

REPORT OF INTERIM ACTIONS

Office of the Secretary and Chief of Staff
May 18, 2011

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 Chairman of the Board and the Chair of the Committee on Governance approved the following recommendation:

Appointment of Regent to Standing Committee

That, effective immediately, Regent David G. Crane be appointed to the Committee on Compliance and Audit, through June 30, 2011.

- B. The Vice Chair of the Board and the President of the University approved the following recommendation:

Extension of an Existing Guaranty, Related Agreements and Contingent Commercial Paper Funding to Support a Liquidity Facility for Sierra Nevada College Series 2005 Bonds Issued to Finance the Tahoe Environmental Research Center, Davis Campus

That the April 2010 interim action entitled *Approval of a Guaranty, Related Agreements and Contingent Commercial Paper Funding to Support the Acquisition of a Substitute Liquidity Facility for Sierra Nevada College Series 2005 Bonds Issued to Finance the Tahoe Environmental Research Center, Davis Campus* be amended as follows:

Additions shown by underscoring; deletions shown by strikethrough

It is recommended that:

- (1) The President be authorized to execute a guaranty, related bank bond purchase agreement and related agreements to support the acquisition of a substitute bank liquidity facility effective through October 25, 2011, for a term not to exceed one year on no more than \$10,660,000 outstanding Series 2005 Bonds issued by Sierra Nevada College for the Tahoe Environmental Research Center project. The President be authorized to execute an additional six month extension of the guaranty and related agreements if deemed necessary by the President.

- (2) The President be authorized to use commercial paper financing to provide funding for the purchase of Bonds from the bank provider and payments made to the bank provider under the guaranty, if necessary. In the event that a backstop repayment source is needed, the Davis campus will allocate campus reserves to repay commercial paper principal and interest.
- (3) The President be authorized to delegate to the Executive Vice President – Chief Financial Officer authority to negotiate and execute all documents necessary in connection with the above guaranty, related agreements and financing.

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

- (1) ***Appointment of Keith Yamamoto as Vice Chancellor – Research, San Francisco Campus***

Background to Recommendation

Action under interim authority was requested to appoint UCSF faculty member Keith Yamamoto as the Vice Chancellor – Research, San Francisco campus. This was a request for approval for the implementation of a without-salary Senior Management Group (SMG) title, Vice Chancellor, to complement Mr. Yamamoto's existing faculty appointment as Professor of Cellular and Molecular Pharmacology and Executive Vice Dean – School of Medicine. Mr. Yamamoto will retain an academic base salary of \$378,000, plus an academic stipend of five percent (\$18,900 annually) in recognition of additional responsibilities, for a total cash compensation of \$396,900. In addition, his current benefit levels and faculty appointment will continue to be covered under Academic Personnel policies. The without-salary SMG title would represent SLCG Grade 110, would not be eligible to receive SMG benefits, and would not be covered by Personnel Policies for Staff Members (PPSM) or SMG policy. With this dual appointment, Mr. Yamamoto will expend 70 percent effort towards his academic responsibilities and 30 percent effort towards the Vice Chancellor – Research function. The existing academic appointment is funded through both State and non-State funds. Funding for a full-time position is not available.

The campus wanted to proceed with enhancing current campus initiatives to create an even more robust research program on the UCSF campus. The campus requested an interim action so that it could publicly announce Mr. Yamamoto's appointment and allow him to formally undertake these critical initiatives and provide additional leadership and strategic direction to UCSF's research enterprise. Reporting directly to the UCSF Executive Vice Chancellor and Provost, the primary focus of the Vice Chancellor – Research appointment will be to establish and implement the Office of Technology, Innovation, and Industry Partners (OTIIP) as it becomes a key cornerstone of the University's research

endeavors, with current oversight of the research enterprise at UCSF with an emphasis on implementing ongoing and future research initiatives.

The UCSF Executive Vice Chancellor and Provost and Associate Vice Chancellor – Research were managing the research initiatives and research operations; however, the need to launch new initiatives and operate and restructure the major units within the organization requires additional resources and expertise for strategic planning and implementation.

The campus indicated that this appointment offers a unique opportunity for research, UCSF, and Operational Excellence. UCSF will benefit from having someone of such high caliber and integrity as Mr. Yamamoto who has a deep understanding of UCSF's research culture and operations and who is willing to serve in this role. This dual appointment promotes Operational Excellence through cost savings: instead of a costly recruitment for a full-time Vice Chancellor – Research with subsequent expenditures related to moving, house-hunting, temporary housing, and ongoing expenses related to a full-time salary with associated SMG benefits, UCSF incurred substantial savings by incorporating the Vice Chancellor – Research functions within an existing position.

Mr. Yamamoto's exceptional background makes him extremely well-suited for the Vice Chancellor – Research position. He has been a member of the UCSF faculty since 1976, serving as Director – Program in Biological Sciences (PIBS) Graduate Program in Biochemistry and Molecular Biology (1988-2003), Vice Chair – Department of Biochemistry and Biophysics (1985-1994), Chair – Department of Cellular and Molecular Pharmacology (1994-2003), and Vice Dean-Research, School of Medicine (2002-2003). Mr. Yamamoto has extensive experience with the National Institutes of Health (NIH) in the following capacities: long-standing involvement in the process of NIH peer review and its governing policies; Chair – Molecular Biology Study Section; member of the NIH Director's Working Group on the Division of Research Grants; Chair of the Advisory Committee to the NIH Center for Scientific Review (CSR); member of the NIH Director's Peer Review Oversight Group; member of the CSR Panel on Scientific Boundaries for Review; member of the Advisory Committee to the NIH Director; Co-Chair of the Working Group to Enhance NIH Peer Review; and Co-Chair of the Review Committee for the Transformational R01 Award. Mr. Yamamoto was elected as a member of the American Academy of Arts and Sciences (1988), the National Academy of Sciences (1989), the Institute of Medicine (2003), and as a fellow of the American Association for the Advancement of Sciences (2002). Mr. Yamamoto earned his B.Sc. from Iowa State University (1968; Biochemistry and Biophysics) and his Ph.D. from Princeton University (1973; Biochemical Sciences) with post-doctoral work at UCSF (1973-1975; Molecular Biology).

As the base salary will remain under the academic title and is not subject to Regental approval, this request seeks approval, solely, of the use of a without-

salary Senior Management Group title. Compensation and other personnel actions will be governed by the Academic Personnel Policies.

Recommendation

The following items were approved in connection with the appointment of and compensation of Keith Yamamoto as Vice Chancellor – Research, San Francisco campus:

- a. Appointment of Keith Yamamoto as Vice Chancellor – Research, 30 percent effort. Current academic appointment will continue at 100 percent, with 70 percent effort towards academic responsibilities.
- b. Per policy (not subject to Regental approval), annual academic base salary of \$396,900, which includes continued academic base salary of \$378,000 plus an academic administrative stipend of five percent (\$18,900). The without-salary SMG appointment, would be in SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- c. Effective upon approval.

