

GOVERNANCE COMMITTEE

March 20, 2025

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. APPROVAL OF CONTRACT COMPENSATION FOR RON RIVERA AS GENERAL MANAGER, FOOTBALL, BERKELEY CAMPUS AS DISCUSSED IN CLOSED SESSION

Recommendation

The Committee recommends approval of the following items in connection with the contract compensation for Ron Rivera as General Manager, Football, Berkeley campus, at 100 percent time, with the understanding that the final terms as approved by the Regents will be set forth in an appropriate written contract, which will be reviewed by UC Legal, Office of the General Counsel:

- A. Contract Duration and Termination: Contract period effective March 24, 2025 through March 31, 2028. Consistent with the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters), the contract will include termination and liability clauses limiting the University's obligations.
- B. Guaranteed Compensation: Annual guaranteed compensation of \$800,000 each contract year, comprised of an annual base salary of \$250,000 and a talent fee of \$550,000 each contract year.
- C. Deferred Compensation: Not applicable – Not included in this contract.
- D. Annual Maximum Incentive Potential: Annual maximum incentive potential of \$800,000, which would be subject to an academic gatekeeper threshold where no incentive would be paid out unless the team meets the National Collegiate Athletic Association's minimum Academic Progress Rate (currently ≥ 930).
- E. Signing Bonus: Not applicable – Not included in this contract.
- F. Camp Income: Not applicable – Not included in this contract.
- G. Benefits: Standard pension and health and welfare benefits.
- H. Relocation: Reimbursement of actual and reasonable moving expenses not to exceed \$40,000 that are associated with relocating Mr. Rivera's primary residence, subject to limitations and repayment provision under UC Policy G-13: *Policy and Regulations Governing Moving and Relocation*.

- I. Courtesy Car: Not applicable – Not included in this contract.
- J. Perquisites: Standard perquisites consistent with department practice for other UC Berkeley athletic contracts, e.g., game tickets.
- K. Funding: Contract compensation will be funded exclusively through philanthropic funds. No State or UC General funds will be used.

The compensation described above shall constitute the University's total commitment until modified by the Regents or President, 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.

Background to Recommendation

The President of the University requests approval of contract compensation for Ron Rivera as General Manager, Football, Berkeley campus, at 100 percent time, for a contract effective March 24, 2025 through March 31, 2028.

This action is subject to approval by the Regents as it does not fit within the criteria in the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (the "September 2008 Parameters"). The delegation of authority to the President in the September 2008 Parameters may only be used in cases of pre-emptive or active retention or replacement, but this is an action for a new athletic position for the Berkeley campus. Any future contract negotiations for this position will be reviewed for proper approval authority as provided for within the September 2008 Parameters and Personnel Policies for Staff Members (PPSM)-30: *Compensation*. For example, to remain within the September 2008 Parameters for any new contract and/or contract amendment, funding will need to be limited to athletic department revenues or private fundraising.

Committee vote: Regents Cohen, Drake, Hernandez, Leib, Reilly, Robinson, and Sures voting "aye."

Board vote: Regents Beharry, Cohen, Drake, Hernandez, Leib, Makarechian, Matosantos, Reilly, Robinson, Sarris, and Sures voting "aye" and Regent Kounalakis abstaining.

2. APPROVAL OF RETROACTIVE ADMINISTRATIVE STIPEND FOR YOLANDA GORMAN AS SENIOR ADVISOR TO THE CHANCELLOR AND CHIEF OF STAFF, LOS ANGELES CAMPUS AS DISCUSSED IN CLOSED SESSION

Recommendation

The Committee recommends approval of the following retroactive administrative stipend for Yolanda Gorman as Senior Advisor to the Chancellor and Chief of Staff, Los Angeles campus:

As an exception to policy, an administrative stipend for Yolanda Gorman as Senior Advisor to the Chancellor and Chief of Staff, Los Angeles campus, of 15 percent (\$56,057 annualized) of her annual base salary (\$373,716), for an annualized total cash compensation of \$429,773, effective retroactively August 1, 2024 through December 31, 2024.

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

Background to Recommendation

The President of the University recommends retroactive approval for an administrative stipend for Managers and Senior Professionals personnel program employee Yolanda Gorman, Senior Advisor to the Chancellor and Chief of Staff, Los Angeles campus, for the temporary assumption of significant additional responsibilities.

This is a corrective action to address an administrative oversight error as the annualized stipend raised her total cash compensation over the Indexed Compensation Level (ICL), which, for a direct report to the Chancellor, would have required approval by the President prior to implementing the stipend or within 45 days of the stipend's effective date.

