The Regents of the University of California

COMMITTEE ON COMPENSATION
September 14-15, 2011

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

Members present: Regents Johnson, Kieffer, Pattiz, Pelliccioni, Ruiz, and Varner; Ex officio members Gould, Lansing, and Yudof; Advisory members Anderson and Mendelson

In attendance: Regents Blum, Crane, De La Peña, Hallett, Island, Makarechian, Marcus, Mireles, Newsom, Reiss, Schilling, Wachter, and Zettel, Regents-designate Rubenstein and Stein, Faculty Representative Powell, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Desmond-Hellmann, Drake, Fox, Katehi, Leland, White, and Yang, and Recording Secretary Johns

The meeting convened at 10:25 a.m. with Committee Chair Ruiz presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of July 14, 2011 were approved.

2. **REVIEW OF COMPETITIVE COMPENSATION PRACTICES FOR CHANCELLORS**

[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 Ruiz observed that, although the University is not alone among its peer institutions in dealing with mounting economic pressures to control and reduce expenses, it finds itself in a position of having to balance this task with the retention of key leadership and the recruitment of new talent to fill vacancies resulting from retirements and failed retention efforts. It has been projected that 30 percent of UC staff are eligible to retire, and an even greater percentage of senior leaders have reached that threshold. The University would soon launch a search for a new chancellor at the San Diego campus due to Chancellor Fox’s plans to step down.
Committee Chair Ruiz recalled that the last comprehensive study conducted on compensation for chancellors was completed in 2008. The University believes that, given the new recruitment at UCSD as well as the increased demands on chancellors, including leading crucial fundraising efforts for their campuses, it would be appropriate to conduct a new study at this time. Following a request by the Committee Chair and Vice Chair, the Office of the President intends to undertake a comprehensive review of the compensation of chancellors at other universities. Committee Chair Ruiz reported that, once the study and analysis are finalized, the details would be presented in open session at a meeting of the Regents in 2012. He added that the discussion of this issue should include consideration of the role and responsibilities of the chancellors, and how these have changed over time.

Regent Kieffer stated that the University should consider how chancellors’ and comparable university presidents’ salaries are funded at other universities in the U.S., and should consider the possibility of using both State and outside funding to pay chancellors’ salaries. He stated that this study should be conducted in a manner independent of any consideration of compensation for a particular chancellor. The study should be a separate review of the overall matter of chancellors’ compensation, UC competitiveness, and the need to keep compensation costs as low as possible.

Executive Vice President Brostrom responded that the recommendations of Committee Chair Ruiz and Regent Kieffer would be incorporated in the study. He noted that, as part of the University’s new approach to compensation, such surveys like this one would be conducted regularly to ensure that the University has up-to-date information.

Regent Varner expressed his view that the chancellors are not properly compensated and that there may not be an adequate market comparison for the unique duties and roles of UC chancellors. The campuses are like small cities, and the chancellors’ work includes administration, fundraising, and responding to student needs. The University should emphasize the uniqueness of the chancellors’ role and their contribution to the institution. The University should not be afraid to compensate chancellors appropriately, and it should educate the public and legislators about the need to do this to maintain the excellence of the institution.

Committee Chair Ruiz emphasized the importance of maintaining UC’s quality and anticipated that there would be robust discussions of this issue at future meetings.

Chairman Lansing stressed that the Regents are well aware of the need to retain outstanding chancellors in a competitive environment.

The Committee recessed at 10:30 a.m.

The Committee reconvened on September 15, 2011 at 8:50 a.m. with Committee Chair Ruiz presiding.
Members present: Regents Johnson, Kieffer, Pattiz, Pelliccioni, Ruiz, and Varner; Ex officio members Gould, Lansing, and Yudof; Advisory members Anderson and Mendelson

In attendance: Regents Crane, De La Peña, Hallett, Island, Makarechian, Marcus, Mireles, Reiss, Schilling, Torlakson, Wachter, and Zettel, Regents-designate Rubenstein and Stein, Faculty Representative Powell, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Darling, Duckett, Lenz, and Sakaki, Chancellors Block, Desmond-Hellmann, Drake, Fox, Leland, White, and Yang, and Recording Secretary Johns

3. CONSENT AGENDA

A. Approval of Individual Non-State-Funded Compensation Consent Actions as Discussed in Closed Session

(1) Change in Total Compensation for Claire Pomeroy as Vice Chancellor – Human Health Sciences and Dean – School of Medicine, UC Davis Health System

Background to Recommendation

The UC Davis Health System requested approval to increase the total compensation for Claire Pomeroy as Vice Chancellor – Human Health Sciences and Dean – School of Medicine. Funding for her compensation increase comes exclusively from health system clinical revenue.

Dr. Pomeroy participates in the Health Sciences Compensation Plan (HSCP), under the purview of the Academic Personnel group. Her current compensation consists of an annual base salary of $468,800, plus a negotiated additional compensation “Y” component payment of $75,000 and a “Z” component negotiated as a true incentive with objectives aligned with the Clinical Enterprise Management Recognition Plan (CEMRP). This request was to increase Dr. Pomeroy’s “Y” payment from $75,000 to $195,475 to be in alignment with her UC peers. Per policy, Dr. Pomeroy is a participant only in the HSCP, not CEMRP. In addition, the campus proposed eliminating the “Z” component of the HSCP for Dr. Pomeroy. The “Z” payment is a variable payment based on achievement of annual goals, with a target of 20 percent and a maximum potential award amount of 30 percent of base salary. This action was intended to achieve consistency among Dr. Pomeroy’s role and those of her peers at other UC health systems.
Dr. Pomeroy was appointed Vice Chancellor – Human Health Sciences and Dean – School of Medicine in 2005. In that role, she oversees the UC Davis Health System and its academic, research and clinical programs, including the School of Medicine, the Betty Irene Moore School of Nursing, the 800-member physician practice group and the UC Davis Medical Center, a 645-bed acute care hospital.

This past year, Dr. Pomeroy oversaw the UC Davis School of Medicine’s rise to 37th place among 134 schools of medicine in the United States in an annual ranking based on the amount of National Institutes of Health (NIH) research funds received. The 2010 ranking moves UC Davis School of Medicine 11 places higher than its 2009 ranking and 25 places higher than its 2001 ranking, when it ranked 62nd nationwide. Total NIH funding for the School of Medicine has more than doubled in the past nine years. In 2010, NIH funds reached nearly $119 million; the total in 2001 was just over $46 million. NIH funding represents 62 percent of the School’s total extramural funding, which in fiscal year 2009-10 reached $190.4 million.

