**REPORT OF INTERIM and CONCURRENCE ACTIONS**
**Office of the Secretary and Chief of Staff**
**January 23, 2014**

**TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:**

**INFORMATION ITEM**

**Report of Actions Taken Between Meetings**

In accordance with authority previously delegated by the Regents, interim or concurrence action was taken on routine or emergency matters as follows:

A. The Chairman of the Board, the Chair of the Committee on Finance, and the President of the University approved the following recommendations:

(1) ***Modifications to Post-Employment Benefit Terms for Nurses in the NX Unit***

a. The University of California Retirement Plan (UCRP) be amended as follows as applied to nurses in the NX bargaining unit:

i. UCRP member contributions will be set at eight percent of covered compensation effective January 1, 2014 and increased to nine percent effective July 1, 2014 (less $19 per month for 1976 Tier Members). These revised rates will apply to all NX nurses, regardless of UCRP entry date or membership tier.

ii. A modified version of the 2013 Tier will apply only to nurses who were initially hired and/or became UCRP members on or after July 1, 2013, or who were rehired in UCRP-eligible positions on or after that date. This modified version will be identical to the 2013 Tier except that:

(a) the earliest retirement age will be decreased from age 55 to 50 and the age corresponding to the maximum age factor of 2.5 percent will be decreased from age 65 to age 60, which is similar to the factors in UCRP's 1976 Tier.

(b) the lump sum cashout, as well as annuity options, will be available as payment options on the 2013 Tier benefit, similar to the 1976 Tier options.

b. Pursuant to Standing Order 100.4(dd)(4), the President be authorized to modify the Retiree Health Benefit Program, as amended in 2010, for the NX nurses as follows:

i. The new graduated eligibility requirements approved by the Regents in 2010 will apply to those represented nurses who are hired, re-hired, or become UCRP-eligible on or after the first day following the date of ratification of the collective bargaining agreement.

ii. Represented nurses who are active members of UCRP as of the date of ratification of the collective bargaining agreement will be subject to the graduated eligibility provisions in effect prior to July 1, 2013.

c. The President be authorized to implement these approved provisions and supporting technical details, and the Plan Administrator be delegated the authority to amend the Plan documents as necessary to implement these changes.

d. The proposed amendments will be effective upon ratification of the new collective bargaining agreement.

(2) ***University of California Retirement Plan – Amendment of Break in Service Provisions for Certain Non-Senate Instructional Faculty and Non-Faculty Employees in the IX Unit***

a. The University of California Retirement Plan (UCRP) be amended such that, solely for the purpose of determining continuing membership in the 1976 Tier of the UCRP versus prospective membership in the 2013 Tier following a period off pay status, non-Senate instructional faculty and non-faculty employees in the IX bargaining unit (NSF) with Continuing Appointment status will remain in the 1976 Tier of the UCRP upon return to pay status provided the NSF employee satisfies all of the following conditions:

i. The NSF achieved Continuing Appointment status effective no later than October 31, 2013.

ii. While in the IX unit, the NSF accrued UCRP service credit as an active member in the 1976 Tier, or was a UCRP member on an approved leave without pay, during Fiscal Year 2012-13.

iii. On or after July 1, 2013, the NSF is off pay status due to the nature of his or her appointment, but (i) returns to pay status in a UCRP-eligible position in his or her Continuing Appointment, within one year and one day following his or her last day on pay status or approved leave without pay (and resumes his or her Continuing Appointment as scheduled), or (ii) returns to pay status in his or her Continuing Appointment, and accumulates 750 hours of service in a rolling 12-month period within one year and one day following his or her last day on pay status or approved leave without pay (and resumes his or her Continuing Appointment as scheduled), thereby remaining UCRP-eligible.

iv. Within the one year and one day grace period prior to returning to pay status, the NSF has not failed to resume his or her assignment in his or her Continuing Appointment that, if accepted, would have resulted in the receipt of pay during the grace period. This provision, however, will not apply to an NSF who refuses an augmentation to his or her base appointment.

b. The President be authorized to implement this approved provision and supporting technical details.

c. The proposed amendment will be effective only upon ratification of the new collective bargaining agreement.

