

## REPORT OF INTERIM ACTIONS

Office of the Secretary and Chief of Staff  
September 17, 2009

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

### INFORMATION ITEM

#### Report of Actions Taken Between Meetings

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

- A. The Chair of the Board of Regents and the President of the University approved the following recommendation:

***Authorization to Obtain Commercial Paper Financing and Purchase Private Placement State of California General Obligation Bonds to Provide Interim Financing for Specified State-Funded Capital Projects and Execute All Related Documents***

- (1) That the President be authorized to obtain commercial paper financing to purchase State of California General Obligation bonds in order to provide interim financing for certain high priority State General Obligation bond funded projects listed in Attachment 1.

The President shall require that:

- a. Commercial paper interest only, based on the amount of commercial paper issued for this purpose, shall be paid through the tender and/or redemption date of the General Obligation bonds.
- b. The general credit of the Regents shall not be pledged.
- (2) That the President be authorized to purchase State General Obligation bonds in a private placement in an amount not to exceed \$207 million, issued by the State for the purpose listed in (a) above and to fund related bond issuance costs.
- a. Interest earnings on the General Obligation bonds shall be applied first to make interest payments on the related commercial paper until the tender and/or redemption date of the General Obligation bonds.

- b. Through the tender and/or redemption date of the General Obligation bonds, revenues as shown in Attachment 2 from each campus shall be maintained in amounts sufficient to pay net interest expense and to meet the related requirements of the authorized financing.
  - c. If the State of California does not redeem its General Obligation bonds in full at or before the Mandatory Tender Date, each campus shall be responsible for its share of the commercial paper principal and interest associated with the projects identified in Attachment 1.
- (3) That the President or Executive Vice President – Chief Financial Officer be authorized to execute all documents necessary in connection with the above.
- B. The Chair of the Committee on Compensation and the President of the University approved the following recommendations:

(1) ***Appointment and Total Compensation for Alice H. Issai as Chief Operating Officer—Medical Center, Irvine Campus***

Action under interim authority is requested for the approval of the appointment salary for Alice H. Issai as Chief Operating Officer (COO) – Medical Center, Irvine campus. This request is in response to an immediate need to fill this position and the need for Ms. Issai to provide immediate notice to her current employer. The COO position is currently vacant, without an acting incumbent. Due to this vacancy in a key senior leadership position and without oversight from an experienced operations officer, it is imperative that the UC Irvine Medical Center appoint a permanent incumbent immediately. From a competitive pool of applicants, the selection committee unanimously chose Ms. Issai as the best candidate for the position.

This position is funded from Medical Center operating revenue, rather than UC general funds provided by the State. The proposed base salary of \$340,000 is significantly below the previous incumbent's base salary of \$453,300. The proposed base salary is below the midpoint of the salary range for the position and is less than the average base salary (\$522,150) for the Chief Medical Officers at the other UC medical centers.

It is recommended that the following items be approved in the connection with the appointment for Alice H. Issai as Chief Operating Officer – Medical Center, Irvine campus:

- a. Appointment salary of \$340,000 (SLCG Grade 112: Minimum \$289,900, Midpoint \$385,300, Maximum \$471,500), at 100 percent time.
- b. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) up to 25 percent (\$85,000) of her base salary,

beginning FY 2009-10.

- c. Effective with start date on or about July 13, 2009.

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, 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.

(2) ***Appointment and Total Compensation for Meredith Michaels Jed as Vice Chancellor—Planning and Budget, Irvine Campus***

Action under interim authority is requested for the approval of the appointment salary for Meredith Michaels Jed as Vice Chancellor – Planning and Budget, Irvine campus. This request is in response to an immediate need to fill this position and the need for Ms. Michaels Jed to provide immediate notice to the Santa Cruz campus. Ms. Michaels Jed will replace the current incumbent, who retired effective June 30, 2009. Ms. Michaels Jed is currently, and has been for the last nine years, the Vice Chancellor – Planning and Budget at the Santa Cruz campus. Ms. Michaels Jed has extensive experience in the UC system with over 20 years of service in various positions at Santa Cruz, Office of the President, and San Francisco. The 15 percent salary increase proposed is justified due to the dramatic increase in scope and complexity in the Irvine position compared to her current position. The Irvine campus budget is over double that of the Santa Cruz campus.