The School of Medicine successfully renewed three major grants for the Alzheimer’s disease Center, the Clinical and Translational Science Center, and the Cancer Center. The Betty Irene Moore School of Nursing has drawn significant initial research funding as it develops its research program aimed at improving health care systems and advancing the health of individuals, families, and communities. In addition, high-impact, collaborative research programs that improve societal health have experienced tremendous growth under Dr. Pomeroy’s leadership.

In the area of education, the School of Nursing recruited five faculty members and enrolled its second class of eight Ph.D. students and 25 master’s students. The School of Medicine recruited 63 new faculty members, four new chairs and a director of the MIND (Medical Investigation of Neurodevelopmental Disorders) Institute. Both schools utilized a new holistic admissions process and a multiple mini-interview approach to improve the quality and diversity of students. The UC Davis Health System also has successfully reaccredited six of its 56 graduate medical education programs.

UC Davis was the only UC medical center to be recognized by the Leapfrog Group, which ranked the medical center in the top 65 hospitals nationally.

National recognition for and awareness of the UC Davis Health System continues to rise under Dr. Pomeroy’s leadership. The UC Davis Medical Center and School of Medicine rank among the top 50 institutions in America, according to an annual U.S. News and World Report survey.
published in July 2011. *U.S. News and World Report* assessed medical schools across the country for both the quality of their research training and primary care training. The current year’s rankings place UC Davis School of Medicine at 42nd for research and 41st for primary care. UC Davis Children’s Hospital is among the nation’s premiere children’s hospitals, as reported in the May 2011 ranking by *U.S. News and World Report*.

**Recommendation**

The President recommended approval of the following items in connection with a change in the total compensation for Claire Pomeroy as Vice Chancellor – Human Health Sciences and Dean – School of Medicine, UC Davis Health System:

a. Per policy, continuation of an annual base salary of $468,800 at SLCG Grade 113 (Minimum $333,900, Midpoint $431,500, Maximum $529,100).

b. Per policy, continued participation in the Health Sciences Compensation Plan (HSCP) with an increase to the “Y” payment from $75,000 to $195,475 annually and elimination of the “Z” payment.

c. This appointment is at 100 percent time and effective upon approval.

**Recommended Compensation**

**Effective Date:** Upon approval

**Annual Base Salary:** $468,800

**Health Sciences Compensation Plan (“Y”):** $195,475

**Total Cash Compensation:** $664,275

**Grade Level:** SLCG Grade 113 (Minimum $333,900, Midpoint $431,500, Maximum $529,100)

**50th Percentile Market Data for Base Salary Only:** $549,700

**Percentage Difference from 50th Percentile Market Data for Base Salary Only:** 14.7 percent below market

**75th Percentile Market Data for Base Salary Only:** $818,800

**Percentage Difference from 75th Percentile Market Data for Base Salary Only:** 42.7 percent below market

**50th Percentile Market Data for Total Cash Compensation:** $660,400

**Percentage Difference from 50th Percentile Market Data for Total Cash Compensation:** 0.6 percent above market

**75th Percentile Market Data for Total Cash Compensation:** $923,300

**Percentage Difference from 75th Percentile Market Data for Total Cash Compensation:** 28.1 percent below market
**Funding Source**: Non-State funds

**Budget &/or Prior Incumbent Data**

**Title**: Vice Chancellor – Human Health Sciences and Dean – School of Medicine  
**Annual Base Salary**: $468,800  
**Health Sciences Compensation Plan (“Y”)**: $75,000  
**Health Sciences Compensation Plan (“Z”)**: $93,760 (at target of 20 percent)  
**Total Cash Compensation**: $637,560  
**Grade Level**: SLCG Grade 113 (Minimum $333,900, Midpoint $431,500, Maximum $529,100)  
**Funding Source**: Non-State funds

*The “Z” component is a variable payment of the HSCP. Dr. Pomeroy was eligible to receive up to 30 percent of her base salary.

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, ineligible to participate in the Senior Management Supplemental Benefits Program due to tenured faculty appointment.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.

The compensation described above shall constitute the University’s total commitment until modified by the Regents and shall supersede all previous oral 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 Davis Chancellor Katehi  
**Reviewed by**: President Yudof  
Committee on Compensation Chair Ruiz  
Office of the President, Human Resources
Retention Increase in Salary and Total Compensation for Ann Madden Rice as Chief Executive Officer, UC Davis Medical Center

Background to Recommendation

The UC Davis Medical Center requested approval of a preemptive retention salary adjustment for Ann Madden Rice as Chief Executive Officer. Funding for this position will come exclusively from hospital system funds.

The requested annual base salary increase would bring Ms. Rice’s base salary plus target award to $960,000. This request was in response to a recent recruitment effort by a major competing academic medical center. Due to Ms. Rice’s outstanding leadership, she is now a finalist for the chief executive officer position at the other institution. It is expected that her salary offer will be in excess of $1.5 million. The requested increase would take Ms. Rice’s base salary from $584,300 annually to $800,000 annually. According to Mercer Consulting, the 50th percentile market data indicate a base salary for this position of $923,800. A review of chief executive officers’ compensation at competing institutions shows total compensation packages of over $1 million. Comparator institutions included Thomas Jefferson University Hospital, University Hospitals Case Medical Center, University of Maryland Medical Center, Kaleida Health/University of Buffalo, and Yale-New Haven Hospital.

Ms. Rice has been the Chief Executive Officer of the UC Davis Medical Center since October 1, 2006. She oversees 6,500 employees who support the operations of an acute care teaching hospital licensed at 613 beds. The Medical Center, which includes primary and specialty clinics in ten communities, has an annual operating budget of more than $1 billion. It serves a region of six million residents in 33 counties in Northern and Central California and records nearly one million patient visits annually. It is the sole provider of a number of services for inland Northern California, including a Level 1 trauma center, a full-service children’s hospital and pediatric emergency department, and a National Cancer Institute-designated Cancer Center.

Under Ms. Rice’s leadership, the UC Davis Medical Center leadership and staff continue to achieve exceptional success in patient quality and safety, patient satisfaction, and financial objectives. The UC Davis Medical Center opened its Surgery and Emergency Services Pavilion in August 2010; it is the largest, most complex and far-reaching building project UC Davis has ever undertaken. The expansion of the Medical Center combines the latest in technological advances with a focus on patient care. The UC Davis Medical Center is the only UC medical center to receive national recognition from the Leapfrog Group as a top hospital. It has
received top rankings locally and nationally for its specialty services and for its advanced use of electronic health records. UC Davis Children’s Hospital also received top rankings for the first time. The Medical Center achieved Healthcare Information and Management Systems Society (HIMSS) Analytics Stage 6 for its advanced implementation of electronic health records, joining the top three percent of the hospitals that have earned this distinction. It also has been honored for its commitment to diversity: the Institute for Diversity in Health Management recognized the Medical Center as “best in class” for strengthening its diverse workforce and for delivering culturally and linguistically competent care. The Human Rights Campaign Foundation honored the Medical Center as a leader in health care equality for lesbian, gay, bisexual, and transgender patients and employees.

