

Revised

Additions shown by double underscoring; deletions shown by double strikethrough

C2

COMMITTEE ON COMPENSATION

ACTION ITEM

For Meeting of September 16, 2010

APPROVAL OF INDIVIDUAL COMPENSATION ACTIONS AS DISCUSSED IN CLOSED SESSION

RECOMMENDATION

A. *Salary Adjustment for F. Scott Bidy as Vice Chancellor – University Relations, Berkeley Campus*

Background to Recommendation

The Berkeley campus requests approval for a salary adjustment to the annual base salary for F. Scott Bidy as the Vice Chancellor – University Relations, to be effective upon Regental approval. In reaction to the need to simplify compensation and the current move to eliminate incentive and bonus programs where appropriate, the Berkeley campus proposes to eliminate the exceptional performance bonus incentive amount of \$50,000 in Mr. Bidy's compensation package and incorporate it into his current annual base of \$272,000, for a total annual salary of \$322,000. There is no total increase to the compensation package included in this action. Mr. Bidy's position will continue to be graded at SLCG Grade 109.

Mr. Bidy was promoted to his current position of Vice Chancellor – University Relations in December 2006, following a national search. At the time of promotion, he was serving as Associate Vice Chancellor – University Relations for the campus. During the salary setting process, several factors were under consideration. Internal equity and other pressures at the time limited the promotional increase to an annual base salary of \$260,000. At the same time, Mr. Bidy was the sole remaining candidate for a similar position at a peer institution with an oral offer of a salary in excess of \$400,000. He indicated that he would accept the Berkeley position if the campus could provide a higher compensation package. At the suggestion of staff at the Office of the President, the campus requested an annual bonus payment of up to \$50,000 based on the attainment of established goals. Such bonus programs are common in the development area. Mr. Bidy accepted this total compensation package of \$310,000 and withdrew his candidacy for the other position. He received the first bonus payment in December 2007, upon Regental approval.

Mr. Bidy reports directly to the Chancellor and is the chief institutional advancement officer for the campus. He is responsible for campuswide leadership and strategy, and also management and operation of a division with the mission to enhance the excellence of UC Berkeley by increasing public awareness, understanding, and philanthropy. In addition to the direct oversight of University Relations, the campus' core fundraising arm for major gifts and central services, Vice Chancellor Bidy provides strategic leadership for the many different fundraising programs campuswide. This involves active partnership with the 21 campus deans, all of whom have development staff, as well as the directors of the non-alumni fundraising programs such as athletics, the libraries, the Berkeley Art Museum, and Cal Performances.

In this role, he also serves as President of the UC Berkeley Foundation, a California nonprofit public-benefit corporation that raises, invests, and administers donated funds for the benefit of the campus. Mr. Bidy is also responsible for the integrated implementation of all external relations for the campus, which includes the spectrum of development, public affairs, and alumni relations. The campus continues to raise funds at a level of over \$300 million per year, including in 2009, despite the challenges of a severe economic downturn and drastic resource reductions on the campus. Vice Chancellor Bidy's leadership of Berkeley's comprehensive capital campaign has raised \$1.8 billion to date towards the \$3 billion fundraising campaign goal for the campus, the largest in UC Berkeley's history, and the largest so far for any university in the United States and Canada without a medical school.

The base salary for this position is funded through State funds (50 percent) and through discretionary funds (50 percent). The proposed annual base salary of \$322,000 is within the salary range for SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700). Market median data indicate a rate of \$369,345 which is 14.7 percent above the proposed base salary. Further, internal comparator data indicate that the proposed salary is 19.7 percent above the average salary of \$269,000 for the Vice Chancellor – University Relations position at the other UC locations. The salaries at the other UC locations range from \$201,000 at UC Merced to \$376,600 at UC San Francisco.

Recommendation

The Committee recommends approval of the following items in connection with the salary adjustment for F. Scott Bidy as Vice Chancellor – University Relations, Berkeley campus:

- (1) Per policy, annual base salary of \$322,000. This represents a zero percent increase in Mr. Bidy's current total compensation package.
- (2) Continued slotting at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- (3) Effective upon approval by the Regents.

