

COMMITTEE ON COMPENSATION

ACTION ITEM

For Meeting of May 20, 2010

APPROVAL OF INDIVIDUAL COMPENSATION ACTIONS AS DISCUSSED IN CLOSED SESSION

RECOMMENDATION

- A. *Term Appointment Compensation for Donald J. DePaolo as Acting Associate Laboratory Director, Energy and Environmental Sciences, Lawrence Berkeley National Laboratory*

Background to Recommendation

Laboratory Director Alivisatos requests approval to appoint Donald J. DePaolo as Acting Associate Laboratory Director to be effective June 1, 2010 for a 12-month period to help fill the void resulting from the departure of Associate Laboratory Director Majumdar after he was nominated by President Barack Obama to be the first Director of the U.S. Department of Energy's (DOE) Advanced Research Projects Agency – Energy (ARPA-E).

Reporting directly to the Laboratory Director, the Acting Associate Laboratory Director is one of several key leadership positions on the management team at the Laboratory. The wide-ranging responsibilities for this position include:

- coordinating activity across organizational lines at the Laboratory in spearheading new, large-scale scientific initiatives;
- assisting the Laboratory Director and Deputy Director in strategic planning exercises;
- serving as an exemplar of the Laboratory's culture of excellence in safety and in science;
- facilitating multidisciplinary collaboration within the Laboratory and across the broader research community;
- helping to raise the public profile of Berkeley Laboratory and the Department of Energy's National Laboratory system; and,

- representing the Laboratory before senior program officials in the Department of Energy's Office of Science.

The compensation for this position is funded entirely by Department of Energy funds under the University's contract with the DOE. No State funds are involved.

Because of the significant additional duties Mr. DePaolo has assumed as the Scientific Division Director – Faculty, Earth Sciences Division and now as the Acting Associate Laboratory Director, the Laboratory is requesting an administrative stipend totaling 21.1 percent (\$55,420) of his annualized faculty base salary, resulting in total cash compensation of \$318,220. Since the total stipend exceeds the 15 percent maximum permitted by Laboratory policy, this is an exception to policy.

Recommendation

The Committee recommends approval of the following items in connection with the term appointment of Donald J. DePaolo as Acting Associate Laboratory Director, Energy and Environmental Sciences, Lawrence Berkeley National Laboratory:

- (1) Term appointment salary of \$318,220, which includes an academic annual salary of \$197,100, summer salary of \$65,700, and an administrative stipend of \$55,420 (Grade N17: Minimum \$268,260, Midpoint \$344,646, Maximum \$421,032). This represents an exception to policy because the administrative stipend exceeds the 15 percent maximum permitted by Laboratory policy.
- (2) The stipend component of salary will be in effect for up to 12 months from the date of Mr. DePaolo's acting appointment and will be recalculated if the annualized base salary is increased, so the stipend will continue to equal 21.1 percent of the annualized base salary.
- (3) This appointment is at 100 percent time and is effective June 1, 2010 for up to 12 months.

Recommended Compensation

Effective Date: June 1, 2010

Annual Academic Salary: \$197,100

Summer Salary: \$65,700

Additional Term Compensation: \$55,420

Total Cash Compensation: \$318,220

Grade Level: N17, Job Code 198.3:

Minimum \$268,260, Midpoint \$344,646, Maximum \$421,032

Funding Source: DOE Funds

Budget &/or Prior Incumbent Data

Title: Associate Laboratory Director

Annualized Base Salary: \$274,008
Funding Source: DOE Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, continued accrual of sabbatical credits as a member of 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: **Laboratory Director Alvisatos**
Reviewed by: **President Yudof**
 Compensation Committee Chair Varner
 Office of the President, Human Resources

B. ***Appointment of and Total Compensation for Susan Carlson as Vice Provost – Academic Personnel, Office of the President***

Background to Recommendation

Successfully attracting and retaining high-quality faculty and other academic talent is one of the University's most important needs, and the effective management of academic personnel policies and programs plays a critical role in meeting that need. For over a year, the UC Office of the President has been without a permanent academic personnel leader. As the University contemplates how best to maintain and improve the quality of its academic programs, it is critical that UC have high-quality leadership overseeing its academic personnel programs.

Accordingly, approval is requested for the appointment of Susan Carlson as Vice Provost – Academic Personnel. The Vice Provost – Academic Personnel provides oversight for the processes that establish academic personnel policies including academic appointments, promotions, appraisals, and faculty salary structures. The incumbent is responsible for maintaining the overall academic personnel standards of the entire University and also directly influences the quality of UC faculty. This position is considered to be one of the most vital and important in the Provost's Office. Accordingly, Ms. Carlson will report directly to the Provost and Executive Vice President – Academic Affairs.

