

REPORT OF INTERIM ACTIONS

Office of the Secretary and Chief of Staff
March 25, 2010

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 action was taken on routine or emergency matters as follows:

A. The Chair of the Committee on Compensation and the President of the University approved the following recommendations:

- (1) *Delegation of Authority to Recruit and Set Compensation for the Head Coach, Women's Volleyball, Los Angeles Campus*

Action under interim authority was requested to grant authority to recruit and set the maximum compensation for the head coach for women's volleyball, Los Angeles campus. Interim authority was requested because of the urgent need to fill this position and the anticipated negotiation process (including securing all agreements and commitments) surrounding the compensation for this position.

It is not anticipated that the final employment agreement will include the maximum amount in every category of compensation listed below. The compensation provided under this agreement shall be funded exclusively from athletic department revenues and private fundraising; no State or general campus funds will be used.

RECOMMENDATION

The following items were approved as the maximum total compensation threshold for the new head volleyball coach, Los Angeles campus, subject to an appropriate coach contract, which will be reviewed by the Office of the General Counsel. Approval of this list of possible compensation categories and maximum compensation amounts is intended to facilitate successful contract negotiations with the desired candidate. Once the contract has been signed by both parties, an informational report will be made to the Regents disclosing the final terms of the agreement. Approval of this recruitment authority will serve as approval of the final compensation of the head coach for women's volleyball, provided the compensation is within the threshold outlined in this proposal. It is understood that Regental authorization for this authority will expire upon the signing of the contract by both parties.

In its negotiations with all candidates, the University will expressly state that there will be no commitment between the University and the candidate unless and until a formal contract is signed between them and that all negotiations are non-binding, such that the candidate will have no recourse against the University for any form of compensation or University benefits that is not set forth in a fully executed contract, including, but not limited to, compensation for any employment or business opportunities that the candidate might have had but for the candidate's negotiations with the University.

The maximum compensation thresholds proposed for the head coach for women's volleyball, Los Angeles campus are as follows:

- (a) Contract Duration: A contract of up to five years in duration.
- (b) Base Salary: A maximum initial annual base salary of \$200,000.
- (c) Deferred Compensation: The head coach may be entitled to a specified amount as deferred compensation of up to the equivalent of the first year's guaranteed compensation, payable at the expiration of the contract term. In the event the head coach becomes unable to perform the services described in the contract due to illness, incapacity, or some other non-performance based reason, and the contract is terminated, the head coach or his assignees shall receive a pro-rata portion of the deferred compensation as described in the contract between the parties. If the coach is terminated for cause, the coach will forfeit this deferred payment. If the coach is terminated under the "at will" provisions of the agreement, the coach will be entitled to the amount vested through the date of termination.
- (d) Signing Bonus: A one-time signing bonus of not more than 33 percent of the first year's guaranteed compensation. The appropriateness of a signing bonus as well as the amount of the signing bonus will be determined in conjunction with the agreed-upon base salary, such that the higher the base, the lower the signing bonus. The Agreement will require that the coach forfeit the entire signing bonus if the coach fails to complete the term of the contract.
- (e) Incentive Pay: An annual maximum of up to \$40,000 based on achievement of performance goals established in the contract.

- (f) Other Elements of Compensation including the following:
- i. Per policy, eligible for standard health and welfare benefits.
 - ii. Camp earnings up to a \$100,000 maximum, subject to availability of facilities and at the discretion of UCLA's Director of Intercollegiate Athletics.
 - iii. A courtesy vehicle or payments in lieu of a car up to \$5,400 annually.
 - iv. In accordance with University policies and regulations governing travel and subject to approval by the Athletics Director, the University will pay spouse travel for required events outside the Los Angeles area.
 - v. Approval for a non-standard title (HEAD COACH) to be eligible for participation in the Mortgage Origination Program (MOP) and/or the Supplemental Home Loan Program (SHLP). The loan amount will not exceed the MOP or SHLP programmatic maximum loan amount at the time the candidate is in escrow and the final loan commitment is made. Any loan offered will comply with all other normal MOP and/or SHLP program parameters, and is subject to funding availability.
 - vi. Reimbursement for reasonable relocation costs consistent with University policy.
- (g) Termination Clause: The University will retain the right to terminate the contract for cause, at which point all compensation and other obligations will cease, and there will be no obligation by the University to "buy out" the remainder of the contract.

The University will retain the unilateral right to terminate the Employment Contract, without cause, at any time. In the event the University terminates the agreement without cause, it shall be obligated to pay the head coach, as a liquidated damage, a portion of the remaining contract amount, offset by any future income earned by the coach in subsequent employment during the remaining contract period. The University shall not be liable for any University benefits which are not vested nor for any collateral business opportunities or other benefits associated with the candidate's position as coach.