(3) ***Modifications to Post-Employment Benefit Terms for Eligible Employees Represented by the University Professional and Technical Employees, CWA, Local 9119 (UPTE)***

a. The University of California Retirement Plan (UCRP) be amended as follows as applied to eligible employees represented by the University Professional and Technical Employees (UPTE) in the HX (Residual Health Care Professionals), TX (Technical), and RX (Research Support Professionals) bargaining units:

i. UCRP 1976 Tier member contributions will be set at 8.6 percent of covered compensation beginning for the pay period including March 1, 2014 and increased to 9 percent beginning for the pay period including July 1, 2014 (less $19 per month for 1976 Tier members). The 9 percent rate will apply to all UCRP-eligible employees in the HX, TX, and RX units, regardless of UCRP entry date or membership tier.

ii. A modified version of the 2013 Tier will apply only to represented HX, TX, and RX employees who were initially hired and/or became UCRP members on or after July 1, 2013, or who were rehired in UCRP-eligible positions on or after that date. This modified version will be identical to the 2013 Tier except that:

(a) the earliest retirement age will be decreased from age 55 to 50 and the age corresponding to the maximum age factor of 2.5 percent will be decreased from age 65 to age 60, which is similar to the factors in UCRP's 1976 Tier.

(b) the lump sum cashout, as well as annuity options, will be available as payment options on the 2013 Tier benefit, similar to the 1976 Tier options.

b. Pursuant to Standing Order 100.4(dd)(4), the President exercise her authority to modify the Retiree Health Benefit Program, as amended in 2010, for eligible employees represented by the University Professional and Technical Employees (UPTE) in the HX (Residual Health Care Professionals), TX (Technical), and RX (Research Support Professionals) bargaining units:

i. The new graduated eligibility requirements approved by the Regents in 2010 will apply to those represented HX, TX, and RX employees who are hired, re-hired, or become UCRP-eligible on or after the first day following the date of ratification of their respective unit's collective bargaining agreement.

ii. Represented HX, TX, or RX employees who are active members of UCRP as of the date of ratification of their respective unit's collective bargaining agreement will be subject to the graduated eligibility provisions in effect prior to July 1, 2013.

c. The President be authorized to implement these approved provisions and supporting technical details, and the Plan Administrator be delegated the authority to amend the Plan documents as necessary to implement these changes.

d. The proposed amendments will be effective for each unit upon ratification of that unit's new collective bargaining agreement.

(4) ***Amendment to Budget and Approval of External Financing, Environmental Health and Safety Expansion, Riverside Campus***

That the President of the University be authorized to:

a. Amend the 2013-14 Budget for Capital Improvements and the Capital Improvement program as follows:

From: Riverside: <u>Environmental Health and Safety Expansion</u> – preliminary plans, working drawings, construction, and equipment - $19.44 million to be funded from State general obligation bonds ($400,000), State lease revenue bonds ($16,619,000), proposed future State funds ($369,000) and campus funds ($2,052,000).

To: Riverside: Environmental Health and Safety Expansion – preliminary plans, working drawings, construction, and equipment - $19.44 million to be funded from State general obligation bonds ($400,000), State lease revenue bonds ($635,000), external financing ($15,984,000), proposed future State funds ($369,000) and campus funds ($2,052,000).

b. Obtain external financing not to exceed $15,984,000 (plus related interest expense and financing costs) for the Project. The President shall require that:

i. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

ii. The primary source of repayment of the requested additional external financing of $15,984,000 plus related interest expense and financing costs shall be from State appropriations.

iii. The general credit of the Regents shall not be pledged.

c. Execute all documents necessary in connection with the above.

B. The Chairman of the Board, the Chair of the Committee on Grounds and Buildings, and the President of the University approved the following recommendation:

***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Residential Unit 3, Improvements, Berkeley Campus***

That, pursuant to the authority granted under Standing Order 100.4(q)(1), the 2013-14 Budget for Capital Improvements and the Capital Improvement program be amended as follows:

From: Berkeley: Residential Unit 3 Improvements – Preliminary Plans, Working Drawings, and Construction – $9,905,000, to be funded from Housing Reserves.

To: Berkeley: Residential Unit 3 Improvements – Preliminary Plans, Working Drawings, and Construction – $14,505,000, to be funded from Housing Reserves.