After an extensive national search, Ms. Carlson was selected as the top candidate. Ms. Carlson is currently the Associate Provost for Faculty Advancement and Diversity at Iowa State University, and Professor, Department of English. While at Iowa, Ms. Carlson

was responsible for all faculty personnel matters, including promotion and tenure, recruitment and retention, and academic personnel policy. In addition, she led the Iowa State University ADVANCE Program focused on women faculty in STEM (science, technology, engineering, and mathematics) fields. Ms. Carlson has also been active in developing new diversity initiatives for her campus.

The requested base salary of \$250,000 is 0.8 percent above the market median of \$248,100. This position is funded 100 percent by State funds. Additional elements of Ms. Carlson's recruitment package, all of which comply with UC policy, are detailed below.

Recommendation

The Committee recommends approval of the following items in connection with the appointment of and compensation for Susan Carlson as Vice Provost – Academic Personnel, Office of the President:

- (1) Appointment of Susan Carlson as Vice Provost – Academic Personnel, Office of the President, at 100 percent time.
- (2) Per policy, appointment salary of \$250,000.
- (3) Per policy, a 25 percent (\$62,500) relocation allowance will be provided as a single lump sum or as an annual stream of payments for a period of up to five years. If paid in a lump sum and Ms. Carlson resigns within four years, the repayment schedule would be as follows: 100 percent if resignation occurs within the first year of employment; 60 percent within the second year of employment; 30 percent within the third year of employment; and ten percent within the fourth year of employment. If paid in annual installments and Ms. Carlson resigns, any unpaid future installments would be forfeited.
- (4) Per policy, 90-day temporary living assistance including cost of furnished temporary lodging and reasonable residential parking fees, reimbursed within normal policy limits, not to exceed \$4,000 per month. Additionally, meals for the first 30 days of residence in temporary quarters that do not have cooking facilities, reimbursed within normal policy limits.
- (5) Per policy, two house hunting trips each, subject to the limitations under policy, for the candidate and her spouse/partner.
- (6) Per policy, 100 percent reimbursement of all reasonable moving expenses for the purpose of relocation of the primary residence subject to the current policy guidelines.
- (7) Per policy, eligibility to participate in the University Home Loan Program. Participation will comply with all University/campus normal program parameters.

- (8) Per policy, this position is subject to the salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent salary reduction.
- (9) This appointment is effective upon Regental approval, pending suitable transition notice to Ms. Carlson's current institution.

Recommended Compensation

Effective Date: Upon Regental approval

Base Salary: \$250,000

Grade Level: SLCG Grade 108:

Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400

Median Market Data: \$248,100

Funding Source: State funds

Percentage Difference from Market: 0.8

Budget &/or Prior Incumbent Data

Title: Vice Provost – Academic Personnel

Base Salary: \$263,750

Funding Source: State funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty. Ms. Carlson will not accrue credits in her position as Vice Provost.
- 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: Provost Lawrence H. Pitts
Reviewed by: President Yudof
Compensation Committee Chair Varner
Office of the President, Human Resources

C. *Promotional Appointment of and Total Compensation for Edward Babakanian as Chief Information Officer, Health Sciences, San Diego Campus*

Background to Recommendation

As part of a comprehensive restructuring and streamlining initiative, UC San Diego Health Sciences is consolidating a number of administrative functions, including financial administration, strategic planning, and human resources. The restructuring includes UCSD's School of Medicine, Skaggs School of Pharmacy and Pharmaceutical Sciences, Medical Center, Medical Group, and other professional departments. The goals of the restructuring are to reduce costs and bureaucracy and create a more streamlined, efficient, and integrated health sciences operation.

The restructuring includes consolidation of the Chief Information Officer functions for the UCSD Medical Center and the Health Sciences (CIO – HS) to provide oversight across all Health Sciences operations. Edward Babakanian is being recommended for the position. Mr. Babakanian has worked at UC since 1994, and has been serving as Chief Information Officer for the UCSD Medical Center since 1996. With this restructuring, the CIO position for the Medical Center will be eliminated.