Ms. Gorman assumed the additional responsibilities for executive support for incoming UCLA Chancellor Julio Frenk in addition to her responsibilities as the Senior Advisor and Chief of Staff to Interim UCLA Chancellor Darnell Hunt. In compensation for those additional responsibilities, on July 12, 2024, UCLA Chancellor Block approved a stipend for 15 percent (\$56,057) of Ms. Gorman's base salary (\$373,716), effective August 1, 2024 through December 31, 2024, for an annualized total cash compensation of \$429,773.

Because Ms. Gorman is a direct report to the Chancellor, and this action would have been within the President's approval authority, a retroactive effective date of August 1, 2024 is an exception to policy, and approval by the Regents is required.

Committee vote: Regents Cohen, Drake, Hernandez, Leib, Reilly, Robinson, and Sures voting "aye."

Board vote: Regents Beharry, Cohen, Drake, Hernandez, Leib, Makarechian, Matosantos, Reilly, Robinson, Sarris, and Sures voting “aye” and Regent Kounalakis abstaining.

3. AMENDMENT OF THE CHARTER OF THE SPECIAL COMMITTEE ON NOMINATIONS

The Committee recommends that the Charter of the Special Committee on Nominations be amended as shown in Attachment 1.

Committee vote: Regents Cohen, Drake, Hernandez, Leib, Reilly, Robinson, and Sures voting “aye.”

Board vote: Regents Beharry, Cohen, Drake, Hernandez, Leib, Makarechian, Matosantos, Reilly, Robinson, Sarris, and Sures voting “aye” and Regent Kounalakis abstaining.

4. AMENDMENT OF BYLAW 24.8 AND THE CHARTERS OF THE HEALTH SERVICES COMMITTEE AND THE COMPLIANCE AND AUDIT COMMITTEE

The Committee recommends that:

- A. Following service of appropriate notice, the Regents amend Bylaw 24.8 – Special Requirements for Chancellors/Advisory Members, as shown in Attachment 2.
- B. The Regents amend the Charter of the Health Services Committee, as shown in Attachment 3, effective upon approval of the amendment to Bylaw 24.8, as described in paragraph A above.

Committee vote: Regents Cohen, Drake, Hernandez, Leib, Reilly, Robinson, and Sures voting “aye.”

Board vote: Regents Beharry, Cohen, Drake, Hernandez, Leib, Makarechian, Matosantos, Reilly, Robinson, Sarris, and Sures voting “aye” and Regent Kounalakis abstaining.

5. AMENDMENT OF REGENTS POLICY 7701: SENIOR MANAGEMENT GROUP APPOINTMENT AND COMPENSATION

The Committee recommends that the Regents approve amendments to Regents Policy 7701: Senior Management Group Appointment and Compensation, as shown in Attachment 4.

Committee vote: Regents Cohen, Drake, Hernandez, Leib, Reilly, Robinson, and Sures voting “aye.”

Board vote: Regents Beharry, Cohen, Drake, Hernandez, Leib, Makarechian, Matosantos, Reilly, Robinson, Sarris, and Sures voting “aye” and Regent Kounalakis abstaining.

6. AMENDMENT OF JANUARY 2026 REGENTS MEETING DATES

The Committee recommends that the dates of the January 2026 Board of Regents meeting be changed from January 13 – 15, 2026 to January 20 – 22, 2026.

Committee vote: Regents Cohen, Drake, Hernandez, Leib, Reilly, Robinson, and Sures voting “aye.”

Board vote: Regents Beharry, Cohen, Drake, Hernandez, Leib, Makarechian, Matosantos, Reilly, Robinson, Sarris, and Sures voting “aye” and Regent Kounalakis abstaining.

Additions shown by underscore; deletions shown by strikethrough

Charter of the Special Committee on Nominations¹

Adopted, January 17, 2019; Amended March 18, 2021

A. Purpose. The Special Committee on Nominations shall make recommendations to the Board regarding the membership and Chairs and Vice Chairs of Standing Committees, and the Chair and Vice Chair of the Board.

B. Membership/Appointment/Term. The Chair of the Board will appoint 7 members, including a past Chair of the Board currently serving as a Regent, and a Committee Chair, to the Special Committee for one-year terms-annually in September. All members shall be voting Regents, with no advisory members.

Any Regent appointed to the Special Committee shall not be considered as a candidate for the positions of Chair or Vice Chair of the Board. If a member of the Special Committee wishes to be considered for these positions, they must resign from the Special Committee. The Chair of the Board will appoint another Regent as a member to replace them.

C. Nominations Process. The Chair of the Special Committee shall solicit Regents' interest in being nominated for the positions of Chair and Vice Chair of the Board. Regents will submit confidential indications of interest to the Special Committee Chair at least one week prior to the annual nominating committee meeting.

At the nominating committee meeting, the Special Committee shall meet separately with each candidate for Chair and Vice Chair of the Board before commencing to vote. The Special Committee is not limited to consideration of self-designated candidates.