Patient satisfaction scores have increased over the past four years. Despite the lack of County funding for acute and ambulatory patients and the decline in funding for mental health in Sacramento County, operating income for the period ending May 2011 exceeded the approved budget by approximately $47 million with actual expenses approximately $27.48 million under budget.

Ms. Rice is highly regarded within her professional community. She has received the Senior Level Healthcare Executive Award from the Association of Healthcare Leaders. She is on the Executive Board and the Finance Committee of the University Health System Consortium and on the Board of the Hospital Council of Northern California. Most recently, she was elected alternate delegate to the American Hospital Association’s Regional Policy Board from District 9. She is currently chair of the Sacramento Area Commerce and Trade Organization, the Sacramento Region’s economic development group.

These achievements are a testament to Ms. Rice’s exceptional management skills. Retaining such an accomplished leader is critical to the mission of the UC Davis Health System, particularly with the challenges and uncertainties of health care reform.

Recommendation

The President recommended approval of the following items in connection with a retention increase in salary and total compensation for Ann Madden Rice as Chief Executive Officer, Medical Center, Davis campus:

a. Per policy, an adjustment to the base salary of $215,700 for a base salary of $800,000, SLCG Grade 117 (Minimum $522,300, Midpoint $679,000, Maximum $835,800). This adjustment to base salary is to be effective upon approval and consistent with the
withdrawal of Ms. Rice’s candidacy in the outside recruitment effort.

b. Per policy, continued eligibility for additional non-base building incentive compensation as an eligible participant in the Clinical Enterprise Management Recognition Plan with an annual target award of 20 percent of base salary and a maximum potential award of 30 percent of base salary. Actual award will be determined based on performance against pre-established goals and objectives.

c. Per policy, continued annual automobile allowance of $8,916.

d. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

e. This appointment is at 100 percent time.

**Recommended Compensation**

**Effective Date:** Upon approval

**Base Salary:** $800,000

**CEMRP (at 20 percent target rate):** $160,000

**Total Cash Compensation:** $960,000

**Grade Level:** SLCG Grade 117 (Minimum $522,300, Midpoint $679,000, Maximum $835,800)

**Funding Source:** Non-State-funded position

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**Budget &/or Prior Incumbent Data**

**Title:** Chief Executive Officer, Medical Center

**Base Salary:** $584,300

**CEMRP (at 20 percent target rate):** $116,860

**Total Cash Compensation:** $701,160

**Grade Level:** SLCG Grade 117 (Minimum $522,300, Midpoint $679,000, Maximum $835,800)

**Funding Source:** Non-State-funded position

Additional items of compensation include:

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

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 Davis Chancellor Katehi
Reviewed by: President Yudof
Committee on Compensation Chair Ruiz
Office of the President, Human Resources

(3) Retention Increase, Reclassification, and Interim Slotting for John A. Heydt as Senior Associate Dean for Clinical Affairs and President and Chief Executive Officer for University Physicians and Surgeons, Irvine Campus

Background to Recommendation

Approval was requested for the retention increase, reclassification, and interim slotting for John A. Heydt, Senior Associate Dean for Clinical Affairs and President and Chief Executive Officer (CEO) for University Physicians and Surgeons (UPS), Irvine campus. The requested amount is an increase of $74,975 (16.7 percent) in total potential cash compensation. Funding would come exclusively from non-State funds.

Since 2005, Dr. Heydt has excelled in leadership, consensus building, and strategic vision development. He has received a competitive offer from a premier institution in Florida. Because it is crucial to the stability of UC Irvine Health Sciences that his talents and experience be retained, approval was requested for a retention increase, reclassification, and interim slotting of his position into the Senior Leadership Compensation Group (SLCG).

The Senior Associate Dean for Clinical Affairs and President and CEO has ultimate responsibility for UPS attaining its mission in accordance with its guiding principles. The position encompasses all oversight and management of UPS clinical activities such as strategic planning, administration, information systems, provider relations, credentialing, eligibility, claims and finance, contracting, productivity standards, and operations. The incumbent is expected to lead the organization while building consensus among the group practice physicians to advance their professional and economic interests and improve their ability to care for patients.
The campus also requested a reclassification of the position from an academic title into a Manager and Senior Professional (MSP) title. The Senior Associate Dean for Clinical Affairs and President and CEO of UPS position requires deep and broad experience similar to that required for other high-level positions associated with the medical center. The campus requested that this position be aligned to the market (SLCG Grade 113). The position is comparable to a position at its peer institution of UC San Diego, specifically the Dean of Clinical Affairs position, which is a Senior Management Group position slotted in SLCG Grade 115.

Dr. Heydt has extensive management experience at high-quality academic medical organizations where he has served as chief executive officer, medical director, chief quality officer, and director. In addition, he is a Board-certified sports medicine physician with more than 20 years of experience working with all levels of athletes, including children, adolescents, Olympic athletes, and professional elites.

This position is funded 100 percent by medical group operating revenue. Dr. Heydt’s current total annual compensation of $450,000 consists of a base salary of $104,300, a “prime” addition to base salary of $31,300, and a negotiated amount of $314,400. UC Irvine proposed a base salary of $456,500, which is 5.8 percent above the proposed SLCG Grade 113 midpoint of $431,500, 17 percent below the $550,000 base salary of the Dean of Clinical Affairs at UC San Diego, 15.5 percent below the 50th percentile market base salary of $539,920, and 35.9 percent below the 75th percentile market base salary of $712,600. The proposed base salary and eligibility to participate in the Clinical Enterprise Management Recognition Plan with an annual target award of 15 percent of base salary would result in total annual cash compensation of $524,975.

Recommendation

The President recommended approval of the following items in connection with the retention increase, reclassification, and interim slotting of John A. Heydt into a Manager and Senior Professional (MSP) title slotted in the Senior Leadership Compensation Group (SLCG) as Senior Associate Dean for Clinical Affairs and President and Chief Executive Officer for University Physicians and Surgeons, Irvine campus:

a. Per policy, a retention increase of 16.7 percent to total annual cash compensation with an annual base salary of $456,500 (SLCG Grade 113: Minimum $333,900, Midpoint $431,500, Maximum $529,100).

b. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP), with an annual target
award of 15 percent of base salary ($68,475) and maximum potential award of 25 percent of base salary ($114,125). Actual payout will depend upon performance.

c. This appointment is at 100 percent time.

d. Effective upon approval.