Recommended Compensation

Effective Date: Upon Regental Approval

Base Salary: \$322,000

Bonus/Incentive: \$0

Total Cash Compensation: \$322,000

Grade Level: SLCG Grade 109

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

Median Market Data: \$369,345

Percentage from Market Data: -14.7 percent

Funding Source: 50 percent State funds and 50 percent Discretionary Funds

Budget &/or Prior Incumbent Data

Title: Vice Chancellor, University Relations

Base Salary: \$272,000

Bonus/Incentive: \$50,000

Total Cash Compensation: \$322,000

Funding Source: 50 percent State funds and 50 percent Discretionary 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, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, annual automobile allowance of \$8,916.

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

B. *Recall from Retirement, Appointment of and Compensation for Charles E. Hess as Interim Vice Chancellor – Research, Davis Campus*

Background to Recommendation

Approval is requested for the recall from retirement of Charles E. Hess to serve as the Interim Vice Chancellor – Research at the UC Davis campus. UC Davis is currently conducting a national recruitment to permanently fill the position of Vice Chancellor – Research when the current Vice Chancellor, Barry M. Klein, steps down in September

2010. Approval is requested to appoint Charles E. Hess to serve as Interim Vice Chancellor – Research with an appointment salary of \$237,400, at an average of 43 percent time over a 12-month period, effective immediately upon approval of the Regents. This position is currently graded at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700); however, the campus will be seeking approval to re-slot the position to SLCG Grade 111 as the campus moves forward with the hiring of a permanent vice chancellor. This interim appointment is necessary to provide continuity of leadership and to assist in the transition of a new Vice Chancellor – Research. The Chancellor consulted with the Chair of the UC Davis division of the Academic Senate and the Senate Executive Committee, and they wholeheartedly endorsed appointing Charles E. Hess as the interim vice chancellor.

Mr. Hess retired from UC Davis in 1994 but was recalled to serve as Chair of the UC Davis Nutrition Department from 2007 to 2009 to help the department develop new leadership after a period of tremendous transition in the department. During his tenure as department chair, Mr. Hess developed a revised academic plan, recruited three new faculty members, and mentored a member of the faculty who became chair in 2009. He served as Dean of the College of Agricultural and Environmental Sciences from 1975 to 1989 and served as the Director of International Programs in 1991. He has also served as a special assistant to the Provost and Chancellor.

Mr. Hess is respected by his colleagues and has the reputation of being a collaborative and effective leader. He is known to seek input from his staff before making decisions that affect the department and/or the institution but does not shirk from accepting responsibility for making those decisions that require administrative action. He has been a responsible manager of fiscal and physical resources, and has participated effectively in budget planning during very difficult budget times.

The proposed salary is 38.68 percent below the market median base salary of \$329,220 (aged by a factor of 4.5 percent) as provided by the College and University Professional Association (CUPA) Administrative Compensation Survey. This position is funded 100 percent from funds provided by the State.

Recommendation

The Committee recommends approval of the following items in connection with the recall from retirement, appointment of and compensation for Charles E. Hess as Interim Vice Chancellor – Research, Davis campus:

- (1) Per policy, recall from retirement at an average of 43 percent time over a 12-month period, at an annualized appointment salary of \$237,400, effective immediately upon approval of the Regents.
- (2) Continued slotting of the position at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).

Recommended Compensation

Effective Date: Immediately upon approval of the Regents

Base Salary: \$237,400

Total Cash Compensation: \$237,400 (43%=\$102,082)

Grade Level: SLCG Grade 109

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

Median Market Data: \$329,220

Funding Source: State funds

Percentage Difference from Market: -38.68 percent

Budget &/or Prior Incumbent Data

Base Salary: \$237,400

Total Cash Compensation: \$237,400

Grade Level: SLCG Grade 109

Funding Source: State funds

Additional items of compensation include:

- Per policy, Mr. Hess plans to sign and accept the Rehired Retiree Waiver Form that will serve to decline participation in the UC Retirement System (UCRS) and allow Mr. Hess to continue receiving his retirement annuity while receiving compensation related to this appointment.
- Per policy, health and welfare benefits are based upon a 43 percent limited-time 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: UC Davis Chancellor Katehi
Reviewed by: President Yudof
Compensation Committee Chair Varner
Office of the President, Human Resources

C. *Term Appointment of and Compensation for Suresh Subramani as Acting Senior Vice Chancellor – Academic Affairs, San Diego Campus*

Background to Recommendation

Approval is requested for the term appointment of and compensation for Suresh Subramani as Acting Senior Vice Chancellor – Academic Affairs, San Diego campus, effective October 1, 2010, through September 30, 2011, or until the appointment of a permanent senior vice chancellor, whichever occurs first.

