

The Regents of the University of California

COMMITTEE ON COMPENSATION

August 8, 2013

A special meeting of the Committee on Compensation was held on the above date by teleconference at the following locations: 1111 Franklin Street, Lobby 1, Oakland; 166 Arts Building, Riverside campus; J. D. Morgan Center, Los Angeles campus; Henley Board Room, 3104 Mosher Alumni House, Santa Barbara campus; 108D Chancellor's Complex, San Diego campus; 350 Harbor Drive, Sausalito; 4299 Lower Honoapiilani Highway, Lahaina, Hawaii.

Members present: Regents Feingold, Kieffer, and Ruiz; Ex officio members Brown, Varner, and Yudof; Advisory member Powell

In attendance: Regents Flores, Island, Makarechian, Newsom, Pattiz, Schultz, and Zettel, Regents-designate Engelhorn and Leong Clancy, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Executive Vice President Brostrom, Senior Vice President Dooley, Vice President Lenz, Acting Chancellor Conoley, and Recording Secretary Johns

The meeting convened at 1:45 p.m. with Committee Chair Kieffer 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, for this date and time, for the purpose of considering approval of compensation for Kim A. Wilcox as Chancellor, Riverside campus.

2. APPROVAL OF COMPENSATION FOR KIM A. WILCOX AS CHANCELLOR, RIVERSIDE CAMPUS AS DISCUSSED IN REGENTS ONLY SESSION

Background to Recommendation

Following a nationwide search, Kim A. Wilcox, Professor of Communicative Sciences and Disorders and former Provost and Executive Vice President at Michigan State University, was selected as the top candidate to become the ninth Chancellor of the University of California, Riverside.

As Provost of Michigan State University from 2005 to July 2013, Mr. Wilcox had oversight responsibilities for more than 200 academic programs, nearly 49,000 students and almost 5,000 faculty and academic staff. During that time, he implemented major institutional restructuring and strategic positioning initiatives and chaired a capital campaign that raised \$1.4 billion. He added 100 new faculty positions, expanded the university's two medical colleges and created the Residential College in the Arts and

Humanities and the College of Music. Among the highlights of his tenure were an increase in the percentage of students from underrepresented groups, a rise in the academic credentials of entering freshmen, a decrease in the average time to degree, an increase in the graduation rate, and a decrease in the percentage of students graduating with debt.

Since the beginning of 2013, Mr. Wilcox has been on leave, serving with the Partnership to Cut Hunger and Poverty in Africa, an organization whose mission is to advocate for, and facilitate the creation of, a more sustainable agricultural future for Africa.

A first-generation college graduate, Mr. Wilcox graduated from Michigan State University with a bachelor's degree in Audiology and Speech Sciences in 1976. He earned master's and doctoral degrees in Speech and Hearing Science from Purdue University in 1978 and 1980, respectively. He returned to Michigan State University from the University of Kansas, where he had served as Dean of the College of Liberal Arts and Sciences and Vice Provost for General Education Coordination from 2002 to 2005.

Mr. Wilcox also oversaw the creation of an integrated higher education system for the state of Kansas in his capacity as President and Chief Executive Officer, from 1999 to 2002, of the Kansas Board of Regents, the governing body for the state's six public universities, 19 community colleges, ten technical schools and colleges, and one municipal university, with a combined enrollment of more than 150,000 students. In addition, he served as the board's Interim Director of Academic Affairs.

Mr. Wilcox began his academic career as a faculty member at the University of Missouri. His subsequent years on the faculty of the University of Kansas included ten as chair of the Department of Speech-Language-Hearing. From 1991 to 1999, he directed the Native American Training Program, which he created in collaboration with the Haskell Indian Nations University, whose students and alumni represent indigenous nations from across the United States and its territories.

Mr. Wilcox has also served as chair of the Committee on Institutional Cooperation since 2011 and recently was elected chair of the Council on Academic Affairs of the Association of Public and Land-grant Universities.

Recommendation

The Committee recommended that, contingent upon and effective with Kim A. Wilcox's appointment by the Regents as Chancellor of the Riverside campus, the following items be approved in connection with that appointment:

- A. Per policy, an annual base salary of \$354,000, which will be funded by State and other sources. This represents an increase of \$29,000 (8.9 percent) over the previous incumbent's salary. The increase of \$29,000 will be paid with non-State funds, from private funds allocated specifically for this purpose.

