

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

January 23, 2014

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

Members present: Regents Blum, De La Peña, Feingold, Flores, Gould, Island, Kieffer, Lansing, Makarechian, Napolitano, Newsom, Pattiz, Reiss, Ruiz, Schultz, Sherman, Varner, and Zettel

In attendance: Regents-designate Engelhorn, Leong Clancy, and Saifuddin, Faculty Representatives Gilly and Jacob, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Brown, Duckett and Lenz, Chancellors Blumenthal, Desmond-Hellmann, Katehi, Wilcox, and Yang, and Recording Secretary Johns

The meeting convened at 11:35 a.m. with Chairman Varner presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of November 14 and the meetings of the Committee of the Whole of November 12, 13, and 14, 2013 were approved.

2. REPORT OF THE PRESIDENT: APPOINTMENTS

A. *Appointment of Samuel Hawgood as Acting Chancellor, San Francisco Campus*

The President recommended that Samuel Hawgood be appointed as Acting Chancellor, San Francisco campus, at 100 percent time, effective on or about March 31, 2014 and continuing until a new Chancellor is appointed. Dr. Hawgood will also continue to hold an academic appointment, at zero percent time, on the San Francisco campus.

B. *Appointment of Jagdeep S. Bachher as Chief Investment Officer and Vice President – Investments, Office of the President*

The Chairman of the Board of Regents and the President recommended that Jagdeep S. Bachher be appointed as Chief Investment Officer and Vice President – Investments, Office of the President, at 100 percent time, effective on or about April 1, 2014.

Upon motion of President Napolitano, duly seconded, the Chairman and the President's recommendations were approved.

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

The Committee presented the following from its meeting of January 23, 2014:

A. ***Contract Compensation for Robert A. Williams as Head Men's Basketball Coach, Santa Barbara Campus***

The Committee recommended approval of the following items in connection with the contract compensation for Robert A. Williams as Head Men's Basketball Coach, Santa Barbara campus:

- (1) As an exception to the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters), annual guaranteed compensation of \$314,963 in the form of base salary in the first 12 months of the contract. The annualized guaranteed compensation will increase by 4.2 percent on July 1 of each year until it reaches a maximum of \$364,208 on July 1, 2017. This annual guaranteed compensation is an exception to policy because (a) the annual compensation in the first 12 months of the contract is more than 30 percent greater than it would be under the current contract; and (b) the cumulative total for guaranteed compensation under the proposed contract is more than 30 percent greater than under the current contract (with the duration of the current contract adjusted so that it does not affect the comparison).
- (2) As an exception to the September 2008 Parameters, an annual maximum incentive potential of \$225,000. This constitutes an exception because the increase is more than 15 percent over the current contract's maximum incentive potential of \$165,000.
- (3) As an exception to the September 2008 Parameters, the source of funding for this position will come from student fees and program-generated revenue. The September 2008 Parameters require Regental approval when the funding for a coach contract comes from sources other than athletic department revenues (including athletic equipment supplier agreements) or private fundraising.
- (4) This contract will be effective January 1, 2014 through August 31, 2017.

Recommended Compensation

Effective Date: January 1, 2014 – August 31, 2017

Base Salary in the first 12 months: \$314,963

Talent Fee: \$0

Guaranteed Compensation in the first 12 months: \$314,963

Maximum Incentive Potential: \$225,000

Total Potential Cash Compensation in the first 12 months: \$539,963

Funding Source: non-State-funded

Budget &/or Prior Incumbent Data

Title: Head Men's Basketball Coach

Base Salary: \$235,000

Talent fee: \$0

Guaranteed Compensation: \$235,000

Maximum Incentive Potential: \$165,000

Total Potential Cash Compensation: \$400,000

Funding Source: non-State-funded

The compensation described above shall constitute the University's total commitment for the elements of compensation addressed above until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UC Santa Barbara Chancellor Yang

Reviewed by: President Napolitano

Committee on Compensation Chair Kieffer

Office of the President, Human Resources

B. *Amendment of Contract Compensation for David A. Durden as Head Men's Swimming and Diving Coach, Berkeley Campus*

The Committee recommended approval of the following item in connection with the amendment of contract compensation for David A. Durden as Head Men's Swimming and Diving Coach, Berkeley campus:

As an exception to policy, retroactive approval to May 1, 2012 of the 2.5 percent increase in guaranteed compensation (from \$165,000 to \$169,050) approved by the campus via a contract amendment on April 20, 2013.

The compensation described above shall constitute the University's total commitment for the elements of compensation addressed above until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UC Berkeley Chancellor Dirks

Reviewed by: President Napolitano

**Committee on Compensation Chair Kieffer
Office of the President, Human Resources**

C. *Appointment of and Compensation for Claude M. Steele as Executive Vice Chancellor and Provost, Berkeley Campus*

The Committee recommended approval of the following items in connection with the appointment of and compensation for Claude M. Steele as Executive Vice Chancellor and Provost, Berkeley campus:

- (1) Appointment of Claude M. Steele as Executive Vice Chancellor and Provost, Berkeley campus.
- (2) Per policy, an annual base salary of \$450,000.
- (3) Per policy, annual automobile allowance of \$8,916.
- (4) Per policy, a relocation allowance of 25 percent of base salary (\$112,500), to offset additional unreimbursed expenses associated with accepting the University's offer and relocating at the request of the University. The relocation allowance will be paid in a lump sum subject to the following repayment schedule if Mr. Steele separates from the University within four years of his appointment: 100 percent if separation occurs within the first year of employment, 75 percent if separation occurs within the second year of employment, 50 percent if separation occurs within the third year of employment, and 25 percent if separation occurs within the fourth year of employment, subject to the limitations under policy.
- (5) Per policy, a hiring bonus of five percent of base salary (\$22,500), as a one-time payment, which is intended to partially offset the loss of income Mr. Steele will experience in accepting the University's offer. The hiring bonus will be paid in a lump sum subject to the following repayment schedule if Mr. Steele separates from the University within four years of his appointment: 100 percent if separation occurs within the first year of employment, 75 percent if separation occurs within the second year of employment, 50 percent if separation occurs within the third year of employment, and 25 percent if separation occurs within the fourth year of employment, subject to the limitations under policy.
- (6) Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability after five years of Senior Management Group service).
- (7) Per policy, 100 percent reimbursement of actual and reasonable moving expenses associated with moving Mr. Steele's household goods and

personal effects from his current primary residence to his new primary residence, subject to the limitations under policy.

- (8) Per policy, eligibility to participate in the UC Home Loan Program, subject to all applicable program requirements.
- (9) Reimbursement of reasonable travel expenses, as defined by policy, for all business-related visits to the campus prior to Mr. Steele's official start date.
- (10) Per policy, accrual of sabbatical credits as a member of tenured faculty.
- (11) This appointment is at 100 percent time and effective March 31, 2014.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: March 31, 2014

Base Salary: \$450,000

Target Cash Compensation:* \$450,000

Funding: partially or fully State-funded

Budget &/or Prior Incumbent Data

Title: Executive Vice Chancellor and Provost

Base Salary: \$370,000

Target Cash Compensation:* \$370,000

Funding: partially or fully State-funded

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

COMPETITIVE ANALYSIS FOR EXECUTIVE VICE CHANCELLOR AND PROVOST

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					MARKET COMPOSITE FOR TARGET CASH COMPENSATION					
	25 th	50 th	60 th	75 th	90 th	Percentiles	25 th	50 th	60 th	75 th	90 th
Market Data	\$271K	\$395K	\$414K	\$443K	\$512K	Market Data	N/A	N/A	N/A	N/A	N/A
% Difference from Market	66.1%	13.9%	8.7%	1.6%	-12.1%	% Difference from Market	--	--	--	--	--

Survey Source: College and University Professional Association (CUPA) Administrative Compensation Survey. CUPA only reports base salary.

The compensation described above shall constitute the University's total commitment until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UC Berkeley Chancellor Dirks
Reviewed by: President Napolitano
Committee on Compensation Chair Kieffer
Office of the President, Human Resources

D. *Approval of Compensation for Samuel Hawgood as Acting Chancellor, San Francisco Campus*

The Committee recommended that, contingent upon and effective with Samuel Hawgood's appointment by the Regents as Acting Chancellor of the San Francisco campus, the following items be approved in connection with that appointment:

- (1) Per policy, continued annual base salary of \$463,500 funded by non-State sources for the duration of the acting appointment.
- (2) Per policy, continued eligibility to receive \$195,475 through participation in the Health Sciences Compensation Plan.
- (3) Per policy, annual automobile allowance of \$8,916 while serving as Acting Chancellor.
- (4) Per policy, continued eligibility to participate in the UC Home Loan Program, subject to all applicable program requirements.
- (5) Per policy, an administrative fund will be established for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy.
- (6) Per policy, continued participation in standard pension and health and welfare benefits (including senior management life insurance and executive salary continuation for disability).
- (7) Per policy, continued accrual of sabbatical credits as a member of tenured faculty.