Recommended Compensation

Effective Date: Upon approval

Base Salary (academic): \$378,000

Stipend (academic): \$18,900

Total Cash Compensation: \$396,900

Grade Level: SLCG Grade 110

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

Median Market Data: \$304,305

Funding Source (academic salary): State and non-State funds

Percentage Difference from Market: 24.2 percent above market

Prior Incumbent Data

Base Salary: NA (new position)

Total Cash Compensation: NA

Grade Level: NA

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Mr. Yamamoto is waiving his rights to receive Senior Management Group benefits.

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
Committee on Compensation Chair Varner
Office of the President, Human Resources

(2) *Appointment of and Total Compensation for Carole E. Goldberg as Vice Chancellor – Academic Personnel, Los Angeles Campus*

Background to Recommendation

Action under interim authority was requested for approval of the appointment of and compensation for Carole E. Goldberg as Vice Chancellor – Academic Personnel, Los Angeles campus, to be effective July 1, 2011. This urgent request was in response to the campus' need to make an announcement regarding the selected candidate immediately following word of approval in order to facilitate a smooth transition in leadership.

Following an extensive search, Professor Goldberg has been selected for this key position, currently filled by Thomas Rice, who announced that he will be stepping down and returning to the faculty at the end of this academic year. The proposed salary for Professor Goldberg is \$285,000, which is 13.1 percent above the range midpoint of \$244,900 for SLCG Grade 108. Survey data is not available for this unique position. The proposed salary as Vice Chancellor – Academic Personnel would reflect a 14.1 percent increase over Professor Goldberg's approved faculty salary of \$247,600, which will be effective July 1, 2011. Professor Goldberg's current nine-month faculty salary is \$225,100.

Professor Goldberg has a distinguished academic and administrative background and is extremely well suited to assume the Vice Chancellor role. She is currently the Jonathan D. Varat Professor of Law at the UCLA School of Law, where she directs the Joint Degree Program in Law and American Indian Studies, while also serving as faculty chair of the Native Nations Law and Policy Center. With over 39 years of experience at UCLA, she has served as the Associate Dean of the UCLA School of Law, Chair of the Academic Senate, co-chair of the Joint Senate-Administration Task Force on Faculty Disciplinary Procedures, member of the Gender Equity Oversight Committee, and member of the Academic Senate's Council on Academic Personnel.

Among Professor Goldberg's achievements is her appointment, by President Obama, to serve on the new Tribal Law and Order Commission, which was established by the Tribal Law and Order Act. Professor Goldberg is considered one of the most influential scholars in American Indian Studies. In 2006, she was

the Oneida Indian Nation Visiting Professor of Law at Harvard Law School.

Recommendation

The following items were approved in connection with the appointment of and compensation of Carole E. Goldberg as Vice Chancellor – Academic Personnel, Los Angeles campus:

- a. Appointment of Carole E. Goldberg as Vice Chancellor – Academic Personnel, Los Angeles campus.
- b. Per policy, an annual base salary of \$285,000 at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- c. This appointment is at 100 percent time and effective July 1, 2011.

Recommended Compensation

Effective Date: July 1, 2011

Base Salary: \$285,000

Grade Level: SLCG Grade 108

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

Median Market Data: N/A

Percentage Difference from Market: N/A

Funding Source: UC general funds provided by the State

Prior Incumbent Data

Title: Vice Chancellor – Academic Personnel

Base Salary: \$236,500

Grade Level: SLCG Grade 108

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

Funding Sources: UC general funds provided by the State

Additional items of compensation include:

- 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).
- Per policy, accrual of sabbatical credits as a member of tenured 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: UCLA Chancellor Gene D. Block
Reviewed By: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

- (3) *Compensation for G. Richard Olds as Vice Chancellor – Health Affairs and Dean – School of Medicine, Riverside Campus*

Background to Recommendation

The campus requested retroactive approval of the quarterly incentive payments under the Founding Dean Performance Incentive Plan (Plan) for G. Richard Olds as Vice Chancellor – Health Affairs and Dean – School of Medicine, Riverside campus. This request was made because the campus interpreted the October 2009 Regents action relating to Dr. Olds' appointment as granting authority to process Dr. Olds' incentive payments without further approval by the Regents.

The Plan was approved as an exception to policy by the Regents in October 2009 as part of Dr. Olds' appointment and compensation. The action approved by the Regents stated:

As an exception to policy, annual performance-based incentive compensation up to \$100,000. This constitutes an exception to policy because there is currently no approved incentive plan at the campus for such an incentive. This compensation will be in lieu of compensation pursuant to a Health Sciences Compensation Plan (HSCP), which does not yet exist at the Riverside campus. Once an HSCP is established this component of compensation will be shifted to that plan.

Subsequent to Dr. Olds' appointment, the Regents adopted Regents Policy 7712, which established stricter protocols governing incentive compensation for members of the Senior Management Group. Because the Plan for Dr. Olds does not meet all of the requirements of Regents Policy 7712, it is also an exception to policy for that reason. For example, Dr. Olds' Plan is not memorialized in a plan document that meets the requirements of Regents Policy 7712 and has not been overseen by an administrative oversight committee. To ensure that the Plan is administered in a manner that is consistent with Regents Policy 7712, approval was requested to delegate the Regents' authority for administering the Plan to the Administrative Oversight Committee that currently oversees the Clinical Enterprise Management Recognition Plan (CEMRP AOC) pursuant to Regents Policy 7712, with the understanding that the CEMRP AOC will review and approve the payment of awards under the Plan on a quarterly basis. When a HSCP is established at the Riverside campus, administration of the incentive component of Dr. Olds' compensation will be transferred to the HSCP, as contemplated by the October 2009 action approved by the Regents.

The Plan is an annual performance-based incentive that allows Dr. Olds to receive up to \$100,000 per year based on pre-established milestones, metrics and measurements determined by the Chancellor. The purpose of the Plan is to provide at-risk variable, non-base building salary recognition awards to the Founding Dean, School of Medicine, for attaining or exceeding key strategic and operational objectives associated with building a new school of medicine at the Riverside campus. Achievement is measured based on specific financial and/or non-financial objectives (e.g., establishing affiliation agreements with hospital partners, developing a process for LCME accreditation), which relate to the set up and successful operation of the School of Medicine in support of UC Riverside's mission. To date, incentive payments based on achievements were reviewed and approved by the Chancellor on a quarterly basis.

Since his hire, as agreed by both Dr. Olds and Chancellor White, Dr. Olds has submitted a quarterly self-assessment of his accomplishments relative to his pre-established performance objectives. On the basis of his performance, Chancellor White approved payment of the incentives associated with the established milestones. Dr. Olds' evaluation period ended on March 31, 2011, at which time the Chancellor was to conduct another evaluation and recommend that Dr. Olds receive whatever payment is warranted by Dr. Olds' performance during that period. That recommendation will be made to the Regents or, if the delegation of Regental authority to the CEMRP AOC requested herein has been approved by the Regents, that recommendation will be made to the CEMRP AOC.

