

The Regents of the University of California

COMMITTEE ON COMPENSATION

May 18, 2011

The Committee on Compensation met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Hime, Johnson, Kieffer, Lozano, Varner, and Wachter; Ex officio members Gould and Yudof; Advisory members Anderson and Pelliccioni

In attendance: Regents Blum, Crane, DeFreece, De La Peña, Island, Lansing, Makarechian, Marcus, Mireles, Newsom, Reiss, Torlakson, and Zettel, Regent-designate Hallett, Faculty Representative Simmons, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Drake, Fox, Kang, Katehi, White, and Yang, and Recording Secretary Johns

The meeting convened at 9:05 a.m. with Committee Chair Varner presiding.

1. READING OF NOTICE OF MEETING

For the record, it was confirmed that notice had been given in compliance with the Bylaws and Standing Orders for a special meeting of the Committee on Compensation, to be held concurrently with the regularly scheduled meeting of the Committee, for the purpose of considering the total compensation for Dorothy Leland as Chancellor, Merced campus.

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of March 17, 2011 were approved.

3. APPROVAL OF TOTAL COMPENSATION FOR DOROTHY LELAND AS CHANCELLOR, MERCED CAMPUS AS DISCUSSED IN REGENTS ONLY SESSION

Background to Recommendation

Georgia College and State University President Dorothy Leland, Ph.D., whose career is characterized by institution-building and higher education leadership, emerged from an exhaustive national search as the top candidate to serve as the next Chancellor of UC Merced. After becoming the tenth president of Georgia College on January 1, 2004, she

led the institution to national distinction, overseeing a 52 percent increase in federal funding during the past five years, enhancing both academic aspects and physical facilities and reaching into surrounding communities with economic development and educational initiatives. Georgia College now ranks among the top three public universities in the state, alongside the University of Georgia and Georgia Tech, in the average SAT and ACT scores of entering freshmen and in student retention. It was cited by *U.S. News and World Report* this year among a handful of public universities with a “strong commitment to teaching,” and was again named to Kiplinger’s top 100 public colleges. President Leland serves on the boards of the Council for Higher Education Accreditation and the American Association of State Colleges and Universities (AASCU), and serves on the executive steering committee of the AASCU Millennium Leadership Initiative. She received the 2005 Governor’s Award for Excellence in Historic Preservation for her comprehensive approach to the adaptive re-use and rehabilitation of historic buildings on campus. She has been recognized as one of the “100 Most Influential Georgians” and one of four Georgia “Power Women” by *Georgia Trend* magazine.

A native of California who grew up in the rural Southern California community of Fillmore, President Leland received a “Distinguished Alumna” award from Purdue University, where she earned a bachelor’s degree in English in 1971, a master’s degree in American studies in 1973 and a doctorate in philosophy in 1979. After completing her studies at Purdue, she held visiting faculty positions at California State University – Northridge, California State University – Chico and UC Santa Cruz. She returned to Purdue in 1983 as co-director of its doctoral program in philosophy and literature, and as an assistant professor in the Department of Philosophy. At Purdue, she won awards for excellence in teaching, and was tenured and promoted to associate professor of philosophy. She went from Purdue to Florida Atlantic University, where she served as chief planning officer and Associate Provost before becoming Vice President and chief administrative officer of the University’s Boca Raton campus. At Florida Atlantic, she was promoted to professor of philosophy.

Recommendation

The President recommended, contingent upon the appointment of Dorothy Leland by the Regents as Chancellor of the Merced campus at 100 percent time, approval of an annual salary of \$310,000, effective July 1, 2011, and the following items:

- A. Per policy, annual automobile allowance of \$8,916.
- B. Per policy, a University-provided house near campus while serving as Chancellor.
- C. Per policy, a relocation allowance of 25 percent (\$77,500) of annual base salary to be paid in four equal annual installments commencing September 1, 2011. Any unpaid relocation allowance amounts will be forfeited at the time of separation.