COMPARATIVE ANALYSIS**Recommended Compensation****Effective Date:** on or about March 31, 2014**Base Salary:** \$463,500**Health Sciences Compensation Plan:** \$195,475**Target Cash Compensation:*** \$658,975**Funding:** non-State-funded**Budget &/or Prior Incumbent Data****Title:** Chancellor**Base Salary:** \$450,000**Target Cash Compensation:*** \$450,000**Funding:** non-State-funded

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend. For participants in the Health Sciences Compensation Plan (HSCP), Target Cash Compensation also includes HSCP payments.

COMPETITIVE ANALYSIS FOR CHANCELLOR

MARKET REFERENCE ZONE FOR BASE SALARY						MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
Percentiles	25 th	50 th	60 th	75 th	90 th	25 th	50 th	60 th	75 th	90 th
Market Data	\$380K	\$508K	\$583K	\$695K	\$876K	\$374K	\$638K	\$696K	\$782K	\$868K
% Difference from Market	22.0%	-8.8%	-20.5%	-33.3%	-47.1%	76.2%	3.3%	-5.3%	-15.7%	-24.1%

Survey Source: College and University Professional Association (CUPA) survey and Mercer Chancellor Compensation Survey

The compensation described above shall constitute the University's total commitment until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by:**President Napolitano****Reviewed by:****Committee on Compensation Chair Kieffer
Office of the President, Human Resources**

E. ***Approval of Total Compensation for Jagdeep S. Bachher as Chief Investment Officer and Vice President – Investments, Office of the President***

The Committee recommended that, contingent upon Jagdeep S. Bachher's appointment by the Regents as Chief Investment Officer and Vice President – Investments and effective with his start date on or about April 1, 2014, the following items be approved in connection with that appointment:

- (1) Per policy, an annual base salary of \$615,000, to be funded by non-State sources.
- (2) Per policy, eligible to participate in the Office of the Chief Investment Officer Annual Incentive Plan (AIP) with a target award of 100 percent of base salary (\$615,000) and a maximum potential award of 165 percent of base salary (\$1,014,750). Actual award will depend on performance against pre-established objectives. The awards are paid over a three-year period, with one-half paid in the first year and the remainder equally deferred over the next two years.
- (3) As an exception to policy, for the 2013-14 Plan Year, eligible to receive an AIP award of up to \$153,750 for his partial-year service of approximately three months, contingent upon satisfactory performance during this period. This is an exception to policy because the AIP Plan document provides that employees must have a start date no later than January 15 to be eligible to receive an AIP award for that Plan Year.
- (4) Per policy, a monthly contribution of five percent of base salary to the Senior Management Supplemental Benefit Program.
- (5) Per policy, annual automobile allowance of \$8,916.
- (6) Per policy, a relocation allowance of 25 percent of base salary (\$153,750), which is intended to offset additional unreimbursed expenses associated with accepting the University's offer and relocating at the request of the University. The relocation allowance will be paid in equal annual installments of \$38,437.50 over four years, subject to the limitations under policy. Any unpaid relocation allowance amounts will be forfeited at the time of separation.
- (7) Per policy, a hiring bonus of five percent of base salary (\$30,750), to be paid in annual installments of \$7,687.50 over four years, subject to the limitations under policy. Any unpaid hiring bonus amounts will be forfeited at the time of separation.
- (8) Per policy, 100 percent reimbursement of actual and reasonable expenses associated with moving Mr. Bachher's household goods and personal

effects from his former primary residence to his new primary residence, subject to the limitations under policy.

- (9) Per policy, reimbursement for up to two house-hunting trips for Mr. Bachher and his spouse or partner to secure housing in the San Francisco Bay area, subject to the limitations under policy.
- (10) Per policy, reimbursement of reasonable travel expenses for all business-related visits to the Office of the President prior to Mr. Bachher's official start date.
- (11) Per policy, eligible to participate in the UC Home Loan Program, subject to all applicable program requirements.
- (12) Per policy, an administrative fund will be established for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy.
- (13) Per policy, standard pension and health and welfare benefits (including senior management life insurance and executive salary continuation for disability).

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: on or about April 1, 2014

Base Salary: \$615,000

Annual Incentive Plan (AIP) award (at target rate of 100 percent of base salary): \$615,000

Target Cash Compensation:* \$1,230,000

Funding: non-State-funded

Budget &/or Prior Incumbent Data

Title: Chief Investment Officer and Vice President – Investments

Base Salary: \$470,000

Annual Incentive Plan (AIP) award (at target rate of 100 percent of base salary): \$470,000

Target Cash Compensation:* \$940,000

Funding: non-State-funded

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

**COMPETITIVE ANALYSIS FOR CHIEF INVESTMENT OFFICER AND VICE
PRESIDENT – INVESTMENTS**

MARKET REFERENCE ZONE FOR BASE SALARY						MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
Percentiles	25 th	50 th	60 th	75 th	90 th	25 th	50 th	60 th	75 th	90 th
Market Data	\$428K	\$485K	\$524K	\$583K	\$678K	\$917K	\$1,360K	\$1,570K	\$1,886K	\$2,202K
% Difference from Market	43.7%	26.8%	17.4%	5.5%	-9.3%	34.1%	-9.6%	-21.7%	-34.8%	-44.1%

Survey Source: Mercer – Office of the Chief Investment Officer Compensation Assessment

The compensation described above shall constitute the University's total commitment until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: President Napolitano
Reviewed by: Committee on Compensation Chair Kieffer
Office of the President, Human Resources

Upon motion of Regent Kieffer, duly seconded, the recommendations of the Committee on Compensation were approved, Regents Newsom and Pattiz (2) voting "no" on item C. above.

4. REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY

The Committee presented the following from its meeting of January 22, 2014:

Designation of Merced Vernal Pools and Grassland Reserve, Merced County, Natural Reserve System

The Committee recommended that the Regents designate the Merced Vernal Pools and Grassland Reserve as the 39th component of the Natural Reserve System (NRS) to be administered by the NRS systemwide office with operational management provided by the Merced campus.

Upon motion of Regent Reiss, duly seconded, the recommendation of the Committee on Educational Policy was approved.

5. REPORT OF THE COMMITTEE ON FINANCE

The Committee presented the following from its meeting of January 22, 2014:

Formation of a Nonprofit Corporation and Transfer of the Residential Lending Activities of the Office of Loan Programs to the Nonprofit Corporation

The Committee recommended that the Regents:

- A. Approve the University's formation of a California nonprofit public benefit corporation to be known as the University of California Home Loan Program Corporation (the Nonprofit) to undertake the future residential lending activities of the University of California (the Program), subject to the following conditions:
 - (1) The purpose of the Nonprofit shall be to operate the Program as it is currently operated or is modified in the future.
 - (2) The Nonprofit shall be governed by a five-person Board of Directors (Board) which will consist of five officers of the Regents or their designees: the President, Chief Operating Officer, Chief Financial Officer, Chief Investment Officer, and General Counsel, sitting ex-officio. Initially, the Chief Financial Officer, or designee, shall serve as the Chair of the Board; provided, however, that the President shall have the authority to remove the Chief Financial Officer as Chair of the Board at any time and appoint another member of the Board as Chair.
- B. Approve the transfer of the future operation of the Program to the Nonprofit, excluding loans previously extended by the Office of Loan Programs and current cash reserves.
 - (1) The Nonprofit will be staffed entirely by employees of the University of California assigned to the Nonprofit pursuant to a services agreement to be executed between the Regents and the Nonprofit. As consideration for these services, the Nonprofit will transfer to the Regents the administrative fees collected under the Program.
 - (2) The Nonprofit will execute a master note agreement (Master Note) in favor of the Regents. Pursuant to the Master Note, the Regents will provide the Nonprofit with funding sufficient to enable the Nonprofit to extend future loans pursuant to the terms and policies of the Program. Loan payments received by the Nonprofit will be transferred to the Regents on a monthly basis, according to the terms set forth in the Master Note.

- (3) The Nonprofit will apply for and expects to obtain tax-exempt status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 and the corresponding provisions under California law.
 - (4) Notwithstanding the transfer of the Program to the Nonprofit, the participation in the Program by any member of the Board shall be approved by the Regents.
- C. Authorize the President, after consultation with the General Counsel, to approve and to execute (a) any documents reasonably required to accomplish the above; and (b) any modifications thereto, provided that such modifications do not materially increase the obligations of the Regents.