Dr. Olds has received incentive payments totaling \$91,667 to date. The breakdown of payments that Dr. Olds has received to date for his performance follows:

- On July 8, 2010, a payment of \$42,000 was made for two periods: one ending March 31, 2010 and one ending June 30, 2010.
- On November 10, 2010, a payment of \$24,667 was made for the period ending September 30, 2010.
- On January 7, 2011, a payment of \$25,000 was made for the period ending December 31, 2010.

The incentive payments are funded entirely by the United Health Gift funds.

Dr. Olds has made enormous strides for UCR School of Medicine since joining the campus just over a year ago. His accomplishments include assembling a prestigious team of senior associate deans in the following areas: education, community engagement and partnerships, student affairs, academic affairs and research, finance/administration, and graduate medical education. A search is underway for a senior associate dean of clinical affairs.

He has also made great progress in developing pipeline programs for Native American, African-American, and Hispanic/Latino students. In addition, he is working with a number of Federally Qualified Health Centers (FQHCs) in the area to establish sites for the students to experience community-based rotations in medically underserved areas.

In terms of philanthropy, Dr. Olds has had considerable success. The School of Medicine received an unprecedented two-year commitment from Riverside County for \$10 million. At the request of the Kaiser Hospital Foundation, he also resubmitted the previously approved \$10 million grant. A remaining challenge is to obtain a continuing source of state funding for the medical school as an augmentation to the UC budget, a need for which Dr. Olds has strongly advocated in Sacramento.

Lastly, Dr. Olds has laid the groundwork for residency programs with Riverside County Regional Medical Center, Kaiser Permanente, Desert Regional Medical Center, Beaver Medical Clinic, and Riverside Medical Clinic in the areas of general surgery, family practice, pediatrics, categorical medicine, and obstetrics/gynecology (OB/GYN). For the first time, UCR now offers third-year rotations for medical students in OB/GYN and pediatrics. These relationships form the basis for starting a Health Sciences Compensation Plan, which was unanimously approved by the School of Medicine faculty on January 28, 2011. It is now before the Riverside Division of the Academic Senate.

Interim action was requested so that Dr. Olds' incentive payment for the period ending March 31, 2011 could be reviewed and approved by the CEMRP AOC pursuant to the Regental delegation of authority requested herein.

Recommendation

The following items were approved in connection with the compensation for G. Richard Olds as Vice Chancellor – Health Affairs and Dean – School of Medicine, Riverside campus:

- a. Retroactive approval of the quarterly incentive payments under the Founding Dean Performance Incentive Plan that Dr. Olds received for his performance against pre-established goals for the periods February 2010 through December 31, 2010 totaling \$91,667.
- b. Delegation of authority to the Administrative Oversight Committee that oversees the Clinical Enterprise Management Recognition Plan to administer the Founding Dean Performance Incentive Plan, including the authority to review and approve, as appropriate, the incentive payments to Dr. Olds on a quarterly basis.
- c. This action is effective upon approval.

Recommended Compensation**Effective Date:** Upon approval**Base Salary:** \$525,000**Maximum Incentive Potential:** \$100,000**Total Cash Compensation:** \$625,000**Grade Level:** SLCG Grade 113

(Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100)

Median Market Data: \$480,508 (aged but does not include geographical differential)**Percentage Difference from Market:** 9.3 percent above market**Funding Source:** State funds (base salary) and United Health Gift funds (incentive)**Current Data****Base Salary:** \$525,000**Maximum Incentive Potential:** \$100,000**Total Cash Compensation:** \$625,000**Grade Level:** SLCG Grade 113

(Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100)

Funding Source: State funds (base salary) and United Health Gift funds (incentive)

Additional items of compensation include:

- 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).
- Per policy, continued eligibility to accrue sabbatical credits as member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefits 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: UCR Chancellor White**Reviewed by:** President Yudof**Committee on Compensation Chair Varner
Office of the President, Human Resources**

(4) *Various Actions Associated with the Appointment of William M. Barron as Chief Medical Officer, UC Irvine Medical Center, Irvine Campus*

Background to Recommendation

Action under interim authority was requested for various actions associated with the appointment of William M. Barron as Chief Medical Officer, UC Irvine Medical Center, effective June 1, 2011. This urgent request was necessary to provide Dr. Barron sufficient time to notify his current employer and to relocate from his current residence to California. The former Chief Medical Officer vacated the position in March 2011 due to retirement.

UC Irvine Medical Center (UCIMC) conducted an exhaustive national search to fill the Chief Medical Officer (CMO) position. UCIMC employed the services of the Montgomery & Montgomery search firm, and a search committee consisting of UCIMC executives and directors, School of Medicine leaders and physicians was formed. Emphasis was placed on recruiting individuals with academic medical center experience, excellent credentials from well-respected academic medical centers and a track record of significantly improving a medical center's standing. The search proved to be difficult in identifying a candidate who met the requirements of the position and had compensation prerequisites that fell within the salary range. After expanding the initial level of compensation, Dr. William Barron was recruited, interviewed and unanimously identified as the best candidate.

Currently, the Vice President for Quality and Patient Safety and Chief Quality Officer at the Boston Medical Center, Boston University, Dr. Barron also holds a concurrent academic position of Professor of Medicine in the Boston University School of Medicine. Prior to his employment with Boston University, Dr. Barron was at the Loyola University Health System as the Vice President of Quality and Patient Safety and Executive Medical Director for the Center for Clinical Effectiveness, with a prior appointment as Professor and Director in the Division of General Internal Medicine. In the preceding years, Dr. Barron held academic positions with increasing responsibility and recognition at the University of Chicago.

Dr. Barron earned a doctoral degree in medicine in 1976 from the University of Southern California and completed his residency in internal medicine at the University of California, Davis in 1979. He trained as an NIH research fellow at the University of Chicago in renal physiology. In 2001, Dr. Barron completed a master's degree in medical management at Carnegie Mellon University.

Dr. Barron's academic and physician-care excellence is demonstrated in a variety of prestigious grants, awards and recognition. He has held academic research positions at prestigious universities. He has been awarded the National Heart, Lung and Blood Institute Clinical Investigator Award for vasopressin secretion

and osmoregulation in pregnancy and other similarly impressive awards. He has also been included in the following listings for multiple years: *Chicago's Top Doctors*, *Best Doctors in America*, *Chicago Metro Area Top Doctors*, and *Guide to America's Top Physicians*. Lastly, he has published numerous articles in the field of renal function and osmoregulation in pregnancy, as well as patient care and quality.

