

## COMMITTEE ON COMPENSATION

May 7, 2009

### TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

#### 1. **APPROVAL OF COMPENSATION FOR DWAIN DUCKETT AS VICE PRESIDENT – HUMAN RESOURCES, OFFICE OF THE PRESIDENT**

The Committee recommends approval of the following items in connection with the appointment of and compensation for Dwaine Duckett as Vice President – Human Resources, Office of the President:

- A. Slotting of the new Senior Management Group position of Vice President – Human Resources at SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500), as recommended by Mercer Human Resource Consulting.
- B. Per policy, an annual base salary of \$300,000.
- C. Per policy, reimbursement of actual and reasonable costs associated with temporary living expenses not to exceed \$15,000 over a period of up to three months.
- D. Per policy, two round-trip coach class airfare trips, plus reasonable accommodation expenses to assist with house-hunting, subject to the limitations under policy for the candidate and his spouse/partner.
- E. Per policy, 100 percent reimbursement of actual and reasonable relocation expenses, to be completed within one year of assuming the position of Vice President – Human Resources, subject to the limitations under policy.
- F. Per policy, a relocation allowance of 25 percent (\$75,000) of base salary, to aid in Mr. Duckett's relocation from Pittsburgh, Pennsylvania to the Bay Area, subject to a repayment schedule if Mr. Duckett elects a lump sum payment and resigns in the first four years of his appointment. If paid in a lump sum, the repayment schedule would be as follows: 100 percent if resignation occurs within the first year of employment, 60 percent within the second year of employment, 30 percent within the third year of employment, and 10 percent within the fourth year of employment.

- G. Per policy, eligibility to participate in the University's Mortgage Origination Program.
- H. Per policy, an automobile allowance in the amount of \$8,916 per annum.
- I. Effective upon approval of the Regents, with a start date on or about May 15, 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, a 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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.

2. **APPROVAL OF TOTAL COMPENSATION FOR SUSAN D. DESMOND-HELLMANN, M.D., M.P.H. AS CHANCELLOR, SAN FRANCISCO CAMPUS**

The Committee recommends that, contingent upon the appointment by the Regents of Susan D. Desmond-Hellmann, M.D., M.P.H. as Chancellor of the San Francisco campus, at 100 percent time, effective August 3, 2009, an annual salary of \$450,000 be approved, along with the additional compensation-related items listed below. She will also hold an academic appointment, zero percent time, on the San Francisco campus.

- A. Per policy, a monthly automobile allowance of \$743 (\$8,916 per annum).
- B. Per policy, a University house will be provided while Chancellor.
- C. Per policy, packing and relocation of household effects to be completed within one year from the date she assumes the chancellorship in order for it to be nontaxable. The move may be accomplished in one or more stages.
- D. Per policy, packing and relocation of her library and any other related equipment and materials.
- E. Consistent with past practice, upon leaving the Chancellor position and returning to the University faculty at a UC campus, the University will arrange for the relocation of personal belongings to a location of her choice in California.

- F. Per policy, eligibility for the Mortgage Origination Program (MOP) when stepping down as Chancellor, if she assumes a tenured faculty position at UCSF or at another UC campus. The benefit will be available for 12 months after stepping down as Chancellor. If granted a MOP loan, she will be entitled to continue under the program into retirement as long as she remains in the home.
- G. Per policy, an Administrative Fund will be established. Adjustments may occur annually as allowed by policy.
- H. If an active research program is maintained during the appointment as Chancellor, an annual allocation of campus funding will be established for this research during the term as Chancellor.
- I. Reimbursement of reasonable travel expenses for all business related visits to the campus during the 12-week transition period from May 7 and the effective start date of August 3.

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 tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Credit for prior UC service will be reviewed and applied as appropriate.

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.

3. **APPROVAL OF TOTAL COMPENSATION FOR LINDA P. B. KATEHI AS CHANCELLOR, DAVIS CAMPUS**

The Committee recommends that, contingent upon the appointment by the Regents of Linda P. B. Katehi as Chancellor of the Davis campus, at 100 percent time, effective August 17, 2009, an annual salary of \$400,000 be approved, along with the additional compensation-related items listed below. She will also hold an academic appointment, zero percent time, on the Davis campus.