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

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

The Committee presented the following from its meeting of January 23, 2014:

A. ***Amendment of the Schedule of Reports to the Regents***

The Committee recommended that the Schedule of Reports be amended, as shown in Attachment 1.

B. ***Dates of Regents Meetings for 2015***

The Committee recommended that the following dates of Regents meetings for 2015 be approved.

2015

January 21-22 (Wednesday-Thursday)

March 18-19 (Wednesday-Thursday)

May 21-22 (Thursday-Friday)

July 22-23 (Wednesday-Thursday)

September 16-17 (Wednesday-Thursday)

November 19-20 (Thursday-Friday)

C. ***Amendment of Standing Order 100.4 – Duties of the President***

The Committee recommended that, following service of appropriate notice, Standing Order 100.4 – Duties of the President be amended, as shown in Attachment 2.

Upon motion of Regent Reiss, duly seconded, the recommendations of the Committee on Governance were approved.

7. REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS

The Committee presented the following from its meeting of January 22, 2014:

A. *Amendment of the Budget and Approval of External Financing, Li Ka Shing Center, Berkeley Campus*

The Committee recommended that the Regents:

- (1) Amend the 2013-14 Budget for Capital Improvements and the Capital Improvement Program as follows:

From: Berkeley: Biomedical and Health Sciences Building – preliminary plans, working drawings, and construction – \$266,953,000, to be funded from gifts (\$104,807,500), California Institute for Regenerative Medicine grant funds (\$17,602,500), campus funds (\$1 million), and external financing (\$143,543,000).

To: Berkeley: Li Ka Shing Center – preliminary plans, working drawings, and construction – \$255,755,000, to be funded from gifts (\$65 million), California Institute for Regenerative Medicine grant funds (\$17,602,500), campus funds (\$1 million), and external financing (\$172,152,500).

- (2) Authorize the President to obtain additional external financing not to exceed \$30,898,100 for the project for a total amount of external financing for the project of \$172,152,500. The President shall require that:
 - a. As long as the debt is outstanding, the general revenues of the Berkeley campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - b. The general credit of the Regents shall not be pledged.
- (3) Authorize the President to obtain standby financing not to exceed \$3.6 million for the project. The President shall require that:
 - a. The primary repayment source will be receipt of gifts. If gifts receipts are insufficient, the general revenues of the Berkeley campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - b. The general credit of the Regents shall not be pledged.

- (4) Authorize the President to execute all documents necessary in connection with the above.

B. *Amendment of the Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act*

The Committee recommended that Regents Policy 8102: Approval of Design, Long Range Development Plans and the Administration of the California Environmental Quality Act, be amended as shown in Attachment 3, effective upon final approval of the related amendments to Standing Order 100.4.

C. *Approval of the Budget, Approval of External Financing, and Approval of Design following Action Pursuant to California Environmental Quality Act, Mesa Court Expansion, Irvine Campus*

- (1) The Committee recommended that:

- a. The 2013-14 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Irvine: Mesa Court Expansion – preliminary plans, working drawings, construction, and equipment – \$133,757,000, to be funded from external financing (\$123,757,000), and from Housing Reserves (\$10 million).

- b. The scope of the Mesa Court Expansion project shall include the construction of a residence hall facility with approximately 746 beds and an expanded replacement commons building in the Mesa Court housing complex.
- c. The President be authorized to obtain external financing not to exceed \$123,757,000 to finance the Mesa Court Expansion project. The President shall require that:
 - i. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - ii. As long as debt is outstanding, the general revenues of the Irvine campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - iii. The general credit of the Regents shall not be pledged.

- (2) Following a review and consideration of the environmental consequences of the proposed Mesa Court Expansion project, the Committee reported its:
 - a. Adoption of the Initial Study/Mitigated Negative Declaration for the Mesa Court Expansion project in accordance with the California Environmental Quality Act (CEQA).
 - b. Adoption of the CEQA Findings for the Mesa Court Expansion project.
 - c. Approval of the design of the Mesa Court Expansion project, Irvine campus.
- (3) The Committee recommended that the President be authorized to execute all documents necessary in connection with the above.

[The Initial Study/Mitigated Negative Declaration and CEQA Findings were provided to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

D. *Approval of the Budget, Approval of External Financing, and Approval of Design following Action Pursuant to California Environmental Quality Act, San Joaquin Apartments, Santa Barbara Campus*

- (1) The Committee recommended that:
 - a. The 2013-14 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Barbara: San Joaquin Apartments – preliminary plans – \$7.76 million, to be funded from housing auxiliary reserves.

To: Santa Barbara: San Joaquin Apartments – preliminary plans, working drawings, construction and furnishings and equipment – \$175 million to be funded from housing auxiliary reserves (\$7.76 million) and external financing (\$167.24 million).
 - b. The scope of the San Joaquin Apartments project shall include construction of apartment-style student housing with approximately 1,003 student beds, and associated general site improvements, landscaping, hardscaping, recreation courts, and fields, and approximately 181 off-site surface parking spaces.

- c. The President be authorized to obtain external financing not to exceed \$167.24 million to finance the San Joaquin Apartments project. The President shall require that:
 - i. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - ii. As long as the debt is outstanding, general revenues from the Santa Barbara campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - iii. The general credit of the Regents shall not be pledged.
- (2) Following review and consideration of the environmental consequences of the proposed San Joaquin Apartments project, the Committee reported its:
 - a. Certification of the Environmental Impact Report.
 - b. Adoption of the Mitigation Monitoring and Report Program and Findings in accordance with the California Environmental Quality Act.
 - c. Approval of the design of the San Joaquin Apartments project, Santa Barbara campus.
 - d. Authorization of the President or her designee to modify the design approval, if required, in response to comments received from the California Coastal Commission, provided that any substantial changes in principles or policies of the design approval would be brought to the Regents for consideration.
- (3) The Committee recommended that the President be authorized to execute all documents necessary in connection with the above.

[The Environmental Impact Report, Mitigation Monitoring Program, and California Environmental Quality Act Findings were provided to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

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

8. REPORT OF THE COMMITTEE ON HEALTH SERVICES

The Committee presented the following from its meeting of January 22, 2014:

Establishment of a Joint Venture Company with Centre Testing International, UCLA Health System, Los Angeles Campus

The Committee recommended that the Regents:

- A. Approve the participation of UCLA Health System in a joint venture with Centre Testing International (CTI) to be named CTI-Pathology/UCLA Health to establish and operate a clinical laboratory in Shanghai, China, subject to the following conditions:
- (1) The company will be owned jointly by CTI and the Regents. CTI will have a 51-percent interest in the company and the Regents 49 percent. The Regents' contribution will be in-kind clinical laboratory management and services expertise. CTI will provide all capital needs for the joint venture as well as service functions, such as human resources and accounting. Except for the above-described contribution, the Regents will not be responsible for making any capital contributions to establish the laboratory or to participate in the joint venture.
 - (2) The company shall be governed by a Board of Directors (Board). The Regents will appoint two members to the company Board through the Vice Chancellor and Dean of the David Geffen School of Medicine, UCLA. CTI will appoint three members to the Board.
 - (3) UCLA Health System will manage the laboratory on behalf of the University pursuant to management services agreements entered into by first UCLA Health System and an existing sub-unit of CTI, Shanghai CTI-Aipu Medical Laboratory Co., Ltd., and later between the new joint venture company and UCLA Health System.
 - (4) The use of UCLA's name will be licensed to the new joint venture company for co-branding purposes in connection with operation of the laboratory, subject to a separately approved license agreement, which will be consistent with both California statutes and University of California policy.
 - (5) Prior to the adoption by the new company, the initial formational documents, including but not limited to the articles of association, and any amendments thereto, shall be subject to the approval of the President following consultation with the General Counsel.

- (6) The Regents shall retain the right to terminate the agreement (i) in the event conversion to a contractual joint venture company does not occur within six months of the formation of the company; or (ii) in the event of any uncured material breach by CTI of its obligations to the University.
- B. Authorize the President, following consultation with the General Counsel, to approve and execute (i) any documents reasonably required to participate in the joint venture as described above, including but not limited to a framework agreement, a contractual joint venture agreement, a license agreement, and a services agreement; and (ii) any modifications, addenda, or amendments (collectively, “amendments”) provided, however, such amendments do not materially reduce the rights of the Regents or materially increase the obligations of the Regents.

Upon motion of Regent De La Peña, duly seconded, the recommendation of the Committee on Health Services was approved.