Dr. Barron's leadership and administrative talents are evidenced by his superior track record. In his current position at Boston Medical Center, Dr. Barron leads systemwide units responsible for quality, patient safety, risk management, infection control, medication safety and regulatory compliance. He manages 20 employees and a budget of \$3 million. He has been leading several initiatives related to quality and patient safety, such as implementation of new management and governance structures, use of comparative databases and reduction in mortality. Under his leadership, the Medical Center improved performance on heart failure, pneumonia and SCIP core measures by 30 percent in 14 months.

As the Chief Medical Officer for the UC Irvine Medical Center, Dr. Barron will report directly to the Chief Executive Officer and will serve as the senior physician in the Medical Center. The Chief Medical Officer manages a budget of \$12.4 million and is responsible for providing effective leadership and expertise and for fostering shared governance of all matters pertaining to service quality, clinical outcomes, patient safety and satisfaction, and risk management, as well as strategic initiatives and programs to enhance clinical effectiveness. Dr. Barron will work closely with Medical Center and School of Medicine leadership in achieving high satisfaction from patients and referring physicians; ensuring patient safety and high-quality, cost-effective patient care; establishing and monitoring measures to ensure excellence in clinical care; and for advancing best practices in clinical care, quality and safety.

UC Irvine proposed a compensation package including a base salary of \$430,000, participation in the Clinical Enterprise Management Recognition Plan at an annual target payout of 15 percent (\$64,500), relocation allowance and hiring bonus of 30 percent (\$129,000), moving expenses, participation in the Senior Management Supplemental Benefit Program at 5 percent, eligibility to purchase a home in the on-campus community of University Hills, and standard Senior Management Group benefits. Dr. Barron's permanent residence is currently in the vicinity of Boston, Massachusetts. A non-tenured clinical faculty appointment will also be provided to Dr. Barron. This compensation package is supported by the aggressive growth in compensation levels for chief medical officers and the demonstrated difficulty in recruiting a candidate with predictable success in the position at a lower compensation level.

This position is funded 100 percent by UC Irvine Medical Center operating revenue. The proposed base salary of \$430,000 is very slightly below (0.09 percent) the average market salary of \$430,370, slightly below (0.7 percent)

Mr. Barron's current base salary of \$433,032, 11.6 percent higher than the midpoint of SLCG 112 of \$385,300, and 14.8 percent higher than the average base salary of the other UC chief medical officers of \$374,574.

Recommendation

The following items were approved in connection with the various actions associated with the appointment of William M. Barron, Chief Medical Officer, UC Irvine Medical Center, Irvine campus:

- a. Per policy, an appointment salary of \$430,000 at SLCG Grade 112 (Minimum \$298,900 Midpoint \$385,300, and Maximum \$471,500).
- b. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan, with an annual target payout of 15 percent of base salary (\$64,500) and maximum payout of 25 percent of base salary (\$107,500). Actual payout will depend upon performance.
- c. Per policy, a hiring bonus and relocation allowance of 30 percent of base salary (\$129,000). This payment will be provided as a single lump-sum. If Dr. Barron separates from UC prior to two years of service, he will be required to pay back a pro-rata portion of the hiring bonus and relocation allowance payment.
- d. Per policy, reimbursement of 100 percent of all actual and reasonable moving expenses for the purpose of relocation of the primary residence, subject to the limitations under policy.
- e. Per policy, reimbursement of 100 percent of any penalty incurred by Dr. Barron as a result of his early termination of the lease for his current primary residence due to relocation.
- f. Per policy, two house hunting trips each for Dr. Barron and his spouse/partner, subject to the limitations under policy.
- g. This appointment is at 100 percent time and effective June 1, 2011.

Recommended Compensation

Effective Date: June 1, 2011

Base Salary: \$430,000

Clinical Incentive Plan: \$64,500 (at 15 percent target rate)

Total Cash Compensation: \$494,500

Grade Level: SLCG Grade 112

(Minimum \$ 298,900; Midpoint \$385,300; Maximum \$471,500)

Median Market Data: \$430,370

Percentage Difference from Market: .09 percent below market

Funding Source: Medical Center revenues

Prior Incumbent Data

Title: Chief Medical Officer

Base Salary: \$310,000

Clinical Incentive Plan: \$46,500 (at 15 percent target rate)

Total Cash Compensation: \$356,500

Grade Level: SLCG Grade 112

(Minimum \$ 298,900; Midpoint\$385,300; Maximum \$471,500)

Funding Source: Medical Center revenues

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior manager life insurance and executive salary continuation for disability).
- Per policy, participation in the Senior Management Supplemental Benefit Program at the rate of 5 percent.
- Per policy, eligibility to purchase a home in the on-campus community of University Hills.
- Per policy, non-tenured clinical faculty appointment in the School of Medicine.

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: UCI Chancellor Michael V. Drake, M.D.

Reviewed by: President Yudof

Committee on Compensation Chair Varner

Office of the President, Human Resources

- (5) *Term Appointment of and Total Compensation for Donald A. Barclay as Interim University Librarian, Merced Campus*

Background to Recommendation

The Merced campus requestsd action under interim authority for the term appointment of and compensation for Donald A. Barclay to the position of Interim University Librarian from July 1, 2011 to June 30, 2012. It was necessary to appoint Mr. Barclay prior to the Regents' meeting in May 2011 in order to announce the incumbent's retirement on July 1, 2011 and enable the campus to maintain momentum on several critical initiatives and effectuate a smooth transition of leadership.

The incoming Chancellor will determine how best to fill the position on a career basis. It is anticipated that a national search for a permanent appointee will be undertaken.

During this one year assignment, Mr. Barclay will be responsible for the broad areas of Library stewardship and further development of many initiatives currently underway. Mr. Barclay joined UC Merced in 2002 as Assistant University Librarian for Public Services, and he has served as Deputy University Librarian from 2006 to the present.

Prior to joining the University of California, Merced University Library, Mr. Barclay held several significant leadership posts, including the following: Assistant Director for Systems and Informatics at the Houston Academy of Medicine – Texas Medical Center Library, Houston, from 2001 to 2002; adjunct faculty member at the University of North Texas School of Library and Information Sciences, during academic year 2001–2002; Assistant Director for Health Informatics and Education Center, Houston Academy of Medicine – Texas Medical Center Library from December 1997 to July 2001; Coordinator of Electronic Services, University of Houston Libraries, Houston, Texas, from October 1996 to November 1997; Reference Librarian and Coordinator of Library Instruction, New Mexico State University, Las Cruces, New Mexico, from September 1990 to September 1996, as well as acting head of the New Library Reference Unit from May 1994 to November 1994. During this period, Mr. Barclay also was promoted to Assistant Professor in July 1995 and granted tenure in July 1996 at New Mexico State University. Mr. Barclay was a Library Assistant II at the Bancroft Library, University of California, Berkeley, from September 1989 to August 1990. He also served as an adjunct faculty member in literature and composition at Boise State University, Boise, Idaho, from September 1985 to May 1989.