**Recommended Compensation**

**Effective Date:** Upon approval  
**Base Salary:** $456,500  
**CEMRP (at 15 percent target rate):** $68,475  
**Total Cash Compensation:** $524,975  
**Grade Level:** SLCG Grade 113 (Minimum $333,900, Midpoint $431,500, Maximum $529,100)  
**50th Percentile Market Base Salary:** $539,920  
**Percentage Difference from 50th Percentile Market Base Salary:** 15.5 percent below market  
**75th Percentile Market Base Salary:** $712,600  
**Percentage Difference from 75th Percentile Market Base Salary:** 35.9 percent below market  
**Funding Source:** Non-State-funded position

**Budget &/or Prior Incumbent Data**

**Job Title:** Senior Associate Dean for Clinical Affairs; President and Chief Executive Officer for University Physicians and Surgeons  
**Base Salary:** $104,300  
**Health Sciences Base Prime (HSCP):** $345,700  
**Total Cash Compensation:** $450,000  
**Grade Level:** Clinical faculty appointment – not slotted in SLCG  
**Funding Source:** Non-State-funded position

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 in accordance with the standard procedures of the Board of Regents.

**Submitted by:** UC Irvine Chancellor Drake  
**Reviewed by:** President Yudof  
**Committee on Compensation Chair Ruiz**  
**Office of the President, Human Resources**
Market-Based Salary Adjustment for Katharine “Posie” Carpenter as Chief Administrative Officer, Santa Monica – UCLA Orthopaedic Hospital, UCLA Hospital System, Los Angeles Campus

Background to Recommendation

Approval was requested for a 21.8 percent market-based salary adjustment for Katharine “Posie” Carpenter, Chief Administrative Officer, Santa Monica – UCLA Orthopaedic Hospital, UCLA Hospital System, Los Angeles campus, effective upon approval. The funding source for this increase will come from UCLA Hospital System funds; no State monies are involved.

According to market data provided by Mercer Consulting, using the Council of Teaching Hospitals and Health Systems Custom Analysis survey, Ms. Carpenter’s current base salary of $266,805 is 18.9 percent below the market median of $328,900 for a chief operating officer in institutions with net revenue in excess of $300 million. The campus proposed a salary increase of 21.8 percent to bring Ms. Carpenter’s annual base salary to $325,000. The proposed base salary is 1.2 percent below the market median of $328,900 and 27 percent below the 75th percentile market base salary of $445,000.

As Chief Administrative Officer for the Santa Monica – UCLA Orthopaedic Hospital, Ms. Carpenter oversees the daily delivery of care and operations in a matrix organization with 1,600 employees. Her responsibilities include overseeing a budget in excess of $300 million. Over the past two years, the hospital’s scope of patient services has increased as medical specialties have migrated into this facility. With the opening of new hospital buildings, anticipated in early 2012, the census is expected to continue to grow by four percent annually.

Ms. Carpenter was appointed Chief Administrative Officer in 2005 and has been instrumental in guiding the hospital toward its continued expansion and increased community involvement. She played a key role in preparations for the hospital’s accreditation surveys for patient care, pharmacy, and laboratory functions. She works closely with the hospital system senior leadership to implement the organizational culture across facilities, ensuring consistency, accountability and oversight with intensified focus on patient quality outcomes.

Recommendation

The President recommended approval of the following items in connection with the market-based salary adjustment for Katharine “Posie” Carpenter
as Chief Administrative Officer, Santa Monica – UCLA Orthopaedic Hospital, UCLA Hospital System, Los Angeles campus:

a. Continued appointment of Katharine “Posie” Carpenter as Chief Administrative Officer at 100 percent time.

b. Per policy, a market-based salary adjustment of 21.8 percent for an annual base salary of $325,000 at SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700).

c. Per policy, continued participation in the Clinical Enterprise Management Recognition Plan (CEMRP) with a target award at the rate of 15 percent of base salary ($48,750) and a maximum potential award of up to 25 percent of base salary ($81,250). Actual award will depend on performance against pre-established goals and objectives.

d. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

e. Effective upon approval.

**Recommended Compensation**

**Effective Date:** Upon approval

**Base Salary:** $325,000

**CEMRP (at 15 percent target rate):** $48,750

**Total Cash Compensation:** $373,750

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

**Funding Source:** Non-State-funded position

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**Budget &/or Prior Incumbent Data**

**Title:** Chief Administrative Officer

**Base Salary:** $266,805

**CEMRP (at 15 percent target rate):** $40,021

**Total Cash Compensation:** $306,826

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

**Funding Source:** Non-State-funded position
Additional items of compensation include:

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

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: UCLA Chancellor Block
Reviewed by: President Yudof
Committee on Compensation Chair Ruiz
Office of the President, Human Resources

(5) Market-Based Salary Adjustment for Heidi Crooks as Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer, UCLA Hospital System, Los Angeles Campus

Background to Recommendation

Approval was requested for a market-based salary adjustment of 21.8 percent for Heidi Crooks, Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer, UCLA Hospital System, Los Angeles campus, effective upon approval. The source of funding for this position will come exclusively from UCLA Hospital System funds; no State monies are involved.

Ms. Crooks’ current base salary of $266,800 reflects a market lag of 5.1 percent when compared to the 2010 market median salary of $281,000 for a top nursing executive. Market data are provided by Mercer Consulting, using the Council of Teaching Hospitals and Health Systems Custom Analysis survey. The salaries of the UC incumbents in this role have been aligned with the market and have historically been paid relative to the size and scope of their respective portfolios. Specifically, for grade designation and salary purposes, the comprehensive scope of the UCLA Hospital System has supported placement above the midpoint of the range. Additionally, Ms. Crooks currently lags her UCSF counterpart by 7.2 percent. Maintaining salary alignment between these comparable positions is appropriate. Therefore, an equity increase of 21.8 percent is recommended for Ms. Crooks to bring her salary from $266,800 to $325,000, effective upon approval. The proposed base salary of $325,000...
is 15.7 percent above the market median of $281,000 and 2.2 percent above the 75th percentile market base salary of $318,000.

As Chief Patient Care Services Officer and Chief Nursing Officer for the UCLA Hospital System, Ms. Crooks oversees the clinical delivery of care by 3,000 employees and has responsibility for a budget in excess of $300 million. Ms. Crooks has held the Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer position for more than 20 years and her demonstrated leadership, both internally at the University and throughout the country, has allowed the UCLA Hospital System to excel in areas related to staff engagement and service.

