

The Regents of the University of California

**COMMITTEE ON COMPENSATION**

November 14, 2013

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

Members present: Regents De La Peña, Feingold, Kieffer, and Ruiz; Ex officio members Brown, Lansing, Napolitano, and Varner; Advisory member Gilly

In attendance: Regents Flores, Gould, Island, Makarechian, Newsom, Pattiz, Schultz, and Zettel, Regents-designate Engelhorn, Leong Clancy, and Saifuddin, Faculty Representative Jacob, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Duckett, Lenz, Mara, and Sakaki, Chancellors Block, Blumenthal, Dirks, Katehi, Leland, Wilcox, and Yang, and Recording Secretary Johns

The meeting convened at 11:05 a.m. with Committee Chair Kieffer presiding.

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

Upon motion duly made and seconded, the minutes of the meeting of September 18, 2013 were approved.

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

A. *Extension of Administrative Stipend for Martha Arvin as Systemwide Health Sciences Privacy Liaison, Office of Ethics, Compliance and Audit Services, Office of the President*

Background to Recommendation

Approval was requested for the extension of the administrative stipend for Martha Arvin as Systemwide Health Sciences Privacy Liaison, Office of Ethics, Compliance and Audit Services, Office of the President, effective retroactively to June 1, 2013, and to continue the administrative stipend of \$30,000 (12.25 percent of base salary of \$244,902) indefinitely, subject to review by Senior Vice President – Chief Compliance and Audit Officer Vacca. Ms. Arvin will continue to retain full responsibility for her primary appointment as Chief Compliance Officer, UCLA Health Sciences, which is classified in the Senior Management Group (SMG). This action does not result in any changes to Ms. Arvin's compensation.

With this arrangement, the systemwide Office of Ethics, Compliance and Audit Services has been able to utilize the services of Ms. Arvin, a health system campus official who is an expert in health system privacy issues and who is able to best address this area for the UC system. The President recommends the continuation of the stipend indefinitely, or until another Systemwide Health Sciences Privacy Liaison is appointed.

Ms. Arvin assumed this role on June 1, 2011. Ms. Arvin's assumption of the responsibilities of Systemwide Health Sciences Privacy Liaison, Office of Ethics, Compliance and Audit Services resulted in the elimination of the position, providing an ongoing cost saving of \$155,000 annually. For assuming the duties, Ms. Arvin received an administrative stipend of \$30,000, increasing her total salary from \$244,902 to \$274,902.

On May 16, 2012, the Regents approved Ms. Arvin's first extension of the administrative stipend of \$30,000 (12.25 percent of base salary) through May 31, 2013, in recognition of the ongoing scope of responsibilities associated with assuming the duties of the Systemwide Health Sciences Privacy Liaison role.

Ms. Arvin's position as Chief Compliance Officer, UCLA Health Sciences is non-State-funded. The administrative stipend will be partially or fully State-funded.

#### Recommendation

The Committee recommended approval of the following items in connection with the extension of the administrative stipend for Martha Arvin as Systemwide Health Sciences Privacy Liaison, Office of Ethics, Compliance and Audit Services, Office of the President:

- (1) Per policy, continued appointment of Martha Arvin as Chief Compliance Officer, UCLA Health Sciences with an appointment at 100 percent time.
- (2) Per policy, continued base salary of \$244,902 as Chief Compliance Officer. This position will continue to be paid by UCLA Health Sciences.
- (3) As an exception to policy, continuation of the previously approved administrative stipend of \$30,000, which is 12.25 percent of Ms. Arvin's current annual base salary of \$244,902. This constitutes an exception to policy because the applicable policy authorizes stipends for up to 12 months in duration and provides that extensions of stipend arrangements may only be granted in intervals not to exceed 12 additional months. This stipend will continue until the conclusion of Ms. Arvin's duties as Systemwide Health Sciences Privacy Liaison or until the appointment of a permanent Systemwide Health Sciences Privacy Liaison, whichever occurs first.