Mr. Barclay has led several initiatives related to research library effectiveness, and he has been key to the successful library operation at the UC Merced campus as a member of the founding staff. He is regarded as a highly innovative leader in the research librarian field and is responsible for many cutting edge initiatives that have defined the UC Merced Library—the cost-effective extension of library services and the 24-hour reference service that has been adopted systemwide. He also worked on development of a shared instruction model that reduces campus workload and provides common efficiencies that can be adopted systemwide, developed the common web interface from campus to campus, was active in developing the iPod touch instructional tour for the library, and was central to the effort to assess library instructional effectiveness. He has maintained membership in several professional and service organizations and has authored several books, articles, book chapters and reviews.

The campus proposed that Mr. Barclay receive an annual base salary of \$140,000 as the Interim University Librarian, Merced campus. The proposed base salary of

\$140,000 is 33.2 percent below the current market median of \$209,555. Market data is provided by Mercer (US) Inc., which includes data from the 2010/2011 College and University Professional Association (CUPA) Administrative Compensation Survey. In addition, the proposed base is 10 percent below the midpoint for SLCG Grade 104 (Minimum \$123,800, Midpoint \$155,600, Maximum \$187,500) and 34.8 percent below the average base salary of \$214,617 for the University Librarians at the other UC locations.

This position is funded 100 percent by State funds

Recommendation

The following items were approved in connection with the term appointment and total compensation for Donald Barclay as Interim University Librarian, Merced campus:

- a. Term appointment of Donald Barclay as Interim University Librarian.
- b. Per policy, an appointment base salary of \$140,000 at SLCG Grade 104 (Minimum \$123,800, Midpoint \$155,600, Maximum \$187,500).
- c. This term appointment is at 100 percent time and is effective July 1, 2011 through June 30, 2012 or until the appointment of a permanent University Librarian, whichever occurs first.

Recommended Compensation

Effective Date: July 1, 2011

Term Appointment base Salary: \$140,000

Total Cash Compensation: \$140,000

Grade Level: SLCG Grade 104

(Minimum \$123,800, Midpoint \$155,600, Maximum \$187,500)

Median Market Data: \$209,555

Percentage Difference from Market: 33.2 percent below market

Funding Source: State funds

Prior Incumbent Data

Title: University Librarian

Base Salary: \$162,300

Total Cash Compensation: \$162,300

Grade Level: SLCG Grade 104

(Minimum \$123,800, Midpoint \$155,600, Maximum \$187,500)

Funding Source: State funds

Additional items of compensation include:

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

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or 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 Merced Chancellor Kang
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

(6) *Term Appointment of and Total Compensation for Lorelei A. Tanji as University Librarian, Irvine Campus*

Background to Recommendation

Action under interim authority was requested for the approval of the term appointment of Lorelei A. Tanji as University Librarian, effective immediately upon approval. This request was in response to an immediate need to fill the position, which was vacated by an unexpected resignation by the prior acting incumbent on February 28, 2011.

The campus requested a one-year term appointment designed to provide long-term leadership while finalizing two other strategic recruitments before beginning recruitment efforts for a University Librarian. Additionally, the campus will benefit from salary cost savings as Ms. Tanji will be appointed at a lower salary than the prior permanent incumbent and former acting incumbent.

Ms. Tanji is currently serving as Associate University Librarian for Collections for UC Irvine. She has more than 20 years of exemplary service to the UC system, having held various positions at the UC Irvine Libraries and UC Riverside Libraries, each with increasing responsibility. Ms. Tanji will provide the leadership and stability that the UC Irvine Libraries require during this interim period. She has experience in campuswide strategic planning given her involvement on planning committees such as the Task Force on Strategic Planning for the Libraries, the Law School Implementation Team, the Chancellor's Workgroup on Undergraduate Education Research and the Chancellor's Educational Technology Task Force. She has also served on UC systemwide committees related to library planning and collection development. Additionally, her work in technology and education in libraries has been published in a variety of literary media.

This position is funded 100 percent by UC general funds provided by the State. The proposed annual compensation of \$170,000 is 18.9 percent below the average

market salary of \$209,555, 17.9 percent below the average base salary of the other UC university librarians of \$207,143, and 12.9 percent below the midpoint of SLCG Grade 106 of \$195,200.

Recommendation

The following items were approved in connection with the term appointment of Lorelei A. Tanji as University Librarian, Irvine campus:

- a. A term appointment at 100 percent time, effective immediately upon approval and continuing through March 31, 2012 or until the appointment of a permanent incumbent, whichever occurs first.
- b. Per policy, base salary of \$170,000 at SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$170,000

Grade Level: SLCG Grade 106

(Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100)

Median Market Data: \$209,555

Percentage Difference from Market: 18.9 percent below market

Funding Source: UC general funds

Prior Incumbent Data

Title: University Librarian

Base Salary: \$188,000

Grade Level: SLCG Grade 106

(Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100)

Funding Source: UC general funds

Additional items of compensation include:

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

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: UCI Chancellor Michael V. Drake, M.D.
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

(7) *Term Appointment of and Compensation for J. Shannon O'Kelley as Chief Operating Officer, UCLA Hospital System, Los Angeles Campus*

Background to Recommendation

Action under interim authority was requested for approval of the term appointment of and compensation for J. Shannon O'Kelley as Chief Operating Officer (COO), UCLA Hospital System, Los Angeles campus, effective upon approval. This urgent request was necessary as a result of the vacancy that was created when the former Chief Operating Officer (COO) was recruited by a major academic medical center in Northern California to become their Chief Executive Officer (CEO). Mr. O'Kelley had been approached by this same institution to become their COO at significantly greater compensation. This retention, if successful, would help bring stability to the organization.

In his current role, Mr. O'Kelley is responsible for service line reorganization and management of Cardiology, Cardiothoracic Surgery, Vascular Surgery, Hyperbarics, the largest Solid Organ Transplantation program in the country, Ventricular Assistant Devices, Oncology, Pediatrics and Obstetrics/Gynecology for the UCLA Hospital System. Among Mr. O'Kelley's achievements are significant improvements in patient and physician services, with patient satisfaction scores exceeding the 95th percentile. He has been a key leader in developing and implementing Operation Mend, a unique partnership between the U.S. Military's Brooke Army Medical Center and UCLA to provide specialty plastic and reconstructive surgery for United States military patients wounded in Iraq and Afghanistan.

The UCLA Health System has recently extended the nationwide search being conducted by the search firm Spencer-Stuart to fill this key role, and it is expected that a final candidate for the permanent position will be identified within twelve months. Mr. O'Kelley would serve as COO for a period not to exceed one year or until appointment of a permanent incumbent, whichever occurs first.

Mr. O'Kelley was serving as the Associate Director, Operations, Clinical Services for the UCLA Hospital System at a base salary of \$279,000. To reflect the significant new responsibilities he will assume as COO, the campus proposed an annual base salary of \$478,750. The proposed base salary is 11.5 percent below the midpoint of SLCG grade 115 (\$541,200) and 15 percent below the market median of \$562,971.

