000
Wallace	\$303,845	12.5%	\$37,981
Knapp	\$268,000	15%	\$40,200
McMillan	\$268,000	15%	\$40,200
Beason	\$261,000	10%	\$26,100
Seestrom	\$261,000	10%	\$26,100
Neu	\$237,100	7.5%	\$17,783
Bishop	\$248,675	10%	\$24,868
Gibbs	\$228,000	10%	\$22,800
<b>Total</b>			<b>\$354,304</b>

The unreimbursed incentives 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.

Upon motion of Regent Kozberg, the recommendations of the Committee on Compensation were approved, Regent Garamendi voting "No."

**7. REPORT OF THE COMMITTEE ON FINANCE****A. *Amendment to Authorization for Approval of Appropriations from Los Alamos National Security, LLC Fee Income to be Expended in FY 2007-2008***

The Committee recommended that the appropriations from Los Alamos National Security, LLC fee income to be expended in FY 2007-2008, which were approved by the Regents in September 2007, be amended as follows:

**Deletions shown by strikeout, additions shown by underscore**

- (1) The President be authorized to expend, for the following purposes and in the following amounts, from the University's net share of Los Alamos National Security (LANS), LLC income earned from contract inception through September 30, 2007:
  - a. Supplemental compensation and other payments previously approved by the Regents for certain LANS LLC employees, incurred through September 30, 2007 – \$ 1.2 million.
  - b. An appropriation to the Office of the President budget for federally unreimbursed costs of University oversight of its interest in LANS LLC and Lawrence Livermore National Laboratory (LLNS) LLC, paid or accrued through June 30, 2008, including but not limited to an allocable share of the costs of the Regents, the Secretary and Chief of Staff to The Regents, Human Resources, Finance, Strategic Communications, Governmental Affairs, the General Counsel, the University appointed Governors on the LLCs, and the Vice President for Laboratory Management – \$2.6 million.
  - c. An appropriation to a new LLC post-contract contingency fund – \$700,000.
- (2) The balance of fee income to be appropriated to scientific research in the following priority order:
  - a. California Institutes for Science and Innovation – \$2.5 million
  - b. UC Campus-Los Alamos Research and Education Initiatives – \$3.050 million
  - c. Los Alamos-New Mexico Universities Research Initiatives – \$1.5 million



to the \$75 million Contribution Reserve Amount reflected in the Current Transfer Agreement, thus totaling up to \$175 million. The Committee also recommended that the Associate Vice President, Human Resources and Benefits be authorized to execute any regulatory filings associated with the transfer of assets and liabilities and to adopt and implement any amendments to UCRP that are necessary to carry out the provisions of the Modified Transfer Agreement.

Upon motion of Regent Gould, duly seconded, the recommendations of the Committee on Finance were approved.

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

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for the Engineering 4 Building, Davis Campus***

The Committee recommended that the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Engineering 4 – preliminary plans – \$2,350,000, to be funded from campus funds.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Health Sciences Biomedical Research Faculty 2, San Diego Campus***

The Committee recommended that the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: Health Sciences Biomedical Research Faculty 2 – preliminary plans – \$4,720,000, to be funded from campus funds.

C. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Porter College Seismic and Capital Renewal Phase 1, Santa Cruz Campus***

The Committee recommended that:

- (1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Santa Cruz: Porter College Seismic and Capital Renewal Phase 1 – preliminary plans, working drawings, and construction – \$58,662,000, to be funded from housing reserves (\$3,773,000) and external financing (\$54,889,000).

- (2) The President be authorized to obtain external financing not to exceed \$54,889,000 to finance the Porter College Seismic and Capital Renewal Phase 1 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. As long as the debt is outstanding, University of California Housing System fees for the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of The Regents shall not be pledged.
- (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.

**D. *Adoption of Mitigated Negative Declaration and Approval of Design, East Campus Student Apartments, Phase III, Irvine Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Mitigated Negative Declaration, the Committee reported its approval of:

- (1) Adoption of the Mitigated Negative Declaration.
- (2) Adoption of the Findings.
- (3) The design of the East Campus Student Apartments, Phase III, Irvine campus.
- (4) Authorization for the President to approve any required design changes, if such changes do not materially alter the scope of the project.

E. ***Adoption of Findings and Approval of Design, Management School Facility Phase 2, San Diego Campus***

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

- (1) Adoption of the Findings.
- (2) The design of the Management School Facility Phase 2, San Diego campus.

F. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of Interim and Standby Financing, Modification of 1976 Regents' Resolution, Amendment of Long Range Development Plan, Adoption of Mitigated Negative Declaration, and Approval of Design, Institute for Regeneration Medicine Building, San Francisco Campus***

The Committee recommended that:

- (1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Institute for Regeneration Medicine Building – preliminary plans – \$6,300,000, to be funded from gifts.

To: San Francisco: Institute for Regeneration Medicine Building – preliminary plans, working drawings, construction, and equipment – \$119,256,000, to be funded from gifts (\$79,256,000) and California Institute for Regenerative Medicine funds (\$40,000,000).