9. **REPORT OF THE PRESIDENT**

The President presented her report concerning University activities and individuals. Rebecca Peters, a UC Berkeley student, was awarded a Marshall Scholarship, among only 35 students selected in the United States for this award. The award allows graduating college students to pursue advanced degrees at academic institutions in the United Kingdom. Ms. Peters intends to pursue two master’s degrees, one in poverty and development at the University of Manchester, another in water science and policy at Oxford University. Zarko Perovic, UC Berkeley alumnus and native of Serbia, was one of 32 individuals named as a Rhodes Scholar for 2014. Recipients are selected based on high academic achievement, integrity of character, and potential for leadership. While at Oxford, Mr. Perovic intends to study international relations; in the future he hopes to work as a lawyer and policymaker to prevent conflicts like those experienced in his homeland. President Napolitano stressed that the world has great need of more individuals like Ms. Peters and Mr. Perovic.

Thirty-nine UC-affiliated scientists were elected fellows of the American Association for the Advancement of Science. Chosen by their peers, fellows are recognized for distinguished efforts to advance science and for significant contributions in research, teaching, technology, and administration. Ten members of the UC community of learning were awarded the Presidential Early Career Award for Scientists and Engineers, the highest honor bestowed by the United States government on science and engineering professionals in the early stages of their independent research careers. Those honored are selected for their pursuit of innovative research at the frontiers of science and technology and their commitment to community service as demonstrated through scientific leadership, public education, and community outreach.

In conclusion, President Napolitano reported that the University was mourning the passing of Jane McHenry, widow of Dean McHenry, the founding chancellor of UC

Santa Cruz. Mrs. McHenry had died the previous month at the age of 101. The warmth and friendliness she brought to the role of first lady are legendary. From the outset, she and her husband were passionately devoted to the campus and its students. They were a true team, carefully nurturing and guiding the Santa Cruz campus through its critical early years, some of which were among the most tumultuous in the University's history. The campus today stands as living testimony to Jane and Dean McHenry's vision and devotion. Jane McHenry will be remembered as a warm, generous, and caring ambassador for the University and will be sadly missed.

10. **REPORT OF INTERIM AND CONCURRENCE ACTIONS**

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

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

(1) ***Modifications to Post-Employment Benefit Terms for Nurses in the NX Unit***

- a. The University of California Retirement Plan (UCRP) be amended as follows as applied to nurses in the NX bargaining unit:
 - i. UCRP member contributions will be set at eight percent of covered compensation effective January 1, 2014 and increased to nine percent effective July 1, 2014 (less \$19 per month for 1976 Tier Members). These revised rates will apply to all NX nurses, regardless of UCRP entry date or membership tier.
 - ii. A modified version of the 2013 Tier will apply only to nurses who were initially hired and/or became UCRP members on or after July 1, 2013, or who were rehired in UCRP-eligible positions on or after that date. This modified version will be identical to the 2013 Tier except that:
 - (a) the earliest retirement age will be decreased from age 55 to 50 and the age corresponding to the maximum age factor of 2.5 percent will be decreased from age 65 to age 60, which is similar to the factors in UCRP's 1976 Tier.

- (b) the lump sum cashout, as well as annuity options, will be available as payment options on the 2013 Tier benefit, similar to the 1976 Tier options.
 - b. Pursuant to Standing Order 100.4(dd)(4), the President be authorized to modify the Retiree Health Benefit Program, as amended in 2010, for the NX nurses as follows:
 - i. The new graduated eligibility requirements approved by the Regents in 2010 will apply to those represented nurses who are hired, re-hired, or become UCRP-eligible on or after the first day following the date of ratification of the collective bargaining agreement.
 - ii. Represented nurses who are active members of UCRP as of the date of ratification of the collective bargaining agreement will be subject to the graduated eligibility provisions in effect prior to July 1, 2013.
 - c. The President be authorized to implement these approved provisions and supporting technical details, and the Plan Administrator be delegated the authority to amend the Plan documents as necessary to implement these changes.
 - d. The proposed amendments will be effective upon ratification of the new collective bargaining agreement.
- (2) ***University of California Retirement Plan – Amendment of Break in Service Provisions for Certain Non-Senate Instructional Faculty and Non-Faculty Employees in the IX Unit***
- a. The University of California Retirement Plan (UCRP) be amended such that, solely for the purpose of determining continuing membership in the 1976 Tier of the UCRP versus prospective membership in the 2013 Tier following a period off pay status, non-Senate instructional faculty and non-faculty employees in the IX bargaining unit (NSF) with Continuing Appointment status will remain in the 1976 Tier of the UCRP upon return to pay status provided the NSF employee satisfies all of the following conditions:
 - i. The NSF achieved Continuing Appointment status effective no later than October 31, 2013.
 - ii. While in the IX unit, the NSF accrued UCRP service credit as an active member in the 1976 Tier, or was a UCRP

member on an approved leave without pay, during Fiscal Year 2012-13.

- iii. On or after July 1, 2013, the NSF is off pay status due to the nature of his or her appointment, but (i) returns to pay status in a UCRP-eligible position in his or her Continuing Appointment, within one year and one day following his or her last day on pay status or approved leave without pay (and resumes his or her Continuing Appointment as scheduled), or (ii) returns to pay status in his or her Continuing Appointment, and accumulates 750 hours of service in a rolling 12-month period within one year and one day following his or her last day on pay status or approved leave without pay (and resumes his or her Continuing Appointment as scheduled), thereby remaining UCRP-eligible.
 - iv. Within the one year and one day grace period prior to returning to pay status, the NSF has not failed to resume his or her assignment in his or her Continuing Appointment that, if accepted, would have resulted in the receipt of pay during the grace period. This provision, however, will not apply to an NSF who refuses an augmentation to his or her base appointment.
 - b. The President be authorized to implement this approved provision and supporting technical details.
 - c. The proposed amendment will be effective only upon ratification of the new collective bargaining agreement.
- (3) ***Modifications to Post-Employment Benefit Terms for Eligible Employees Represented by the University Professional and Technical Employees, CWA, Local 9119 (UPTE)***
- a. The University of California Retirement Plan (UCRP) be amended as follows as applied to eligible employees represented by the University Professional and Technical Employees (UPTE) in the HX (Residual Health Care Professionals), TX (Technical), and RX (Research Support Professionals) bargaining units:
 - i. UCRP 1976 Tier member contributions will be set at 8.6 percent of covered compensation beginning for the pay period including March 1, 2014 and increased to nine percent beginning for the pay period including July 1, 2014 (less \$19 per month for 1976 Tier members). The nine

percent rate will apply to all UCRP-eligible employees in the HX, TX, and RX units, regardless of UCRP entry date or membership tier.

- ii. A modified version of the 2013 Tier will apply only to represented HX, TX, and RX employees who were initially hired and/or became UCRP members on or after July 1, 2013, or who were rehired in UCRP-eligible positions on or after that date. This modified version will be identical to the 2013 Tier except that:
 - (a) the earliest retirement age will be decreased from age 55 to 50 and the age corresponding to the maximum age factor of 2.5 percent will be decreased from age 65 to age 60, which is similar to the factors in UCRP's 1976 Tier.
 - (b) the lump sum cashout, as well as annuity options, will be available as payment options on the 2013 Tier benefit, similar to the 1976 Tier options.
- b. Pursuant to Standing Order 100.4(dd)(4), the President exercise her authority to modify the Retiree Health Benefit Program, as amended in 2010, for eligible employees represented by the University Professional and Technical Employees (UPTE) in the HX (Residual Health Care Professionals), TX (Technical), and RX (Research Support Professionals) bargaining units:
 - i. The new graduated eligibility requirements approved by the Regents in 2010 will apply to those represented HX, TX, and RX employees who are hired, re-hired, or become UCRP-eligible on or after the first day following the date of ratification of their respective unit's collective bargaining agreement.
 - ii. Represented HX, TX, or RX employees who are active members of UCRP as of the date of ratification of their respective unit's collective bargaining agreement will be subject to the graduated eligibility provisions in effect prior to July 1, 2013.
- c. The President be authorized to implement these approved provisions and supporting technical details, and the Plan Administrator be delegated the authority to amend the Plan documents as necessary to implement these changes.

- d. The proposed amendments will be effective for each unit upon ratification of that unit's new collective bargaining agreement.

(4) ***Amendment to Budget and Approval of External Financing, Environmental Health and Safety Expansion, Riverside Campus***

That the President of the University be authorized to:

- a. Amend the 2013-14 Budget for Capital Improvements and the Capital Improvement Program as follows:

From: Riverside: Environmental Health and Safety Expansion – preliminary plans, working drawings, construction, and equipment – \$19.44 million to be funded from State general obligation bonds (\$400,000), State lease revenue bonds (\$16,619,000), proposed future State funds (\$369,000) and campus funds (\$2,052,000).