Recommendation

The following items were approved in connection with the term appointment of and compensation for J. Shannon O'Kelley as Chief Operating Officer, UCLA Hospital System, Los Angeles campus:

- a. Appointment of J. Shannon O'Kelley as Chief Operating Officer, UCLA Hospital System, Los Angeles campus.
- b. An annual base salary of \$478,750 (SLCG Grade 115: Minimum \$416,300, Midpoint \$541,200, Maximum \$666,100).
- c. Per policy, continued participation in the Clinical Enterprise Management Recognition Plan (CEMRP) with a target incentive award of 15 percent (\$71,812) and a maximum potential incentive award of 25 percent (\$119,688). The maximum potential incentive of 25 percent applies only for this term appointment as COO. The actual award will depend on performance related to pre-established goals and will be pro-rated based on time served as the COO.
- d. This appointment is at 100 percent time and will be effective upon approval for a period of 12 months or until the appointment of a permanent incumbent, whichever occurs first.

Recommended Compensation**Effective Date:** Upon approval**Base Salary:** \$478,750**CEMRP:** \$71,812 (at 15 percent target rate)**Total Cash Compensation:** \$550,562**Grade Level:** SLCG Grade 115

(Minimum \$416,300, Midpoint \$541,200, Maximum \$666,100)

Median Market Data: \$562,971**Percentage Difference from Market:** 15 percent below market**Funding Source:** Hospital System revenue**Prior Incumbent Data****Title:** Chief Operating Officer, UCLA Hospital System**Base Salary:** \$547,600**CEMRP:** \$82,140 (at 15 percent target rate)**Total Cash Compensation:** \$629,740**Grade Level:** SLCG Grade 115

(Minimum \$416,300, Midpoint \$541,200, Maximum \$666,100)

Funding Source: Hospital System revenue

Additional items of compensation include:

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

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: UCI Chancellor Gene Block
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

(8) *Contract Compensation Parameters for the Head Coach, Women's Basketball, Los Angeles Campus*

Background to Recommendation

Action under interim authority was requested for approval of the contract compensation parameters for recruitment of the Head Coach, Women's Basketball, at UCLA. Former Coach Yolanda ("Nikki") Caldwell recently accepted an external offer following completion of a very successful three-year tenure at UCLA. During the past year, the women's basketball team achieved program bests of 28 wins, a No. 3 seed in the NCAA Women's Basketball Championship, and a nationally ranked Top 5 incoming recruit class. UCLA sought approval for contract compensation parameters consistent with other nationally prominent programs, including sister campus UC Berkeley, in an effort to attract a coach who can continue to build upon the program's recent successes. The parameters proposed below exceed local authority delegated to the Chancellor and thus require approval by the Regents.

For purposes of recruitment, the campus recommended approval to offer a seven-year contract with total annual guaranteed compensation of \$602,950 (base salary of \$271,475 plus talent fee of \$331,475), with eligibility for an annual increase of up to five percent each contract year. The proposed contract would also include an annual bonus opportunity of up to a maximum of \$150,000, based on accomplishments such as academic achievement, Pac-10 performance, and participation in tournaments and national championships. To assist with recruitment, approval to offer a home loan with the same terms offered to the previous coach was also requested. No other changes in the former contract were proposed. For comparison purposes, this guaranteed compensation would equal that of the current women's basketball head coach at UC Berkeley, and the maximum bonus opportunity would be less than half.

Recommendation

The following items were approved in connection with the compensation parameters for recruitment of the Head Coach, Women's Basketball, Los Angeles campus:

- a. **DURATION:** A contract of up to seven years in duration, to be effective

no earlier than April 15, 2011.

- b. **GUARANTEED COMPENSATION:** Increase in annual guaranteed compensation as noted below:

	<u>Current</u>	* <u>Proposed</u>
Base Salary:	\$250,000	\$271,475
Talent Fee:	<u>49,500</u>	<u>331,475</u>
Annual Guaranteed Compensation:	\$299,500	\$602,950

- * **The base salary and talent fee indicated are for the first year of the contract. The contract would include the opportunity for an annual increase of up to five percent each contract year for both base and talent fee.**

- c. **SUPPLEMENTAL PERFORMANCE-BASED COMPENSATION:** Opportunity to earn an annual performance-based bonus of up to a maximum of \$150,000 for such accomplishments as academic achievement, Pac-10 performance, and participation in tournaments and national championships, based on criteria established in the contract.

- d. **OTHER:**

- i. Per policy, standard pension and health and welfare benefits except that coaches are not eligible for vacation or sick leave accrual.
- ii. As an exception to policy, eligibility to participate in the Mortgage Origination Program (MOP) and/or the Supplemental Home Loan Program (SHLP) notwithstanding a non-standard title (HEAD COACH). If a MOP loan is offered as a Graduated Payment MOP loan (GP-MOP), approval of non-standard terms that will result in a fixed interest rate as low as three percent for the term of the loan for the candidate. This is consistent with the terms of the loan provided to the previous women's basketball coach. The loan amount is not to 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 must comply with all other normal MOP and/or SHLP program parameters and is subject to funding availability.
- iii. Standard contract provisions related to termination.
- iv. A courtesy vehicle or payments in lieu of a car of up to \$7,200 annually.

- v. Eligibility to earn up to \$50,000 per year for participating in summer camps as determined by the Director, Intercollegiate Athletics.
- vi. Other standard coach prerequisites consistent with department practice.

Recommended Compensation**Effective Date:** No earlier than April 15, 2011**Base Salary:** \$271,475**Talent Fee:** \$331,475**Guaranteed Compensation: \$602,950****Eligibility for annual increase of up to 5 percent for both base salary and talent fee each contract year.****Range of Total Incentive/Bonus Awards:** \$0 to \$150,000**Range of Summer Camp Income:** \$0 to \$50,000**Range of Vehicle Payments:** \$0 to \$7,200**Total Maximum Compensation:** \$810,150 (first year of contract)**Grade Level:** N/A**Funding Source:** Athletic Revenues**Prior Incumbent's Data****Title:** Head Coach Women's Basketball**Base Salary:** \$250,000**Talent Fee:** \$ 49,500**Guaranteed Compensation: \$299,500****Range of Total Incentive Bonus Awards:** \$0 to \$100,000**Range of Summer Camp Income:** \$0 to \$50,000**Total Maximum Compensation:** \$449,500**Grade Level:** N/A**Funding Source:** Athletic Revenues

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: UCLA Chancellor Gene D. Block
Reviewed By: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

(9) *Term Appointment of and Total Compensation for Dallas L. Rabenstein as Executive Vice Chancellor and Provost, Riverside Campus*

Background to Recommendation

Approval was requested for the term appointment of Dallas L. Rabenstein as Executive Vice Chancellor and Provost effective July 1, 2011 through June 30, 2015. Dallas Rabenstein was initially appointed in February 2009 as Acting Executive Vice Chancellor and Provost when the position was vacated by the former incumbent. Mr. Rabenstein has held the appointment of Acting Executive Vice Chancellor and Provost from February 16, 2009 through the present.