- (4) Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) with a target award of 15 percent of base salary plus administrative stipend (\$41,235) and a maximum potential award of 25 percent of base salary plus administrative stipend (\$68,726). Actual award will be determined based on performance against pre-established objectives. Ms. Arvin's CEMRP eligibility is associated with her role as the Chief Compliance Officer, UCLA Health Sciences.
- (5) Per policy, continuation of a five percent monthly contribution to the Senior Management Supplemental Benefit program, with the contribution calculation based on the sum of Ms. Arvin's annual base salary and administrative stipend.
- (6) Per policy, continued standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability after five years of Senior Management Group service).
- (7) This action will be effective retroactive to June 1, 2013. This constitutes an exception to policy because the effective date and approval date are not within the same month.

### COMPARATIVE ANALYSIS

#### **Recommended Compensation**

**Effective Date:** June 1, 2013

**Title:** Chief Compliance Officer, UCLA Health Sciences, and Systemwide Health Sciences Privacy Liaison

**Base Salary:** \$244,902

**Stipend:** \$30,000 (12.25 percent of base salary)

**CEMRP:** \$41,235 (at target rate of 15 percent)

**Target Cash Compensation:\*** \$316,137

**Market Reference Zone:** (25th %: \$145,000, 50th %: \$185,000, 60th %: \$205,000, 75th %: \$235,000, 90th %: \$283,000)

**Funding:** partially or fully State-funded

#### **Budget &/or Prior Incumbent Data**

**Title:** Chief Compliance Officer, UCLA Health Sciences, and Systemwide Health Sciences Privacy Liaison

**Base Salary:** \$244,902

**Stipend:** \$30,000 (12.25 percent of base salary)

**CEMRP:** \$41,235 (at target rate of 15 percent)

**Target Cash Compensation:\*** \$316,137

**Market Reference Zone:** (25th %: \$145,000, 50th %: \$185,000, 60th %: \$205,000, 75th %: \$235,000, 90th %: \$283,000)

**Funding Source:** partially or fully State-funded

\*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

### COMPETITIVE ANALYSIS FOR CHIEF COMPLIANCE OFFICER

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>		25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Market Data	\$145K	\$185K	\$205K	\$235K	\$283K	Market Data	\$156K	\$190K	\$214K	\$249K	\$328K
% Difference from Market	68.9%	32.4%	19.5%	4.2%	-13.5%	% Difference from Market	102.7%	66.4%	47.7%	27.0%	-3.6%

**Survey Source:** Mercer Council of Teaching Hospitals and Health Systems (COTH) Custom Analysis 4A Module and Mercer Council of Teaching Hospitals and Health Systems (COTH) Custom Analysis 4B Module.

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 Napolitano  
**Reviewed by:** Committee on Compensation Chair Kieffer  
 Office of the President, Human Resources

**B. *Extension of Term Appointment of and Compensation for David Bergquist as Interim Chief Campus Counsel, Riverside Campus***

Background to Recommendation

Approval was requested for an extension to the term appointment of and compensation for David Bergquist as Interim Chief Campus Counsel, Riverside campus, for a 12-month period effective November 1, 2013 through October 31, 2014, or until the appointment of a new Chief Campus Counsel, whichever occurs first. Mr. Bergquist has served as Interim Chief Campus Counsel since November 1, 2012. His current term appointment ends on October 31, 2013.

Mr. Bergquist assumed the duties of the former chief campus counsel on November 1, 2012. At the time, the search for a new chief campus counsel was deferred pending the final selection and appointment of a new chancellor at the Riverside campus. Chancellor Wilcox assumed his position in August 2013 and

additional time is needed to conduct the nationwide search and selection process for the position.

The Riverside campus has assembled a Recruitment Advisory Committee, co-chaired by Chancellor Wilcox and Vice President and General Counsel Robinson. A legal recruiting firm will conduct the search. The campus anticipates that the chief campus counsel will begin serving in this position not later than March 31, 2014. However, in order to prepare for unforeseeable circumstances, an extension of Mr. Bergquist's interim appointment is requested through October 31, 2014 or until the appointment of a new chief campus counsel, whichever occurs first.