If there are multiple candidates for a position, the Special Committee will vote by repeat balloting until a majority is obtained. The Special Committee may adopt any other procedures by majority vote that it deems appropriate to perform its work.

~~E.D.~~ Special Provisions. The Special Committee is established as a recurring committee, with a term of one year. Regents who are not members of the Special Committee shall not attend its meetings. In accordance with Regents Policy 1100, members shall maintain the confidential nature of deliberations held in closed session; divulging confidential deliberations is a violation of Regents Policy 1100.

¹ Adopted 1-17-19; amended 3-18-21

Additions shown by underscore; deletions shown by strikethrough

~~D.E.~~ **Board Leadership and Committee Assignments.** The Special Committee shall be responsible for presenting to the Board no later than May of each fiscal year a recommended slate of candidates for Chair and Vice Chair of the Board, Chair and Vice Chair of each Standing Committee, and the remaining members of each Standing Committee for the following fiscal year.

Any Regent being nominated or seeking to be considered by the Board for the position of Chair or Vice Chair of the Board without a recommendation from the Special Committee must have submitted an indication of interest for the position to the Special Committee in accordance with section C. above, and separately, must formally declare their candidacy for the position in writing to the Special Committee Chair, who will notify all Board members no later than three days prior to the Board meeting at which the slate of candidates recommended by the Special Committee will be considered. Additionally, all candidates for the position of Chair or Vice Chair, whether nominated by the Special Committee or self-nominated, shall be provided an opportunity to address the full Board.

The Special Committee shall consult with the Chairs and Vice Chairs of the Committees regarding nominations of Committee membership and leadership for the next year. The Special Committee also nominates advisors as members of Standing Committees and Subcommittees, unless otherwise specified in a Committee Charter, and nominates Regents and advisors to Standing Committees and Subcommittees when vacancies occur.

Additions shown by underline; deletions show by ~~striketrough~~

Bylaw 24 – Standing Committees

24.8 Special Requirements for Chancellors/Advisory Members.

A Chancellor member of a Standing Committee may participate on a matter primarily affecting or benefitting the Chancellor's campus only to the extent of presenting or assisting in the presentation of the matter to the Committee, and shall not otherwise participate in the Committee's deliberations. This limitation shall not apply when the matter is expected to affect or benefit all or substantially all campuses. Other advisory members of a Standing Committee, if any, not otherwise subject to University policy, shall be subject to the laws and policies applicable to Regents governing compensation and reimbursement of expenses unless otherwise specified in the Standing Committee's Charter, and shall be subject to conflict of interest disclosure and recusal obligations as specified in the University's Conflict of Interest Code and other applicable policies.

Additions shown by underscoring; deletions shown by strikethrough

Charter of the Health Services Committee

Adopted July 20, 2016

Amended January 17, 2019, May 16, 2019, July 30, 2020, March 18, 2021, May 19, 2022, January 19, 2023, and January 23, 2025

- A. Purpose. The Health Services Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University's health professions schools, academic health centers, health systems, non-hospital clinics and student health and counseling centers ("UC Health").

...

- E. Special Requirements for Chancellors/Advisory Members. Only the Regent members of the Committee shall be permitted to vote on Committee business. A Chancellor member of the Committee shall be permitted to participate on a matter primarily affecting or benefiting their campus only to the extent of presenting or assisting in the presentation of the matter to the Committee, and shall not otherwise participate in the Committee's deliberations. This limitation shall not apply when the matter is expected to affect or benefit all or substantially all UC Health campuses. External advisory members (non-Chancellors) shall meet separately with the senior executive of UC Health periodically to provide advice.

Any advisors not otherwise subject to University policy shall be eligible for a stipend for their service, shall be subject to the laws and policies applicable to Regents governing ~~compensation and~~ reimbursement of expenses, and shall be subject to conflict of interest disclosure and recusal obligations as specified in the University's Conflict of Interest Code and other applicable policies.

...

- G. Delegated Authority Over Appointments and Compensation.
1. When the appointment of or compensation for an employee serving UC Health or any of its components, whose compensation is paid solely from sources other than State general fund support to the University, otherwise requires approval from the Regents or a Committee of the Regents, the Health Services Committee may review and approve such appointment and/or compensation without further Regents action. ~~The Health Services Committee and the Board of Regents will approve CEMRP awards for the EVP-UC Health, regardless of the source of funding.~~

Senior Management Group

Appointment and Compensation

Approved September 18, 2008

Amended March 19, 2009, September 16, 2010, and September 18, 2013



Responsible Officer: Vice President–[Systemwide](#) Human Resources

Responsible Office: [Systemwide](#) Human Resources

Effective Date: November 14, 2013

Next Review Date: The Responsible Officer will review the policy annually for update purposes and will conduct a full review at least every three years.