- (2) The President be authorized to obtain standby financing not to exceed \$25,000,000 and interim financing not to exceed \$32,511,000, for a total of \$57,511,000, prior to awarding a construction contract for any gift funds not received by 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. Repayment of any debt shall be from gift funds. If gift funds are insufficient and some or all of the debt remains outstanding, repayment shall then be from the UCSF School of Medicine Dean's share of the Faculty Practice Plan income.
  - 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.
- (5) Upon consideration of the environmental consequences of the proposed action as evaluated in the Mitigated Negative Declaration, the Committee recommended:
  - a. Modification of the May 1976 Regents' Resolution "Designation of Open Space Reserve – Attachment I" to remove 0.5 acres of the Institute for Regeneration Medicine (IRM) site from the Mt. Sutro Open Space Reserve, and add 0.5 acres from the Aldea San Miguel housing parcel to the Mt. Sutro Open Space Reserve, so that the total area of the Mt. Sutro Open Space Reserve remains 61 acres. [It is anticipated that Aldea Apartment Building 5 would be demolished by 2009 and Aldea Apartment Building 4 by 2023.].
  - b. Amendment of the UCSF 1996 Long Range Development Plan (LRDP) Parnassus Heights: Site Map Figure 2 to reflect the above modification to the May 1976 Regents' Resolution by excluding a 0.5-acre portion of the IRM site from the Mount Sutro Open Space Reserve.
  - c. Amendment of the UCSF 1996 LRDP Parnassus Heights: Functional Zones Figure 3 to redesignate 0.9-acres of the 1.9-acre IRM site from Logistical Support to Instruction and Research.
  - d. Adoption of the Mitigated Negative Declaration.
  - e. Adoption of the Findings and adoption of the Mitigation Monitoring Program.
  - f. Approval of the design of the Institute for Regeneration Medicine Building, San Francisco campus.

G. ***Adoption of Mitigated Negative Declaration and Approval of Design, Hilgard Graduate Student Housing, Los Angeles Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Mitigated Negative Declaration, the Committee reported its approval of:

- (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 Hilgard Graduate Student Housing project, Los Angeles campus.

H. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Law Building Infill, Berkeley Campus***

The Committee recommended that:

- (1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Law Building Infill – preliminary plans – \$2.6 million to be funded from funds available to the Dean of the UC Berkeley School of Law.

To: Berkeley: Law Building Infill – preliminary plans, working drawings, construction, and equipment – \$90 million to be funded from external financing (\$84.2 million) and funds available to the Dean of the UC Berkeley School of Law (\$5.8 million).

- (2) The President be authorized to obtain external financing not to exceed \$84.2 million to finance the Law Building Infill 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. As long as this debt is outstanding, University of California Professional Degree and Master's of Laws Fees for the Berkeley School of Law shall be established at levels to provide revenues sufficient to pay the debt service and to meet the related requirements of the proposed financing. When the Professional Degree Fee for the

Berkeley School of Law is deemed sufficient to provide revenues to pay the debt service and meet the related requirements of the proposed financing on a standalone basis, the President be authorized to remove the Master's of Laws Fees as a repayment source.

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.

I. ***Consideration of Environmental Impact Report Addendum and Approval of Design, Campbell Hall Seismic Replacement Building, Berkeley Campus***

Upon review and consideration of the environmental consequences of the proposed project as described in the Addendum to the 2020 Long Range Development Plan Environmental Impact Report (LRDP EIR), the Committee reported its approval of:

- (1) Adoption of the Findings.
- (2) The design, Campbell Hall Seismic Replacement Building, Berkeley campus.

J. ***Regents' Statement on University of California Sustainability Programs***

The Committee recommended adoption of the following statement that the Regents:

- (1) Congratulate those involved with sustainability efforts at the campus and systemwide levels.
- (2) Take note of the November 2007 deadline in the American College and University Presidents Climate Commitment for forming an institutional structure, and encourage each of the campuses to form Climate Action Steering Committees perhaps using Berkeley's model.
- (3) Support the UC Sustainability Steering Committee's plan to add a section on sustainable food practices to the UC Policy on Sustainable Practices and ask that updates on the progress of sustainable food practices be incorporated in the annual sustainability report to the Regents.
- (4) Urge that the Office of the President strongly consider replacing the existing structure of internal certification of sustainable buildings with third-party

LEED Certification from the U.S. Green Building Council. In keeping with the history of UC's national leadership in environmentally friendly practices, we urge campuses to aspire to build new construction projects with LEED Gold-level certification or equivalency. We also urge that the Office of the President and campuses work with the U.S. Green Building Council to develop a streamlined LEED program that minimizes costs of certification.

- (5) Ask campuses to highlight (in their project design proposals) energy-efficiency and carbon emissions reduction features that exceed the current Sustainability Policy goal to outperform Title 24 by 20 percent.
- (6) Urge the campuses to pursue renewable energy projects using such instruments as third-party solar power purchase agreements, similar to the agreement recently announced by UC Irvine.
- (7) Encourage the UC system to publicize its many awards for environmental stewardship, so as to inform and inspire our state's citizens and government.