C. The Chairman of the Board, the Chair of the Committee on Compensation, and the President of the University approved the following recommendations:

(1) ***Appointment of and Contract Compensation for Bertram Lubin as Chief Executive Officer and Richard DeCarlo as Chief Operating Officer – Children's Hospital and Research Center of Oakland, UC San Francisco Medical Center***

Background to Recommendation

Action under interim authority was requested to approve the appointment of and contract compensation for Bertram Lubin as Chief Executive Officer – Children's Hospital and Research Center of Oakland (CEO – CHRCO), UC San Francisco Medical Center, and for Richard DeCarlo as Chief Operating Officer – Children's Hospital and Research Center of Oakland (COO – CHRCO), UC San Francisco Medical Center. These employees will be hired pursuant to employment contracts with the terms commencing on the day following the date of the closing of the affiliation agreement between the Regents and CHRCO, which was expected to occur on January 1, 2014, and continuing for three years thereafter.

On August 1, 2013, the Regents, on behalf of UC San Francisco (UCSF), entered into an affiliation agreement with CHRCO that became effective upon closing, provided that resolution was reached regarding certain terms and conditions. Upon the closing of the affiliation agreement, the Regents, through UCSF, will become the sole member of CHRCO and create a unified management team for CHRCO and UCSF Benioff Children's Hospital. To ensure the success of this affiliation, it was critically important that Dr. Lubin and Mr. DeCarlo be part of the management team. Dr. Lubin joined CHRCO in 1973 and has served as President/Chief Executive Officer since 2009. Mr. DeCarlo joined CHRCO as Executive Vice President/Chief of Hospital Operations in 2010.

The contract compensation terms proposed for Dr. Lubin and Mr. DeCarlo include:

Base Salary: Their base salaries will be ten percent higher than their current salaries.

Incentive Opportunity: The CHRCO executives participate in an annual incentive plan similar to the University's Clinical Enterprise Management Recognition Plan (CEMRP). The CHRCO incentive plan provides an opportunity to earn a maximum potential award of 30 percent of their base salaries. The CHRCO plan year runs from January 1 through December 31. The CEMRP plan year is from July 1 to June 30 and requires six months of service for eligibility. Given the nature of this affiliation, it is proposed that both Dr. Lubin and Mr. DeCarlo be eligible to participate in CEMRP during the 2013-14 Plan Year based on objectives set in January 2014 and receive pro-rated awards based upon their service between January 1, 2014 and June 30, 2014. Both would be eligible for maximum potential awards of 30 percent of base salary. This would be an exception to policy for Mr. DeCarlo because his position would only be eligible for a maximum potential award of 25 percent of base salary under the 2013-14 CERMP Plan Document. In the 2014-15 Plan Year and subsequent years, both Dr. Lubin and Mr. DeCarlo would be eligible for a full award, and their award opportunity levels would be determined by the CEMRP Plan Document for the applicable Plan Year. In the 2013-14 CEMRP Plan Document, a CEO would participate at Tier 1 and be eligible for a maximum potential award of 30 percent of base salary and a target award of 20 percent of base salary; a COO would participate at Tier 2 and be eligible for a maximum potential award of 25 percent of base salary and a target award of 15 percent of base salary.

Severance Commitment: Dr. Lubin has an existing agreement with CHRCO that provides for two years of severance in the event of a termination without cause at any time during his employment. Mr. DeCarlo has a similar agreement with CHRCO that provides for one year of severance. It is requested that the Regents approve the inclusion of severance commitments in the contracts for Dr. Lubin and Mr. DeCarlo that state that they will receive one year's severance pay in the event that either is terminated without cause during the three-year term of his contract. This represents significantly less security than they have under their current CHRCO agreements, which have no time limitation. In the event the severance commitments are triggered, the severance payments would be funded by CHRCO.

These positions will be funded from non-State funds; CHRCO funds will used.

Action under interim authority was necessary to secure the services of Dr. Lubin and Mr. DeCarlo before the anticipated close of the transaction on January 1, 2014 and to ensure they will continue as part of the management team for CHRCO.

Recommendation

a. The following items were approved in connection with the appointment of and contract compensation for Bertram Lubin as Chief Executive Officer – Children's Hospital and Research Center of Oakland (CHRCO), UC San Francisco Medical Center:

   i. Per policy, appointment of Bertram Lubin as Chief Executive Officer – Children's Hospital and Research Center of Oakland, UC San Francisco Medical Center, pursuant to a contract with a term of three years, which will commence on the day following the date of the closing of the affiliation agreement between the Regents and CHRCO, which is expected to occur on January 1, 2014, and continue for three years thereafter.

   ii. Per policy, an annual base salary of $715,000.