This position is funded from UC general funds provided by the State. The proposed base salary of \$225,000 is below the previous incumbent's base salary of \$232,000. The proposed base salary is slightly above the midpoint of the salary range for the position and is less than the average base salary (\$231,271) for the Vice Chancellors for Planning and Budget at the other UC campuses.

It is recommended that the following items be approved in the connection with the appointment for Meredith Michaels Jed as Vice Chancellor – Planning and Budget, Irvine campus:

- a. Appointment salary of \$225,000 (SLCG Grade 107: Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000), at 100 percent time. This reflects a 15 percent increase to her current salary of \$195,700. Ms. Michaels Jed will not be eligible for annual merit/equity consideration until October 2010.
- b. Effective August 17, 2009.
- c. Per policy, 100 percent of actual and reasonable moving expenses.
- d. Per policy, eligible to participate in the Mortgage Origination Program (MOP), up to \$1 million.

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, 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.

(3) ***Interim Re-Slotting and Promotional Increase for Gretchen S. Bolar as Vice Chancellor—Finance and Business Operations, Riverside Campus***

Action under interim authority is requested for the approval of the interim re-slotting, change in title from Vice Chancellor – Academic Planning and Budget to Vice Chancellor – Finance and Business Operations, and promotional salary increase for Gretchen S. Bolar due to significant expansion of her responsibilities. This request is in response to an administrative redesign at the Riverside campus. The administrative redesign is necessary to eliminate inefficiencies and increase effectiveness in core services. This position is an amalgamation of the Vice Chancellor – Academic Planning and Budget and Vice Chancellor – Administration positions. This change in the organizational structure will realize the campus a savings in administrative salaries of approximately \$204,500. This position is funded from UC general funds provided by the State. The proposed base salary of \$237,100 is below the current market median of \$254,700. Market data provided by Mercer Human Resource Consulting includes data from the College and University Professional Association (CUPA)

Administrative Compensation Survey. The proposed base salary is slightly below the midpoint of the salary range for the position and is slightly above the average base salary (\$222,475) for the Vice Chancellor – Administration (the closest comparator position) at the other UC locations.

It is recommended that the following items be approved in the connection with the interim re-slotting, title change and promotional salary increase for Gretchen S. Bolar as Vice Chancellor – Finance and Business Operations:

- a. Interim re-slotting at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400), as recommended by Mercer Human Resource Consulting. The title will change from Vice Chancellor – Academic Planning and Budget to Vice Chancellor – Finance and Business Operations.
- b. Per policy, a promotional salary increase of \$39,500 (20 percent) from \$197,600 to \$237,100 at 100 percent time. The salary amount is consistent with new Senior Management Group (SMG) policy that indicates that salaries will be within the salary range.
- c. Effective retroactive to June 8, 2009.

Additional items of compensation include:

- Per policy, continuation of standard pension and health and welfare benefits (including senior management life insurance, executive business travel insurance, and executive salary continuations for disability).
- Per policy, continuation of five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, continued eligibility to participate in the University's Mortgage Origination Program.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$219,600	\$254,700	\$341,800

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.

(4) ***Interim Re-Slotting and Stipend for Lori Donaldson as Acting Chief Financial Officer, UC San Diego Medical Center, San Diego Campus***

Action under interim authority is requested for the approval of the interim re-slotting and stipend for Lori Donaldson as Chief Financial Officer, UC San Diego Medical Center (CFO). This request is in response to the urgency of appointing a replacement for Robert Hogan who retired July 1, 2009. Following a failed search to appoint Mr. Hogan's successor, Lori Donaldson has agreed to serve as Acting CFO until a new CFO is identified. Ms. Donaldson has been with the San Diego campus since 1990 and has served as Financial Controller for over twelve years.

This position is funded from Medical Center operating revenue, rather than UC general funds provided by the State. The proposed compensation, inclusive of the stipend (\$233,982), is approximately 33.1 percent below the median of market data (\$349,600), as provided by Mercer Human Resource Consulting using the Health Care Executive Compensation Survey by Clark Consulting for "Integrated Academic Health Care Organizations" for institutions of comparable size. The proposed compensation is 45 percent below the average base salary (\$425,100) of the Chief Financial Officers at the other larger (and higher graded) UC medical centers. The proposed compensation is 16.4 percent below that of the previous incumbent.