This position is funded 100 percent from non-State funds. Based on the market data and inter-campus comparisons, it is proposed that the position be slotted on an interim basis at SLCG Grade 110. The requested base salary of \$312,600 is 1.8 percent above the midpoint of the SLCG Grade 110 range (\$307,200); 0.6 percent above the average annual salary of other SLCG Grade 110 positions at UCSD (\$310,550); 11.2 percent above the market median of \$281,000, as taken from the College and University Professional Association (CUPA) Administrative Compensation Survey (top 26 competitor institutions) and 3.5 percent below the school of medicine market median of \$324,000 as taken from the CUPA Administrative Compensation Survey (comprised of 14 of the 26 competitor institutions with a school of medicine); and 0.9 percent above the average base salary (\$309,775) of chief information officers at the other four UC medical centers.

Recommendation

The Committee recommends approval of the following items in connection with the promotional appointment of and compensation for Edward Babakanian as Chief Information Officer, Health Sciences, San Diego campus:

- (1) Appointment of Edward Babakanian as Chief Information Officer, Health Sciences, San Diego campus, at 100 percent time. This position is classified in the Senior Management Group.
- (2) Per policy, appointment salary of \$312,600.
- (3) Interim slotting at SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).

- (4) Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan, with a target of 15 percent.¹
- (5) Per policy, this position is subject to the salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent salary reduction.
- (6) This appointment is effective June 1, 2010.

Recommended Compensation

Effective Date: June 1, 2010

Base Salary: \$312,600

CEMRP Incentive (at risk): \$46,890 (at 15 percent target rate¹)

Total Cash Compensation: \$359,490

Grade Level: SLCG Grade 110:

Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500

Median Market Data: \$324,000

Funding Source: non-State funds

Percentage Difference from Market: 3.5 percent below

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

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: UCSD Chancellor Fox
Reviewed by: President Yudof
Compensation Committee Chair Varner
Office of the President, Human Resources

¹ CEMRP incentive opportunities are at risk with actual payouts ranging from zero percent up to 25 percent for this level and dependent upon actual achievement of goals.

D. *Title Change and Total Compensation for Barbara J. French as Vice Chancellor – Strategic Communications and University Relations, San Francisco Campus*

Background to Recommendation

The San Francisco campus requests approval for a title change and total compensation for Associate Vice Chancellor – University Relations Barbara J. French to Vice Chancellor – Strategic Communications and University Relations. There is no salary increase included in this action. This action includes a change in personnel program from Management and Senior Professional (MSP) to the Senior Management Group with continued SLCG grading at Grade 108 and no change to current base compensation of \$251,900 annually, effective upon Regental approval.

The scope of Ms. French's responsibilities has expanded significantly due to the elimination of the position of Senior Vice Chancellor – University Advancement and Planning, to which she formerly reported. With the elimination of this position and related reorganization, UCSF expects to save approximately \$500,000 annually. In this new role, Ms. French now reports directly to the Chancellor and has become the UCSF leader with full responsibility for comprehensive, integrated campus and medical center strategic communications, advocacy, and government and community relations. Ms. French is expected to drive public awareness initiatives aimed at keeping all stakeholders informed of developments at UCSF, which is the second largest employer in San Francisco and has significant capital projects under way. Strengthening of UCSF's strategic communication and advocacy efforts is one of the Chancellor's top priorities and, in support of this critical goal, Ms. French assumes the following additional major leadership responsibilities:

Strategic Communications:

In this role Ms. French will support the Chancellor and the entire UCSF senior leadership team, both campus and Medical Center, in communications to advance leadership's strategic priorities both within the University community and with external constituencies, including community residents and organizations, donors, and political leaders. This responsibility includes all aspects of strategic communications including, but not limited to, the following: participating in senior policy decision making, building alliance networks with key stakeholders and business segments, creating a viable internal communications pipeline to insure all key priorities and strategies are fully vetted and understood by internal senior leadership, developing content and messaging strategy, and incorporating state-of-the-art communications and new media platforms into the communications network.

Advocacy:

In this role Ms. French will assume a leadership role, in collaboration with the Senior Vice Chancellor – Finance and Administration and/or Vice Chancellor – Development and Alumni Relations, when appropriate, to identify, nurture, and capitalize on key

relationships with community members, politicians, and donors. Ms. French will also oversee the expansion and maintenance of strategic relationships and implementation of action plans with federal, State, and local government relations officers throughout UCSF and the University of California system. This advocacy responsibility encompasses critical interactions with influential individuals on a wide range of topics (e.g., potential real estate transactions involving key donors to proposed city-based health programs that affect UCSF and the surrounding community).

The campus indicates that, given an examination of external market data and comparator positions across the University system, Ms. French's current annual base salary of \$251,900 reflects an appropriate alignment in consideration of the responsibilities assigned to the position. However, the responsibilities reflect classification in the Senior Management Group. The base salary for this position is funded through State funds. The position remains slotted at SLCG Grade 108.