K. ***Acceptance of the Report of the Capital Projects Working Group and Approval of Pilot Phase of Process Redesign for Capital Improvement Projects***

The Committee recommended:

- (1) Acceptance of the report of the Capital Projects Working Group.
- (2) Approval of a "pilot phase" on the process redesign for approving capital improvement projects, within the context of the report of the Capital Projects Working Group. As part of the pilot phase, it is recommended that the Executive Vice President–Business Operations establish a committee to oversee the pilot phase and report back to the Committee on Grounds and Buildings prior to consideration of final implementation of the process redesign.

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

**9. REPORT OF THE COMMITTEE ON INVESTMENTS****A. *UCRP/GEP Asset Allocation Review and Recommendations***

The Committee recommended that the Asset Allocation Policy for the University of California Retirement Plan (UCRP) and the University of California General Endowment Pool (GEP) be approved, including the following recommended changes, effective July 1, 2008:

- Add a Global Equity asset category to the asset allocation of UCRP and GEP, at a Current Policy weight of 2 percent and Long-term Target weight of 5 percent.
- Increase the Current Policy weight of Non US Developed Equity from 18 percent to 22 percent in the UCRP.
- Increase the Current Policy weight of Emerging Market Equity from 3 percent to 4 percent in the UCRP.
- The US Equity allocation would be used to fund these increases.
- Realistic targets are proposed for the weights of private equity, real estate, and absolute return strategies over the next 12 months; progress continues to be made in funding these categories up to target levels.

**B. *UCRP/GEP Investment Guideline Review and Recommendations***

The Committee recommended that changes considered by the Committee to Investment Policies, Guidelines, and Benchmarks for the University of California Retirement Plan (UCRP) and the University of California General Endowment Pool (GEP) be approved, effective immediately, except for Emerging Market Debt benchmark, which would be effective July 1, 2008.

**C. *Approval of Treasurer's Fiscal Year 2006-2007 Annual Endowment Report***

The Committee recommended that the Annual Endowment Report for Fiscal Year 2007 be approved.

**D. *Amendment to Regents' Policy on Conflict of Interest Regarding Assets Managed by the Treasurer***

The Committee recommended that the Regents adopt, effective immediately, the following amendment to the Regents' Policy on Conflict of Interest Regarding Assets Managed by the Treasurer:

**Deletions shown by ~~strikeout~~, additions by underscore**

Policy on Conflict of Interest Regarding Assets Managed by the Treasurer, Adopted September 22, 2005, Amended July 19, 2007 and November 15, 2007:

\*\*\*

Individual Regents and members of the Regents' Investment Advisory Group (IAG) are prohibited from contacting the Treasurer's Office to offer advice or recommendations with respect to the selection of specific investments, investment managers, or investment management firms. The General Counsel is responsible for determining, pursuant to the following procedures, that the Treasurer's responsibilities for selecting investment managers have been exercised free of any such prohibited efforts to influence the Treasurer's ~~Office selection by individuals within the Treasurer's Office, on the Investment Advisory Group (IAG), on the Board of Regents, or with oversight responsibility for the performance of the Treasurer's Office, with a financial interest in the selection, within the meaning of the Political Reform Act.~~ The General Counsel's Office will promptly provide the Treasurer's Office with copies of all Statements of Economic Interest (Form 700) for all Regents and Treasurer's Office employees, as well as any information disclosed by Investment Advisory Group members pursuant to the Conflicts provisions of the Policy Establishing the Investment Advisory Group. The Treasurer's Office will advise the General Counsel's Office if it is contacted by a Regent or, and IAG member, ~~or a designated official in the Treasurer's Office,~~ in connection with the choice of ~~an outside~~ investments, investment managers, or investment management firms, if that ~~outside investment manager is listed on the relevant individual's disclosure form.~~ The Office of the General Counsel will then determine whether the communication was prohibited pursuant to this policy ~~there is any conflict of interest.~~ Any such efforts to influence the Treasurer's selection of investment managers by such individuals with a financial interest in the selection are expressly prohibited. In the event such a prohibited effort to influence a Treasurer's Office selection of ~~an~~ investments, investment managers, or investment management firms is identified, the General Counsel shall immediately bring the matter to the attention of the Chair of the Regents' Committee on Investments.

Upon motion of Regent Wachter, duly seconded, the recommendations of the Committee on Investments were approved.

10. **TECHNICAL AMENDMENT OF STANDING ORDER 100.4 – DUTIES OF THE PRESIDENT OF THE UNIVERSITY – REGARDING AUTHORITY TO WRITE OFF BAD DEBT CONSISTENT WITH REGENTS' ACTION OF MARCH 2006**

At the January 17, 2008 meeting of The Regents of the University of California, Regent Lansing served notice that at the next regular meeting she would move amendment of Standing Order 100.4–Duties of the President of the University as follows.