   iii. Per policy, eligibility to participate in the Clinical Enterprise

Management Recognition Plan (CEMRP), with a target award of 20 percent of base salary ($143,000) and a maximum potential award of 30 percent of base salary ($214,500). Dr. Lubin's actual award will be determined based on performance against pre-established objectives. Dr. Lubin will be eligible to receive a prorated award for the 2013-14 CEMRP Plan Year based on the length of his service between January 1, 2014 and June 30, 2014. This will be an exception to policy if he begins service after January 1, 2014 because the CEMRP Plan Document requires a minimum of six months of service during the Plan year in order to receive a prorated award.

iv. Dr. Lubin will be eligible for one year's severance pay in the event he is terminated without cause during the three-year term of his contract. In the event the severance commitment is triggered, the severance payments would be funded by CHRCO.

v. Per policy, annual automobile allowance of $8,916.

vi. 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 after five years of service in this position).

vii. This appointment will be at 100 percent time.

**Recommended Compensation**
**Effective Date:** The day after the date of the closing of the affiliation agreement between the Regents and CHRCO and continuing for three years thereafter.
**Base Salary:** $715,000
**Clinical Enterprise Management Recognition Plan (CEMRP):** $143,000 (at 20 percent target rate)
**Target Cash Compensation*:** $858,000
**Funding:** non-State funded

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

**COMPETITIVE ANALYSIS FOR CHIEF EXECUTIVE OFFICER – CHRCO**

| | MARKET DATA FOR BASE SALARY | | | | | MARKET COMPOSITE FOR TARGET CASH COMPENSATION | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Percentiles | 25th | 50th | 60th | 75th | 90th | Percentiles | 25th | 50th | 60th | 75th | 90th |
| Market Data | $544K | $642K | $686K | $748K | $874K | Market Data | $598K | $754K | $816K | $914K | $1,060K |
| % Difference | 31.4% | 11.4% | 4.2% | -4.4% | -18.2% | % Difference | 43,5% | 13.8% | 5.1% | -6.1% | -19.1% |

**Survey Source:** Mercer Council of Teaching Hospitals and Health Systems (COTH) Custom Analysis 4A and 4B Module, Integrated Healthcare Strategies Survey, Sullivan Cotter Manager and Executive Compensation Survey.

b. The following items were approved in connection with the appointment of of and contract compensation for Richard DeCarlo as Chief Operating Officer – Children's Hospital and Research Center of Oakland (CHRCO), UC San Francisco Medical Center:

i. Per policy, appointment of Richard DeCarlo as Chief Operating Officer – Children's Hospital and Research Center of Oakland, UC San Francisco Medical Center, pursuant to a contract with a term of three years, which will commence on the day after the date of the closing of the affiliation agreement between the Regents and CHRCO, which is expected to occur on January 1, 2014, and continue for three years thereafter.

ii. Per policy, an annual base salary of $508,211.

iii. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP). As an exception to policy, during the 2013-14 CEMRP Plan Year, he will be eligible to receive an award of up to 30 percent of base salary ($152,463). This is an exception to policy because, under the 2013-14 CEMRP Plan Document, a COO would be eligible for a target award of 15 percent of base salary and a maximum potential award of 25 percent of base salary. Mr. DeCarlo's actual award will be determined based on performance against pre-established objectives. Per policy, beginning with the 2014-15 CEMRP Plan Year, Mr. DeCarlo's award opportunity levels will be in accordance with the applicable CEMRP Plan Document. Mr. DeCarlo will be eligible to receive a prorated award for the 2013-14 CEMRP Plan Year based on the length of his service between January 1, 2014 and June 30, 2014. This will be an exception to policy if he begins service after January 1, 2014 because the CEMRP Plan Document requires a minimum of six months of service during the Plan year in order to receive a prorated award.

iv. Mr. DeCarlo will be eligible for one year's severance pay in the event he is terminated without cause during the three-year term of his contract. In the event the severance commitment is triggered, the severance payments would be funded by CHRCO.

v. 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 after five years of service in this position).

vi. This appointment will be at 100 percent time.

**Recommended Compensation**
**Effective Date:** The day after the date of the closing of the affiliation agreement between the Regents and CHRCO and continuing for three years thereafter.
**Base Salary:** $508,211
**Clinical Enterprise Management Recognition Program (CEMRP):** $152,463 (at 30 percent maximum potential rate)**
**Target Cash Compensation:*** $660,674
**Funding:** Non-State funded

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

**Target Cash Compensation is normally calculated with the CEMRP award at the target rate. However, because a target rate has not been set for Mr. DeCarlo for the 2013-14 CEMRP Plan Year, the maximum potential rate has been used.