- D. Per policy, the University will arrange for packing and relocation of personal household effects associated with the relocation to the Chancellor's residence, and will also arrange to pack and move Ms. Leland's personal library and other related equipment and materials, in accordance with policies related to this move.
- 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, including Ms. Leland's library and laboratory equipment or materials to a location of her choice in California.
- F. Per policy, eligibility to participate in the UC Home Loan Program, in accordance with all applicable policies when stepping down as Chancellor, if Ms. Leland assumes a tenured faculty position at Merced or at another UC campus.
- 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, as defined by policy, for all business-related visits to the campus prior to Ms. Leland's official start date of July 1, 2011.

Recommended Compensation**Effective Date:** July 1, 2011**Base Salary:** \$310,000**Relocation Allowance (first year installment payment):** \$19,375**Total Cash Compensation:** \$329,375**Grade Level:** Not Slotted**Median Market Data:** \$488,000 (The data are not aged or adjusted for geographical differential)**Percentage Difference from Market:** 36.5 percent below market**Funding Source:** State funds**Budget &/or Prior Incumbent Data****Title:** Chancellor**Base Salary:** \$295,000**Total Cash Compensation:** \$295,000**Grade Level:** Not Slotted**Funding Source:** State funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life 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.

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

Submitted by: President Yudof
Reviewed by: Committee on Compensation Chair Varner
Office of the President, Human Resources

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Varner briefly introduced and outlined the item.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

4. **APPROVAL OF INDIVIDUAL COMPENSATION ACTIONS AS DISCUSSED IN CLOSED SESSION**

A. ***Title Change and Total Compensation for Eric Vermillion as Vice Chancellor – Finance, San Francisco Campus***

Background to Recommendation

The San Francisco campus requested approval for a change in title for Associate Vice Chancellor – Finance Eric Vermillion to Vice Chancellor – Finance, with continued SLCG slotting at Grade 109 within the Senior Management Group (SMG) program, and an increase in annual base salary from \$277,500 to \$298,313, reflective of the annual salary the incumbent has received on a temporary basis and as approved by the Regents since June 1, 2008. These two requests were in recognition of the fact that Mr. Vermillion has officially assumed responsibility for the UCSF Controller's Office and are reflective of the significant increase in level of fiduciary responsibility and institutional risk involved. Both the requested title change and base salary increase would be effective upon approval.

The existing temporary increase in annual base salary and prior stipends have been in recognition of Mr. Vermillion having assumed oversight of the UCSF

Controller's Office. Below is a summary of the prior Regental approvals related to this request:

- **July 17, 2008** – Original annual stipend of \$20,813 (7.5 percent of base salary of \$277,500), effective June 1, 2008 to May 31, 2009, approved and implemented.
- **May 12, 2009** – Extension of annual stipend of \$20,813 (7.5 percent of base salary of \$277,500), effective June 1, 2009 to May 31, 2010, approved and implemented.
- **May 20, 2010** – Stipend converted to a temporary increase in annual base salary, per Regental approval, with same resultant annual salary of \$298,313 had the stipend continued (\$277,500 plus \$20,813), effective and implemented June 1, 2010 to June 30, 2011.

The UCSF Senior Vice Chancellor – Finance and Administration has officially placed the Controller's Office within the scope of Mr. Vermillion's position in order to create one organization combining all finance activities which would best serve the campus and create efficiencies for UCSF. A significant increase in responsibility is associated with the assumption of ongoing oversight and management of the UCSF Controller organization, which includes general oversight of accounting, payroll, disbursements/accounts payable, capital accounting and asset management, internal controls, student accounting, financial reporting, and management of the UCSF financial and payroll systems. Assuming responsibility of the Controller's Office also represents a major increase in Mr. Vermillion's responsibility for operating budget and institutional risk – an additional \$15 million in operating budget for a total of \$25 million and an increase in full-time equivalent (FTE) employees of approximately 200 percent for a total of 225 FTE. The Controller, who would now report to Mr. Vermillion, maintains accountability of the financial resources of UCSF and has the authority to direct campus financial managers to implement University and campus accounting policies and procedures. The Controller also serves as an Assistant Treasurer of the UCSF Foundation and is a member of the UCSF Investigations Group, Controls and Compliance Committee, and the Audit Committee.