The national search to fill the position commenced in 2009 and UC Riverside's efforts to fill the position have been extensive and on-going. A total of 16 candidates were interviewed and seven were invited for campus visits during two nationwide searches. However, despite the steadfast and exhaustive efforts of the search committee and others engaged in the search process, the search efforts have drawn to a close for the second time in two years without a successful candidate. Due to these recent developments in the nationwide search, the campus has concluded these efforts with the decision to appoint Dallas Rabenstein to a four-year term as the Executive Vice Chancellor and Provost.

The appointment of Dallas Rabenstein to a four-year term appointment will bring stability to this pivotal role and suspend the campus search efforts for the next several years, with a goal to refresh the search in 2014. Mr. Rabenstein is exceedingly qualified to serve as the Executive Vice Chancellor and Provost. His qualifications, experience, and accomplishments equal or exceed those of the candidates previously considered for the position. He is a distinguished professor in the Department of Chemistry, where he has held appointments since 1985. He previously held a number of administrative positions at UC Riverside, including department chair, Interim Dean in the College of Natural and Agricultural Sciences, Interim Director of the Agricultural Experiment Station, and Dean of the Graduate Division. He has served as Acting Executive Vice Chancellor and Provost since February 2009.

As Acting Executive Vice Chancellor and Provost, Mr. Rabenstein served a lead role in the campus strategic planning process, referred to as UCR 2020: The Path to Preeminence. UCR 2020 has created the legacy and strategic framework to guide and direct the campus for the decade ahead in becoming a preeminent research university. During this past year, Mr. Rabenstein led the strategic planning implementation efforts including the establishment of goals, metrics, and benchmarks, as well as a business plan for the campus.

Full accountability and authority are vested with the four-year term appointment. The Executive Vice Chancellor and Provost's scope of responsibilities encompasses major campus initiatives that will frame the future of the campus,

including the establishment of the School of Medicine with its first incoming class in fall 2012, the start-up of the graduate medical education program, and the execution of strong leadership for the daunting budget-related initiatives that lie ahead. His leadership and expertise in shepherding these major campus initiatives are of strategic importance to the future of the campus. Mr. Rabenstein is a highly respected, seasoned administrator, who has capably navigated the campus through difficult challenges and transitions with praiseworthy results during his acting appointment.

In conjunction with the four-year term appointment, approval is requested for an appointment salary of \$305,000. The salary increase for Mr. Rabenstein is supported by a number of reasons.

- Since 2009, Mr. Rabenstein has been carrying out the responsibilities of Executive Vice Chancellor and Provost with full authority, but with the knowledge and expectation that the appointment was temporary while the search was underway. Mr. Rabenstein has been asked to assume a four-year term appointment as the Executive Vice Chancellor and Provost, and it is appropriate that the compensation be reflective of the full-term appointment and competitive with the external market.
- UC Riverside's most recent compensation proposal for the top candidate identified during the search process was \$320,000, just slightly below the Chancellor's base salary, but even so, the salary offer was not sufficiently competitive and the candidate withdrew.
- The compensation for two recent UC hires into the position of Executive Vice Chancellor and Provost resulted in approved salaries of \$265,000 (UCSC) and \$350,000 (UCSD). The average of these two appointment salaries is \$307,500. The proposed appointment salary is approximately midpoint between these recent appointment salaries.
- The internal UC salary average for the position of Executive Vice Chancellor and Provost is \$315,033.
- Recent market data for the position of Executive Vice Chancellor and Provost indicates the market median at \$353,702 and the market average at \$374,468, with the average 25th percentile at \$275,604. The proposed appointment salary is 18.6 percent below the market average.

Taking into consideration the reasons outlined above, the campus requested approval to increase Mr. Rabenstein's total annual salary of \$262,500 to \$305,000. The proposed annual base salary of \$305,000 is 11.2 percent above the midpoint for SLCG Grade109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700) and 3.2 percent below the average base salary of \$315,033 for the Executive Vice Chancellor and Provost at the other UC locations. In

addition, the proposed annual base salary is 13.8 percent below the market median of \$353,702. Market data is provided by Mercer (US) Inc., which includes data from the 2010/2011 College and University Professional Association (CUPA) Administrative Compensation Survey.

This position is funded 100 percent from UC State general funds.

Recommendation

The following items were approved in connection with the term appointment of and total compensation for Dallas L. Rabenstein as Executive Vice Chancellor and Provost, Riverside campus:

- a. Per policy, an annual base salary of \$305,000 (SLCG Grade 109: Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- b. This appointment is at 100 percent time and would be effective July 1, 2011 through June 30, 2015.

Recommended Compensation

Effective Date: July 1, 2011

Base Salary: \$305,000

Total Cash Compensation: \$305,000

Grade Level: SLCG Grade 109

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

Median Market Data: \$353,702

Percentage Difference from Median Market: 13.8 percent below market

Funding Source: UC State General Funds

Current Data:

Title: Acting Executive Vice Chancellor and Provost

Base Salary: \$208,661

Stipend: \$53,839

Total Cash Compensation: \$262,500

Grade Level: SLCG Grade 109

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

Funding Source: UC State General 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 and executive salary continuation for disability).
- Per policy, continued accrual of sabbatical credits due to tenured faculty appointment.
- Per policy, ineligible to participate in the Senior Management

Supplemental benefit 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: Chancellor White
Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources

- (10) *Approval of the Deferred Incentive Awards for Scott F. Bidy as the Vice Chancellor – University Relations, Berkeley Campus*

Background to Recommendation

Approval was sought for the incentive payment of the 2007-08, 2008-09 and 2009-10 fiscal years non-clinical incentive awards that were deferred by the Berkeley campus as a result of the Action taken by the Regents to *Freeze Senior Management Group Salaries and Suspend Bonus and Certain other Variable Pay Plans* at the special meeting of January 14, 2009 and related 2009 Regental actions. That action was subsequently amended at the March 2009 meeting and at the September 2009 meeting. Collectively, these actions not only imposed a salary freeze on members of the Senior Management Group (SMG) for the 2008-09 and 2009-10 fiscal years but also imposed certain restrictions on SMG and non-SMG participation in bonus, incentive and variable pay programs for those years, as well as for the 2007-08 fiscal year. With regard to variable and incentive pay programs, the Regents deferred the payment of such awards for non-clinical incentive plans for the 2007-08, 2008-09, and 2009-10 fiscal years until the end of the 2009-10 fiscal year and indicated that this suspension would be reviewed at that time.