It is recommended that the following items be approved in connection with the acting appointment and compensation of Lori Donaldson as Acting Chief Financial Officer (CFO) at the San Diego Medical Center.

- a. Per policy, an interim re-slotting of the position from SLCG Grade 110 to 111 (Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100) as supported by Mercer Human Resource Consulting.
- b. Per policy, a 20 percent annual administrative stipend of \$35,997 for an annualized base salary of \$215,983.
- c. Appointment at 100 percent time, effective July 1, 2009 and continuing through June 30, 2010, or the appointment of the new CFO, whichever comes first.

Additional compensation and related items include:

- Per policy, eligibility to participate in the UC San Diego Medical Center Leader's Incentive Plan, with incentive potential up to 10 percent of base salary, pending approval by the President.
- Per policy, standard pension and health and welfare benefits.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$296,000	\$349,600	\$376,800

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.

(5) ***Re-Slotting and Appointment Compensation for Joseph Rudnick as Dean—  
Division of Physical Sciences, College of Letters and Science, Los Angeles  
Campus***

Action under interim authority is requested for approval of the position re-slotting and appointment compensation for Joseph Rudnick as Dean – Division of Physical Sciences, College of Letters and Science, Los Angeles campus, effective August 1, 2009, following completion of a nationwide search process. Interim action is required to support leadership continuity within the College. Mr. Rudnick has been serving as Acting Dean since October 2006. UCLA's Physical Sciences division is the largest and most complex in the UC system.

This position is State-funded, as is the case for all campus academic deans, and is proposed to be slotted at SLCG Grade 110, as recommended by Mercer Human Resource Consulting using the 2007-2008 College and Universities Professional Association (CUPA) Compensation Survey for All Doctoral Institutions. The proposed salary is 11.46 percent below the salary range midpoint for SLCG Grade 110 and 4.5 percent below other Los Angeles campus comparator positions. In addition, this position will be subject to any salary reduction/furlough plans approved by the Regents. Mr. Rudnick's highly regarded administrative experience in the Dean's role as well as his research excellence will provide effective leadership for the Division of Physical Sciences at the Los Angeles campus, particularly during these difficult budgetary times.

It is recommended that the following items be approved in connection with the appointment and compensation of Joseph Rudnick as Dean – Division of Physical Sciences, College of Letters and Science, Los Angeles campus.

- a. Re-slotting of the position to SLCG Grade 110, as supported by Mercer Human Resource Consulting.
- b. An appointment salary of \$272,000 (SLCG Grade 110: Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500). Per policy, ineligible for any further merit or equity increase until October 2010.
- c. Appointment at 100 percent time, effective August 1, 2009.

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, ineligible for participation in the Senior Management Supplemental Benefit Program due to tenured academic appointment.
- Per policy, eligibility to participate in the University of California Home Loan Program. Participation is subject to funding availability and current program policies and guidelines. (Although not currently participating, the candidate has participated previously in the Supplemental Home Loan Program.)
- Per policy, accrual of sabbatical credits as a member of the tenured faculty.
- Position is State-funded, as is the case for all campus academic deans.
- Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$234,400	\$260,800	\$297,100

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.

(6) ***Re-Slotting and Appointment Compensation for Victoria Sork as Dean—  
Division of Life Sciences, College of Letters and Science, Los Angeles Campus***

Action under interim authority is requested for approval of the re-slotting and appointment compensation for Victoria Sork as Dean – Division of Life Sciences, College of Letters and Science, Los Angeles campus, effective September 1, 2009. This request is in response to an immediate need to fill the position following completion of a nationwide search. Ms. Sork is currently Chair and Professor in the Department of Ecology and Evolutionary Biology.