**Deletions shown by strike out, additions by underscore**

## STANDING ORDER 100.4

## DUTIES OF THE PRESIDENT

## 100.4 Duties of the President of the University

\* \* \*

- (w) The President is authorized to write off bad debts, provided reserves for that purpose are adequate or that specific income or an appropriation is available for that purpose. ~~A report on bad debt write offs shall be submitted annually to the Committee on Finance.~~

\* \* \*

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

11. **REPORT OF INTERIM ACTIONS**

In accordance with authority previously delegated by the Regents, Secretary and Chief of Staff Griffiths reported that interim action was taken on routine or emergency matters as follows:

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

- (1) ***Stipend for Samuel Hawgood as Acting Dean–School of Medicine, San Francisco Campus***

Approval of the following items in connection with the appointment of Samuel Hawgood as Acting Dean–School of Medicine, San Francisco campus:

- a. As an exception to policy, an administrative stipend of \$181,425 (99.9 percent of faculty salary), in addition to his current faculty salary of \$181,600, for a total annual salary of \$363,025 as Acting Dean. This level of compensation is necessary to provide Dr. Hawgood with a market-appropriate level of total income in recognition of the necessary reduction of clinical revenue he will realize while he assumes temporary administrative duties as Dean and reduces his clinical practice. The position is classified as SLCG grade 114 (Minimum \$372,900 Midpoint \$483,400 Maximum \$593,800).

- b. Effective December 14, 2007 through December 14, 2008, or until the appointment of a permanent Dean, whichever occurs first, including up to a three-month transition period. This is a 100 percent time appointment.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Continued participation in Health Sciences Compensation Program (HSCP) at an annual rate of \$195,475 (reduced from \$248,029).
- 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.

(2) ***Appointment Salary for Michael Hindery as Vice Dean–Administration, Finance, and Clinical Programs, School of Medicine, San Francisco Campus***

Approval of the following items in connection with the appointment of Michael Hindery as Vice Dean–Administration, Finance, and Clinical Programs, School of Medicine, San Francisco campus:

- a. Appointment salary of \$335,000 as Vice Dean–Administration, Finance, and Clinical Programs, School of Medicine, slotted at SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500), as recommended by Mercer Human Resource Consulting. This is a 100 percent time appointment.
- b. As an exception to policy, eligibility to participate in the current fiscal year School of Medicine Management Incentive Program, with a maximum potential payout of up to 20 percent (\$67,000) of base salary. This is an exception, as incentive plan eligibility requires at least six months of employment within the current program year.
- c. As an exception to policy, a reimbursement of up to \$32,000 to offset the forfeiture of a bonus previously paid to Mr. Hindery by his current employer. Actual amount of reimbursement will be dependent on amount of repayment required.
- d. Effective no earlier than January 28, 2007.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits, Senior Management Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability (eligibility after serving five years in Senior Management Group).
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, he will serve at the pleasure of the Regents and the President and can be terminated at any time with or without cause. Per policy, as he does not hold an academic title which qualifies for accrual of sabbatical leave credit, if he is terminated for reasons other than cause within the first 18 months of his employment, he will be granted administrative leave with full pay for a period not to exceed three months.

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) ***Appointment Salary for Sorena Nadaf as Chief Informatics Officer, Cancer Center, San Francisco Campus***

Approval of the following items in connection with the appointment of Sorena Nadaf as Chief Informatics Officer, Cancer Center, San Francisco campus:

- a. Appointment salary of \$185,000, slotted at SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000), as recommended by Mercer Human Resource Consulting. This is a 100 percent time appointment.
- b. As an exception to policy, 100 percent reimbursement of all reasonable moving expenses. This is an exception as policy allows for a 50 percent reimbursement to MSP staff.
- c. Effective upon approval of the Regents.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility to participate in the School of Medicine Management Incentive Plan with a maximum payout of up to 20 percent of base salary (\$37,000).

- Per policy, eligibility to participate in the Mortgage Origination Program. Participation is subject to funding availability and current program policies and guidelines.
- Per policy, one house-hunting trip subject to the limitations under policy for the candidate and his spouse/partner and an additional local limitation that the house-hunting trip will not exceed seven days.
- Per policy, reimbursement for temporary living expenses, including the cost of meals and lodging while occupying temporary quarters at the new general work location during any one period of 30 consecutive days after approval of employment.

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) ***Retention Increase for DeWayne Walker as Football Defensive Coordinator, Los Angeles Campus***

Approval of the following items in connection with the retention of DeWayne Walker as Football Defensive Coordinator, Los Angeles campus. Pending approval by the Regents of the compensation terms, which exceed delegated authority, Mr. Walker's contract will be extended until June 30, 2010, effective January 1, 2008 as indicated below.

The campus initiated negotiations with Mr. Walker to amend his current contract in response to external interest on the part of competitive institutions.

The following terms and conditions exceed the recruiting and negotiation parameters approved by the Regents in July 2007 solely as a result of the proposed two-year extension of the term of Mr. Walker's contract from January 1, 2007 to June 30, 2008, to January 1, 2008 to June 30, 2010:

A 13.6 percent increase in the "guaranteed compensation" component from \$330,000 to \$375,000. This component is comprised of \$180,000 talent fee (unchanged from the current contract) and a base salary which is proposed to be increased by 30 percent from \$150,000 to \$195,000.