- B. Per policy, annual automobile allowance of \$8,916.
- C. Per policy, a University-provided house on campus while serving as Chancellor.
- D. Per policy, the University will arrange for the packing and relocation of household goods and personal effects associated with the relocation to Riverside. The University will also arrange to pack and move Mr. Wilcox's personal library, laboratory, and other related equipment and materials, subject to the limitations under University policy.
- E. Per policy, when Mr. Wilcox leaves the Chancellor position and returns to the University faculty at a UC campus, the University will arrange for the relocation of household goods and personal effects, including his personal library, laboratory, and any other related equipment and materials to a location of his 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 Mr. Wilcox assumes a tenured faculty position at Riverside or at another UC campus.
- G. Per policy, an administrative fund will be established for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy.
- H. If Mr. Wilcox maintains an active research program during his 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 Mr. Wilcox's official start date.
- J. Per policy, two round trips each for Mr. Wilcox and his spouse, for the purpose of organizing the move into the University-provided house, subject to the limitations under policy.
- K. 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). Mr. Wilcox will hold a tenured faculty appointment, making him ineligible to participate in the Senior Management Supplemental Benefit Program.
- L. Per policy, accrual of sabbatical credits as a member of tenured faculty.

COMPARATIVE ANALYSIS**Recommended Compensation****Effective Date:** on or about August 19, 2013**Base Salary:** \$354,000**Target Cash Compensation:*** \$354,000**Funding:** partially or fully State-funded; non-State funds will fund the amount above the previous incumbent's salary (\$29,000).**Budget &/or Prior Incumbent Data****Title:** Chancellor**Base Salary:** \$325,000**Target Cash Compensation:*** \$325,000**Funding:** partially or fully State-funded

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

COMPETITIVE ANALYSIS FOR CHANCELLOR¹

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					MARKET COMPOSITE FOR TARGET CASH COMPENSATION					
	25 th	50 th	60 th	75 th	90 th	Percentiles	25 th	50 th	60 th	75 th	90 th
Market Data	\$380K	\$508K	\$583K	\$695K	\$876K	Market Data	\$374K	\$638K	\$696K	\$782K	\$868K
% Difference from Market	-6.8%	-30.3%	-39.3%	-49.1%	-59.6%	% Difference from Market	-5.3%	-44.5%	-49.1%	-54.7%	-59.2%

Survey Source: College and University Professional Association (CUPA) survey and Mercer Chancellor Compensation 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: President Yudof
Reviewed by: Committee on Compensation Chair Kieffer
Office of the President, Human Resources

¹ CUPA and Mercer were used for the base salary Market Reference Zone (MRZ) comparisons. The Market Composite for Target Cash Compensation reflects base salary plus cash bonuses and incentives and is available only in the Mercer study, since CUPA does not collect other forms of cash compensation other than base salary. Because the two surveys have different cohorts of responding institutions, the data reflecting the 25th and 90th percentiles in the Market Composite for Target Cash Compensation are lower than the same percentiles for the Market Reference Zone.

[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 Kieffer briefly introduced the item, noting that this appointment followed a nationwide search to replace former Chancellor Tim White. Executive Director Larsen outlined the elements of compensation for Kim A. Wilcox. He pointed out that in paragraph A. of the recommendation, language had been added concerning the increase of \$29,000 to be paid with non-State funds, adding that these were “from private funds allocated specifically for this purpose.”

Governor Brown stated that he was impressed with the qualifications of this candidate. He referred to the market reference zone for the proposed salary, indicating that the salary was somewhat below the 25th percentile. He acknowledged the influence of the market, which he described as a dictator to whom all must pay obeisance, but expressed his concern about growing income inequality in California, the U.S., and the world. Income inequality is a serious problem that tears away at the social fabric. Governor Brown stated that his goal was to slow down or even change this process. He acknowledged that he did not have a specific proposal for the University, for hospitals, or for other public sector entities in California. He expressed his objection to the proposed salary action, at the same time underscoring that his objection had nothing to do with the individual candidate. He called attention to the fact that in addition an increase of 8.9 percent over the previous chancellor’s salary, Mr. Wilcox would be eligible for a sabbatical, at full salary, after five years of service. He calculated this benefit to be approximately \$70,000 annually, in addition to the base salary of \$354,000. He compared the proposed compensation to the base salaries of chancellors at other campuses: \$315,000 at UC Santa Barbara, \$310,000 at UC Santa Cruz, and \$310,000 at UC Merced. These chancellors were perhaps entitled to a pay raise, but Governor Brown recalled that some people in California were working for the minimum wage, while all are human beings. The current system and the market were out of balance.

Committee Chair Kieffer stated his view that the University has been a leader in maintaining compensation for its chancellors within the lower range of compensation for comparable positions in universities nationwide. He stated that he was proud of UC’s accomplishments in this area compared to other universities in the U.S.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board, Regents Feingold, Kieffer, Ruiz, Varner, and Yudof (5) voting “aye” and Governor Brown (1) voting “no.”²

² Roll call vote required by the Bagley-Keene Open Meeting Act [Government Code §11123(b)(1)(D)] for all meetings held by teleconference.

The meeting adjourned at 1:50 p.m.

Attest:

Secretary and Chief of Staff