The Finance organization that would be under Mr. Vermillion's leadership has fiduciary oversight for \$1.6 billion. This does not include the \$1.6 billion overseen by the Medical Center but does include direct stewardship and management of over \$250 million of UCSF and State General funds and over \$300 million of Chancellor's discretionary funds, as well as oversight and stewardship of over \$900 million of capital projects in progress.

Mr. Vermillion serves as the principal finance and resource leader over an array of UCSF management and stewardship activities, including the following:

UCSF Budget & Planning – Acts as the chief resource planning and management officer for the campus. The incumbent has the authority to direct

campus managers to implement University and campus budget, financial management, and federal costing policies.

Compliance Programs and Financial Management – Serves as the campus fiduciary and, with the campus controller, has stewardship responsibilities for all campus funds. The incumbent leads a formal group of the top campus financial managers (UCSF Financial Management Steering Group) and exercises enterprise-wide oversight as the surrogate for the Senior Vice Chancellor – Finance and Administration.

Mission Bay Campus Development – Provides leadership, direction, and coordinating oversight of a wide range of activities related to the development of UCSF's Mission Bay campus. These include oversight of resource planning, resource management and decision support analytical functions, oversight of overall business and external financing plans for campus development and operation of the new campus site, and directing the coordination of Regents' actions involving financial management issues.

General Management Oversight – Exercises direct management responsibility over four departments within the Senior Vice Chancellor – Finance and Administration organization: the Budget and Resource Management Department, the Purchasing and Business Services Contracting Department, the Controller's Office, and the Risk Management Services Office.

This request would align Mr. Vermillion's title and compensation with that of other individuals in the system who hold Vice Chancellor – Finance titles and have SLCG grades at the same level (SLCG Grade 109) or below that of Mr. Vermillion. Because of the varied configurations of financial responsibilities among the systemwide financial vice chancellors, direct comparisons of scope, complexity, and institutional impact are challenging. While most of the financial vice chancellor positions report directly to their respective chancellors, the scale of the portfolio of responsibilities housed in the position held by Senior Vice Chancellor Plotts requires a non-traditional organizational structure to address UCSF's financial needs effectively. The size, scope, and complexity of Mr. Vermillion's fiduciary responsibilities are equal to or greater than those of the other financial vice chancellor positions systemwide, and he is uniquely engaged in a model of collaborative efficiency that results in his holding strategic sourcing and resource management responsibilities for both UCSF and UC Berkeley.

The requested base salary of \$298,313, originally approved by the Regents on July 17, 2008, on a temporary basis, recognizes the responsibilities associated with official placement of the Controller's Office within Mr. Vermillion's portfolio. The proposed base salary of \$298,313 is 11.9 percent above the current market median of \$266,672 based on market data from the College and University Professional Association (CUPA) Administrative Compensation Survey. In

addition, the proposed base salary is 8.8 percent above the midpoint of SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).

Recommendation

The President recommended approval of the following items in connection with the title change and total compensation for Eric Vermillion, Vice Chancellor – Finance, San Francisco campus:

- (1) Appointment as Vice Chancellor – Finance, San Francisco campus, at 100 percent time.
- (2) Per policy, an annual base salary of \$298,313 at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- (3) Effective upon approval.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$298,313

Total Cash Compensation: \$298,313

Grade Level: SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700)

Median Market Data: \$266,672

Percentage Difference from Market: 11.9 percent above market

Funding Source: Non-State Funds

Budget &/or Prior Incumbent Data

Title: Associate Vice Chancellor – Finance

Base Salary: \$298,313 (temporary)

Total Cash Compensation: \$298,313

Grade Level: SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700)

Funding Source: Non-State Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).
- Per policy, a five 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 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.