Recommendation

The Committee recommends approval of the following items in connection with the title and personnel program change for Barbara J. French as Vice Chancellor – Strategic Communications and University Relations, San Francisco campus:

- (1) Title change from Associate Vice Chancellor – University Relations to Vice Chancellor – Strategic Communications and University Relations, at 100 percent time.
- (2) Personnel program change from Management and Senior Professional (MSP) Grade VIII to the Senior Management Group.
- (3) Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program (\$12,595).
- (4) Effective following approval by the Regents.

Recommended Compensation

Effective Date: Upon Regental approval

Base Salary: \$251,900

Grade Level: SLCG Grade 108:

Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400

Median Market Data: No match

Funding Source: State funds

Budget &/or Prior Incumbent Data

Title: No Prior Incumbent

Base Salary: n/a

Funding Source: n/a

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, continued appointment salary of \$251,900, representing a zero percent increase in Ms. French's current salary.
- Continued slotting at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- This position is subject to the salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent salary reduction.

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: UCSF Chancellor Desmond-Hellmann
Reviewed by: President Yudof
Compensation Committee Chair Varner
Office of the President, Human Resources

E. *Term Appointment for Eric Vermillion as Associate Vice Chancellor – Finance, San Francisco Campus*

Background to Recommendation

As the result of a reorganization of Financial and Administrative Services (FAS) at the San Francisco campus, three departments (Planning, Real Estate, and Capital Projects) formerly managed by two separate senior vice chancellors now report directly to Senior Vice Chancellor Plotts, as well as three other direct reports (Human Resources, Program Management Office, and Police Department) formerly reporting to the Associate Vice Chancellor – Administration. In addition, a new Sustainability position will report to Mr. Plotts. While these organizational changes have been implemented, the reporting relationship of the Controller's Office continues to be assigned to Associate Vice Chancellor – Finance Eric Vermillion, who is currently serving in this role as approved by the Regents on July 17, 2008, with a subsequent approval in May 2009 for an extension through May 31, 2010, at an annual base salary of \$298,313 for the duration of this term appointment. Final organizational placement of the Controller's Office remains under consideration.

UCSF now requests approval of a term appointment effective June 1, 2010 through June 30, 2011, or until a permanent organizational structure is implemented, whichever occurs first, with current annual compensation continuing. The terms and conditions, including compensation, of Mr. Vermillion's temporary assignment remain unchanged; this is merely an extension of time to accommodate the restructuring.

The base salary for this position is funded through non-State funds.

Recommendation

The Committee recommends approval of the following items in connection with the appointment of Eric Vermillion as Associate Vice Chancellor – Finance, San Francisco campus:

- (1) As an exception to policy, a term appointment effective June 1, 2010 through June 30, 2011, or until a permanent organizational structure is implemented, whichever occurs first, and including up to a three-month overlap in service for transition of duties. This represents an exception to policy, which indicates a one-year limit on temporary appointments for members of the Senior Management Group.
- (2) Per policy, continuation of the current annual compensation of \$298,313.

Recommended Compensation

Effective Date: June 1, 2010-June 30, 2011

Term Appointment Base Salary: \$298,313

FAS Incentive Eligibility (at risk): \$13,875 (5 percent of unadjusted base reflected²)

Total Cash Compensation (at target): \$312,188

Grade Level: SLCG Grade 109:

Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700

Funding Source: non-State funds

Budget &/or Prior Incumbent Data

Title: Associate Vice Chancellor – Finance

Term Appointment Base Salary: \$298,313

FAS Incentive Eligibility (at risk): \$13,875 (5 percent of unadjusted base reflected²)

Total Cash Compensation (at target): \$312,188

Funding Source: non-State funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Continued appointment as Associate Vice Chancellor – Finance, at 100 percent time.

² FAS incentive opportunities are at risk with actual payouts ranging from zero percent up to ten percent and dependent upon actual achievement of goals.

- Continued classification at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- Per policy, continued eligibility for participation in the Finance and Administrative Services (FAS) Incentive Plan with incentive opportunities at risk and a range of payout from zero percent to a maximum potential incentive of up to ten percent.
- This position is subject to the salary reduction/furlough plan effective September 1, 2009 through August 31, 2010, with a ten percent salary reduction.

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: UCSF Chancellor Desmond-Hellmann
Reviewed by: President Yudof
Compensation Committee Chair Varner
Office of the President, Human Resources