To: Riverside: Environmental Health and Safety Expansion – preliminary plans, working drawings, construction, and equipment – \$19.44 million to be funded from State general obligation bonds (\$400,000), State lease revenue bonds (\$635,000), external financing (\$15,984,000), proposed future State funds (\$369,000) and campus funds (\$2,052,000).

- b. Obtain external financing not to exceed \$15,984,000 (plus related interest expense and financing costs) for the project. The President shall require that:
 - i. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - ii. The primary source of repayment of the requested additional external financing of \$15,984,000 plus related interest expense and financing costs shall be from State appropriations.
 - iii. The general credit of the Regents shall not be pledged.
- c. Execute all documents necessary in connection with the above.

- B. The Chairman of the Board, the Chair of the Committee on Grounds and Buildings, and the President of the University approved the following recommendation:

Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Residential Unit 3, Improvements, Berkeley Campus

That, pursuant to the authority granted under Standing Order 100.4(q)(1), the 2013-14 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Residential Unit 3 Improvements – preliminary plans, working drawings, and construction – \$9,905,000, to be funded from housing reserves.

To: Berkeley: Residential Unit 3 Improvements – preliminary plans, working drawings, and construction – \$14,505,000, to be funded from housing reserves.

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

- (1) ***Appointment of and Contract Compensation for Bertram Lubin as Chief Executive Officer and Richard DeCarlo as Chief Operating Officer – Children’s Hospital and Research Center of Oakland, UC San Francisco Medical Center***

Background to Recommendation

Action under interim authority was requested to approve the appointment of and contract compensation for Bertram Lubin as Chief Executive Officer – Children’s Hospital and Research Center of Oakland (CEO – CHRCO), UC San Francisco Medical Center, and for Richard DeCarlo as Chief Operating Officer – Children’s Hospital and Research Center of Oakland (COO – CHRCO), UC San Francisco Medical Center. These employees will be hired pursuant to employment contracts with the terms commencing on the day following the date of the closing of the affiliation agreement between the Regents and CHRCO, which was expected to occur on January 1, 2014, and continuing for three years thereafter.

On August 1, 2013, the Regents, on behalf of UC San Francisco (UCSF), entered into an affiliation agreement with CHRCO that became effective upon closing, provided that resolution was reached regarding certain terms and conditions. Upon the closing of the affiliation agreement, the Regents, through UCSF, will become the sole member of CHRCO and create a unified management team for CHRCO and UCSF Benioff Children’s Hospital. To ensure the success of this affiliation, it was critically

important that Dr. Lubin and Mr. DeCarlo be part of the management team. Dr. Lubin joined CHRCO in 1973 and has served as President/Chief Executive Officer since 2009. Mr. DeCarlo joined CHRCO as Executive Vice President/Chief of Hospital Operations in 2010.

The contract compensation terms proposed for Dr. Lubin and Mr. DeCarlo include:

Base Salary: Their base salaries will be ten percent higher than their current salaries.

Incentive Opportunity: The CHRCO executives participate in an annual incentive plan similar to the University's Clinical Enterprise Management Recognition Plan (CEMRP). The CHRCO incentive plan provides an opportunity to earn a maximum potential award of 30 percent of their base salaries. The CHRCO plan year runs from January 1 through December 31. The CEMRP plan year is from July 1 to June 30 and requires six months of service for eligibility. Given the nature of this affiliation, it is proposed that both Dr. Lubin and Mr. DeCarlo be eligible to participate in CEMRP during the 2013-14 Plan Year based on objectives set in January 2014 and receive pro-rated awards based upon their service between January 1, 2014 and June 30, 2014. Both would be eligible for maximum potential awards of 30 percent of base salary. This would be an exception to policy for Mr. DeCarlo because his position would only be eligible for a maximum potential award of 25 percent of base salary under the 2013-14 CEMRP Plan Document. In the 2014-15 Plan Year and subsequent years, both Dr. Lubin and Mr. DeCarlo would be eligible for a full award, and their award opportunity levels would be determined by the CEMRP Plan Document for the applicable Plan Year. In the 2013-14 CEMRP Plan Document, a CEO would participate at Tier 1 and be eligible for a maximum potential award of 30 percent of base salary and a target award of 20 percent of base salary; a COO would participate at Tier 2 and be eligible for a maximum potential award of 25 percent of base salary and a target award of 15 percent of base salary.

Severance Commitment: Dr. Lubin has an existing agreement with CHRCO that provides for two years of severance in the event of a termination without cause at any time during his employment. Mr. DeCarlo has a similar agreement with CHRCO that provides for one year of severance. It is requested that the Regents approve the inclusion of severance commitments in the contracts for Dr. Lubin and Mr. DeCarlo that state that they will receive one year's severance pay in the event that either is terminated without cause during the three-year term of his contract. This represents significantly less security than they have under their current CHRCO agreements, which have no time limitation. In the event the severance commitments are triggered, the severance payments

would be funded by CHRCO.

These positions will be funded from non-State funds; CHRCO funds will be used.

Action under interim authority was necessary to secure the services of Dr. Lubin and Mr. DeCarlo before the anticipated close of the transaction on January 1, 2014 and to ensure they will continue as part of the management team for CHRCO.

Recommendation

- a. The following items were approved in connection with the appointment of and contract compensation for Bertram Lubin as Chief Executive Officer – Children’s Hospital and Research Center of Oakland (CHRCO), UC San Francisco Medical Center:
 - i. Per policy, appointment of Bertram Lubin as Chief Executive Officer – Children’s Hospital and Research Center of Oakland, UC San Francisco Medical Center, pursuant to a contract with a term of three years, which will commence on the day following the date of the closing of the affiliation agreement between the Regents and CHRCO, which is expected to occur on January 1, 2014, and continue for three years thereafter.
 - ii. Per policy, an annual base salary of \$715,000.
 - iii. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP), with a target award of 20 percent of base salary (\$143,000) and a maximum potential award of 30 percent of base salary (\$214,500). Dr. Lubin’s actual award will be determined based on performance against pre-established objectives. Dr. Lubin will be eligible to receive a prorated award for the 2013-14 CEMRP Plan Year based on the length of his service between January 1, 2014 and June 30, 2014. This will be an exception to policy if he begins service after January 1, 2014 because the CEMRP Plan Document requires a minimum of six months of service during the Plan year in order to receive a prorated award.
 - iv. Dr. Lubin will be eligible for one year’s severance pay in the event he is terminated without cause during the three-year term of his contract. In the event the severance

commitment is triggered, the severance payments would be funded by CHRCO.

- v. Per policy, annual automobile allowance of \$8,916.
- vi. Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability after five years of service in this position).
- vii. This appointment will be at 100 percent time.

Recommended Compensation

Effective Date: The day after the date of the closing of the affiliation agreement between the Regents and CHRCO and continuing for three years thereafter.

Base Salary: \$715,000

Clinical Enterprise Management Recognition Plan (CEMRP):
\$143,000 (at 20 percent target rate)

Target Cash Compensation*: \$858,000

Funding: non-State funded

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

COMPETITIVE ANALYSIS FOR CHIEF EXECUTIVE OFFICER – CHRCO

Percentiles	MARKET DATA FOR BASE SALARY					MARKET COMPOSITE FOR TARGET CASH COMPENSATION					
	25 th	50 th	60 th	75 th	90 th	Percentiles	25 th	50 th	60 th	75 th	90 th
Market Data	\$544K	\$642K	\$686K	\$748K	\$874K	Market Data	\$598K	\$754K	\$816K	\$914K	\$1,060K
% Difference	31.4%	11.4%	4.2%	-4.4%	-18.2%	% Difference	43.5%	13.8%	5.1%	-6.1%	-19.1%

Survey Source: Mercer Council of Teaching Hospitals and Health Systems (COTH) Custom Analysis 4A and 4B Module, Integrated Healthcare Strategies Survey, Sullivan Cotter Manager and Executive Compensation Survey

- b. The following items were approved in connection with the appointment of and contract compensation for Richard DeCarlo as Chief Operating Officer – Children’s Hospital and Research Center of Oakland (CHRCO), UC San Francisco Medical Center:
 - i. Per policy, appointment of Richard DeCarlo as Chief Operating Officer – Children’s Hospital and Research

Center of Oakland, UC San Francisco Medical Center, pursuant to a contract with a term of three years, which will commence on the day after the date of the closing of the affiliation agreement between the Regents and CHRCO, which is expected to occur on January 1, 2014, and continue for three years thereafter.