Mr. Bergquist has successfully provided strong leadership as Interim Chief Campus Counsel. Extending this appointment ensures leadership continuity until the nationwide search and selection process is completed.

Mr. Bergquist's current annual base salary as Interim Chief Campus Counsel is \$221,450. This extension of his appointment does not include any increase in salary; Mr. Bergquist will continue to earn \$221,450 in base salary. This position will continue to be partially or fully State-funded.

#### Recommendation

The Committee recommended approval of the following items in connection with the extension of the term appointment of and compensation for David Bergquist as Interim Chief Campus Counsel, Riverside campus:

- (1) As an exception to policy, extension of the term appointment of David Bergquist as Interim Chief Campus Counsel at 100 percent time.
- (2) Per policy, continuation of the base salary of \$221,450 and continued assignment to the Market Reference Zone for Chief Campus Counsel.
- (3) Per policy, continuation of standard pension and health and welfare benefits.
- (4) This appointment will be effective from November 1, 2013 through October 31, 2014, or until the appointment of a new chief campus counsel, Riverside campus, whichever occurs first.

### COMPARATIVE ANALYSIS

#### Recommended Compensation

**Effective Date:** November 1, 2013

**Base Salary:** \$221,450

**Target Cash Compensation:\*** \$221,450

**Market Reference Zone:** (25th %: \$210,000, 50th %: \$238,000, 60th %: \$252,000, 75th %: \$273,000, 90th %: \$304,000)

**Funding:** partially or fully State-funded

**Budget &/or Prior Incumbent Data**

**Title:** Chief Campus Counsel, Riverside campus

**Base Salary:** \$215,000

**Target Cash Compensation:\*** \$215,000

**Market Reference Zone:** (25th %: \$210,000, 50th %: \$238,000, 60th %: \$252,000, 75th %: \$273,000, 90th %: \$304,000)

**Funding:** partially or fully State-funded

\*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

**COMPETITIVE ANALYSIS FOR CHIEF CAMPUS COUNSEL**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					MARKET COMPOSITE FOR TARGET CASH COMPENSATION					
	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>	Percentiles	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Market Data	\$210K	\$238K	\$252K	\$273K	\$304K	Market Data	\$248K	\$318K	\$345K	\$386K	\$449K
% Difference from Market	5.5%	-7.0%	-12.1%	-18.9%	-27.2%	% Difference from Market	-10.7%	-30.4%	-35.8%	-42.6%	-50.7%

**Survey Source:** Radford Benchmark Survey and Mercer Benchmark Database Survey.

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 Riverside Chancellor Wilcox  
 General Counsel and Vice President – Legal Affairs  
 Robinson

**Reviewed by:** President Napolitano  
 Committee on Compensation Chair Kieffer  
 Office of the President, Human Resources

[Background material was provided 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 Kieffer briefly introduced the two items. The proposed continuing stipend for Martha Arvin as Systemwide Health Sciences Privacy Liaison was in addition to compensation for her ongoing responsibilities as UCLA Health Sciences’ Chief

Compliance Officer. This represented continued savings by eliminating a full-time position. The stipend would continue indefinitely until the University makes a change to this position. The second item was the proposed extension of the appointment of and compensation for David Bergquist as interim Chief Campus Counsel at UC Riverside. The search to fill the position on a permanent basis had been delayed until the appointment of Chancellor Wilcox in August 2013. As in the case of Ms. Arvin, there would be no change to Mr. Bergquist's compensation.

Governor Brown observed that the University's compensation structure was different from that of State employees. The legal affairs secretary to the Governor earns a salary of \$147,900. The general counsel of the State Department of Education earns \$147,000. The chief deputy to the Attorney General earns \$155,832. Attorneys at top law firms are paid high salaries, but Governor Brown stressed his view that in general, salary ranges are higher at UC than elsewhere, and that this was a reason why it was difficult to fund the University's operations.

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

The meeting adjourned at 11:10 a.m.

Attest:

Secretary and Chief of Staff