

Approved

COMMITTEE ON COMPENSATION
February 5, 2009

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **INDIVIDUAL COMPENSATION ACTIONS**

The Committee recommends:

A. ***Interim Re-Slotting and Appointment Salary for Jennifer R. Wolch as Dean – College of Environmental Design, Berkeley Campus***

Approval of the following items in connection with the interim re-slotting of the Dean – College of Environmental Design position and the appointment salary of Jennifer R. Wolch as Dean – College of Environmental Design, Berkeley campus:

- (1) Interim re-slotting of Dean – College of Environmental Design position from SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000) to SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This interim re-slotting is consistent with the recommendation of Mercer Human Resource Consulting.
- (2) Per policy, an appointment salary of \$273,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This appointment salary is consistent with new Senior Management Group (SMG) policy that indicates that appointment salaries will be within the salary range. Per policy, ineligible for any further merit or equity increase until October 2010.
- (3) This appointment is at 100 percent time and effective July 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured academic appointment.

- Per policy, reimbursement of moving expenses up to 100 percent of allowable expenses.
- Per policy, participation in the University of California Mortgage Origination Program up to the maximum loan amount (currently \$1.33 million). Participation will comply with all University/campus program parameters. Participation eligibility is available to be exercised within a period not to exceed 24 months from date of employment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

B. *Appointment Time Reduction Under Staff and Academic Reduction in Time (START) Program for Bruce W. Spaulding as Senior Vice Chancellor – University Advancement and Planning, San Francisco Campus*

Approval of the following compensation for Bruce W. Spaulding as Senior Vice Chancellor – University Advancement and Planning, San Francisco campus:

- (1) Per Staff and Academic Reduction in Time (START) Program policy, a voluntary appointment time reduction to 55 percent time with commensurate reduction of annual salary to \$207,130, based on current annual base salary of \$376,600 (SLCG Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100).
- (2) Per START Program policy, continued eligibility to participate in the Senior Management Supplemental Benefit Program at the rate of 5 percent of the reduced base salary of \$207,130.
- (3) Per START Program policy, continued eligibility to receive standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, business travel accident insurance, and salary continuation for disability).
- (4) Effective February 1, 2009 and ending no later than June 30, 2009.

Additional items of compensation include:

- Per policy, continued eligibility to receive an Executive Automobile Allowance in the amount of \$4,904 per annum, which reflects 55 percent of the maximum allowable rate.
- Per START program policies, continued vacation and sick leave accrual at the employee's pre-START rate.

- Per policy, continued participation in the University of California Home Loan Program. Participation to comply with all University/campus normal program parameters.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

C. *Interim Re-Slotting and Pre-emptive Retention Increase for Paul Staton as Chief Financial Officer – UCLA Hospital System, Los Angeles Campus*

Approval of the following items in connection with the compensation of Paul Staton as Chief Financial Officer – UCLA Hospital System, Los Angeles campus:

- (1) An interim re-slotting of the position, as supported by Mercer Human Resource Consulting, from SLCG Grade 110 to SLCG Grade 112 (Minimum \$298,900, Midpoint \$385,300, Maximum \$471,500).
- (2) Per policy, a retention increase of \$69,200 (22.3 percent) to increase his annual base salary from \$310,800 to \$380,000.
- (3) Per policy, continued participation in the Clinical Enterprise Management Recognition Plan (CEMRP) with a maximum potential bonus of 25 percent (\$95,000).
- (4) Per policy, continued participation in the Senior Management Supplemental Benefit Program.
- (5) Effective February 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, business travel accident insurance, and salary continuation for disability).

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D. ***Appointment and Compensation for Marsha Kelman as Associate Vice President – Policy and Analysis, Office of the President***

Approval of the following items in connection with the appointment of and compensation for Marsha Kelman as Associate Vice President – Policy and Analysis, Office of the President:

- (1) Slotting of the new Senior Management Group position of Associate Vice President – Policy and Analysis at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400), as recommended by Mercer Human Resource Consulting.
- (2) Appointment of Marsha Kelman as Associate Vice President – Policy and Analysis, Office of the President, at 100 percent time, effective March 9, 2009.
- (3) Base salary of \$248,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- (4) As an exception to current policy, reimbursement of actual and reasonable costs associated with temporary living expenses not to exceed \$15,000 over a period of three months. The proposed policy provides for up to 90 days, whereas the current policy only provides for up to 30 days of temporary housing expenses.
- (5) As an exception to current policy, two house hunting trips, subject to the limitations under policy for the candidate and her spouse/partner. The proposed policy will provide for two trips.
- (6) Per policy, 100 percent reimbursement of actual and reasonable relocation expenses.
- (7) Per policy, a relocation allowance of 25.0 percent (\$62,000) of base salary.
- (8) Per policy, eligibility to participate in the University's Mortgage Origination Program.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

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E. *Stipend for S. Shankar Sastry as Dean – College of Engineering and Faculty Director – Blum Center for Developing Economies, Berkeley Campus*

Approval of the following items in connection with the addition of a stipend for S. Shankar Sastry as Faculty Director – Blum Center for Developing Economies, Berkeley campus:

- (1) Per policy, a stipend of 9.1 percent (\$25,000), for service as Faculty Director of the Blum Center for Developing Economies, in addition to his salary of \$275,000 as Dean – College of Engineering, resulting in a total base salary of \$300,000, SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- (2) This stipend is effective January 1, 2009, until such time as he steps down from the position.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured academic appointment.

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2. **CONFIRMATION OF APPOINTMENT AND APPROVAL OF TOTAL COMPENSATION FOR LAWRENCE H. PITTS, M.D., AS INTERIM PROVOST AND EXECUTIVE VICE PRESIDENT – ACADEMIC AFFAIRS, OFFICE OF THE PRESIDENT**

The Committee recommends approval of the following items in connection with the appointment of and compensation for Lawrence H. Pitts, M.D., as Interim Provost and

Executive Vice President – Academic Affairs, Office of the President. This appointment coincides with the departure of the current Interim Provost and will provide ongoing leadership during the search for a permanent Provost.

- A. As an exception to policy, appointment as Interim Provost and Executive Vice President – Academic Affairs at 100 percent time. This constitutes an exception to policy, exceeding the normal appointment maximum of 43 percent time for rehired retirees. Appointments in excess of 43 percent time require the endorsement of the President and approval of the Regents.
- B. Base salary of \$350,000 (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100).
- C. This appointment and compensation will be effective on or about February 9, 2009, and will continue until a permanent Provost is hired and for a reasonable transition period thereafter or until August 31, 2009, whichever occurs first.
- D. According to the policy for rehired retirees, retirement pension benefits will be suspended when Dr. Pitts assumes this role. Under University policy, this will result in accrual of additional pension service credit during his appointment as Interim Provost.

Additional items of compensation include:

- Per policy, standard sick leave and vacation accrual.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University policy.
- Per policy, Dr. Pitts be eligible for standard employee medical, dental, and vision coverage.

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3. **AUTHORIZATION TO AMEND THE UNIVERSITY OF CALIFORNIA RETIREMENT PLAN TO ACCOMMODATE A MODIFICATION TO THE STAFF AND ACADEMIC REDUCTION IN TIME (START) PROGRAM**

The Committee recommends that authority be delegated to the Plan Administrator to amend the University of California Retirement Plan (UCRP) to accommodate a modification to the Staff and Academic Reduction in Time (START) Program that lowers the minimum allowable reduction in time from ten percent to five percent, effective March 1, 2009.

4. **APPROVAL OF PROPOSED COMPENSATION AND RELATED POLICIES FOR SENIOR MANAGEMENT GROUP MEMBERS**

The Committee recommends approval of the following six policies applicable to Senior Management Group (SMG) members:

- Senior Management Group Hiring Bonus (Attachment 1)
- University-Provided Housing (Attachment 2)
- Senior Management Group Automobile Allowance (Attachment 3)
- Senior Management Group Moving Reimbursement (Attachment 4)
- Senior Management Group Relocation Allowance (Attachment 5)
- Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions (Attachment 6)

The Regents will have the authority to approve any policy revisions upon recommendation by the President. As described in the Approval Authority section of each of these policies, the Responsible Officer, e.g., Executive Vice President – Business Operations, may apply appropriate interpretations to clarify policy, provided that the interpretations do not result in substantive changes to the underlying policy. The Department of Human Resources and Benefits, Office of the President, will work with the Responsible Officer of each policy to implement each policy.