A review of the deferred incentive awards for Mr. Bidy was conducted, and it was determined that the awards satisfied the criteria for payment. The campus confirmed that Mr. Bidy had pre-established goals and objectives and that the recommended awards were determined by assessing Mr. Bidy's achievement of his respective pre-established goals and objectives against their plan's pre-established weights and measures. The President was, therefore, asked to approve these awards and authorize their payment under the authority delegated to him by the Regents as approved at the September 2010 Regents' meeting, subject to the concurrence of the Chair of the Committee on Compensation, with such payments to include interest at the Short Term Investment Pool (STIP) rate where deemed appropriate.

Campus records indicate that Mr. Biddy is owed a maximum incentive payment in the amount of \$139,583. The breakdown of the payment owed to Mr. Biddy follows:

- December 1, 2007 – December 1, 2008: \$50,000
- December 1, 2008 – December 1, 2009: \$50,000
- December 1, 2009 – September 15, 2010: \$39,583

When Mr. Biddy was appointed in December 2006, his compensation package was structured with an ongoing incentive award of up to \$50,000 a year as additional compensation based on his performance in relation to predetermined goals and objectives as approved by the Regents. Such incentive programs are common in the development area. Mr. Biddy received the first incentive payment of \$50,000 for 2006-07 fiscal year in December 2007, upon Regental approval.

The benchmarks for Mr. Biddy's predetermined goals included success in donor cultivation and fundraising as measured by dollars as well as major gifts, effectiveness in building the campus fundraising organization, demonstrated efficiency of a new distributed model of development, and effectiveness in rebuilding the Office of Public Affairs.

The Campaign for Berkeley was launched publicly in September 2008, with \$1.3 billion raised in the quiet phase of the Campaign. In spite of the financial crisis that fall, followed by a recession, UC Berkeley philanthropic efforts have been hugely successful, thanks to Mr. Biddy's leadership. In 2008-09, Mr. Biddy raised \$306 million and, in 2009-10, a further \$313 million. Of the Top 20 fundraising colleges in 2009-10, Berkeley ranked number one with the highest change as ranked by five-year growth (see attached table from The Chronicle of Higher Education). In spite of the slow economic recovery, the momentum has continued, and the UC Berkeley Campaign crossed the \$2 billion mark at the end of January 2011.

Mr. Biddy has met and exceeded the goals that were set out for his incentive, and the campus is recommending that he receive full payment of \$139,583. This would be a final and full payment as his incentive program ended on September 15, 2010. In response to a campus request to simplify Mr. Biddy's compensation package, the Regents approved at its September 2010 meeting elimination of the incentive component of his compensation and increased his annual base salary of \$272,000 by \$50,000, for a total annual salary of \$322,000. The action did not result in an increase to Mr. Biddy's total cash compensation.

Recommendation

The following item was approved in connection with the deferred incentive awards for Scott F. Biddy as the Vice Chancellor - University Relations, Berkeley campus:

- Payment of the deferred incentive awards in the total amount of \$139,583 for fiscal years 2007-08, 2008-09, and 2009-10 as recommended by the campus, with such payments to include interest at the Short Term Investment Pool (STIP) rate, under the authority delegated to the President by the Regents of the University of California, subject to the concurrence of the Chair of the Committee on Compensation.

The compensation described above shall constitute the University's total commitment until modified by the President and shall supersede all previous oral or written commitments.

**Submitted By: Executive Director – Compensation Programs
and Strategy Larsen**

Reviewed by: Office of the President, Human Resources

- (11) *Administrative Stipend for Martha Arvin as Systemwide Health Sciences Privacy Liaison in the Office of Ethics, Compliance and Audit Services, University of California – Office of the President*

Background to Recommendation

Action under interim authority was requested for the approval of an administrative stipend for Martha Arvin, Chief Compliance Officer at the UCLA Health Sciences Compliance Office who has accepted a newly created assignment as Systemwide Health Sciences Privacy Liaison in the Office of Ethics, Compliance and Auditor Services (ECAS) in addition to her current responsibilities. The stipend was requested for a one-year period, effective June 1, 2011 through May 31, 2012, or until the Privacy Liaison role is assigned to another Systemwide Health Sciences Compliance Officer, whichever occurs first.

The Systemwide Health Sciences Privacy Liaison role has been developed in the Office of ECAS as part of a redefinition of roles related to privacy and information security. The responsibilities of the Systemwide Privacy Officer position in the Office of ECAS were combined with those of the Director of Information Security in Information Resources and Communications (IR&C) to create a new position, Chief Information Security and Privacy Officer (CISPO), effective April 15, 2011. The CISPO reports to the Chief Information Officer and Associate Vice President, IR&C, with a dotted line reporting relationship to the Senior Vice President – Chief Compliance and Audit Officer. The Systemwide Health Sciences Privacy Liaison will be responsible for coordinating with the CISPO on systemwide information security and privacy initiatives that impact health sciences and the medical centers. As a result of these changes, the Systemwide Privacy Officer and Director of Information Security positions will be eliminated.

The responsibilities of the Systemwide Health Sciences Privacy Liaison assignment are significantly greater in scope and level than Martha Arvin's current responsibilities as Chief Compliance Officer for UCLA Health Sciences. The request for an annual stipend of \$30,000 (12.25 percent of Ms. Arvin's current annual base salary of \$244,902) was in recognition of these additional privacy liaison responsibilities and will be funded 100 percent by UC Common funds. During this one-year assignment, Ms. Arvin will be responsible for collaboration and communication with the CISPO on all major elements of the systemwide program to meet compliance objectives and to ensure appropriate coordination with health sciences and the medical center. Ms. Arvin is an effective and seasoned leader in the health sciences compliance and privacy areas and has been collaborating with the UC Health Sciences Compliance Officers since she joined UC in 2009.

Recommendation

The following items were approved in connection with the appointment and compensation of Martha Arvin as Systemwide Health Sciences Privacy Liaison – Ethics, Compliance and Audit Services, Office of the President:

- a. Per policy, an annual stipend of \$30,000 (12.25 percent of base salary) in addition to base salary of \$244,902 SLCG Grade 108 (Minimum-\$192,300; Midpoint-\$244,900; Maximum-\$297,400).
- b. This stipend is effective June 1, 2011, through May 31, 2012, or until the effective date of the liaison assignment to a new Health Sciences Compliance Officer, whichever occurs first.

Recommended Compensation

Effective Date: June 1, 2011

Base Salary: \$244,902

Grade Level: Grade 108

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

Percent Difference vs. Midpoint: 0 percent

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

Total Cash Compensation: \$274,902

Funding Source: UC Common Funds

Prior Data

Base Salary: \$244,902

Grade Level: Grade 108

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

Total Cash Compensation: \$244,902

Funding Source: UC Common 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.

**Submitted By: Senior Vice President – Chief Compliance and Audit
Officer Vacca**

**Reviewed by: President Yudof
Committee on Compensation Chair Varner
Office of the President, Human Resources**