If Mr. Walker is terminated for cause, all obligations will cease. If Mr. Walker is terminated without cause, the University will owe the remaining balance on the guaranteed compensation, offset by any personal services income earned by the coach during the remaining period of the

contract. Finally, Mr. Walker is free to terminate at any time other than during the football season, and there is no penalty clause.

The compensation provided under this contract will be paid from existing non-State fund sources, including already received ticket revenue.

Additional elements of compensation per prior contract terms previously approved by the Regents include:

- Eligibility to earn up to \$10,000 per year for participating in summer camps.
- Eligibility to earn a maximum performance bonus of \$20,000 per year.
- One courtesy automobile.
- Eligibility for standard 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) ***Appointment Salary for Mary M. Doyle as Vice Chancellor–Information Technology, Santa Cruz Campus***

Approval of the following items in connection with the appointment of Mary M. Doyle as Vice Chancellor–Information Technology, Santa Cruz campus:

- a. Appointment salary of \$214,000 at Salary Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- b. This appointment is 100 percent time and effective February 4, 2008 pending approval by the Regents.
- c. Per policy, participation in the University of California Home Loan Program, available to be exercised within a period not to exceed 24 months from date of employment. Participation will comply with all University/campus normal Program parameters.
- d. Per policy, a relocation allowance of 25 percent of base salary or \$53,500 with a contingent repayment schedule.
- e. Per policy, 100 percent reimbursement of moving expenses up to a maximum of \$12,000.

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, 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) ***Appointment of Kevin S. Reed as Vice Chancellor–Legal Affairs, Los Angeles Campus, and Associate General Counsel***

Approval of the following items in connection with the appointment of Kevin S. Reed as Vice Chancellor–Legal Affairs, Los Angeles campus, and Associate General Counsel:

- a. Appointment salary of \$255,000, 100 percent time and effective March 1, 2008. Slotting of this position in the Senior Leadership Compensation Group is pending.
- b. A \$10,500 salary adjustment of 4.12 percent, effective October 1, 2008.
- c. Ineligible for a 2008 merit increase, typically effective October 1, 2008.
- d. Per policy, participation in the University of California Home Loan Program, available to be exercised within a period not to exceed 24 months from date of employment. Participation will comply with all University/campus normal Program parameters.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits which include 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.

(7) ***Contract Compensation for Frank Cignetti as Football Offensive Coordinator, Berkeley Campus***

Approval of the following compensation terms for Offensive Coordinator of Football, Frank Cignetti, Berkeley campus, 100 percent time. Pending approval by the Regents of these compensation terms, Mr. Cignetti's contract will be effective January 7, 2008 and terminate on April 30, 2010, and will automatically be extended by one year through April 30, 2011, unless the Head Football Coach determines that the job performance is less than satisfactory, unless terminated earlier pursuant to the term of the Employment Contract, or unless the parties agree in writing to the terms of the successor contract or a contract extension prior to that date pending approval in accordance with Regental policies.

The campus undertook negotiations with Mr. Cignetti, to employ him as the Football Offensive Coordinator on the Berkeley campus as part of the reorganization of the football program.

The following terms and conditions are reflected in the new proposed contract:

- a. Base Salary: Coach's annual base salary \$168,000. This is equal to the salary paid to the previous incumbent.
- b. Supplemental Compensation: Coach will receive \$77,000 as determined by the Director of Athletics and the Head Football Coach as a portion of the \$250,000 allotment in Coach Tedford's contract, which he can use for bonuses for his assistant coaches and staff each year.
- c. Talent Fee: This contract establishes an annual talent fee of \$80,000. This is an increase of 333 percent over the previous incumbent.
- d. Additionally, this contract provides the opportunity to earn supplemental compensation of up to \$69,500 per annum, as described below:
  - i. Performance Bonuses: In the event that Coach Cignetti or the Football team, during the term of this Employment Contract, accomplishes the following, Coach Cignetti shall receive

supplemental compensation during the contract year in which the accomplishment occurs as follows:

Team wins 5 PAC-10 Conference Games during a single season	\$5,100	
Team wins 6 PAC-10 conference games during a single season	\$8,400	(\$13,500 total)
Team wins 7 PAC-10 conference games during a single season	\$6,700	(\$20,200 total)
Team wins 8 PAC-10 conference games during a single season	\$5,000	(\$25,200 total)
Team wins 9 PAC-10 conference games during a single season	\$8,400	(\$33,600 total)
Team participates in a non-BCS Bowl Game	\$6,000	
Team participates in a Bowl Championship Series Game	\$10,000	(maximum amount)
Top 2 in the PAC-10 - Regular Season Scoring Offense	\$1,500	
Top 25 in nation - Regular Season Scoring Offense	\$1,500	(\$3,000 total)
Top 10 in nation - Regular Season Scoring Offense	\$1,500	(\$4,500 total)
Top 25 in nation - Regular Season fewest Turnovers	\$1,500	(\$6,000 total)
Top 10 in nation - Total Offense	\$1,500	(\$7,500 total)
Top 20 in nation - Passing Offense	\$1,500	(\$9,000 total)
Top 20 in nation - Rushing Offense	\$1,500	(\$10,500 total)

Coach Cignetti is eligible to receive more than one bonus.