Submitted by: UCSF Chancellor Desmond-Hellmann
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

B. *Appointment of and Total Compensation for Denise Stephens as University Librarian, Santa Barbara Campus*

Background to Recommendation

Approval was requested for the appointment of and compensation for Denise Stephens as University Librarian, Santa Barbara campus, effective July 1, 2011. Ms. Stephens' candidacy is the result of a comprehensive national search conducted by a search committee and wide consultation with colleagues on the Santa Barbara campus and throughout the university-level library community.

Ms. Stephens is currently the Strategic and Organizational Research Librarian at the University of Kansas, where she previously had oversight of library and information technology activities as Vice Provost for Information Services and Chief Information Officer from 2005 to 2010. Her experience includes leading roles in library research, library administration and planning, information management and policy, and program assessment at the University of Virginia, the University of Kansas, and Syracuse University. She was the acting University Librarian at Syracuse before returning to the University of Kansas to assume the vice provost role. She holds a master's degree in library science from the University of Oklahoma and is an alumna of the Association of Research Libraries Leadership and Career Development Program. Her research interests include organizational and change leadership, on which she has produced several publications and presentations. She has served on numerous library and information technology advisory committees and boards, including the Depository Library Council of the U.S. Public Printer and Educause.

The campus requested that Ms. Stephens receive an annual base salary of \$200,000 as the University Librarian, Santa Barbara campus. The proposed base salary of \$200,000 is 4.6 percent below the current market median of \$209,555. Market data are provided by Mercer Consulting, including data from the 2010-11 College and University Professional Association (CUPA) Administrative Compensation Survey. In addition, the proposed base is 14.7 percent above the midpoint for SLCG Grade 105 (Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400) and 1.3 percent below the average base salary of \$202,557 for the University Librarians at the other UC locations.

This position is funded 100 percent by UC general funds provided by the State.

Recommendation

The President recommended approval of the following items in connection with the appointment of and compensation for Denise Stephens as University Librarian, Santa Barbara campus:

- (1) Per policy, appointment of Denise Stephens as University Librarian.
- (2) Per policy, annual base salary of \$200,000 at SLCG Grade 105 (Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400).
- (3) Per policy, a relocation allowance of 25 percent (\$50,000) of base salary paid as a lump sum to aid Ms. Stephens' relocation, subject to a repayment schedule if she separates from University employment within the first four years of her appointment. The repayment schedule would be as follows: 100 percent if separation occurs within the first year of employment, 60 percent within the second year of employment, 30 percent within the third year of employment, and ten percent within the fourth year of employment.
- (4) Per policy, 100 percent reimbursement of actual and reasonable expenses associated with moving household goods and personal effects from the primary residence. The moving reimbursement is subject to a repayment provision, in accordance with the applicable policy.
- (5) Per policy, one house-hunting trip not to exceed four days for candidate and her spouse and reimbursable up to \$2,500, subject to the limitations under policy.
- (6) This appointment is at 100 percent time and, upon approval, will be effective July 1, 2011.

Recommended Compensation

Effective Date: July 1, 2011

Term Appointment Base Salary: \$200,000

Total Cash Compensation: \$200,000

Grade Level: SLCG Grade 105 (Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400)

Median Market Data: \$209,555 (Aged but not adjusted for geographical differential)

Percentage Difference from Market: 4.6 percent below market

Funding Source: State Funds

Budget &/or Prior Incumbent Data

Title: University Librarian

Base Salary: \$195,000

Total Cash Compensation: \$195,000

Grade Level: SLCG Grade 105 (Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400)

Funding Source: State Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, eligibility to participate in the UC Home Loan Program, in accordance with all applicable policies.

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

Submitted by: UC Santa Barbara Chancellor Yang

Reviewed by: President Yudof

Committee on Compensation Chair Varner

Office of the President, Human Resources

C. *Term Appointment of and Compensation for Christina L. Valentino as Vice Chancellor – Business and Administrative Services, Santa Cruz Campus*

Background to Recommendation

Approval was requested for the term appointment of Christina L. Valentino as Vice Chancellor – Business and Administrative Services at the Santa Cruz campus, effective July 1, 2011, through December 31, 2012, or until the appointment of a permanent Vice Chancellor – Business and Administrative Services, whichever occurs first. The campus expects that a nationwide search will be launched in fall 2011 to fill the position permanently.