- A. Per policy, a monthly automobile allowance of \$743 (\$8,916 per annum).
- B. Per policy, a University house will be provided on campus while Chancellor.

- C. Per policy, a relocation allowance of \$100,000 (25.0 percent) to be paid no later than October 1, 2009. Should Ms. Katehi resign as Chancellor in the first four years of appointment, this relocation allowance will be subject to a repayment schedule as follows: 100 percent if resignation occurs within the first year, 60 percent if resignation occurs within the second year, 30 percent if resignation occurs within the third year, and 10 percent if resignation occurs within the fourth year of employment.
- D. Per policy, packing and relocation of household effects to be completed within one year from the date she assumes the chancellorship in order for it to be nontaxable. The move may be accomplished in one or more stages.
- E. Per policy, packing and relocation of her library and any other related equipment and materials.
- F. Consistent with past practice, upon leaving the Chancellor position and returning to the University faculty at a UC campus, the University will arrange for the relocation of personal belongings to a location of her choice in California.
- G. Per policy, eligibility for the Mortgage Origination Program (MOP) when stepping down as Chancellor, if she assumes a tenured faculty position at UCD or at another UC campus. The benefit will be available for 12 months after stepping down as Chancellor. If granted a MOP loan, she will be entitled to continue under the program into retirement as long as she remains in the home.
- H. Per policy, an Administrative Fund will be established. Adjustments may occur annually as allowed by policy.
- I. If an active research program is maintained during the appointment as Chancellor, an annual allocation of campus funding will be established for this research during the term as Chancellor.
- J. Reimbursement of reasonable travel expenses for all business-related visits to the campus during the 14-week transition period from May 7 and the effective start date of August 17.

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 tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Credit for prior UC service will be reviewed and applied as appropriate.

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.

4. **APPROVAL OF REVISED DATES FOR ADMINISTRATIVE LEAVE IN LIEU OF SABBATICAL LEAVE FOR J. MICHAEL BISHOP, M.D. AS PROFESSOR ABOVE SCALE, SAN FRANCISCO CAMPUS**

The Committee recommends approval of the following item for J. Michael Bishop, M.D. as Professor Above Scale, 100 percent time, San Francisco campus:

- A. Per policy, for the period August 3, 2009 through August 2, 2010, continuation of administrative salary of \$402,200 per annum while he is on paid administrative leave in lieu of sabbatical leave. This is Chancellor Bishop's current base salary as Chancellor, and is consistent with the provisions of Academic Personnel Policy 758-0 B.(2), which govern these types of leaves. This one-year administrative leave is contingent upon Mr. Bishop returning to a tenured faculty position for a minimum of one year at the completion of this leave.

Additional items approved by the Regents at their March 2009 meeting include:

- Per policy, conferral of the title of Chancellor Emeritus in recognition of Mr. Bishop's extensive service to the University as Chancellor of the San Francisco campus.
- Per policy, payment of reasonable and customary moving expenses from his University offices and the University-provided housing to his personal residence. These expenses are estimated at approximately \$10,000.
- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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.

5. **APPROVAL OF REVISED DATES FOR ADMINISTRATIVE LEAVE IN LIEU OF SABBATICAL LEAVE FOR LARRY N. VANDERHOEF AS PROFESSOR ABOVE SCALE, DAVIS CAMPUS**

The Committee recommends approval of the following item for Larry N. Vanderhoef as Professor Above Scale, 100 percent time, Davis campus:

- A. Per policy, for the period August 17, 2009 through August 16, 2010, continuation of administrative salary of \$315,000 per annum while he is on paid administrative leave in lieu of sabbatical leave. This is Chancellor Vanderhoef's current base salary as Chancellor, and is consistent with the provisions of Academic Personnel Policy 758-0 B.(2), which govern these types of leaves. This one-year administrative leave is contingent upon Mr. Vanderhoef returning to a tenured faculty position for a minimum of one year at the completion of this leave.

Additional items approved by the Regents at their March 2009 meeting include:

- Per policy, conferral of the title of Chancellor Emeritus in recognition of Mr. Vanderhoef's extensive service to the University as Chancellor of the Davis campus.
- Per policy, payment of reasonable and customary moving expenses from his University offices and the University-provided housing to his personal residence. These expenses are estimated at approximately \$7,500.
- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. 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.