This position is State-funded, as is the case for all campus academic deans, and is proposed to be slotted at SLCG Grade 110, as recommended by Mercer Human Resource Consulting using the 2007-2008 College and Universities Professional Association (CUPA) Compensation Survey for All Doctoral Institutions. The



proposed salary is 20 percent below the salary range midpoint for SLCG Grade 110 and 13.9 percent below other Los Angeles campus comparators. In addition, this position will be subject to any salary reduction/furlough plans approved by the Regents. Ms. Sork's administrative experience at UCLA and her research excellence will provide effective leadership for the Division of Life Sciences at the Los Angeles campus.

It is recommended that the following items be approved in connection with the appointment and compensation of Victoria Sork as Dean – Division of Life Sciences, College of Letters and Science, Los Angeles campus.

- a. Re-slotting of the position to SLCG Grade 110, as supported by Mercer Human Resource Consulting.
- b. An appointment salary of \$245,200 (SLCG Grade 110: Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500). Per policy, ineligible for any further merit or equity increase until October 2010.
- c. Appointment at 100 percent time, effective September 1, 2009.

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, ineligible for participation in the Senior Management Supplemental Benefit Program due to tenured academic appointment.
- Per policy, eligibility to participate in the University of California Home Loan Program. Participation is subject to funding availability and current program policies and guidelines. Candidate is currently participating in this program.
- Per policy, accrual of sabbatical credits as a member of the tenured faculty.
- Position is State-funded, as is the case for all campus academic deans.
- Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$234,400	\$260,800	\$297,100

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.

(7) ***Interim Re-Slotting and Appointment Compensation for Carol L. Moss as Vice Chancellor—Development, University Advancement and Planning, San Francisco Campus***

Action under interim authority is requested for the approval of the interim re-slotting and appointment compensation for Carol L. Moss as Vice Chancellor – Development, San Francisco campus, effective subsequent to approval by the Regents at a date determined upon suitable transition notice to Ms. Moss' current employer. UCSF has concluded a national search for the Vice Chancellor – Development, and Ms. Moss has been selected as the top candidate. Postponing his impending retirement, Senior Vice Chancellor Bruce W. Spaulding reduced his schedule to 55 percent time under the Staff and Academic Reduction in Time (START) program, effective March 1, 2009 through June 30, 2009, as approved by the Regents on February 5, 2009. At the request of Chancellor-Designate Susan Desmond-Hellmann, Senior Vice Chancellor Spaulding again postponed his retirement plans and extended his reduced 55 percent time appointment (START) through no later than October 31, 2009, which is pending approval by the Regents. With Senior Vice Chancellor Spaulding's impending retirement and the Senior Vice Chancellor position being eliminated, the Vice Chancellor – Development position will report directly to the Chancellor, and the scope of operations will be expanded to assume development duties previously managed by the Senior Vice Chancellor. Based on the expanded scope of duties, the criticality of the Vice Chancellor – Development function to sustained operations at UCSF, and the current market competition for highly qualified development officers, the campus proposes increasing the position slotting to SLCG 111.

The proposed base salary of \$376,600 is equivalent to the previous incumbent's base salary and reflects the extremely difficult market for fundraising talent in higher education. Market data provided by Mercer Human Resource Consulting includes data from the College and University Professional Association (CUPA) Administrative Compensation Survey and shows a market median of \$312,300. This position will not be funded through State funds; it will be funded through philanthropic income.

It is recommended that the following items be approved in connection with the appointment and interim slotting of Carol L. Moss as Vice Chancellor – Development, San Francisco campus:

- a. Interim re-slotting at SLCG Grade 111 (Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100), pending recommendation by Mercer Human Resource Consulting.

- b. Per policy, appointment salary of \$376,600, at 100 percent time.
- c. Per policy, a 25 percent (\$94,150) relocation allowance with installment payments spread over a period of three years. Payments to be issued monthly on a declining balance totaling 60 percent (\$56,490) in year one, 30 percent (\$28,245) in year two and 10 percent (\$9,415) in year three.
- d. Effective subsequent to approval by the Regents at a date determined upon suitable transition notice to Ms. Moss' current employer.

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, eligibility to receive an Executive Automobile Allowance in the amount of \$8,916 per annum.
- Per policy, five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, 100 percent reimbursement of all reasonable moving expenses.
- Per policy, two house-hunting trips, subject to the limitations under policy for the candidate and his/her spouse/partner.
- Per policy, 60-day temporary housing assistance, reimbursed within normal policy limits.
- Per policy, eligibility to participate in the University of California Home Loan Program, available to be exercised within a period not to exceed 24 months from date of employment. Participation will comply with all University/campus program parameters.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$249,200	\$312,300	\$345,900

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.