**COMPETITIVE ANALYSIS FOR CHIEF OPERATING OFFICER – CHRCO**

| | **MARKET DATA FOR BASE SALARY** | | | | | **MARKET COMPOSITE FOR TARGET CASH COMPENSATION** | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Percentiles | 25th | 50th | 60th | 75th | 90th | Percentiles | 25th | 50th | 60th | 75th | 90th |
| Market Data | $319K | $367K | $390K | $439K | $497K | Market Data | $339K | $400K | $441K | $525K | $655K |
| % Difference | 59.3% | 38.5% | 30.3% | 15.8% | 2.3% | % Difference | 94.9% | 65.2% | 49.8% | 25.8% | 0.9% |

**Survey Source:** Mercer Council of Teaching Hospitals and Health Systems (COTH) Custom Analysis 4A and 4B Module, Integrated Healthcare Strategies Survey, Sullivan Cotter Manager and Executive Compensation Survey.

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

**Submitted by:** **UC San Francisco Chancellor Desmond-Hellmann**
**Reviewed by:** **President Napolitano**
**Committee on Compensation Chair Kieffer**
**Office of the President, Human Resources**

(2) ***Amendment of Contract Compensation for James L. Mora, Jr., Head Football Coach, Intercollegiate Athletics, Los Angeles Campus***

Background to Recommendation

Action under interim authority was requested to approve the amendment of the existing contract for James L. Mora, Jr., Head Football Coach, Intercollegiate Athletics, Los Angeles campus, to become effective upon approval and continue through January 15, 2020. The term of Coach Mora's current contract (which includes amendments made in January 2013) is December 13, 2011 through January 15, 2018.

In his first two seasons as UCLA's Head Coach, Coach Mora has led the team to a record of 18-8, a PAC-12 South Division Championship, wins in both seasons over rival USC, and consistent rankings in the top 25. The proposed contract compensation is designed to ensure that Coach Mora will continue to build upon the strong foundation he has established at UCLA on the field and in the classroom.

In the current dynamic market for recruitment and retention of successful coaches, it is critical for UCLA to retain Coach Mora for continuity of leadership in this key intercollegiate athletics program. In a recently published article in *USA Today*, the compensation of the top Head Football Coaches nationwide is listed. Coach Mora is currently #38 on the list. Five public universities in the PAC-12 (University of Utah, University of Washington, University of Colorado, UC Berkeley, and Arizona State University) and USC pay higher salaries than UCLA.

The campus asked for approval to increase Coach Mora's current annual guaranteed compensation from $2,200,000 (which consists of base salary of $300,000 and talent fee of $1,900,000) to $3,250,000 (which would consist of base salary of $300,000 and talent fee of $2,950,000). This represents an increase of 48 percent ($1,050,000) in annual guaranteed compensation. Regental approval is required for this increase because it exceeds the 30 percent increase allowed under the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters). In subsequent years of Coach Mora's amended contract, his annual guaranteed compensation will increase by $100,000 on January 16 until it reaches a maximum of $3,750,000 on January 16, 2019. The cumulative total for guaranteed compensation under the amended contract would be $17,200,000, which represents a 44.5 percent increase over that of the current contract ($11,900,000) (with the duration of the current contract adjusted so that it does not affect the comparison).

In addition, the campus requested approval to increase Coach Mora's annual incentive potential from $750,000 to $930,000, which represents an increase of 24 percent. Regental approval is required for this increase because it exceeds the 15 percent increase allowed under the September 2008 Parameters.

Lastly, under Coach Mora's current contract, he would be eligible to receive contingent retention bonuses totaling $900,000 ($100,000 each year for contract year one, contract year two, and contract year three, with that amount increasing to $200,000 for contract year four, contract year five, and contract year six). To date, only the $100,000 for contract year one, which ended on January 15, 2013, has vested. The amendment to the contract deletes this provision and further provides that Coach Mora agrees to forfeit amounts previously earned or vested.

All other compensation elements included in the amended contract are within the September 2008 Parameters and therefore do not require Regental approval.

The source of funding for this position is non-State funds; the position will be funded with athletic department revenues and private fundraising.