This request was in response to a vacancy created by the retirement of Vice Chancellor – Business and Administrative Services Tom Vani. Mr. Vani's last day on campus will be June 29, 2011.

The Vice Chancellor – Business and Administrative Services, as the chief campus administrative services officer, is responsible for the campus' business services; accounting/fiscal services and staff human resources; physical planning and construction services (including environmental, long-range and community

planning); physical plant and grounds operations; and health and safety services (including Americans with Disabilities Act compliance for facilities, transportation and computing services).

Ms. Valentino has over 30 years of experience as an educator and administrator. She currently serves as Associate Vice Chancellor – Business and Administrative Services. She has served as second-in-command of the BAS Division for the past ten years, first as Assistant Vice Chancellor for two years and then as Associate Vice Chancellor after being promoted in 2002.

The requested base salary of \$200,000 is 8.6 percent below the midpoint of SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000) and 27.2 percent below the market median of \$274,901. Market data are provided by Mercer Consulting, including data from the 2010-11 College and University Professional Association (CUPA) Administrative Compensation Survey. This position is funded 100 percent by State funds.

Recommendation

The President recommended approval of the following items in connection with the term appointment of and compensation for Christina L. Valentino as Vice Chancellor – Business and Administrative Services, Santa Cruz campus:

- (1) Term appointment of Christina L. Valentino as Vice Chancellor – Business and Administrative Services.
- (2) Per policy, annual base salary of \$200,000 at SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- (3) This term appointment is at 100 percent time and effective July 1, 2011 through December 31, 2012, or until the appointment of a permanent Vice Chancellor, whichever occurs first.

Recommended Compensation

Effective Date: July 1, 2011

Annual Base Salary: \$200,000

Total Cash Compensation: \$200,000

Grade Level: SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000)

Median Market Data: \$274,901

Percentage Difference from Market: 27.2 percent below market

Funding Source: State Funds

Budget &/or Prior Incumbent Data

Title: Vice Chancellor – Business and Administrative Services

Base Salary: \$226,100

Total Cash Compensation: \$226,100

Grade Level: SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000)

Funding Source: State Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.

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. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UC Santa Cruz Chancellor Blumenthal
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

D. *Continuation of Appointment of Rehired Retiree Glenn L. Mara as Acting Associate Vice President – Laboratory Programs, Office of the President*

Background to Recommendation

A request for the continuation of the appointment of Glenn L. Mara as Acting Associate Vice President – Laboratory Programs, Office of the President, was presented to the Regents for approval. Glenn L. Mara was appointed to this position as a rehired retiree effective August 1, 2009 through July 31, 2010 and subsequently reappointed for the period of August 1, 2010 through July 31, 2011. This request was to continue Mr. Mara's appointment for the period August 1, 2011 through July 31, 2012.

Mr. Mara's performance in this position has been exceptional. He is highly valued by the Laboratories and the UC Governors of Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS). His position is critical to the University's continuing oversight of the science and technology/research program at Lawrence Berkeley National Laboratory (LBNL) and appropriate oversight and interface with LANS and LLNS private sector partners in matters affecting science and technology and mission performance at Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL). Mr. Mara's limited appointment will allow the continuation of the important and sensitive oversight of Department of Energy (DOE) contractual agreements, high-profile Laboratory programs, and representation of the University with key stakeholders including the Department of Defense, National Nuclear Security Administration (NNSA) and DOE, as well as State and

federal elected officials. These responsibilities have been identified as having serious impact upon the University and are complex and public in nature.

This position is funded from non-State funds, specifically the DOE contract fee earned as UC's partner share at LANL and LLNL and reimbursed costs for Laboratory Management expenses approved by the DOE Contracting Officer at LBNL. The funds for this position are a part of the Office of the President expenditure budget paid from Laboratory fees that is approved by the Regents on an annual basis.