Who Is Covered: All employees whose position is designated to be in the Senior Management Group (SMG), [inclusive of Officers of the University per Regents Standing Order 100.1.a](#), and non-SMG members appointed to an SMG position on an acting or interim basis.

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I. POLICY SUMMARY

This policy provides direction and authority for creating and eliminating positions in the Senior Management Group (SMG), for appointing SMG members to those positions and for establishing, approving, reviewing and revising any salary or other compensation terms for SMG members.

Senior Management Group Appointment and Compensation

II. POLICY DEFINITIONS

Career Appointment: An appointment established at a fixed or variable percentage of time at 50 percent or more of full-time that is expected to continue for one year or longer.

Compensation: For purposes of University employment, “compensation” is defined in the *Policy on Definition of Total Compensation* (Regents Policy 7200).

Exception to Policy: An action that exceeds what is allowable under current policy or that is not expressly provided for under policy. Any such action must be treated as an exception and must be reviewed and approved by the Regents.

Executive Officer: The University President, Chancellor, or Laboratory Director.

General Increase: [An identical pay raise that is given across-the-board to all eligible employees. A General Increase can be provided either as a flat rate or as a percentage of salary.](#)

Market Reference Zone: A unique range of base salary for each functional position in the Senior Management Group.

Merit Increase: [A salary increase designed to reward performance.](#)

Performance: The fulfillment of job responsibilities and individual goals and objectives assigned to the incumbent.

Retroactive Action: An action that is effective more than 45 days earlier than the date it is approved.

Senior Management Group (SMG): Individuals whose career appointment is in the Senior Management Group personnel program. Employees with a dual academic appointment at 0% and an appointment to a Senior Management Group position will be considered to possess a career appointment in the Senior Management Group.

SMG Level One: The position of President, all SMG positions that directly report to the Regents and/or the President, and the Chief Executive Officers of the medical centers.

SMG Level Two: All SMG positions that are not in SMG Level One.

Top Business Officer: Executive Vice President–[Business Operations](#)[Chief Operating Officer](#) for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location’s financial reporting and payroll as designated by the Executive Officer.

III. POLICY TEXT

A. *The Senior Management Group (SMG)*

The Senior Management Group is a personnel program that includes certain leadership positions in the University system.

“Level One” of the SMG includes the position of President, all SMG positions that

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directly report to the Regents and/or the President, and the Chief Executive Officers of the medical centers. All other SMG positions are “Level Two” positions.

The Regents, upon the recommendation of the President, must approve adding a position to the SMG or eliminating an SMG Level One position. The President may approve adding an SMG position at a location when the position already exists at another location. The President, after consultation with the Chair of the [Committee on Compensation Governance Committee](#), may approve the elimination of an SMG Level Two position.

~~B. Officers of the University~~

~~Officers of the University are those positions identified in *Regents Standing Order 100.1.a*. Officers of the University appointed to the Senior Management Group are subject to the terms of this policy according to whether they are SMG Level One or SMG Level Two. If an Officer of the University is appointed to a personnel program other than the SMG, then the approval authority for all appointment and compensation actions is as described in Section IV.C. of this policy.~~

~~C.B. Market Reference Zones~~

A market reference zone (MRZ) is a unique range of base salary for each functional position in the Senior Management Group. SMG positions responsible for the same set of core functions will be assigned to the same MRZ. For example, the individuals performing the functions of a Vice Chancellor–Research at any location in the University system will be assigned to the same MRZ, even if their precise job titles are not identical.

The MRZ for a particular functional position reflects market data for base salary. The MRZ displays the 25th, 50th, 60th, 75th and 90th percentile base salary in the defined competitive market for that functional position. The market is defined as those organizations that are similar to the University in size and complexity and are therefore the organizations with which the University competes for talent.

1. Establishment of Market Reference Zones (MRZs)

The Regents have approved a market reference zone for each functional position in the SMG. Each MRZ reflects an assessment of the scope of responsibilities, complexity and breadth of job functions, experience requirements and other relevant factors for a particular functional position. Additional MRZs may be added by the Regents.

2. Purpose of Market Reference Zones

Market reference zones allow the University to administer and manage the salaries of SMG members in a manner that is competitive with the relevant market for each functional position, foster appropriate internal consistency, and facilitate budget control.

3. Review of and Adjustments to Market Reference Zones

~~The Office of the President–Systemwide~~ Human Resources will review each MRZ annually and compare it to the market survey information. If an MRZ no longer reflects the base salaries offered in the relevant market for that functional position, a recommendation to adjust the MRZ may be made to the President. The President will recommend MRZ adjustments to the [Committee on](#)

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~~Compensation~~[appropriate Committees per the Committee Charters](#) and the full Board for approval, [as required](#).