- ii. Per policy, an annual base salary of \$508,211.
- iii. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP). As an exception to policy, during the 2013-14 CEMRP Plan Year, he will be eligible to receive an award of up to 30 percent of base salary (\$152,463). This is an exception to policy because, under the 2013-14 CEMRP Plan Document, a COO would be eligible for a target award of 15 percent of base salary and a maximum potential award of 25 percent of base salary. Mr. DeCarlo's actual award will be determined based on performance against pre-established objectives. Per policy, beginning with the 2014-15 CEMRP Plan Year, Mr. DeCarlo's award opportunity levels will be in accordance with the applicable CEMRP Plan Document. Mr. DeCarlo will be eligible to receive a prorated award for the 2013-14 CEMRP Plan Year based on the length of his service between January 1, 2014 and June 30, 2014. This will be an exception to policy if he begins service after January 1, 2014 because the CEMRP Plan Document requires a minimum of six months of service during the Plan year in order to receive a prorated award.
- iv. Mr. DeCarlo will be eligible for one year's severance pay in the event he is terminated without cause during the three-year term of his contract. In the event the severance commitment is triggered, the severance payments would be funded by CHRCO.
- v. Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability after five years of service in this position).
- vi. This appointment will be at 100 percent time.

Recommended Compensation

Effective Date: The day after the date of the closing of the affiliation

agreement between the Regents and CHRCO and continuing for three years thereafter.

Base Salary: \$508,211

Clinical Enterprise Management Recognition Program (CEMRP):
\$152,463 (at 30 percent maximum potential rate)**

Target Cash Compensation:* \$660,674

Funding: non-State funded

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

**Target Cash Compensation is normally calculated with the CEMRP award at the target rate. However, because a target rate has not been set for Mr. DeCarlo for the 2013-14 CEMRP Plan Year, the maximum potential rate has been used.

COMPETITIVE ANALYSIS FOR CHIEF OPERATING OFFICER – CHRCO

Percentiles	MARKET DATA FOR BASE SALARY					MARKET COMPOSITE FOR TARGET CASH COMPENSATION					
	25 th	50 th	60 th	75 th	90 th	Percentiles	25 th	50 th	60 th	75 th	90 th
Market Data	\$319K	\$367K	\$390K	\$439K	\$497K	Market Data	\$339K	\$400K	\$441K	\$525K	\$655K
% Difference	59.3%	38.5%	30.3%	15.8%	2.3%	% Difference	94.9%	65.2%	49.8%	25.8%	0.9%

Survey Source: Mercer Council of Teaching Hospitals and Health Systems (COTH) Custom Analysis 4A and 4B Module, Integrated Healthcare Strategies Survey, Sullivan Cotter Manager and Executive Compensation Survey

The compensation described above shall constitute the University's total commitment until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UC San Francisco Chancellor Desmond-Hellmann

Reviewed by: President Napolitano
Committee on Compensation Chair Kieffer
Office of the President, Human Resources

(2) ***Amendment of Contract Compensation for James L. Mora, Jr., Head Football Coach, Intercollegiate Athletics, Los Angeles Campus***

Background to Recommendation

Action under interim authority was requested to approve the amendment of the existing contract for James L. Mora, Jr., Head Football Coach, Intercollegiate Athletics, Los Angeles campus, to become effective upon approval and continue through January 15, 2020. The term of Coach Mora's current contract (which includes amendments made in January 2013) is December 13, 2011 through January 15, 2018.

In his first two seasons as UCLA's Head Coach, Coach Mora has led the team to a record of 18-8, a PAC-12 South Division Championship, wins in both seasons over rival USC, and consistent rankings in the top 25. The proposed contract compensation is designed to ensure that Coach Mora will continue to build upon the strong foundation he has established at UCLA on the field and in the classroom.

In the current dynamic market for recruitment and retention of successful coaches, it is critical for UCLA to retain Coach Mora for continuity of leadership in this key intercollegiate athletics program. In a recently published article in *USA Today*, the compensation of the top Head Football Coaches nationwide is listed. Coach Mora is currently #38 on the list. Five public universities in the PAC-12 (University of Utah, University of Washington, University of Colorado, UC Berkeley, and Arizona State University) and USC pay higher salaries than UCLA.

The campus asked for approval to increase Coach Mora's current annual guaranteed compensation from \$2,200,000 (which consists of base salary of \$300,000 and talent fee of \$1,900,000) to \$3,250,000 (which would consist of base salary of \$300,000 and talent fee of \$2,950,000). This represents an increase of 48 percent (\$1,050,000) in annual guaranteed compensation. Regental approval is required for this increase because it exceeds the 30 percent increase allowed under the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters). In subsequent years of Coach Mora's amended contract, his annual guaranteed compensation will increase by \$100,000 on January 16 until it reaches a maximum of \$3,750,000 on January 16, 2019. The cumulative total for guaranteed compensation under the amended contract would be \$17,200,000, which represents a 44.5 percent increase over that of the current contract (\$11,900,000) (with the duration of the current contract adjusted so that it does not affect the comparison).

In addition, the campus requested approval to increase Coach Mora's annual incentive potential from \$750,000 to \$930,000, which represents an increase of 24 percent. Regental approval is required for this increase because it exceeds the 15 percent increase allowed under the September 2008 Parameters.

Lastly, under Coach Mora's current contract, he would be eligible to receive contingent retention bonuses totaling \$900,000 (\$100,000 each year for contract year one, contract year two, and contract year three, with that amount increasing to \$200,000 for contract year four, contract year five, and contract year six). To date, only the \$100,000 for contract year one, which ended on January 15, 2013, has vested. The amendment to the contract deletes this provision and further provides that Coach Mora agrees to forfeit amounts previously earned or vested.

All other compensation elements included in the amended contract are within the September 2008 Parameters and therefore do not require Regental approval.

The source of funding for this position is non-State funds; the position will be funded with athletic department revenues and private fundraising.

Action under interim authority was requested because the end of the football season is the key period for recruitment and retention of coaches, and Coach Mora is highly marketable due to his successful leadership of UCLA's football program during the past two years. He had been approached by other universities seeking top talent for their coaching squads. Therefore, it was critical for UCLA to seal the negotiated terms of this contract amendment as soon as possible in order to retain Coach Mora.

Recommendation

The following items were approved in connection with the amendment of contract compensation for James L. Mora, Jr., Head Football Coach, Intercollegiate Athletics, Los Angeles campus:

- a. As an exception to the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters), annual guaranteed compensation of \$3.25 million, comprised of \$300,000 in base salary and \$2.95 million in talent fee, for the first year of the new contract. The annual guaranteed compensation will increase by \$100,000 on January 16 of each subsequent year of the contract until it reaches the maximum of \$3.75 million on January 16, 2019. This annual guaranteed

compensation is an exception to the September 2008 Parameters because (a) the annual compensation in the first 12 months of the contract is more than 30 percent greater than it would be under the current contract, and (b) the cumulative total for guaranteed compensation under the proposed contract is more than 30 percent greater than under the current contract (with the duration of the current contract adjusted so that it does not impact the comparison).

- b. As an exception to the September 2008 Parameters, an annual maximum incentive potential of \$930,000. This constitutes an exception because the increase is more than 15 percent over the current contract's annual maximum incentive potential of \$750,000.
- c. The amended contract will be effective upon approval and continue through January 15, 2020.

Recommended Compensation

Effective Date: upon approval and continuing through January 15, 2020

Base Salary: \$300,000

Talent Fee: \$2.95 million

Guaranteed Compensation: \$3.25 million

Maximum Potential Bonus/Incentives: \$930,000

Camps: \$100,000

Total Potential Cash Compensation in first year of the contract:

\$4.28 million

Funding: non-State-funded

Current Incumbent Data

Title: Head Football Coach

Base Salary: \$300,000

Talent Fee: \$1.9 million

Guaranteed Compensation: \$2.2 million

Maximum Potential Bonus/Incentives: \$750,000

Camps: \$100,000

Deferred Compensation (Contingent Retention Bonus): \$100,000

Total Potential Cash Compensation: \$3.15 million

Funding: non-State-funded

The compensation described above shall constitute the University's total commitment for the elements of compensation addressed above until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be

released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UCLA Chancellor Block
Reviewed by: President Napolitano
Committee on Compensation Chair Kieffer
Office of the President, Human Resources

(3) *Appointment of and Compensation for Steve Gamer as Vice Chancellor – Advancement, San Diego Campus*

Background to Recommendation

Action under interim authority was requested for the appointment of and compensation for Steve Gamer as Vice Chancellor – Advancement, San Diego campus. The campus proposed an annual base salary of \$343,750, effective January 13, 2014. The proposed salary is 1.7 percent above the 60th percentile of the applicable Market Reference Zone (MRZ), and it is 13.1 percent above the salary of the previous incumbent.

