

AMENDED IN SENATE APRIL 22, 2015

AMENDED IN SENATE APRIL 16, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 574

**Introduced by Senator Pan
(Coauthor: Senator Cannella)**

February 26, 2015

An act to ~~amend Section 92032~~ add Article 8 (commencing with Section 92680) to Chapter 6 of Part 57 of Division 9 of Title 3 of the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 574, as amended, Pan. University of California: ~~regent meetings; closed meetings;~~ *alternative investment information.*

Existing provisions of the California Constitution establish the University of California as a public trust under the administration of the Regents of the University of California. The University of California system includes 10 campuses, which are located in Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, San Francisco, Santa Barbara, and Santa Cruz.

This bill would require the University of California to obtain certain information regarding alternative investments from each private equity fund, venture fund, hedge fund, or absolute return fund in which the University of California provides or has provided funds for investment.

~~Existing law generally requires meetings of the Regents of the University of California to be conducted in accordance with the Bagley-Keene Open Meeting Act, unless otherwise provided. Existing law further authorizes the Regents of the University of California to~~

conduct closed sessions to discuss specified matters, including, among others, matters involving the purchase or sale of investments for endowment and pension funds.

This bill would specify that the provisions authorizing the regents to conduct a closed meeting to discuss matters involving the purchase of sale of investments for endowment and pension funds do not apply to investments in a private equity fund, venture fund, hedge fund, or absolute return fund unless the regents have received from the fund, and disclosed to the public, certain information set forth in specified provisions of the California Public Records Act.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 8 (commencing with Section 92680) is
2 added to Chapter 6 of Part 57 of Division 9 of Title 3 of the
3 Education Code, to read:

4

5 Article 8. Alternative Investment Information

6

7 92680. The University of California shall obtain the
8 information set forth in subdivision (b) of Section 6254.26 of the
9 Government Code from each private equity fund, venture fund,
10 hedge fund, or absolute return fund in which the University of
11 California provides or has provided funds for investment.

12 SECTION 1. ~~Section 92032 of the Education Code is amended~~
13 to read:

14 92032. ~~Notwithstanding Article 9 (commencing with Section~~
15 ~~11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the~~
16 ~~Government Code:~~

17 (a) ~~The Regents of the University of California, as occasioned~~
18 ~~by necessity, may hold special meetings. The regents shall give~~
19 ~~public notice for these meetings. This notice shall be given by~~
20 ~~means of a notice hand delivered or mailed to each newspaper of~~
21 ~~general circulation and television or radio station that has requested~~
22 ~~notice in writing, so that the notice may be published or broadcast~~
23 ~~at least 72 hours before the time of the meeting. The notice shall~~
24 ~~specify the time, place, and agenda of the special meeting. The~~
25 ~~regents shall not consider any business not included in the agenda~~

1 portion of the notice. Failure to comply with this subdivision shall
2 not be excused by the fact that no action was taken at the special
3 meeting.

4 (b) ~~The Regents of the University of California may conduct~~
5 ~~closed sessions when they meet to consider or discuss any of the~~
6 ~~following matters:~~

7 (1) ~~Matters affecting national security.~~

8 (2) ~~The conferring of honorary degrees or other honors or~~
9 ~~commemorations.~~

10 (3) ~~Matters involving gifts, devises, and bequests.~~

11 (4) (A) ~~Matters involving the purchase or sale of investments~~
12 ~~for endowment and pension funds.~~

13 (B) ~~This paragraph shall not apply to investments in a private~~
14 ~~equity fund, venture fund, hedge fund, or absolute return fund,~~
15 ~~unless the regents have received from the fund, and disclosed to~~
16 ~~the public, the information specified in subdivision (b) of Section~~
17 ~~6254.26 of the Government Code.~~

18 (5) ~~Matters involving litigation, when discussion in open session~~
19 ~~concerning those matters would adversely affect, or be detrimental~~
20 ~~to, the public interest.~~

21 (6) ~~The acquisition or disposition of property, if discussion of~~
22 ~~these matters in open session could adversely affect the regents'~~
23 ~~ability to acquire or dispose of the property on the terms and~~
24 ~~conditions they deem to be in the best public interest.~~

25 (7) (A) ~~Matters concerning the appointment, employment,~~
26 ~~performance, compensation, or dismissal of university officers or~~
27 ~~employees, excluding individual regents other than the president~~
28 ~~of the university.~~

29 (B) (i) ~~Action taken by a committee of the regents, and final~~
30 ~~action by the full board of regents, on a proposal for the~~
31 ~~compensation package of the following executive officers shall~~
32 ~~occur in an open session of each of those bodies, and shall include~~
33 ~~a disclosure of the compensation package and rationale for the~~
34 ~~action:~~

35 (I) ~~The President of the University of California.~~

36 (II) ~~The chancellor of an individual campus.~~

37 (III) ~~A vice president.~~

38 (IV) ~~The treasurer or the assistant treasurer.~~

39 (V) ~~The general counsel.~~

40 (VI) ~~The regents' secretary.~~

~~(ii) Members of the public shall be afforded the opportunity to address the committee and full board on the proposal during or before consideration of the action item.~~

~~(C) Discussion by a committee of the regents of, and action on, an executive compensation program or policy, and any final action by the full board of regents on that program or policy, shall occur in open session of each of those bodies.~~

~~(D) Compensation for the principal officers of the regents and the officers of the university shall include salary, benefits, perquisites, severance payments (except those made in connection with a dismissal or a litigation settlement), retirement benefits, or any other form of compensation.~~

~~(8) Matters relating to complaints or charges brought against university officers or employees, excluding individual regents other than the president of the university, unless the officer or employee requests a public hearing.~~

~~(e) While a witness is being examined during any open or closed session, any or all other witnesses in the investigation may be excluded from the proceedings by the regents.~~

~~(d) Committees of the regents may conduct closed sessions on Medi-Cal contract negotiations.~~

~~(e) The nominating committee of the regents may conduct closed sessions held for the purpose of proposing officers of the board and members of the board's various committees.~~

~~(f) Committees of the regents may conduct closed sessions held for the purpose of proposing a student regent.~~

~~(g) The regents shall not be required to give public notice of meetings of special search or selection committees held for the purpose of conducting interviews for university officer positions.~~