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PRESIDENT AND EXECUTIVE DIRECTOR
Ralph A. Wolff

March 9, 2010

Mark Yudof
President
University of California
1111 Franklin Street
Oakland, CA 94607

Dear President Yudof:

At its meeting February 17-19, 2010, the Accrediting Commission reviewed the report of the Special Visit team that conducted a review of the University of California Office of the President (UCOP) on October 8-9, 2009. The Commission also reviewed the Special Visit report submitted by UCOP prior to the visit and your January 5, 2010 response to the visiting team report.

The Commission review of issues relating to the UC Board of Regents and the UCOP dates back to the press accounts and internal and external audits of University compensation practices. At the time, the Commission was concerned that there might be issues arising under Commission Standards 1 (institutional integrity) and 3 (governance and administration). A Special Visit in 2007 found that while steps were underway to address a series of governance and compensation issues, the University was not in compliance with Standards 1 and 3. As a result, the Commission requested that a follow-up visit occur in October 2009 to assess progress in addressing concerns in four areas: clarifying the role of the board; clarifying and strengthening the role of the president; improving the operational culture of the board; and implementing new policies and practices regarding compensation. The date of the Special Visit was extended to fall 2009 to allow you more time to address these issues as the new president of the UC system.

In receiving the team report, the Commission endorsed the findings, commendations and recommendations of the Special Visit team and commended the University for the progress made in addressing Commission concerns. Taking each of the areas that were the focus of the special visit team:

Clarifying the role of the Board. The Board of Regents has addressed this issue through the work of its Governance Committee and in adopting a statement of expectations for board members. There is new leadership of the board, and a very effective and productive working relationship between the board and the president. The team recommended that the reporting relationship of the Chief of Staff to the Regents be reviewed, and the Commission concurs that this would be appropriate.

Clarifying and strengthening the role of the President. At the time of the first Special Visit, work was underway to clarify the roles of the board, the president and the chancellors. The team found that there is now an effective working relationship between the president and the board. The team reports that there is also effective leadership, communication and support provided by you to the chancellors. At the same time, the Commission concurs with the team recommendation that a parallel statement be

developed to identify expectations of the president, as has been done for members of the Board of Regents.

Addressing the operational culture of the board. The new leadership of the board has addressed this issue effectively with expanded orientation of new members, the previously mentioned statement of board expectations, and the use of the annual retreat. Continued attention to board orientation and responsibilities is needed to sustain this progress.

Coming into full compliance with Board compensation policies. In this area as well, there has been substantial progress and the board is exercising oversight in accord with its policies. While understanding that fiscal constraints limit expenditures for major software upgrades to address system-wide human resource issues, this should be a priority as soon as possible.

In sum, the team found progress in all areas of concern identified by the Commission. The Commission finds that the University has satisfactorily addressed these issues and resolved any previous concerns about noncompliance with Commission Standards.

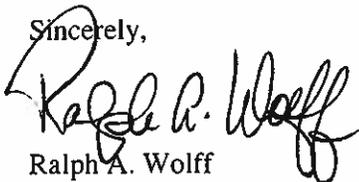
Since the request for this special visit was made in 2008, the University has experienced significant reductions in support provided by the State of California. While not within the scope of review of the team, the progress made in addressing the issues cited above has enabled the board and president to work together effectively to undertake responses to these financial cuts in an orderly and professional manner.

The Commission acted to receive the report of the Special Visit team. In so doing, the Commission wished to extend its appreciation to you, the staff of the UCOP and the Board of Regents for their cooperation in these reviews, and the serious attention given to Commission concerns.

In addition, the Commission found these interactions with you, the Office of the President and members of the Board of Regents very constructive in learning more about the strategic issues and priorities of the UC system, not only in addressing specific issues regarding governance and decision making, but also to provide a foundation for understanding issues affecting the accreditation of each of the campuses. It therefore requested that I work with you to develop opportunities to meet periodically with you and members of the Board of Regents to learn about system strategic planning and other issues that would assist the Commission in its accreditation function for the UC. We would hope to develop periodic informational meetings that would build communication and understanding. I will be in contact with you over the next few months to follow up on this request.

Please let me know if you have any questions regarding this action.

Sincerely,



Ralph A. Wolff
President and Executive Director

cc: Sherwood Lingenfelter, Commission chair
Hilary Baxter, ALO
Russell Gould, Board of Regents chair
Members of the visiting team