Action under interim authority was requested because the end of the football season is the key period for recruitment and retention of coaches, and Coach Mora is highly marketable due to his successful leadership of UCLA's football program during the past two years. He had been approached by other universities seeking top talent for their coaching squads. Therefore, it was critical for UCLA to seal the negotiated terms of this contract amendment as soon as possible in order to retain Coach Mora.

Recommendation

The following items were approved in connection with the amendment of contract compensation for James L. Mora, Jr., Head Football Coach, Intercollegiate Athletics, Los Angeles campus:

a. As an exception to the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters), annual guaranteed compensation of $3.25 million, comprised of $300,000 in base salary and $2.95 million in talent fee, for the first year of the new contract. The annual guaranteed compensation will increase by $100,000 on January 16 of each subsequent year of the contract until it reaches the maximum of $3.75 million on January 16, 2019. This annual guaranteed compensation is an exception to the September 2008 Parameters because (a) the annual compensation in the first 12 months of the contract is more than 30 percent greater than it would be under the current contract, and (b) the cumulative total for guaranteed compensation under the proposed contract is more than 30 percent greater than under the current contract (with the duration of the current contract adjusted so that it does not impact the comparison).

b. As an exception to the September 2008 Parameters, an annual maximum incentive potential of $930,000. This constitutes an exception because the increase is more than 15 percent over the current contract's annual maximum incentive potential of $750,000.

c. The amended contract will be effective upon approval and continue through January 15, 2020.

**Recommended Compensation**
**Effective Date:** Upon approval and continuing through January 15, 2020
**Base Salary:** $300,000
**Talent Fee:** $2.95 million
**Guaranteed Compensation:** $3.25 million
**Maximum Potential Bonus/Incentives:** $930,000
**Camps**: $100,000
**Total Potential Cash Compensation in first year of the contract:** $4.28 million
**Funding:** non-State-funded

**Current Incumbent Data**
**Title:** Head Football Coach
**Base Salary:** $300,000
**Talent Fee:** $1.9 million
**Guaranteed Compensation:** $2.2 million
**Maximum Potential Bonus/Incentives:** $750,000
**Camps**: $100,000
**Deferred Compensation (Contingent Retention Bonus):** $100,000
**Total Potential Cash Compensation:** $3.15 million
**Funding:** non-State-funded

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

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

(3) ***Appointment of and Compensation for Steve Gamer as Vice Chancellor – Advancement, San Diego Campus***

Background to Recommendation

Action under interim authority was requested for the appointment of and compensation for Steve Gamer as Vice Chancellor – Advancement, San Diego campus. The campus proposed an annual base salary of $343,750, effective January 13, 2014. The proposed salary is 1.7 percent above the $60^{th}$ percentile of the applicable Market Reference Zone (MRZ), and it is 13.1 percent above the salary of the previous incumbent.

As the San Diego campus prepares to launch a comprehensive fundraising campaign, the Vice Chancellor – Advancement position is being reinstated in the Chancellor's cabinet. When the previous incumbent resigned in 2009, former Chancellor Fox chose not to replace her in order to reduce administrative costs and instead assigned the advancement function to Vice Chancellor – Business Affairs Steven Relyea. Mr. Relyea will continue to serve as Vice Chancellor – Business Affairs but will no longer have responsibility for advancement.

Following a comprehensive national search, Steve Gamer was identified as the top candidate for this position. Mr. Gamer is currently the Associate Vice Chancellor – Development, Los Angeles campus. He has more than 20 years of experience in identifying, cultivating, and soliciting high net worth individuals, corporations, and foundations. Over the past ten years at UCLA, Mr. Gamer has advanced to various leadership positions and gained valuable experience with major fundraising campaigns, including preparation for the UCLA "Centennial Campaign" set to launch in May 2014 and the planning and execution of "Campaign UCLA," which raised more than $3 billion. Prior to coming to UCLA in 2002, Mr. Gamer served as Campaign Director for the Jewish Federation of Greater Los Angeles. Previous appointments include Associate Director, Planning and Budgeting, for the Atlanta Jewish Federation and Campaign Director for the Madison Jewish Community Council.

The Vice Chancellor – Advancement is classified as a Level Two position in the Senior Management Group (SMG). The position reports directly to the Chancellor and serves as a member of the Chancellor's cabinet as well as the President of the UC San Diego Foundation. The position oversees approximately 220 staff and annual expenditures in excess of $25 million. Duties include oversight of Development, Alumni Affairs and Constituent Engagement, and Foundation and Advancement Services across the entire campus, including Health Sciences and the Health System. In this position, Mr. Gamer will be responsible for the planning and execution of a comprehensive fundraising campaign of more than $1 billion scheduled to launch in 2014.