- ii. Camps and Clinics: At the discretion of the Director of Athletics, Coach Cignetti may earn up to \$10,000 annually for participating in summer camps.
- iii. Courtesy Car Stipend: In lieu of a courtesy vehicle, Coach Cignetti will receive a stipend of \$450 per month/\$5,400 per year.

This contract contains a penalty clause for early termination. If Coach Cignetti terminates his employment before the expiration of the agreement,

Coach shall pay \$25,000 to the University. Coach will also re-pay, in full, all relocation costs.

If the University terminates the contract early without cause, the University will owe the base salary in amounts noted above, paid out in monthly installments, and any additional earned bonus income. The University will not be responsible for paying unearned bonus/stipend income in this circumstance. If Coach Cignetti secures employment during this time, these payments will be reduced by such amounts.

The compensation provided under this contract is funded exclusively from athletic department revenues and private fundraising, and no State or general campus funds are used in this arrangement.

Additional elements of compensation include:

- Per contract and Personnel Policies for Staff Members (PPSM), 12 hours of vacation leave are accrued each month of the contract. Coach may not accrue above PPSM accrual limits at any time.
- Per contract and PPSM policy, 8 hours of sick leave are accrued each month of the contract.
- Per policy, eligible for standard Health and Welfare benefits.
- Consistent with practice, one courtesy vehicle, or in lieu of a courtesy vehicle, a stipend of \$450 per month.
- Sport Club Family Membership with a value of approximately \$2,250.
- Spouse or partner travel for required events outside the San Francisco Bay Area and other travel, as approved by the Director of Athletics.
- As an exception to policy/per contract, reimbursement for the following moving expenses:
  - Payment to moving company for moving services, not including vehicle.
  - All necessary travel costs for Coach and immediate family, not including pets, for move from San Jose, California. Travel must comply with UC Business and Finance Bulletin–Travel Policy G-28.
  - Storage in transit, not to exceed 30 days.
  - Temporary housing, not to exceed 30 days. The 30 days may be non-consecutive.
  - All moving expenses must be approved in advance by the University.

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) ***Contract Compensation for Norm Chow as Football Offensive Coordinator, Los Angeles Campus***

Approval of the following items in connection with the compensation terms for Norm Chow as Football Offensive Coordinator, Los Angeles campus. Pending approval by the Regents of the compensation terms, which exceed delegated authority, Mr. Chow's appointment is to be effective January 28, 2008 through February 14, 2011, as indicated below.

The campus initiated negotiations with Mr. Chow to employ him as offensive coordinator to replace former offensive coordinator, Jay Norvell, who recently accepted the position of co-offensive coordinator at the University of Oklahoma and whose contract term was from January 1, 2007 through June 30, 2008.

The following terms and conditions exceed the delegated recruitment and negotiation parameters approved by the Regents in July 2007:

a. Guaranteed compensation:

- i. Effective January 28, 2008, an annual "guaranteed compensation" of \$300,000 for the first two years of the contract comprised of a base salary of \$250,000 and an annual talent fee of \$50,000. The total proposed annual guaranteed compensation for the first two years of this contract is equal to that of the predecessor's annual guaranteed compensation.
- ii. Effective February 15, 2010 (the third year of the three-year contract), a 30 percent increase in the annual "guaranteed compensation," from \$300,000 to \$390,000. The guaranteed compensation will be comprised of an annual base salary remaining at \$250,000 and an increase to the talent from \$50,000 to \$140,000.

b. Bonuses:

- i. Retention Bonus: As a new element, a retention bonus in the amount of 250,000. In the event Coach Chow remains in his position as Offensive Coordinator as of the first football

practice of the 2010 season (April 2010), he will receive a retention bonus of \$250,000. Coach Chow must repay this retention bonus in full to UCLA within 60 days if Coach terminates his employment prior to the end of the 2010 regular football season.

- ii. Performance Bonus: An increase from the predecessor's annual maximum potential performance bonus of \$20,000 to \$40,000. In the event that the football team, during the term of the employment contract, accomplishes the following, Coach Chow shall earn supplemental compensation during each contract year in which the accomplishment occurs, to be paid at the conclusion of the 2010 football season, as follows:

<u>Accomplishment</u>	<u>Bonus Amount</u>
Team wins the National Championship	\$25,000
Team participates in a BCS Bowl	\$15,000
Team participates in a Bowl with a payout of \$1 million or more	\$6,500
Team participates in a Bowl with a payout of less than \$1 million.	\$4,000

- c. Other:

As an exception to policy, 100 percent reimbursement for moving expenses instead of the 50 percent per policy.

Additional elements of compensation to be provided and within the recruiting and negotiation parameters:

- Camps: Eligibility to earn up to \$10,000 per year for participating in summer camps.
- Benefits: Eligibility for standard Health and Welfare benefits.
- Other: Eligibility for one courtesy automobile.