As the San Diego campus prepares to launch a comprehensive fundraising campaign, the Vice Chancellor – Advancement position is being reinstated in the Chancellor's cabinet. When the previous incumbent resigned in 2009, former Chancellor Fox chose not to replace her in order to reduce administrative costs and instead assigned the advancement function to Vice Chancellor – Business Affairs Steven Relyea. Mr. Relyea will continue to serve as Vice Chancellor – Business Affairs but will no longer have responsibility for advancement.

Following a comprehensive national search, Steve Gamer was identified as the top candidate for this position. Mr. Gamer is currently the Associate Vice Chancellor – Development, Los Angeles campus. He has more than 20 years of experience in identifying, cultivating, and soliciting high net worth individuals, corporations, and foundations. Over the past ten years at UCLA, Mr. Gamer has advanced to various leadership positions and gained valuable experience with major fundraising campaigns, including preparation for the UCLA "Centennial Campaign" set to launch in May 2014 and the planning and execution of "Campaign UCLA," which raised more than \$3 billion. Prior to coming to UCLA in 2002, Mr. Gamer served as Campaign Director for the Jewish Federation of Greater Los Angeles. Previous appointments include Associate Director, Planning and Budgeting, for the Atlanta Jewish Federation and Campaign Director for the Madison Jewish Community Council.

The Vice Chancellor – Advancement is classified as a Level Two position in the Senior Management Group (SMG). The position reports directly to

the Chancellor and serves as a member of the Chancellor's cabinet as well as the President of the UC San Diego Foundation. The position oversees approximately 220 staff and annual expenditures in excess of \$25 million. Duties include oversight of Development, Alumni Affairs and Constituent Engagement, and Foundation and Advancement Services across the entire campus, including Health Sciences and the Health System. In this position, Mr. Gamer will be responsible for the planning and execution of a comprehensive fundraising campaign of more than \$1 billion scheduled to launch in 2014.

This position will be funded with discretionary State and non-State overhead funds.

Action under interim authority was requested so that the selection could be announced at the earliest opportunity, permitting Mr. Gamer to provide adequate notice to UCLA as well as arrange for his relocation from Los Angeles to San Diego. It is critical that the new Vice Chancellor begin his appointment near the start of the calendar year so that he will become quickly engaged in the campus strategic planning initiative that has been in progress over the past year and prepare for the launch of the new fundraising campaign.

Recommendation

The following items were approved in connection with the appointment of and compensation for Steve Gamer as Vice Chancellor – Advancement, San Diego campus:

- a. Appointment of Steve Gamer as Vice Chancellor – Advancement, San Diego campus.
- b. Per policy, an annual base salary of \$343,750.
- c. Per policy, annual automobile allowance of \$8,916.
- d. Per policy, a relocation allowance of 25 percent of base salary (\$85,938) to be paid in one lump sum or in installments over four years, at Mr. Gamer's discretion, subject to the limitations under policy. If Mr. Gamer elects to take a single lump sum, the allowance will be subject to a repayment requirement if he terminates his employment with the University within four years as follows: 100 percent if separation occurs within the first year of employment, 75 percent if separation occurs within the second year of employment, 50 percent if separation occurs within the third year of employment, and 25 percent if separation occurs within the fourth year of employment. If Mr. Gamer prefers to take

installments over time, any unpaid installments will be forfeited at the time of separation.

- e. Per policy, a temporary cash allowance of \$3,000 per month up to a period of 90 days for a total of \$9,000 to offset limited housing-related expenses, subject to the limitations under policy.
- f. Per policy, 100 percent reimbursement of actual and reasonable expenses associated with moving Mr. Gamer's household goods and personal effects from his former primary residence to his new primary residence, subject to the limitations under policy.
- g. Per policy, reimbursement of actual and reasonable expenses associated with two house-hunting trips for Mr. Gamer and his spouse or partner to secure housing in the San Diego area, subject to the limitations under policy.
- h. Per policy, reimbursement of actual and reasonable costs of transportation associated with Mr. Gamer taking up to two return trips home to his former residence to facilitate his relocation, subject to the limitations under policy.
- i. Per policy, eligibility to participate in the UC Home Loan Program, subject to all applicable program requirements.
- j. Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability after five years of Senior Management Group service).
- k. Per policy, a monthly contribution to the Senior Management Supplemental Benefit Program of five percent of base salary.
- l. This appointment will be at 100 percent time and effective on January 13, 2014.

Recommended Compensation

Effective Date: January 13, 2014

Base Salary: \$343,750

Target Cash Compensation:* \$343,750

Market Reference Zone: (25th%: \$241,000, 50th%: \$313,000, 60th%: \$338,000, 75th%: \$376,000, 90th%: \$425,000)

Funding: partially or fully State-funded

Budget &/or Prior Incumbent Data

Title: Vice Chancellor – External and Business Affairs

Base Salary: \$303,850

Target Cash Compensation:* \$303,850

Market Reference Zone: (25th%: \$241,000, 50th%: \$313,000, 60th%: \$338,000, 75th%: \$376,000, 90th%: \$425,000)

Funding: partially or fully State-funded

* Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

COMPETITIVE ANALYSIS FOR VICE CHANCELLOR – DEVELOPMENT/UNIVERSITY RELATIONS

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
	25 th	50 th	60 th	75 th	90 th		25 th	50 th	60 th	75 th	90 th
Market Data	\$241K	\$313K	\$338K	\$376K	\$425K	Market Data	\$229K	\$277K	\$325K	\$397K	\$469K
% Difference from Market	42.6%	9.8%	1.7%	-8.6%	-19.1%	% Difference from Market	50.1%	24.1%	5.8%	-13.4%	-26.7%

Survey Source: College and University Professional Association (CUPA) survey and Watson Wyatt Data Services for Top Management

The compensation described above shall constitute the University's total commitment until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UC San Diego Chancellor Khosla
Reviewed by: President Napolitano
 Committee on Compensation Chair Kieffer
 Office of the President, Human Resources

11. REPORT OF COMMUNICATIONS RECEIVED

Secretary and Chief of Staff Kelman reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in reports dated December 3, 2013 and January 6, 2014.

12. REPORT OF MATERIALS MAILED BETWEEN MEETINGS

Secretary and Chief of Staff Kelman reported that, on the dates indicated, the following were sent to the Regents or to Committees:

To Members of the Committee on Compensation

- A. From the President, the Annual Report on Executive Compensation for Calendar Year 2012: Deans and Certain Faculty Administrators. (November 12, 2013)

To the Regents and to the Members of the Committee on Grounds and Buildings

- B. From the President, Annual Report on Major Capital Projects Implementation, FY 2012-13. (November 5, 2013)

To Members of the Committee on Finance and the Committee on Oversight of the Department of Energy Laboratories

- C. From the President, Annual Report on Net Fee Income Received as Owner of a Limited Liability Company Managing a Department of Energy National Laboratory and Expenditures Made Therefrom. (December 3, 2013)

To Members of the Committee on Health Services

- D. From the President, the Medical Activity and Financial Status Report for the Twelve Months Ended June 30, 2013. (November 20, 2013)

To the Regents of the University of California

- E. From the Office of the General Counsel, the Bi-monthly Report of New Litigation for Reporting Period of 8/5/13 through 10/1/13. (October 30, 2013)
- F. From the President, a copy of her remarks to the Commonwealth Club of California on October 30, 2013. (October 31, 2013)
- G. From the Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of October. (November 1, 2013)
- H. From the President, a report on the impact of the new Freshman Eligibility Policy. (November 8, 2013)
- I. From the Chairman, a report of Chancellor Dirks' inaugural remarks. (November 15, 2013)
- J. From Regent Pattiz, a letter regarding Lawrence Livermore National Laboratory Director nominations. (November 25, 2013)
- K. From the President, a letter regarding her proposed new initiatives. (November 27, 2013)
- L. From the Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of November. (December 3, 2013)
- M. From the President, the Annual Report on New Indirect Cost Rates. (January 8, 2014)

- N. From the Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of December. (January 6, 2014)
- O. From the President, a letter regarding Governor Brown's 2014-15 budget proposal. (January 9, 2014)

The meeting adjourned at 11:45 a.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

SCHEDULE OF REPORTS TO THE REGENTS

[Pursuant to Bylaw 16.8(a)]