There is an additional potential cost that does not directly relate to compensation, but that is now customary in this environment. The hiring institution now customarily pays any liquidated damage amounts

contractually owed a former institution by the coach's early termination of that agreement.

(2) ***Appointment and Compensation for David H. Hosley as Interim Vice Chancellor – University Relations, Merced Campus***

Action under interim authority was requested for the approval of the appointment and compensation for David H. Hosley as Interim Vice Chancellor – University Relations for a one year period, effective February 1, 2010 through January 31, 2011. This urgent request is in response to the resignation of the previous incumbent, effective January 4, 2010, to pursue a new career path. Mr. Hosley is a seasoned fundraiser with a strong background in communications, governmental relations, and administration. A national search for a permanent appointee will be undertaken in the future.

This position is funded 100 percent by UC General Funds provided by the State. The proposed base salary of \$201,000 is below the current market median of \$300,000. Market data is provided by Mercer Human Resource Consulting, which includes data from the 2008/2009 College and University Professional Association (CUPA) Administrative Compensation Survey. In addition, the proposed base is nine percent below the midpoint for SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000) and 37 percent below the average base salary of \$275,225 for the Vice Chancellor – University Relations at the other UC locations.

During this one-year assignment, Mr. Hosley will be responsible for the broad areas of fundraising, communications, and governmental relations as well as the further development of a strategic plan for the university relations area. Mr. Hosley is an effective and seasoned leader in the university relations arena, and has direct and successful experience in fundraising, communications, and governmental relations. Mr. Hosley joined UC Merced in 2008 as President of the Great Valley Center (GVC), a not-for-profit entity headquartered in Modesto and affiliated with the UC Merced campus. He will retain the position of GVC President during this one-year period.

Mr. Hosley has led strategic planning efforts and has recorded impressive success in fundraising throughout his career. He is active in San Joaquin Valley civic and educational efforts and serves on the UC Davis Foundation Board, The Dean's Advisory Council for the UC Davis College of Agriculture and Environmental Sciences, the California Partnership for the San Joaquin Valley (Executive Committee), and the California Asian-Pacific Chamber of Commerce, among others. He has lectured at the Stanford University Graduate School of Business on "Strategic Management in the Nonprofit Environment," and at the Stanford University Mass Media Institute on "Mass Media and Society" and "Broadcast Newswriting." He has served as an adjunct faculty member at the College of Notre Dame and Florida International University and as an Assistant Professor at

the University of Florida. Mr. Hosley is a recognized documentary film producer and the author of numerous articles.

RECOMMENDATION

The following items were approved in connection with the appointment and compensation of David H. Hosley as Vice Chancellor – University Relations, Merced campus:

- (a) Appointment of David H. Hosley as Interim Vice Chancellor – University Relations, Merced Campus.
- (b) Per policy, an annual base salary of \$201,000 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- (c) This appointment is at 100 percent time and effective February 1, 2010, through January 31, 2011, or until the effective date of the appointment of a permanent Vice Chancellor – University Relations, whichever occurs first.

Additional Compensation Items:

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

Recommended Compensation

Effective Date: February 1, 2010

Base Salary: \$201,000

Grade Level: Grade 107: Min \$172,300 Midpt \$218,700 Max \$265,000

Median Market Data: \$300,000

Funding Source: UC General Funds

Percentage Difference from Market: 49.0 percent

Budget &/or Prior Incumbent Data

Base Salary: \$207,200

Grade Level: Grade 107

Funding Source: UC General Funds

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.

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

- (1) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Wilshire Center Exterior Repairs and Refurbishment, Los Angeles Campus***

Pursuant to Standing Order 100.4(q)

The President, subject to concurrence of the Chairman of the Board and the Chair of the Committee on Grounds and Buildings, authorized that the 2009-10 Budget for Capital Improvements and the Capital Improvement Program include the following project:

Los Angeles: Wilshire Center Exterior Repairs and Refurbishment – preliminary plans, working drawings and construction – \$12,346,000 to be funded from Wilshire Center Major Maintenance Reserves.

- (2) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Barbara and Art Culver Center for the Arts, Riverside Campus***

Pursuant to Standing Order 100.4(q)

The President, subject to concurrence of the Chairman of the Board and the Chair of the Committee on Grounds and Buildings, authorized that the 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Riverside: Barbara and Art Culver Center for the Arts – preliminary plans, working drawings, and construction – \$15,581,000, to be funded from State funds (\$8,065,000), gift funds (\$4,800,000), and campus funds (\$2,716,000).

To: Riverside: Barbara and Art Culver Center for the Arts – preliminary plans, working drawings, and construction – \$16,506,000, to be funded from State funds (\$8,065,000), gift funds (\$4,800,000), and campus funds (\$3,641,000).