An adjustment to an MRZ will not automatically result in a change in the base salary paid to an SMG member who holds a position assigned to that MRZ. Rather, any adjustments to an incumbent SMG's base salary will follow the process outlined in Sections ~~E~~[D](#). and ~~F~~[E](#)., below, as applicable.

4. Level of Salary within the MRZ

The University's ability to offer its leaders compensation terms that are competitive in the relevant regional and national marketplaces ultimately affects its ability to attract, motivate and retain the talent necessary to achieve the University's mission. The essential first step in establishing competitive compensation terms is to assign an appropriate base salary within the applicable MRZ. A number of factors will be considered to determine the appropriate base salary within the applicable MRZ, including, but not limited to, documented sustained performance and contributions, internal peer comparability, external market comparability, and scope and breadth of experience and responsibilities. Any adjustments to base salary will follow the process outlined in Sections ~~E~~[D](#). and ~~F~~[E](#)., below.

Generally, salaries near the 25th percentile of the MRZ will be assigned to SMGs who may require additional development, growth, or time in order to become fully proficient in the position. In addition, a salary near the 25th percentile of the MRZ may be assigned where the SMG's position is narrower or less complex in scope than that of peer positions or the benchmark position(s) used in surveys of the applicable market.

Salaries near the 50th percentile of the MRZ will be assigned to SMGs who have significant experience in the position, who are proficient in the required skills, who are adept at managing the typical responsibilities, and who have documented and sustained high levels of performance.

Salaries near the 75th percentile of the MRZ will be assigned to SMGs who are very experienced and have a unique skill set. In addition, a salary near the 75th percentile may be assigned where the SMG's position is moderately broader or more complex in scope than that of peer positions or the benchmark position(s) used in surveys of the applicable market. A salary near the 75th percentile may also be assigned in situations where the talent pool for the position is limited and/or very competitive.

A salary near the 90th percentile of the MRZ will be assigned to SMGs who have highly specialized credentials, professional accomplishments and expertise that set them apart from internal and external peers. In addition, a salary near the 90th percentile may be assigned where the SMG's position is highly complex and significantly broader in scope than that of peer positions or the benchmark position(s) used in surveys of the applicable market. A salary near the 90th percentile may also be assigned in situations where a very scarce candidate pool for the position exists and unique skill sets are critical.

Senior Management Group Appointment and Compensation

D.C. Appointments

1. Criteria for Appointment

SMG positions must be filled through the appointment of candidates who, in the judgment of the hiring authority, possess the qualifications required to perform the duties of the position most effectively.

2. Authority for Individual Appointments to Level One SMG Positions

Individual appointments to all Level One SMG positions must be endorsed by the President and approved by the Regents. This includes situations where a member of the SMG or some other personnel program is appointed to a Level One SMG position on an [interim or](#) acting ~~or temporary~~ basis.

3. Authority for Individual Appointments to Level Two SMG Positions

Individual appointments to Level Two SMG positions must be approved under the appropriate approval authority as described in Section IV.C. of this policy. This includes situations where a member of the SMG or some other personnel program is appointed to a Level Two SMG position on an [interim or](#) acting ~~or temporary~~ basis.

4. Nature of Appointment

An SMG appointee serves at-will and, therefore, an SMG appointment may be terminated at any time with or without cause. An SMG member's at-will status cannot be altered except by amendment of this policy.

An appointment as an SMG member is normally at 100 percent time. A career appointment may be at less than 100 percent time, but cannot be less than 50 percent time.

5. Assignment of Titles

Each SMG position will be assigned a working title that conveys the organizational level of the position and the nature and scope of the responsibilities assigned. That working title may not always be identical to the functional position title used to define the MRZ to which the SMG's position belongs. Major changes to SMG titles must be approved by the President. Minor changes to SMG titles may be approved by the Chancellor, Laboratory Director, or Executive Vice President – ~~Business Operations~~[Chief Operating Officer](#) for their respective locations.

6. Appointment Salary

At the time of appointment to an SMG position, the individual will be assigned a base salary within the applicable MRZ that is consistent with the criteria described in Section III.~~GB~~.4.

The appointment salary for any Level One SMG requires the endorsement of the President and the approval of the Regents. Approval authority for a Level Two SMG's appointment salary depends on the proposed base salary and the amount of any increase over the prior incumbent's base salary as stated in Section IV.C. of this policy.

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E.D. Salary Increases

Any increase in base salary for a Level One SMG, except for systemwide salary program general (across-the-board) increases, requires the endorsement of the President and the approval of the Regents.

The approval authority for increases in base salary for a Level Two SMG, except for systemwide salary program general increases, depends upon the base salary plus the amount of the proposed increase as described in Section IV.C. of this policy.