It should be noted that Ms. Crooks’ portfolio is significantly greater relative to her colleagues in the system, including three separately accredited hospitals, oversight of patient care at all UCLA sites, and ancillary support for hospital operations. Ms. Crooks oversees pharmacy operations with a budget well over $100 million. She is also responsible for the clinical activities of rehabilitation services (physical/occupational therapies) and respiratory therapy. Further, her oversight of child development services has expanded to include multiple sites and disciplines.

Recommendation

The President recommended approval of the following items in connection with the market-based salary adjustment for Heidi Crooks as Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer, UCLA Hospital System, Los Angeles campus:

a. Continued appointment of Heidi Crooks as Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer at 100 percent time.

b. Per policy, a market based salary adjustment of 21.8 percent for an annual base salary of $325,000 at SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700).

c. Per policy, continued participation in the Clinical Enterprise Management Recognition Plan (CEMRP) with a target incentive award of 15 percent of base salary ($48,750) and a maximum potential award of 25 percent of base salary ($81,250). Actual award will depend on performance against pre-established goals and objectives.

d. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
e. Effective upon approval.

**Recommended Compensation**

**Effective Date:** Upon approval  
**Base Salary:** $325,000  
**CEMRP (at 15 percent target rate):** $48,750  
**Total Cash Compensation:** $373,750  
**Grade Level:** SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700)  
**Funding Source:** Non-State-funded position

<table>
<thead>
<tr>
<th>Percentiles</th>
<th>BASE SALARY MARKET REFERENCE ZONE **</th>
<th>TOTAL CASH MARKET REFERENCE ZONE **</th>
</tr>
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<tr>
<td></td>
<td>25th</td>
<td>50th</td>
</tr>
<tr>
<td>Market Data</td>
<td>$237.7</td>
<td>$281.0</td>
</tr>
<tr>
<td>% Difference from Market</td>
<td>36.7%</td>
<td>15.7%</td>
</tr>
</tbody>
</table>

**Budget &/or Prior Incumbent Data**

**Title:** Senior Associate Director of Operations and Patient Care Services,  
Chief Nursing Officer  
**Base Salary:** $266,800  
**CEMRP (at 15 percent target rate):** $40,020  
**Total Cash Compensation:** $306,820  
**Grade Level:** SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700)  
**Funding Source:** Non-State-funded position

Additional items of compensation include:

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

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: UCLA Chancellor Block  
Reviewed by:  
President Yudof  
Committee on Compensation Chair Ruiz  
Office of the President, Human Resources
Market-Based Salary Adjustment for Sheila E. Antrum as Chief Nursing and Patient Care Services Officer, UCSF Medical Center, San Francisco Campus

Background to Recommendation

UCSF Medical Center sought approval for a 27.6 percent increase in annual base salary for Sheila Antrum as Chief Nursing and Patient Care Services Officer, UCSF Medical Center. The requested increase from $250,000 to $319,000 rolls an existing stipend into base salary, provides for a salary level reflective of the market, and addresses pay compression issues related to the UCSF Chief Pharmacy Officer and UCSF Associate Chief Nursing Officer positions, which both report to Ms. Antrum. This change would be effective upon Regental approval. Funding for the proposed salary increase would come exclusively from medical center revenues and would not include general funds provided by the State or student fee revenues.

Since 2009, Ms. Antrum has been receiving a stipend approved by the Regents in recognition of the fact that she assumed responsibility for oversight of Pharmacy and Perioperative Services and has demonstrated exemplary leadership in those areas over the past two years. The scope of her additional duties includes budgetary oversight of $250 million with 789 full-time equivalent employees. This represents a staff increase of more than 50 percent and a 103 percent increase in operating budget oversight compared to her position prior to receiving the stipend. Below is a summary of the prior Regental approvals related to this request:

- May 6, 2009 – the original annual 15 percent stipend ($37,500) was approved by the Regents to increase Ms. Antrum’s annual salary of $250,000 to $287,500, retroactive to February 1, 2009 through December 31, 2009.

- November 19, 2009 – A request was submitted for approval to increase Ms. Antrum’s annual base salary from $250,000 to $287,500 (rolling the stipend into annual base salary), along with a promotion. While the promotion was approved on November 19, 2009, with re-slotting to SLCG Grade 110, the annual base salary ($250,000) plus the stipend ($37,500) were approved without change, through December 31, 2010.

- May 18, 2011 – the Regents approved a stipend extension, effective July 1, 2011 through December 31, 2011. 

Since the first implementation of the stipend, effective February 1, 2009, two actions have affected the current annual base salary rate of $250,000, resulting in this salary adjustment request:

- New UCSF Chief Pharmacy Officer: UCSF is currently recruiting for a new Chief Pharmacy Officer with a proposed salary level up to $250,000 (non-Senior Management Group). This position will report to Ms. Antrum. The Chief Nursing Officer position will experience extreme compression against the Chief Pharmacy Officer position as both positions will be leveled at an annual base salary rate of $250,000.

- UCSF Associate Chief Nursing Officer: An additional compression issue exists between Ms. Antrum’s annual base salary and that of the UCSF Associate Chief Nursing Officer, a direct report to Ms. Antrum, whose annual base is $224,500 (non-Senior Management Group). When the Associate Chief Nursing Officer received an equity increase of three percent, effective November 1, 2010, Ms. Antrum received no increase to maintain parity and, thus, the equity action created salary compression between the two positions.

Ms. Antrum has served as the UCSF Chief Nursing and Patient Care Services Officer since October 2007. She has overall responsibility for the nursing practices provided within the organization, including UCSF Medical Center at Parnassus and Mount Zion, UCSF Children’s Hospital, Home Care, and Ambulatory Services. In addition to nursing services, her responsibilities include pharmacy, perioperative services, case management/social work, respiratory care, and clinical nutrition services. She serves on the Medical Center’s Executive Medical Board and the Governance Advisory Council, chairs the Committee on Interdisciplinary Practice, and is an integral member of medical center and campus-wide committees within the organization.

Ms. Antrum received her Master of Health Services Administration (MHSA) at the University of Michigan School of Public Health in Ann Arbor, Michigan, and her bachelor of science degree in nursing from the Hampton Institute in Virginia. She has given many university and nursing forum lectures and served on a variety of committees and taskforces at both UC San Diego and UCSF. Ms. Antrum is a member of the American Organization of Nurse Executives, Beacon Leadership Council, and Sigma Theta Tau.
The proposed base salary of $319,000 is 13.5 percent above the 50th percentile market base salary of $281,000, 0.31 percent above the 75th percentile market base salary of $318,000, and 3.8 percent above the SLCG Grade 110 midpoint of $307,200.