If Mr. Chow is terminated with cause, all obligations will cease. If Mr. Chow is terminated without cause, the University will owe the remaining balance on the guaranteed compensation and the retention bonus, offset by any personal services income earned by the coach during the remaining period of the contract. Finally, Mr. Chow is free to terminate at any time other than during the football season, and there is no penalty clause.

The compensation provided under this contract will be paid from existing non-State fund sources, including already received ticket revenue.

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) ***Retention Increase for Susan V. Bryant as Vice Chancellor–Research, Irvine Campus***

Approval of the following items in connection with the retention increase for Susan V. Bryant as Vice Chancellor–Research, Irvine campus:

- a. Per policy, retention increase of \$19,000 (7.4 percent), to increase her annual base salary from \$256,000 to \$275,000 (Salary Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- b. This retention increase is based on 100 percent time and effective January 1, 2008.

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, ineligible to participate in Senior Management Supplemental Benefit Program due to tenured faculty position.

The compensation described above is an amendment to compensation approved by the Regents in September 2007. This amendment in combination with the item previously approved shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments.

(10) ***Stipend for Clayton H. Heathcock as Acting Dean–College of Chemistry, Berkeley Campus***

Approval of the following items in connection with the appointment of Clayton H. Heathcock as Acting Dean–College of Chemistry, Berkeley campus:

- a. As a recalled retiree, a salary of \$10,471 per month as Acting Dean–College of Chemistry and Chief Science Advisor. This is representative of an 18.6 percent increase over his current monthly income of \$8,838 as Associate Dean and Chief Science Advisor.

This is inclusive of \$1,000 per month earned as Chief Scientist for the California Institute for Quantitative Bioscience (QB3).

- b. Effective January 1, 2008 through June 30, 2008 at 43.75 percent, pending approval by the Regents.

Additional items of compensation include:

- Mr. Heathcock has signed and accepted the Rehired Retiree Waiver Form which will serve to decline participation in UCRS and allow Mr. Heathcock to continue receiving his retirement annuity while receiving compensation related to this appointment.
- Per policy, his medical and dental coverages will be continued as a retiree.
- Per policy, a mandatory employee contribution of 7.5 percent of base salary to the University's Defined Contribution Plan (DCP) as a Safe Harbor Plan participant.
- Per policy, eligibility to voluntarily contribute to the 403(b) and 457(b) plans.

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) ***Appointment Salary for Neil Henry as Dean-Graduate School of Journalism, Berkeley Campus***

Approval of the following items in connection with the appointment be approved for Neil Henry as Dean-Graduate School of Journalism, Berkeley campus:

- a. As an exception to policy, appointment salary of \$200,000. This represents a 42.1 percent increase over Mr. Henry's annual adjusted academic salary of \$140,800 (Salary Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000). The recommended salary is 23.5 percent above his current compensation of \$161,900 for service as Acting Dean-Graduate School of Journalism.
- b. The appointment is 100 percent time and is effective January 1, 2008, pending 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, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible for participation in the Senior Management Supplemental Benefits Program due to dual appointment as a faculty member.

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) ***Interim Re-Slotting and Appointment Salary for Courtney H. Lyder as Dean–School of Nursing, Los Angeles Campus***

Approval of the following items in connection with the interim re-slotting and appointment salary of Courtney H. Lyder as Dean–School of Nursing, Los Angeles Campus:

- a. Re-slotting of the position of Dean–School of Nursing, Los Angeles campus, from SLCG Grade 107 to SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400), as supported by Mercer Human Resource Consulting.
- b. Appointment salary of \$250,000 at 100 percent time and effective August 1, 2008.
- c. Per policy, a relocation allowance of 25 percent of base salary (\$62,500), to be paid over a period of four years as follows: \$25,000 (40 percent, year 1), \$18,750 (30 percent, year 2), \$12,500 (20 percent, year 3), \$6,250 (10 percent, year 4). If the candidate terminates employment prior to the completion of five years of service, any remaining payments will be forfeited.
- d. Per policy, participation in the University of California Mortgage Origination Program up to the maximum loan amount (currently \$1.33 million). Participation will comply with all University/campus program parameters.
- e. A dual faculty appointment as Professor in the School of Nursing.
- f. As an exception to policy, reimbursement of reasonable and actual costs associated with temporary housing, not to exceed a value of or

reimbursement amount of \$24,000 over a period of six months. This is an exception to the one-month temporary housing assistance provided in policy based on the anticipated difficulty in finding suitable housing in the Los Angeles area.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits, and standard Senior Management benefits, which include Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, two house-hunting trips. Coach airfare, meals, and lodging to be reimbursed up to \$2,500.
- Per policy, reimbursement up to 100 percent of reasonable and actual moving expenses.
- 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.

(13) ***Appointment Salary for Rhea Turteltaub as Vice Chancellor-External Affairs, Los Angeles Campus***

Approval of the following items in connection with the appointment salary for Rhea Turteltaub as Vice Chancellor-External Affairs, Los Angeles campus:

- a.. As an exception to policy, a salary increase of \$83,600 (38.6 percent) to the current base salary, to bring her annual base salary from \$216,400 to \$300,000 (Salary Grade 110: Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- b. This appointment is a 100 percent time and effective April 1, 2008.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits, and standard Senior Management benefits, which include Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, annual automobile allowance of \$8,916.
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

- Annual eligibility for UCLA Staff Achievement Award (up to 10 percent) in accordance with campus program guidelines.