(8) ***Appointment Compensation Amendment for Peter A. Hayashida as Vice Chancellor—University Advancement, Riverside Campus***

After a national search, the Riverside campus recently recruited and hired Peter A. Hayashida, as Vice Chancellor – University Advancement, Riverside campus. He was appointed to this position effective July 1, 2009. The campus now wishes to revise the original appointment compensation to include reimbursement of temporary housing expenses for up to 90 days. Providing reimbursement for temporary housing will eliminate Mr. Hayashida's long daily commute from his current place of residence to the campus, while he continues to seek permanent housing in the Riverside area.

This position is funded from UC general funds provided by the State. The approved base salary of \$265,000 is below the current market median of \$300,000. Market data provided by Mercer Human Resource Consulting includes data from the College and University Professional Association (CUPA) Administrative Compensation Survey. The approved base salary is slightly above the midpoint of the salary range for the position and is slightly above the average base salary (\$264,311) for the Vice Chancellor – University Advancement at the other UC locations.

It is recommended that the following item be approved as an addition to the compensation for Peter A. Hayashida as Vice Chancellor–University Advancement:

- a. Per policy, reimbursement of actual and reasonable costs associated with temporary living expenses for a period of up to 90 consecutive days after the start of Mr. Hayashida's employment.

Additional items of compensation already approved on May 28, 2009 include:

- Per policy, an appointment salary of \$265,000 (SLCG Grade 108: Minimum \$192,300 Midpoint \$244,900, Maximum \$297,400).
- This appointment is at 100 percent time and effective July 1, 2009.
- Per policy, an annualized automobile allowance in the amount of \$8,916.
- Per policy, eligibility to participate in the University's Mortgage Origination Program.
- Per policy, 100 percent reimbursement of actual and reasonable relocation expenses, to be completed within one year of assuming the position of Vice Chancellor – University Advancement.

- 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 continuations 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 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.

(9) ***Amendment of Additional Compensation of One Summer Month for Various Employees at Multiple Campuses***

That the following item be approved in connection with the payment of additional compensation for summer month salary:

Per policy, payment of additional compensation in the amount of \$18,975 (approximately equivalent to one month of salary) to John C. Hemminger at the Irvine campus. In accordance with Senior Management Group Policy 2.110.L.5, Mr. Hemminger will forfeit 22 days of vacation hours beginning on July 6, 2009 to August 4, 2009. Mr. Hemminger has two research projects which are funded by National Science Foundation (NSF) and Department of Energy (DOE). The first research project was on the development of an understanding of how the chemistry on nanometer-sized platinum particles changes as the particles are made smaller. The second research project had to do with design structures that will have well potential applications in plasmonic devices of use for solar energy conversion systems. It involves the invention of new methods for the assembly of ordered arrays of metal particles on surfaces.

The compensation described above shall constitute the University's total commitment regarding summer salary 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.

(10) ***Extension of Appointment and Compensation for Lawrence H. Pitts, M.D., as Interim Provost and Executive Vice President, Academic Affairs, University of California, Office of the President***

Action under interim authority is requested for the approval of the following items in connection with the extension of the appointment of and compensation for Dr. Pitts as Interim Provost and Executive Vice President, Academic Affairs. The

search for a permanent Provost is still underway, and this appointment extension will provide the ongoing leadership needed.

This position is funded 50 percent from UC general funds provided by the State and 50 percent from non-State common funds. The proposed base salary of \$350,000 is significantly below the last permanent incumbent's base salary of \$425,000 and is below the current market median of \$416,000. Market data is provided by Mercer Human Resource Consulting and includes data from College and University Professional Association (CUPA) Administrative Compensation Survey.