This position will be funded with discretionary State and non-State overhead funds.

Action under interim authority was requested so that the selection could be announced at the earliest opportunity, permitting Mr. Gamer to provide adequate notice to UCLA as well as arrange for his relocation from Los Angeles to San Diego. It is critical that the new Vice Chancellor begin his appointment near the start of the calendar year so that he will become quickly engaged in the campus strategic planning initiative that has been in progress over the past year and prepare for the launch of the new fundraising campaign.

Recommendation

The following items were approved in connection with the appointment of and compensation for Steve Gamer as Vice Chancellor – Advancement, San Diego campus:

a. Appointment of Steve Gamer as Vice Chancellor – Advancement, San Diego campus.

b. Per policy, an annual base salary of $343,750.

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

d. Per policy, a relocation allowance of 25 percent of base salary ($85,938) to be paid in one lump sum or in installments over four years, at Mr. Gamer's discretion, subject to the limitations under policy. If Mr. Gamer elects to take a single lump sum, the allowance will be subject to a repayment requirement if he terminates his employment with the University within four years as follows: 100 percent if separation occurs within the first year of employment, 75 percent if separation occurs within the second year of employment, 50 percent if separation occurs within the third year of employment, and 25 percent if separation occurs within the fourth year of employment. If Mr. Gamer prefers to take installments over time, any unpaid installments will be forfeited at the time of separation.

e. Per policy, a temporary cash allowance of $3,000 per month up to a period of 90 days for a total of $9,000 to offset limited housing-related expenses, subject to the limitations under policy.

f. Per policy, 100 percent reimbursement of actual and reasonable expenses associated with moving Mr. Gamer's household goods and personal effects from his former primary residence to his new primary residence, subject to the limitations under policy.

g. Per policy, reimbursement of actual and reasonable expenses associated with two house-hunting trips for Mr. Gamer and his spouse or partner to secure housing in the San Diego area, subject to the limitations under policy.

h. Per policy, reimbursement of actual and reasonable costs of transportation associated with Mr. Gamer taking up to two return trips home to his former residence to facilitate his relocation, subject to the limitations under policy.

i. Per policy, eligibility to participate in the UC Home Loan Program, subject to all applicable program requirements.

j. 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 after five years of Senior Management Group service).

k. Per policy, a monthly contribution to the Senior Management Supplemental Benefit Program of five percent of base salary.

l. This appointment will be at 100 percent time and effective on January 13, 2014.

**Recommended Compensation**
**Effective Date:** January 13, 2014
**Base Salary:** $343,750
**Target Cash Compensation:*** $343,750
**Market Reference Zone:** (25th%: $241,000, 50th%: $313,000, 60th%: $338,000, 75th%: $376,000, 90th%: $425,000)
**Funding:** partially or fully State-funded

**Budget &/or Prior Incumbent Data**
**Title:** Vice Chancellor – External and Business Affairs
**Base Salary:** $303,850
**Target Cash Compensation:*** $303,850
**Market Reference Zone:** (25th%: $241,000, 50th%: $313,000, 60th%: $338,000, 75th%: $376,000, 90th%: $425,000)
**Funding:** partially or fully State-funded

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

## COMPETITIVE ANALYSIS FOR VICE CHANCELLOR – DEVELOPMENT/UNIVERSITY RELATIONS

| | **MARKET REFERENCE ZONE FOR BASE SALARY** | | | | | | **MARKET COMPOSITE FOR TARGET CASH COMPENSATION** | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Percentiles | 25th | 50th | 60th | 75th | 90th | Percentiles | 25th | 50th | 60th | 75th | 90th |
| Market Data | $241K | $313K | $338K | $376K | $425K | Market Data | $229K | $277K | $325K | $397K | $469K |
| % Difference from Market | 42.6% | 9.8% | 1.7% | -8.6% | -19.1% | % Difference from Market | 50.1% | 24.1% | 5.8% | -13.4% | -26.7% |

**Survey Source:** College and University Professional Association (CUPA) survey and Watson Wyatt Data Services for Top Management.

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

**Submitted by:** **UC San Diego Chancellor Khosla**
**Reviewed by:** **President Napolitano**
**Committee on Compensation Chair Kieffer**
**Office of the President, Human Resources**