1. Systemwide Salary Program Increases (e.g., general increases and/or merit increases)

SMG members are eligible for consideration for systemwide salary program increases to base salary, such as general and/or merit increases, in accordance with Universitywide guidelines. The process for making such increases will be part of the larger budgeting process for UC. Eligibility criteria and administrative details will be provided when such increases are implemented.

a. General Increases

The increase amount is determined by the Universitywide guidelines for each systemwide salary program. -When permitted by Universitywide guidelines, general increases will be proposed by each location for Level One and Level Two SMG members and submitted to Systemwide Human Resources for validation of eligibility and confirmation of the applicable approval authority as set forth in Section IV.C. of this policy.

b. Merit Increases

When permitted by Universitywide guidelines, merit increases will be proposed by each location for Level One and Level Two SMG members and submitted to Systemwide Human Resources for validation of eligibility and confirmation of the applicable approval authority as set forth in Section IV.C. of this policy.

The amount of an individual SMG's merit increase will be based on the following factors:

- i. The SMG member's annual written performance appraisal and the SMG's contributions measured against objectives that were assigned at the beginning of the performance period.
- ii. The position of the SMG member's current base salary within the applicable MRZ and his/her/their base salary relative to internal peers in that MRZ.
- iii. The availability of approved merit funding.

If an SMG is receiving an administrative stipend, the stipend will not be included in the determination of the base salary for purposes of calculating his/her-merit-their systemwide salary program increase.

2. Market-Based Increases

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To be eligible for a market-based increase in base salary, the SMG's documented sustained performance should be rated at least "Satisfactory Performance."

A market-based increase in an SMG's base salary may be appropriate in a variety of situations, including, but not limited to, the following:

- To better align an SMG's base salary with the criteria described in Section III.CB.4., above, given the SMG's skills, experience, and contributions.
- To correct internal inequities in the relative placement of SMGs in their MRZ (e.g., in situations where new appointees with skills and experience comparable to incumbents who have been appointed with higher base salaries).
- When there has been a significant and permanent expansion in the scope and/or complexity of an SMG's position.
- To retain an SMG who is considered a finalist for another position and the SMG's departure would result in severe operational, service, or functional disruption in the University's ability to accomplish its mission. Increases for this reason are rare.

~~To be eligible for a market based increase in base salary, the SMG's documented sustained performance should be rated at least "Satisfactory Performance."~~

3. Order of Salary Increases

If more than one salary increase is effective on the same date, actions will be processed in the following order:

1. A systemwide salary program increase, and then

4.2. Apply a market-based increase, and then

~~2.1. A systemwide salary program increase~~

F.E. Decrease in Base Salary

In certain circumstances, a decrease in an SMG's base salary may be warranted (e.g., when an SMG's position has been reduced in scope or complexity). Any decreases in base salary for a Level One SMG must be approved by the President with the concurrence of the Chair of the Governance Committee ~~on Compensation~~. Any decreases in base salary for a Level Two SMG must be approved by the President for the Office of the President, and the Chancellor or Laboratory Director for their respective locations.

G.F. Potential Transfers Between Locations (Campus, Laboratory, Office of the President)

A potential transfer between locations occurs when an SMG member considers accepting another comparable SMG position (typically a position in the same MRZ) at a location other than his/her/their present location. Any salary action recommendations will be based on the concepts regarding placement in the

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applicable MRZ presented in Section III.CB.4., above, including documented sustained performance and contributions. In such an event, and following the SMG member's tentative acceptance of the offer from the new location, the SMG member's current location will be provided with an opportunity to meet, but not exceed, the salary offer of the new location for a comparable position. This section of the policy does not apply to situations in which an SMG member is contemplating another position that is not deemed to be comparable to [his/her/their](#) current position (e.g., a promotional opportunity or significant departure from the current position). The intent of this arrangement is to emphasize the career opportunities being presented in each offer and de-emphasize the competing salary offers. The Vice President–[Systemwide](#) Human Resources (or designee) will serve as the broker of such transfer considerations and discussions.

Any compensation actions for a Level One SMG that result from these negotiations must be endorsed by the President and approved by the Regents. For compensation actions for a Level Two SMG that result from these negotiations, the applicable approval authority will depend upon the proposed base salary (including any proposed increase) as set forth in Section IV.C. of this policy.

[H.G.](#) Administrative Stipends for Temporary Assumption of Significant Additional Responsibilities

An SMG member may be asked to temporarily assume responsibilities in addition to those already associated with [his/her/their](#) SMG position. While a temporary assumption of additional responsibilities does not typically warrant an increase in compensation, an increase may be warranted for Level Two SMG members in situations where the additional responsibilities are significant and the SMG member is held fully accountable for the additional responsibilities. In these circumstances, the Level Two SMG member may receive an administrative stipend so long as [his/her/their](#) documented performance appraisals warrant this additional compensation. Administrative stipends may not be approved for a Level Two SMG member for any other purpose. In addition, a Level Two SMG member may not receive more than one stipend of any kind at any time. Level One SMG members are not eligible for administrative stipends.