Prior to his 43 percent appointment as Acting Associate Vice President – Laboratory Programs effective August 1, 2009, Mr. Mara had retired in June 2009 from LANS, where he had held the position of Principal Associate Director for Weapons Programs. Mr. Mara had previously served as LLNL's Deputy Director for Operations and played major roles in the transition of the Nevada Test Site under the test moratorium, U.S. nuclear stockpile life extension projects, and project management at the National Ignition Facility.

Mr. Mara first retired from LLNL in January 2005, but suspended his retirement in April 2005 to assume the position of Senior Associate to the Vice President for Laboratory Management at the Office of the President. In that position, Mr. Mara was responsible for developing improvements in all aspects of LANL and LLNL operations, participating in their strategic planning processes, and facilitating Laboratory performance to meet NNSA's operational requirements. Mr. Mara was also part of the successful team (LANS) that bid for the management of LANL. Mr. Mara retired from the University in May 2006 prior to his appointment at LANS in June 2006.

Mr. Mara is uniquely qualified to continue in the role of Acting Associate Vice President – Laboratory Programs. He is intimately familiar with LLNL and LANL and has interacted extensively with LBNL over his 35-year career. He has an in-depth understanding of the entire nuclear weapons complex and knows and interacts well with DOE/NNSA and Department of Defense communities and Washington, D.C. stakeholders, as well as State and federal elected officials.

The University has also evaluated the duties of the Associate Vice President – Laboratory Programs over the past year and, in addition to Mr. Mara's 43 percent time position, will continue to maintain a personal services contract for additional staff to assume other Laboratory Management duties and activities. This approach continues to cost less than the previous employment of a full-time person in this position, provides greater ability to participate in external reviews of science and mission programs at the three Laboratories, and provides broader scientific and mission expertise for fulfillment of UC's oversight of science and mission performance at the three Laboratories.

Recommendation

The President recommended approval of the following items in connection with the continuation of the appointment of rehired retiree Glenn L. Mara as Acting Associate Vice President – Laboratory Programs, Office of the President:

- (1) Continuation of appointment of Glenn L. Mara as Acting Associate Vice President – Laboratory Programs, Laboratory Management Office, Office of the President, at 43 percent time.
- (2) Per policy, continuation of appointment salary of \$136,826 at 43 percent time appointment rate (\$318,200 at 100 percent time appointment rate).
- (3) This appointment is effective upon approval from August 1, 2011 to July 31, 2012. Any extension beyond this 12-month appointment is subject to approval.

Recommended Compensation

Effective Date: August 1, 2011, upon approval

Base Salary: \$136,826 (\$318,200 at 100 percent time)

Grade Level: SLCG Grade 110

(Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500)

Funding Source: Non-State funds

Budget &/or Prior Incumbent Data

Title: Acting Associate Vice President – Laboratory Programs, Laboratory Management Office

Base Salary: \$136,826 (\$318,200 at 100 percent time)

Funding Source: Non-State funds

Additional items of compensation include:

- Per policy, Mr. Mara plans to sign the UC Retirement Plan Rehired Retiree Waiver Form that will serve to decline participation in the UC Retirement System (UCRS) and allow Mr. Mara to continue receiving his retirement annuity while receiving compensation related to this appointment.

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

Submitted by: Vice President Darling

Reviewed by: Committee on Compensation Chair Varner

Office of the President, Human Resources**E. *Stipend Extension for Sheila E. Antrum as Chief Nursing and Patient Care Services Officer, Medical Center, San Francisco Campus***Background to Recommendation

The San Francisco campus requested approval of a stipend extension for Sheila Antrum as Chief Nursing and Patient Care Services Officer, Medical Center, of 15 percent (\$37,500 annually). This stipend is based on an annual base salary of \$250,000, SLCG Grade 110, effective upon approval, with an implementation date of July 1, 2011 through December 31, 2011. The existing 15 percent stipend is scheduled to end on June 30, 2011. The stipend will continue to be funded through Medical Center revenues.