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) ***Interim Slotting and Appointment Salary for Kimberly R. Walsh as Associate Vice Chancellor—University Communications, Berkeley Campus***

Approval of the following items in connection with the interim slotting and appointment salary for Kimberly R. Walsh as Associate Vice Chancellor—University Communications, Berkeley campus:

- a. Interim slotting of newly restructured MSP position, Associate Vice Chancellor—Communications, at SLCG Grade 107 is consistent with a recommendation by Mercer Human Resource Consulting (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. Appointment salary of \$230,000. This represents a 3.8 percent decrease over Ms. Walsh's former base salary at PG&E of \$239,000.
- c. The appointment is 100 percent time and is effective no later than April 1, 2008, pending approval by 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.

B. The President of the University and the Chair of the Committee on Grounds and Buildings concurred in the following recommendations:

(1) ***Adoption of Findings and Approval of Design, UCI Medical Center Clinical Laboratory Replacement Building, Irvine Campus***

That, upon review and consideration of the UCI Medical Center Long Range Development Plan Environmental Impact Report Addendum, the following be approved:

- a. Adoption of the Findings.

- b. Approval of the design for the UCI Medical Center Clinical Laboratory Replacement Building, Irvine campus.

[The UCIMC LRDP EIR Addendum and Findings were mailed to the President and Committee Chair in advance.]

- (2) *Amendment of the Budget for Capital Improvements and the Capital Improvement Program for Viticulture and Enology Research and Teaching Winery and Anheuser Busch Brewery and Food Laboratory, Davis Campus*

That the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following:

Davis: Viticulture and Enology Research and Teaching Winery and Anheuser Busch Brewery and Food Laboratory – preliminary plans, working drawings, and construction – \$16.5 million, to be funded from gift funds (\$11.5 million) and campus funds (\$5 million from funds available to the College of Agricultural and Environmental Sciences).

## 12. **REPORT OF PERSONNEL ACTIONS**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 14.7(b), the following personnel actions were taken at the January 2008 meeting. There were no roll call votes taken on these actions.

- A. Appointment of Patrick J. Lenz as Vice President–Budget, Office of the President, 100 percent, effective no later than February 25, 2008.
- B. Appointment of Robert Rosenthal as University Professor, Department of Psychology, Riverside campus, effective immediately upon approval by the Regents.

## 13. **SUMMARIES OF COMMUNICATIONS RECEIVED**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in reports dated February 1 and March 3, 2008.

## 13. **REPORT OF MATERIALS MAILED 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 Compensation**

- A. Report on Salary Actions Taken for Professors Since August 10, 2007. (March 5, 2008)

**To Members of the Committee on Finance**

- B. Report to the Committee on Finance regarding the change in approval thresholds based upon the percentage change in the Consumer Price Index-All Urban Consumers, U.S. City Average from November 2006 to November 2007. (February 7, 2008)
- C. Annual Report on University Employee Housing Assistance Programs for 2006-07. (February 22, 2008)

**To Members of the Committee on Grounds and Buildings**

- D. Letters and attachments regarding the University of California, San Diego University House Meeting Center and Chancellor Residence project received subsequent to the packet distributed at the January 15, 2008 meeting. (January 22, 2008)

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

- E. Medical Center Activity and Financial Status Reports for the four months ended October 31, 2007 and for the five months ended November 30, 2007. (February 11, 2008)

**The Regents of the University of California**

- F. Western Association of Schools and Colleges (WASC) special team report regarding their evaluation of issues related to the 2006 compensation audits and task force review. Also a response to the report provided by Governance Committee Chair Lansing, Committee Vice Chair Gould, President Dynes, and Provost Hume. (January 18, 2008)
- G. At the request of Chairman Blum, newspaper opinion piece written by Chancellor Birgeneau regarding financial aid at public and private institutions. (January 25, 2008)
- H. Letter from Chairman Blum accepting Regent Wachter's resignation from the Committee on Long Range Planning and appointing him to the Committee on Governance. (January 30, 2008)

- I. Report of communications received subsequent to the January 10, 2008 report of communications. (February 1, 2008)
- J. Latest edition of Your University, a monthly publication prepared by the Office of the President for elected officials, advocates, and friends of the University. (February 11, 2008)
- K. Assembly of the Academic Senate's resolution on limiting the University of California's role in manufacturing nuclear weapons. (February 25, 2008)
- L. Email from Secretary and Chief of Staff Griffiths regarding the tentative schedule for Tuesday, May 13, 2008 Regents' committee meetings, in order to coordinate with the inauguration of Chancellor Block. (February 26, 2008)
- M. Letter and press release describing the University's plans related to the funding of student enrollments for the 2008-09 year. (February 28, 2008)
- N. Report of communications received subsequent to the February 1, 2008 report of communications. (March 3, 2008)

The meeting adjourned at 11:20 a.m.

Attest:

Secretary and Chief of Staff