It is recommended that the following items be approved in connection with the appointment of and total compensation for Lawrence H. Pitts:

- a. As an exception to policy, continued appointment as Interim Provost, 100 percent time. This constitutes an exception to policy exceeding the normal appointment maximum of 43 percent time for re-employed retirees. Appointments in excess of 43 percent time require the endorsement of the President and approval of the Regents.
- b. Base salary of \$350,000, before the 2009-10 salary reduction plan is implemented (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100).
- c. This appointment and compensation will be effective September 1, 2009 and will continue until a permanent Provost is hired and for a reasonable transition period thereafter or until August 31, 2010, whichever occurs first.
- d. Per the policy for rehired retirees, retirement pension benefits will be suspended when Dr. Pitts assumes this role. Under University policy, this will result in accrual of additional pension service credit during his appointment as Interim Provost.

Additional items of compensation include:

- Per policy, standard sick leave and vacation accrual.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University policy.
- Per policy, standard employee medical, dental, and vision coverage.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u> (median)	<u>50<sup>th</sup> Percentile</u>	<u>75<sup>th</sup> Percentile</u>
\$345,600	\$416,000	\$494,900

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.

- C. The Chair of the Committee on Compensation approved the following recommendation:

***Appointment of Nathan Brostrom as Interim Executive Vice President – Business Operations, Office of the President***

Action under interim authority is requested for the appointment of Nathan Brostrom as Interim Executive Vice President – Business Operations to be effective September 8, 2009. This urgent request is in response to the impending departure of the current incumbent. It is imperative that the Business Operations division have strong leadership to continue the budget and cost reduction reviews currently underway. Mr. Brostrom will report directly to the President, with all functions currently under the Executive Vice President continuing to report to Mr. Brostrom in his interim role.

This position is funded 100 percent by UC general funds provided by the State. Mr. Brostrom, who is currently serving as Vice Chancellor – Administration for UC Berkeley, will continue to provide support to the Berkeley campus at 20 percent time, with the remaining 80 percent time dedicated to the Business Operations function at the Office of the President; the Office of the President will provide proportionate funding of the salary costs. There will be no change in Mr. Brostrom's current compensation, which is \$283,100 per annum. Mr. Brostrom's compensation is below the minimum of the grade assigned for the position being assumed (SLCG Grade 133 minimum \$333,900, midpoint \$431,500, maximum \$529,100) and below the compensation of the current incumbent.

It is recommended that the following be approved in connection with the appointment of Nathan Brostrom as Interim Executive Vice President – Business Operations, Office of the President:

- (1) Per policy, appointment at 80 percent time as Interim Executive Vice President – Business Operations, Office of the President, effective September 8, 2009 through December 31, 2009.
- (2) Per policy, continuation of existing salary of \$283,100 per annum, prorated for the 80 percent interim appointment at Office of the President.

Additional items of compensation include:

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

- Per policy, continuation of participation in the Senior Management Benefits Program including 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.

- D. The Chairman of the Board and the Chair of the Committee on Governance approved the following recommendation:

***Modification of Regents Standing Committee Membership***

- (1) That Regent Nunn Gorman be appointed to the Committee on Health Services, effective August 7, 2009 through June 30, 2010.
- (2) That Regent Bernal and Regent Nunn Gorman be removed from the Committee on Educational Policy, effective August 7, 2009.

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

***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for the Graduate School of Management and Conference Center Project, Davis Campus***

**Pursuant to Standing Order 100.4(q)**

- (1) The President, subject to the concurrence of the Chair of the Board and the Chair of the Committee on Grounds and Buildings, amend the 2008-09 Budget for Capital Improvements and the Capital Improvement Program as follows:

From: Davis: Graduate School of Management and Conference Center – preliminary plans, working drawings, and construction - \$34,500,000, to be funded from external financing (\$31,500,000) and gifts (\$3,000,000).

To: Davis: Graduate School of Management and Conference Center – preliminary plans, working drawings, and construction - \$40,435,000, to be funded from external financing (\$37,435,000) and gifts (\$3,000,000).



**Pursuant to Standing Order 100.4(nn)**

- (2) The President be authorized to obtain external financing not to exceed \$37,435,000 to finance the Graduate School of Management and Conference Center project. The President requires:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - b. As long as the debt is outstanding, the Davis campus' share of the University's Education Funds (\$14,967,500), facility revenues and funds available to the Chancellor (\$22, 467,500) shall generate net revenues sufficient to pay debt service and to meet all related financing requirements of authorized financing.
  - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