Amended ~~July 2012~~ January 2014

	<u>Month(s) Presented or Mailed Provided to Regents</u>
BOARD	
Report of the President Concerning University Activities and Individuals (the President's Report)	January March May July September November
COMMITTEE ON COMPENSATION	
Annual Reports on Executive Compensation for Calendar Year ____: (a) Incumbents in Senior Management Positions and (b) Deans and Certain Faculty Administrators (<i>mbm</i> ¹)	July
Annual Report on Compensated Outside Professional Activities for Calendar Year ____: Incumbents in Senior Management Positions (<i>mbm</i> [*])	July
Annual Report on Compensated Outside Professional Activities for Calendar Year ____: Deans and Faculty Administrators (<i>mbm</i> [*])	January
Annual Report on Health Sciences Compensation Plan Participants' Compensation that Exceed the Reporting Threshold (<i>mbm</i> [*])	November
Annual Report on Academic Personnel Salaries Above the Indexed Compensation Level (<i>mbm</i> [*])	November
Annual Report on Adjustment of the Indexed Compensation Level (<i>mbm</i> [*])	September
Biannual Compensation Monitoring Reports: (a) Incumbents in Certain Senior Management Positions; and (b) Deans and Full-Time Faculty Administrators (<i>mbm</i> [*])	May November

¹ mbm: Report is sent to all Regents as a mailing between meetings (mbm)

SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to Bylaw 16.8(a)]
Amended ~~July 2012~~ January 2014

	<u>Month(s) Presented or Mailed Provided to Regents</u>
Annual Compensation Monitoring Report for Calendar Year ____: Actions for Certain Athletic Positions and Coaches Systemwide (<i>mbm*</i>)	July
COMMITTEE ON COMPLIANCE AND AUDIT	
Internal Audit Plan	July
Annual Review of External Audit of Hastings College of the Law (<i>mbm*</i>)	March
Annual Report on Ethics and Compliance	September
Annual Report of External Auditors for the Year Ended June 30, ____	November
Annual Report on Internal Audit Activities	November
COMMITTEE ON EDUCATIONAL POLICY	
Annual Report on Private Support, Major Donors, and Namings and Endowed Chairs (<i>mbm*</i>)	November
Statistical Summary of Students and Staff (<i>mbm*</i>)	March
Annual Report on Student Financial Support (<i>mbm*</i>)	March
Annual Report on Undergraduate Admissions Requirements and Comprehensive Review [effective 2013] (<i>mbm*</i>)	July <u>November</u>
Annual Report on Proposals Seeking Research Funding from the Tobacco Industry (<i>mbm*</i>)	September
Biennial Report on Comprehensive Review (<i>mbm*</i>) [effective 2012]	September
Annual Report on Self-Supporting Professional Degree Programs (<i>mbm*</i>)	August

SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to Bylaw 16.8(a)]
Amended ~~July 2012~~ January 2014

	<u>Month(s) Presented or Mailed Provided to Regents</u>
Annual Accountability Sub-Report on Diversity at the University of California	January

COMMITTEE ON FINANCE

Annual Report on Risk Management (<i>mbm*</i>)	January
Annual Report on Use of Outside Counsel (<i>mbm*</i>)	January
Annual Report on Settlements and Separation Agreements	January
Annual Report on University Housing Assistance Programs (<i>mbm*</i>)	January
Annual Report on Expenditures of Associates to the President and Chancellors (<i>mbm*</i>)	September
University of California Financial Reports	November
Annual University of California Retirement Plan-Actuarial Valuation Report	November
Annual Report on Debt Capital and External Finance Approvals (<i>mbm*</i>)	January
Annual Report on the University of California Technology Transfer Program (<i>mbm*</i>)	May
Annual Report on Administrative Efficiencies	May
Annual Report on Newly Approved Indirect Costs (<i>mbm*</i>)	November

SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to Bylaw 16.8(a)]
Amended ~~July 2012~~ January 2014

	<u>Month(s) Presented or Mailed Provided to Regents</u>
Bi-Monthly Report on New Litigation (<i>mbm*</i>)	January March May July September November
Annual Report on the Net Fee Income Received as Owner of a Limited Liability Company Managing a Department of Energy National Laboratory and Expenditures Made Therefrom (<i>mbm*</i>)	November
Annual Report on the Commission on the Future Recommendations (<i>mbm*</i>)	March <u>July</u>
COMMITTEE ON GROUNDS AND BUILDINGS	
Annual Report on Sustainable Practices (<i>mbm*</i>)	January
Annual Report on Chancellor's Residence and Office Capital Projects (<i>mbm*</i>)	September
Annual Report on Major Capital Projects Implementation (<i>mbm*</i>)	October
Ten Year Consolidated State and Non-State Capital Financial Plan	November
COMMITTEE ON HEALTH SERVICES	
Biannual Activity and Financial Status Report on Hospitals and Clinics (<i>mbm*</i>)	March November
COMMITTEE ON INVESTMENTS	
Annual Endowment Investment Report (<i>mbm*</i>)	February
Annual Report of the Treasurer (<i>mbm*</i>)	November

SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to Bylaw 16.8(a)]
Amended ~~July 2012~~ January 2014

		Month(s) Presented or Mailed <u>Provided</u> to Regents
COMMITTEE ON LONG RANGE PLANNING		
Annual University of California Accountability Report		July

Additions shown by underscoring; deletions shown by strikethrough

STANDING ORDER 100.4

DUTIES OF THE PRESIDENT OF THE UNIVERSITY

100.4 Duties of the President of the University

(q)(1)

Except as provided in paragraph (q)(2) below, the President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed \$10 million. The President is also authorized to approve amendments to the Capital Improvement Program for projects exceeding \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Grounds and Buildings, and also provided that all actions taken in excess of \$10 million up to and including \$20 million under this authority be reported at the next following meeting of the Board. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$20 million, (2) for projects in excess of \$20 million, any modification in project cost over standard cost-rise augmentation in excess of 25%, or (3) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications.

(q)(2)

This paragraph shall apply exclusively to capital projects for those campus entities approved by the Committee on Grounds and Buildings for inclusion in the Pilot Phase of the Delegated Process for Capital Improvement Projects.

The President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed \$60 million. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$60 million, ~~(2) for projects in excess of \$60 million, any modification in project cost over standard cost-rise augmentation in excess of 25%, or (23)~~ capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications. The President is authorized to approve an increase in project cost as long as the total augmented project cost remains under \$60 million; for augmented projects resulting in a total project cost in excess of \$60 million, the augmented project shall be approved by the Board.

This paragraph shall become inoperative and is repealed on March 31, 2015 ~~March 31, 2014~~, unless a later Regents' action, that becomes effective on or before March 31, 2015 ~~March 31, 2014~~, deletes or extends the date on which it becomes inoperative and is repealed.

(nn)(1)

Except as provided in paragraph (nn)(2) below, the President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including \$10 million for the planning, construction, acquisition, equipping, and improvement of projects. The President is also authorized to obtain external financing for amounts in excess of \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken to obtain external financing for amounts in excess of \$10 million up to and including \$20 million be reported at the next following meeting of the Board. External financing in excess of \$20 million requires Board approval. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

(nn)(2)

This paragraph shall apply exclusively to capital projects for those campus entities approved by the Committee on Grounds and Buildings for inclusion in the pilot phase of the Delegated Process for Capital Improvement Projects.

The President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including \$60 million for the planning, construction, acquisition, equipping, and improvement of projects. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the

foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

This paragraph shall become inoperative and is repealed on March 31, 2015 ~~March 31, 2014~~, unless a later Regents' action, that becomes effective on or before ~~March 31, 2014~~ March 31, 2015, deletes or extends the date on which it becomes inoperative and is repealed.

Additions shown by underscoring; deletions shown by strikethrough

Regents Policy 8102: POLICY ON APPROVAL OF DESIGN, LONG RANGE DEVELOPMENT PLANS, AND THE ADMINISTRATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Approved July 16, 1993;

Amended and Renamed January 16, 2003;

Amended September 18, 2008, January 21, 2010 and January 20, 2011

- (1) The Regents designate the following categories of projects as requiring design approval by the Committee on Grounds and Buildings:
 - a. Except as provided in subparagraph (c) building projects with a total project cost in excess of \$10,000,000, except when such projects consist of the following:
 - i. alternations or remodeling where the exterior of the building is not materially changed;
 - ii. buildings or facilities located on agricultural, engineering or other field stations; or
 - iii. agriculture-related buildings or facilities located in areas of a campus devoted to agricultural functions.
 - b. Capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by the Regents because of budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.
 - c. Building projects for those campuses approved by the Committee on Grounds and Buildings for inclusion in the pilot phase of the Delegated Process for Capital Improvement Projects with a total project cost in excess of \$60 million subject to the same exclusions as subparagraph (a). This subparagraph shall become inoperative and is repealed on March 31, 2015 ~~March 31, 2014~~, unless later Regents' action, that becomes effective on or before March 31, 2015 ~~March 31, 2014~~, deletes or extends the date on which it becomes inoperative and is repealed.