The 15 percent stipend was first approved by President Yudof on April 30, 2009 and Committee on Compensation Chair Varner on May 6, 2009, retroactive to February 1, 2009 through December 31, 2009, in recognition of Ms. Antrum's assumption of temporary responsibility for Pharmacy and Perioperative Services. On November 19, 2009, the Regents approved an extension of the administrative stipend through December 31, 2010, in recognition of continued increased responsibilities. The Regents subsequently approved a six-month extension of the stipend through June 30, 2011. This proposed action extends the stipend for another six months or until implementation of a salary adjustment. This current stipend extension request is an exception to Senior Management Group policy as it has continued beyond the one-year limit.

In fall 2010, a systemwide effort began to adjust chief nursing officer salaries, based on market comparators, to address market lags and compression issues, but this effort has been postponed. For this reason, the campus requested an extension of Ms. Antrum's existing stipend through December 31, 2011, or until implementation of a salary adjustment, whichever comes first, in order to avoid gaps in compensation.

Ms. Antrum reports directly to the Medical Center Chief Executive Officer. The existing 15 percent stipend reflects the now permanent responsibility of oversight of Pharmacy and Perioperative Services where, with Ms. Antrum's leadership, exemplary progress and improvements continue to be made. Her additional duties have included oversight of a budget of \$250 million and an additional 788.7 full-time equivalent (FTE) employees. This represents over a 50 percent increase in FTE and a 103 percent increase in operating budget oversight for Ms. Antrum's position, relative to her responsibilities prior to the implementation of the stipend.

The resultant annual salary of \$287,500 (requested stipend extension of \$37,500 plus base salary of \$250,000) is 3.3 percent higher than the median market data of

\$278,189, and 6.4 percent below the SLCG Grade 110 salary range midpoint of \$307,200.

Recommendation

The President recommended approval of the following items in connection with the stipend extension for Sheila E. Antrum as Chief Nursing and Patient Care Services Officer, Medical Center, San Francisco campus:

- (1) Continued appointment of Sheila E. Antrum as Chief Nursing and Patient Care Services Officer at 100 percent time.
- (2) Per policy, continued annual base salary of \$250,000, at SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- (3) As an exception to policy, continued annual stipend of \$37,500, effective July 1, 2011, through December 31, 2011, or until implementation of a salary adjustment, whichever comes first. This is an exception to Senior Management Group policy as the stipend continues to exceed the one-year limit.
- (4) Per policy, continued participation in the Clinical Enterprise Management Recognition Plan (CEMRP), with a maximum potential incentive payment of up to 25 percent (\$62,500) and a target incentive payment of 15 percent (\$37,500) of base salary. Actual award will depend on performance.
- (5) Effective upon approval, with an implementation date of July 1, 2011.

Recommended Compensation

Effective Date: July 1, 2011, through December 31, 2011

Base Salary: \$250,000

Stipend: \$37,500

CEMRP: \$37,500 (at target rate of 15 percent)

Total Potential Cash Compensation: \$325,000

Grade Level: SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500)

Median Market Data: \$278,189

Percentage Difference from Market: 3.3 percent above market

Funding Source: Medical Center revenues

Budget &/or Prior Incumbent Data

Title: Chief Nursing Officer

Base Salary: \$250,000

Stipend: \$37,500

CEMRP: \$37,500 (at target rate of 15 percent)

Total Potential Cash Compensation: \$325,000

Grade Level: SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500)

Funding Source: Medical Center revenues

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program (based on annual base salary plus stipend).
- Continuance of relocation allowance, which is now in its fourth year of payout. Ten percent (\$5,000) of the entire allowance (\$50,000) remains unpaid at this time and is scheduled to be paid prior to May 28, 2011.

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

Submitted by: UCSF Chancellor Desmond-Hellmann
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Varner noted that the Committee had reviewed the five compensation items the previous day in closed session.

Upon motion duly made and seconded, the Committee approved the President's recommendations and voted to present them to the Board.