Recommendation

The President recommended approval of the following items in connection with the market-based salary adjustment for Sheila E. Antrum as Chief Nursing and Patient Care Services Officer, UCSF Medical Center, San Francisco campus:

a. Per policy, a 27.6 percent increase ($69,000) resulting in a base salary of $319,000, SLCG Grade 110 (Minimum $239,700, Midpoint $307,200, Maximum $374,500).

b. Per policy, continued eligibility for additional non-base building incentive compensation as an eligible participant of the Clinical Enterprise Management Recognition Plan (CEMRP) with an annual target award of 15 percent of base salary and a maximum potential award of 25 percent of base salary. Actual award will be determined based on performance against pre-established goals and objectives.

c. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

d. Continued appointment at 100 percent time.

e. Ms. Antrum is currently receiving an annual stipend of $37,500 until December 31, 2011. This stipend will be discontinued upon receipt of the market-based salary adjustment of $69,000.

Recommended Compensation

Effective Date: Upon approval
Base Salary: $319,000
CEMRP (at 15 percent target rate): $47,850
Total Cash Compensation: $366,850
Grade Level: SLCG Grade 110 (Minimum $239,700, Midpoint $307,200, Maximum $374,500)
Funding Source: Non-State-funded position
## Budget &/or Prior Incumbent Data

**Title:** Chief Nursing and Patient Care Services Officer  
**Base Salary:** $250,000  
**Stipend:** $37,500  
**CEMRP (at 15 percent target rate):** $37,500  
**Total Cash Compensation:** $325,000  
**Grade Level:** SLGG Grade 110 (Minimum $239,700, Midpoint $307,200, Maximum $374,500)  
**Funding Source:** Non-State-funded position

Additional items of compensation include:

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

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.

### Salary Adjustments for Members of the Senior Management Group at Lawrence Berkeley National Laboratory

On July 27, 2011, the Lawrence Berkeley National Laboratory (LBNL) received approval from the U.S. Department of Energy (DOE) for a salary budget allocation of two percent for federal fiscal year 2012, effective October 1, 2011. The allocation includes 1.5 percent for special adjustments and 0.5 percent for reclassifications and promotions throughout the year.
Additionally, the Laboratory has received approval from the DOE to distribute one percent of the special adjustment fund as an across-the-board pay increase for all LBNL employees on October 1, 2011. The remaining 0.5 percent of the special adjustment fund will be used to address equity or retention issues throughout the year.

As the DOE contractor responsible for managing and operating LBNL, the University is obligated by its contract with DOE to ensure the competitiveness and scientific excellence of LBNL without regard to the University’s own financial circumstances. Among the obligations to which the University has committed in the contract is to recruit and retain the best possible scientific and administrative staff to perform the mission assigned by DOE within the level of funding provided by DOE. This is particularly challenging in the vibrant Bay Area science and technology community, where other National Laboratories and successful technology companies regularly attempt to recruit LBNL employees with offers of significantly greater compensation.

Each year LBNL must benchmark its levels of compensation against an approved list of comparator institutions. LBNL compensation is currently 4.7 percent below the market. DOE expects all its National Laboratory contractors, including the University of California, to allocate the level of funding for compensation increases that DOE authorizes on an annual basis. This action by the Regents would fulfill that obligation. Further, this increase would be paid from federal funds that may not be used for other University purposes and that may not be reallocated to supplement compensation increases for non-Senior Management Group employees at LBNL.

**Recommendation**

The President recommended approval of salary adjustments for Senior Management Group members at Lawrence Berkeley National Laboratory, other than the Laboratory Director, as proposed by the Laboratory Director and as presented in the table below.

This measure is in accordance with the approval authority guidelines and the Senior Management Group Salary and Appointment Policy, approved by the Regents at the September 2008 meeting.

All salary increases will be made by the Laboratory with funds provided by the U.S. Department of Energy’s two percent salary budget allocated for fiscal year 2012, including 1.5 percent for special adjustments. The effective date of the increases is October 1, 2011.
Those salary increases that are under the authority of the President and Laboratory Director will be reported to the Regents separately.

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB TITLE</th>
<th>PREVIOUS BASE SALARY</th>
<th>PERCENT INCREASE</th>
<th>NEW BASE SALARY</th>
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<tr>
<td>Simon, Horst D.</td>
<td>Deputy Laboratory Director</td>
<td>$334,992</td>
<td>1.0% across-the-board</td>
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<td>Krupnick, James T.</td>
<td>Associate Laboratory Director for Operations – Chief Operating Officer</td>
<td>$326,364</td>
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<td>Fernandez, Jeffrey A.</td>
<td>Management IV – Chief Financial Officer</td>
<td>$284,892</td>
<td>1.0% across-the-board</td>
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<td>Blair, Jeffrey A.</td>
<td>Management III – Laboratory Counsel</td>
<td>$267,288</td>
<td>1.0% across-the-board 0.5% equity adjustment</td>
<td>$271,311</td>
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<tr>
<td>Keasling, Jay D.</td>
<td>Associate Laboratory Director for Biosciences</td>
<td>$357,996</td>
<td>1.0% across-the-board</td>
<td>$361,576</td>
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<tr>
<td>DePaolo, Donald J.</td>
<td>Associate Laboratory Director for Energy &amp; Environmental Sciences</td>
<td>$333,996</td>
<td>1.0% across-the-board 0.5% retention adjustment</td>
<td>$339,023</td>
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<tr>
<td>Siegrist, James L.</td>
<td>Associate Laboratory Director for General Sciences</td>
<td>$290,664</td>
<td>1.0% across-the-board</td>
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<tr>
<td>Yelick, Katherine A.</td>
<td>Associate Laboratory Director for Computing Sciences</td>
<td>$273,996</td>
<td>1.0% across-the-board 0.5% equity adjustment</td>
<td>$278,120</td>
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</table>

Except as expressly modified by the Regents above, the University’s total compensation commitment for the aforementioned employees remains unchanged. 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:  Laboratory Director Alivisatos  
Reviewed by:   President Yudof  
Committee on Compensation Chair Ruiz  
Office of the President, Human Resources

1 0.5 percent equity adjustment to better align salary with market average of $328,288 (Pearl Meyer & Partners Executive and Senior Management Survey, Top Legal Counsel aged to 04/01/12 with a three percent aging factor).
2 0.5 percent preemptive retention adjustment to retain unique talent and expertise in high demand from both private and public institutions, particularly those in the petroleum and mining industries.
3 0.5 percent equity adjustment to better align with Associate Laboratory Director peers.
Committee Chair Ruiz introduced the seven compensation actions being proposed, noting that all involved non-State funds. Six of the actions were market-based salary adjustments, retention increases, or changes in compensation for staff at UC medical centers or schools of medicine. The funds for these actions would come from medical center revenues. The remaining action involved salary adjustments at the Lawrence Berkeley National Laboratory, paid for by U.S. Department of Energy funding.