An administrative stipend for a Level Two SMG member must be approved by the applicable approval authority depending upon the SMG's existing base salary plus the amount of the proposed administrative stipend; that combined amount will be considered the proposed base salary for purposes of this determination, using the criteria outlined in Section IV.C. of this policy.

An administrative stipend may initially be approved for a period of up to twelve months in duration. One extension of an administrative stipend may be granted by the same approval authority that initially approved the administrative stipend, provided that the extension is for a period not to exceed twelve months. Any additional extension would be an exception to policy. The purpose of such limitations is to ensure that adequate measures are undertaken to install permanent stewardship of senior leadership positions.

The amount of any administrative stipend should be commensurate with the additional responsibilities being assumed by the SMG member. An administrative

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stipend will not be included in the determination of the base salary for purposes of calculating an incumbent's increase under a systemwide salary program.

I.H. Compensation Restriction

An SMG member who is appointed at 100 percent time must not receive additional cash compensation above ~~his/her~~their base salary from an entity managed exclusively by the University (e.g., the Office of the President, the Lawrence Berkeley National Laboratory, a UC campus, or a UC medical center) for any work or services, regardless of source or type of payment, except in the following limited circumstances:

1. Payments for teaching University Extension courses (UNEX), provided that such payments are approved as set forth in Section IV.C. of this policy.
2. Administrative stipends payable as set forth in Section ~~H.III.G~~ of this policy.
3. Incentive awards payable from an incentive plan that has been approved in the manner required by *Senior Management Group Incentive Awards (Regents Policy 7712)*.
4. SMG members who are Academic Deans and Provosts may receive up to a 1/12 payment for summer research based on their annual SMG salary, subject to approval as set forth in Section IV.C. of this policy. In such instances, accrued vacation proportionate to the research days worked will be forfeited for the year in which the compensation for research is received.

Payments and income derived through Outside Professional activities are permitted, provided that such activities have been approved in accordance with *Senior Management Group Outside Professional Activities (Regents Policy 7707)*.

J.I. Home Loan Eligibility

All SMG members are authorized to participate in the University of California Employee Housing Assistance Program~~University Home Loan Program~~ (Program) under the terms of Policy on the University of California Employee Housing Assistance Program~~Policy on University of California Mortgage Origination Program (Regents Policy 53055309)~~. Although this policy provides the approval necessary for participation, an SMG member still must be designated to participate. The President may designate the participation of a Level One SMG. The Chancellor, Laboratory Director, or Executive Vice President – ~~Business Operations~~Chief Operating Officer may designate a Level Two SMG for participation at their location based on the location's determination of its recruitment and retention needs. The authority to designate individuals for participation cannot be delegated. Neither authorization to participate nor approved designation for participation in the Program constitutes loan approval. Loan approval is contingent upon satisfaction of all Program requirements. Program parameters can be viewed at <https://policy.ucop.edu/doc/3600675/EmployeeHousingAssistance> ~~http://www.ucop.edu/loan_programs/loan_programs/index.html~~ with further details available from the Director– Office of Loan Programs or the local ~~Housing Programs Representative~~Home Loan Coordinator.

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IV. APPROVAL AUTHORITY

A. Implementation of the Policy

The Vice President – [Systemwide](#) Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. ~~The Office of the President Human Resources will work with the Responsible Officer of each policy to implement each policy.~~

B. Revisions to the Policy

The Regents is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.

The Vice President – [Systemwide](#) Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and [Standing OrdersPolicies](#) of the Regents.

The Executive Vice President – ~~Business Operations~~[Chief Operating Officer](#) has the authority to ensure that policies are regularly reviewed and updated and are consistent with the *Principles for Review of Executive Compensation* (Regents Policy 7201) and other governance policies.

C. Approval of Actions

All actions within this policy must be approved in accordance with the following requirements. All actions that are exceptions to this policy (including retroactive actions) or [actions](#) not expressly provided for under any policy must be approved by the Regents.

1. SMG Level One

For Level One SMG members, the [President's approval is required for general increases as part of a systemwide salary program. However, for the President and the Secretary and Chief of Staff to the Regents, approval by the Chair and the Vice Chair of the Governance Committee is required for any general increases as part of a systemwide salary program.](#)

[The](#) Regents' approval is required for all [other](#) appointment and compensation actions [for Level One SMG members, including merit increases as part of a systemwide salary program,](#) except as otherwise specifically provided for in this policy.

2. SMG Level Two

For Level Two SMG members, the approval authority for all appointment and compensation actions within this policy, except as otherwise specifically provided for in this policy, depends on two factors: (1) the placement of the proposed base salary within the position's MRZ, and (2) whether an increase of ten percent or more is being proposed.