5. **APPROVAL OF EMERITUS STATUS AND COMPENSATION-RELATED ITEMS FOR STEVE S. KANG AS PROFESSOR ABOVE SCALE, SANTA CRUZ CAMPUS AS DISCUSSED IN REGENTS ONLY SESSION**

Background to Recommendation

Sung-Mo "Steve" Kang, who became the second Chancellor of the University of California, Merced, on March 1, 2007, oversaw the growth of both enrollment and the campus itself. During his tenure, UC Merced was designated an Hispanic-Serving Institution by the U.S. Department of Education while making steady progress toward securing initial accreditation status, expected to be awarded in July 2011. Mr. Kang came

to UC Merced as a widely respected educator, researcher and administrator who, as Dean of the Baskin School of Engineering at UC Santa Cruz, took a nascent program to significantly higher levels of achievement during its second phase of development. He holds 15 U.S. patents in electrical engineering and has written or co-authored 11 books and more than 350 technical papers, winning numerous awards and fellowships. His research interests include design of lower-power, very large-scale integrated (VLSI) circuits, modeling and simulation of semiconductor devices, and nanoelectronics.

Chancellor Kang will make the transition from his current position as Chancellor of the Merced campus to a new appointment as Professor Above Scale in the Department of Electrical Engineering at the Santa Cruz campus effective July 1, 2011. The academic year salary will be \$215,500. The campus will cover start-up costs associated with reestablishing Mr. Kang's laboratory in Santa Cruz.

Recommendation

The President recommended approval of the following items for Sung-Mo "Steve" Kang, as Professor Above Scale, 100 percent time, Santa Cruz campus:

- A. Per policy, conferral of the title of Chancellor Emeritus as of July 1, 2011 in recognition of Mr. Kang's extensive service to the University as Chancellor of the Merced campus.
- B. Administrative leave in lieu of sabbatical to be taken from July 1, 2011 to June 30, 2012, paid at Mr. Kang's current Chancellor salary of \$295,000. Mr. Kang will forfeit all accrued sabbatical credit in exchange for this year-long leave at his current salary. This 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. Kang returning to a tenured faculty position for a minimum of one year at the completion of this leave.
- C. Any unused vacation accrual will be calculated as of June 30, 2011 and paid out by UC Merced.
- D. Per policy, the Office of the President will cover the reasonable and customary moving expenses associated with moving household items to Santa Cruz. The Office of the President will also cover the costs of moving Mr. Kang's library, personal items, and research equipment not owned by UC Merced from the campus and laboratory.
- E. The Senior Management Group benefits associated with Mr. Kang's position as Chancellor, including senior management life insurance and executive salary continuation for disability, as well as the automobile allowance, administrative fund, and any other allowances and compensation associated with Mr. Kang's position as Chancellor will end on June 30, 2011.

Recommended Compensation during Administrative Leave**Effective Date:** July 1, 2011 – June 30, 2012**Annual Base Salary:** \$295,000**Total Cash Compensation:** \$295,000**Funding Source:** State Funds**Recommended Compensation upon Return to Tenured Faculty Position****Effective Date:** July 1, 2012**Annual Base Salary:** \$215,500**Total Cash Compensation:** \$215,500**Funding Source:** State Funds**Budget &/or Prior Incumbent Data****Title:** Chancellor, Merced Campus**Base Salary:** \$295,000**Total Cash Compensation:** \$295,000**Funding Source:** State Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.

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

Submitted by: President Yudof
Reviewed by: Committee on Compensation Chair Varner
Office of the President, Human Resources

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Varner briefly summarized the item and thanked Chancellor Kang for his contributions to the University and looked forward to his continuing success with the University.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

6. **REVIEW OF THE STUDY ON TOTAL COMPENSATION FOR THE UNIVERSITY OF CALIFORNIA OFFICE OF THE TREASURER**

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Varner explained that the Office of the President engaged Mercer Consulting to conduct a comprehensive study of compensation and benefits practices of investment professionals in public pension funds, university endowments and foundations, and asset management firms. The report concluded that the current compensation structure in the Office of the Treasurer is competitive, fair, and reasonable.

The meeting adjourned at 9:15 a.m.

Attest:

Associate Secretary