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

4. **APPROVAL OF INCENTIVE COMPENSATION FOR FISCAL YEAR 2010-11 FOR MARIE BERGGREN AS CHIEF INVESTMENT OFFICER, VICE PRESIDENT FOR INVESTMENTS AND ACTING TREASURER OF THE REGENTS, OFFICE OF THE PRESIDENT AS DISCUSSED IN REGENTS ONLY SESSION**

**Background to Recommendation**

The Office of the President requested approval of an annual incentive award ($744,950) for Marie Berggren, Chief Investment Officer (CIO), Vice President for Investments and Acting Treasurer of The Regents. This award for the 2010-11 Plan Year falls under the Office of the Treasurer Annual Incentive Plan, which is funded entirely through investment assets. Assets under management total $70 billion. For the 2010-11 Plan Year, the Treasurer’s Office added approximately $661 million of value in excess of the benchmark.

**Recommendation**

The President recommended approval of the 2010-11 Office of the Treasurer Annual Incentive Plan award for Marie Berggren as Chief Investment Officer, Vice President for Investments and Acting Treasurer of The Regents. The recommended incentive award of $744,950 is 159 percent of her base salary of $470,000. With the foregoing recommended incentive award for the 2010-11 Plan Year, Ms. Berggren’s total cash compensation will be $1,214,950. Consistent with the Annual Incentive Plan document, this award will be payable in three annual payments, with 50 percent paid in the current Plan Year (September 2011), 25 percent paid in the next year (September 2012) and 25 percent paid in the year thereafter (September 2013). The recommended award is greater than what a target award would have been.

**Recommended Compensation**

**Effective Date:** Upon approval  
**Base Salary:** $470,000  
**Annual Incentive Plan (AIP) Award:** $744,950 (159 percent of base salary)
Total Cash Compensation: $1,214,950  
Funding Source: Non-State-funded

**Target Compensation**  
Base Salary: $470,000  
Target AIP Award: $470,000 (100 percent of base salary)  
Total Cash Compensation based on Target AIP Award: $940,000  
Funding Source: Non-State-funded

**Prior Year Data (2009-10 Plan Year)**  
Base Salary: $470,000  
AIP Award: $717,275 (153 percent of base salary)  
Total Cash Compensation: $1,187,275  
Funding Source: Non-State-funded

The compensation described above shall constitute the University’s total commitment regarding incentive compensation 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.

[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 Ruiz briefly introduced the item, an incentive award for Chief Investment Officer Berggren, which was earned based on a combination of investment and individual performance. He noted that the University’s investment results for the period ending June 30, 2011 were outstanding, resulting in a net gain to the portfolio of approximately $661 million for the current year.

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

5. **APPROVAL OF INCENTIVE COMPENSATION FOR FISCAL YEAR 2010-11 FOR JACK STOBO AS SENIOR VICE PRESIDENT – HEALTH SCIENCES AND SERVICES, OFFICE OF THE PRESIDENT AS DISCUSSED IN REGENTS ONLY SESSION**

Background to Recommendation

The Office of the President requested approval of an annual incentive award of $130,500 for Jack Stobo as Senior Vice President – Health Sciences and Services. This award for the 2010-11 Plan Year falls under the Clinical Enterprise Management Recognition Program (CEMRP), which is funded from medical center operating revenues.
Recommendation

The President recommended approval of the fiscal year 2010-11 Clinical Enterprise Management Recognition Plan (CEMRP) award for Jack Stobo as Senior Vice President – Health Sciences and Services, Office of the President. The recommended incentive award of $130,500 is 22.5 percent of base salary. The weighting of Dr. Stobo’s recommended award is based 100 percent on the UC Health Sciences and Services system’s performance towards its pre-established goals.

Recommended Compensation
Effective Date: Upon approval
Base Salary: $580,000
CEMRP Award: $130,500
Percent of Base Salary: 22.5 percent
Total Cash Compensation: $710,500
Funding Source: Non-State-funded

Target Compensation
Base Salary: $580,000
Target CEMRP Award: $116,000
Percent of Base Salary: 20 percent
Total Cash Compensation based on Target CEMRP Award: $696,000
Funding Source: Non-State-funded

Prior Year Data (2009-10 Plan Year)
Base Salary: $580,000
CEMRP Award: $130,500
Percent of Base Salary: 22.5 percent
Total Cash Compensation: $710,500
Funding Source: Non-State-funded

The compensation described above shall constitute the University’s total commitment regarding incentive compensation 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.

[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 Ruiz outlined the item, an incentive award for Senior Vice President Stobo, based on accomplishments pertaining to systemwide objectives set at the beginning of the fiscal year. These included clinical quality and safety improvements, operational and supply chain improvements, and investment in systemwide clinical and operational leadership. The systemwide clinical enterprise goals for fiscal year 2010-11 were met with outstanding results which have stimulated further collaboration among the
clinical leadership and form the basis for expanding the scope and depth of systemwide initiatives over time. Key accomplishments included a reduction in expenses and improvements in revenue from operations, resulting in an additional $20 million; the establishment of a Center of Health Quality and Innovation which aims to improve patient care while decreasing costs, one of the key goals of national health care reform; the continuation of efforts to reduce central line-associated bloodstream infections; and the reduction of pressure ulcer rates.

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

6. APPROVAL OF SALARY ADJUSTMENT FOR A. PAUL ALIVISATOS AS DIRECTOR, LAWRENCE BERKELEY NATIONAL LABORATORY AS DISCUSSED IN REGENTS ONLY SESSION

Background to Recommendation

On July 27, 2011, the Lawrence Berkeley National Laboratory (LBNL) received approval from the Department of Energy (DOE) for a salary budget allocation of two percent for federal fiscal year 2012, effective October 1, 2011. The allocation includes 1.5 percent for special adjustments and 0.5 percent for reclassifications and promotions throughout the year.

Additionally, the Laboratory has received approval from the DOE to distribute one percent of the special adjustment fund as an across-the-board pay increase for all LBNL employees on October 1, 2011. The remaining 0.5 percent of the special adjustment fund will be used to address equity or retention issues throughout the year.

This item requested approval for including A. Paul Alivisatos, Director of LBNL, in the one percent across-the-board salary increase that is being applied to all Laboratory employees.

As the DOE contractor responsible for managing and operating LBNL, the University is obligated by its contract with DOE to ensure the competitiveness and scientific excellence of LBNL without regard to the University’s own financial circumstances. Among the obligations to which the University has committed in the contract is to recruit and retain the best possible scientific and administrative staff to perform the mission assigned by DOE within the level of funding provided by DOE. This is particularly challenging in the vibrant Bay Area science and technology community, where other National Laboratories and successful technology companies regularly attempt to recruit LBNL employees with offers of significantly greater compensation.