If the base salary plus any administrative stipend will be below the 60th percentile

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of the position's MRZ, the approval of the Chancellor, Laboratory Director, or Executive Vice President – [Business Operations Chief Operating Officer](#) is required for SMGs at their respective locations. If the base salary plus any administrative stipend will be [at equal to](#) or above the 60th percentile of the position's MRZ, the President's approval is required. If the base salary plus any administrative stipend will be [at equal to](#) or above the 75th percentile of the position's MRZ, the Regents' approval is required.

Notwithstanding the foregoing, for systemwide salary [program](#) increases, the approval of the Chancellor, Laboratory Director, or Executive Vice President – [Business Operations Chief Operating Officer](#) is required for SMGs at their respective locations where the SMG's resulting base salary will be below the 60th percentile of the position's MRZ; the approval of the President will be required where the resulting base salary will be at or above the 60th percentile of the position's MRZ.

Additionally, the next higher level of approval authority will be required if the proposed action will:

- a. Result in an incumbent receiving an increase in base salary of ten percent or more in that position over the course of a calendar year, excluding any increases received as part of a systemwide salary program; or
- b. Result in a new appointee receiving a base salary that exceeds the previous incumbent's base salary by ten percent or more.

3. ~~Officers of the University~~

~~For non-SMG Officers of the University, the President must approve all compensation and appointment actions, except that increases received as a part of a systemwide salary program may be approved by the Chancellor, Laboratory Director, or Executive Vice President – Business Operations as applicable.~~

4.3. Exclusions

This policy does not apply to

- a. incentive awards, which are governed by [Senior Management Group Incentive Awards \(Regents Policy 7712\)](#), or
- b. settlement or separation agreements with SMG members ~~or Officers of the University~~, which are governed by the *Policy on Settlement of Litigation, Claims, and Separation Agreements (Regents Policy 4105)*.

V. COMPLIANCE

A. Compliance with the Policy

The following roles are designated at each location to implement compliance monitoring responsibility for this policy:

The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of [actions and](#) policy compliance, [as compiled by Systemwide Human Resources and reported to the](#)

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~~Regents in the Annual Report on Executive Compensation. including collecting all relevant compensation package activity, and creating specified regular compliance reports (such as a monthly compensation compliance report) for review by the location's Top Business Officer.~~

The Top Business Officer establishes procedures to collect and report information, reviews the ~~specified regular compliance reports~~data ~~(such as a monthly compensation compliance report)~~ for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits ~~a copy of the compliance report~~ the data report to the Executive Officer for signature.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms, ensuring monitoring procedures are in place, approving the ~~specified regular compliance reports (such as a monthly compensation compliance report)~~local data for the Annual Report on Executive Compensation, and sending notice of final approval for the reports to ~~the Senior Management~~Systemwide Human Resources, ~~the local~~ Top Business Officer, and Local Human Resources.

The Vice President–Systemwide Human Resources is accountable for reviewing the administration of this policy. The Senior Vice President–Chief Compliance and Audit Officer will periodically audit and monitor compliance to these policies and report any non-compliance to Systemwide Human Resources for corrective action, ~~and the process and results will be reported annually to senior management and the Regents through the Committee on Compensation.~~

B. Noncompliance with the Policy

Noncompliance with the policy is handled in accordance with the Regents' *Guidelines for Corrective Actions Related to Compensation Practices* and *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews* and is reported in the Annual Report on Executive Compensation.

~~Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President–Chief Compliance and Audit Officer and the Regents at least three times per fiscal year.~~

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VI. REVISION HISTORY

As a result of the issuance of this policy, the following document is rescinded as of the effective date of this policy and is no longer applicable:

Senior Management Group ~~Salary and Appointment~~ and Compensation (Regents Policy 7701), dated ~~March 1, 2009~~November 14, 2013

The following document was rescinded as of November 14, 2013:

- *Senior Management Group Salary and Appointment (Regents Policy 7701), effective March 1, 2009*

The following document was rescinded as of March 1, 2009:

- *Senior Management Group Salary and Appointment* (Regents Policy 7701), effective September 1, 2008

The following documents were rescinded as of September 1, 2008, the originally approved effective date of *Senior Management Group Salary and Appointment* (Regents Policy 7701):

- *Personnel Policies for Senior Managers II-37 (Establishment of Senior Management Positions, Titles, Salary Grades)*, dated July 1, 1996
- *Personnel Policies for Senior Managers II-30 (Salary)*, dated July 1, 1996
- *Personnel Policies for Senior Managers II-21 (Appointment)*, dated July 1, 1996
- *Delegation of Authority 2113* (as it applies to SMG members), dated February 14, 2000

VII. IMPLEMENTATION PROCEDURES

The Responsible Officer may develop procedures or other supplementary information to support the implementation of this policy. Such supporting documentation does not require approval by the Regents.