Each year LBNL must benchmark its levels of compensation against an approved list of comparator institutions. LBNL compensation is currently 4.7 percent below the market. DOE expects all its National Laboratory contractors, including the University of California, to allocate the level of funding for compensation increases that DOE
authorizes on an annual basis. This action by the Regents would fulfill that obligation. Further, this increase would be paid from federal funds that may not be used for other University purposes and that may not be reallocated to supplement compensation increases for non-Senior Management Group employees at LBNL.

Recommendation

The President recommended approval of a one percent salary adjustment for Director A. Paul Alivisatos at the Lawrence Berkeley National Laboratory, as presented in the table below.

This measure is in accordance with the approval authority guidelines and the Senior Management Group Salary and Appointment Policy, approved by the Regents at the September 2008 meeting.

The salary increase for Director Alivisatos will be made by the Laboratory with funds provided by the U.S. Department of Energy’s two percent salary budget allocated for fiscal year 2012, including 1.5 percent for special adjustments. The effective date of the increase is October 1, 2011.

The salary increase recommendations for the other Senior Management Group members at Lawrence Berkeley National Laboratory will be presented separately to the Regents for approval.

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB TITLE</th>
<th>PREVIOUS BASE SALARY</th>
<th>PERCENT INCREASE</th>
<th>NEW BASE SALARY</th>
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</thead>
<tbody>
<tr>
<td>A. Paul Alivisatos</td>
<td>Laboratory Director</td>
<td>$430,500</td>
<td>1.0 % across-the-board</td>
<td>$434,805</td>
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Except as expressly modified by the Regents above, the University’s total compensation commitment for Director Alivisatos remains unchanged. 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 Ruiz
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 Ruiz briefly introduced the item.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board.
7. APPROVAL OF TERM APPOINTMENT OF AND TOTAL COMPENSATION FOR BARBARA ALLEN-DIAZ AS VICE PRESIDENT – AGRICULTURE AND NATURAL RESOURCES, OFFICE OF THE PRESIDENT AS DISCUSSED IN REGENTS ONLY SESSION

Background to Recommendation

The Office of the President requested approval for the term appointment of and total compensation for Barbara Allen-Diaz as Vice President – Agriculture and Natural Resources (ANR). This term appointment for a period of up to three years is effective October 1, 2011 through September 30, 2014. This request was in response to the reorganization of the reporting responsibilities of the Division of Agriculture and Natural Resources. This reorganization will better align administrative and programmatic responsibilities to improve organizational effectiveness. Funding for this action would come from State funds that reside in the current Vice President – ANR position.

This request includes an annual base salary of $280,000, which is 2.1 percent above the midpoint for SLCG Grade 109 ($274,300). According to market data provided by Mercer Consulting, the proposed base salary of $280,000 is 4.4 percent below the 50th percentile market base salary of $292,762 and 14.9 percent below the 75th percentile market base salary of $328,836. Market data are from the College and University Professional Association (CUPA) 2010-11 data for the dean of agriculture position.

In November 2008, following the resignation of the former Senior Vice President – External Affairs, Vice President – ANR, Daniel M. Dooley agreed to take on the additional responsibilities of the Senior Vice President, and he has served since then in both roles. During this period, each unit retained an individual full-time equivalent employee (FTE) for each position (Senior Vice President in External Relations and Vice President in ANR, which is a unit within Academic Affairs) and each unit paid one-half the costs of Mr. Dooley’s 1.0 FTE. Given the ever-increasing importance of the University’s external relations needs and the recent incorporation of two additional units into the Division of External Relations, it is no longer feasible for one individual to hold both positions. Senior Vice President Dooley has proposed a reorganization in which he will resign his position as Vice President – ANR, and Ms. Allen-Diaz will succeed him as Vice President, reporting directly to the Provost and Executive Vice President – Academic Affairs. In addition to his title as Senior Vice President, Mr. Dooley will be named Senior Advisor to the President on Agriculture and Natural Resources and will continue to be available to advise Ms. Allen-Diaz, Provost Pitts, and President Yudof on issues related to agriculture and natural resources and the strategic direction of ANR.

Barbara Allen-Diaz is an effective and seasoned leader in the Division of Agriculture and Natural Resources, where she has served as Associate Vice President – Academic Programs and Strategic Initiatives since September 2009 and as Assistant Vice President – Programs since September 1, 2007. She is currently on leave from her position as a tenured faculty member in the College of Natural Resources (CNR) on the Berkeley campus, where she has worked since 1986. She has served in a number of
administrative positions in the College, including Division Chair; Chair of the Department of Environmental Science, Policy and Management; Associate Dean and then Executive Associate of CNR; and Acting Dean of the College. Ms. Allen-Diaz is internationally recognized for her work in understanding ecosystem response to grazing in various rangeland ecosystems and has authored more than 160 research articles and presentations. She is an active participant in her professional society and served on its Board of Directors, in addition to serving on various other government panels.

Recommendation

The President recommended approval of the following items in connection with the term appointment of and total compensation for Barbara Allen-Diaz as Vice President – Agriculture and Natural Resources, Office of the President:

(1) Term appointment of Barbara Allen-Diaz as Vice President – Agriculture and Natural Resources, for up to three years, effective October 1, 2011 through September 30, 2014.

(2) Per policy, an annual base salary of $280,000 at SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700).

(3) Per policy, an administrative fund for official business and other purposes permitted by University policy.

(4) Per policy, continued participation in the UC Home Loan Program, in accordance with all applicable policies.

(5) This appointment is at 100 percent time.

Recommended Compensation

Effective Date: October 1, 2011
Base Salary: $280,000
Total Cash Compensation: $280,000
Grade Level: SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700)
50th Percentile Market Data for Base Salary: $292,762
Percentage Difference from 50th Percentile Market Data for Base Salary: 4.4 percent below market
75th Percentile Market Data for Base Salary: $328,836
Percentage Difference from 75th Percentile Market Data for Base Salary: 14.9 percent below market
Funding Source: Fully State-funded

Budget &/or Prior Incumbent Data

Title: Vice President – Agriculture and Natural Resources
Base Salary: $320,000
Grade Level: SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700)
Funding Source: Fully State-funded

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: Senior Vice President Dooley
Reviewed by: President Yudof
Committee on Compensation Chair Ruiz
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 Ruiz briefly outlined the item.

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

The meeting adjourned at 9:00 a.m.

Attest:

Secretary and Chief of Staff