Following Paul Drake's announcement of his decision to retire from the Senior Vice Chancellor – Academic Affairs position effective October 1, 2010, an extensive national search was conducted for his successor. The top candidate withdrew due to compensation limitations, and there was a lack of consensus on the remaining candidates interviewed. Therefore, a decision has been made to extend the search process and appoint an Acting Senior Vice Chancellor – Academic Affairs to provide continuity of leadership.

Suresh Subramani was selected as the most qualified person to fill the interim role. Mr. Subramani is a Distinguished Professor of Molecular Biology and holds a 50 percent academic administrator appointment as Associate Vice Chancellor for Academic Planning and Resources (AVC-AP&R) which he assumed February 1, 2009. As AVC-AP&R, Mr. Subramani has been a key advisor to the Senior Vice Chancellor on a wide range of issues, including overseeing the implementation of new campus academic programs and initiatives, providing leadership in the planning of resources to meet programmatic and capital program goals, developing the State Capital Improvement Plan and overseeing the use of technology-enhanced instruction. He has been a member of the UC San Diego faculty since 1981 and is recognized as an outstanding scholar with a wealth of administrative experience. He served as Chair of the Department of Biology prior to its reorganization as a Division, and as Associate Dean and Interim Dean of the Division of Biological Sciences. Given the difficulty of the search, the duration of this acting assignment is difficult to predict. Therefore, Mr. Subramani would have the full authority and accountability associated with the senior vice chancellor role during his interim appointment.

In recognition of the search experience, the market value of the position, internal comparisons and Mr. Subramani's qualifications, the campus requests approval of an administrative salary of \$350,000 to compensate him for this interim appointment. The proposed salary is 1.7 percent above the midpoint of SLCG Grade 111 (Minimum 267,700, Midpoint \$344,000, Maximum \$420,100) and 5.8 percent below the market median of \$371,623. Several of the deans who report to this position earn salaries ranging from \$326,100 to \$342,800. This position is funded 100 percent from UC general funds provided by the State.

Recommendation

The Committee recommends approval of the following items in connection with the term appointment of Suresh Subramani as Acting Senior Vice Chancellor – Academic Affairs, San Diego campus:

- (1) Per policy, an administrative salary of \$350,000 (SLCG Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100).
- (2) Per policy, this appointment is at 100 percent time and effective October 1, 2010 through September 30, 2011, or until the appointment of a permanent senior vice chancellor, whichever occurs first.

Recommended Compensation

Effective Date: October 1, 2010

Term Appointment Base Salary: \$350,000

Total Cash Compensation: \$350,000

Grade Level: SLCG Grade 111

(Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100)

Median Market Data: \$ 371,623

Funding Source: UC general funds provided by the State

Percentage Difference from Market: 5.8 percent below market

Budget &/or Prior Incumbent Data

Base Salary: \$300,000

Total Cash Compensation: \$300,000

Grade Level: SLCG Grade 111

Funding Source: UC general funds provided by the State

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

D. *Term Appointment of Lynda Rogers as Dean – University Extension, Santa Cruz Campus*

Background to Recommendation

Approval is requested for the term appointment of Lynda Rogers as Dean – University Extension, Santa Cruz campus, effective September 16, 2010 through December 31, 2011, or until the appointment of a permanent dean, whichever occurs first. The campus expects that a nationwide search will be launched in early 2011 to permanently fill the position.

This request is in response to an anticipated vacancy with the appointment of the incumbent, Ms. Alison Galloway, to another position on the Santa Cruz campus.

Ms. Galloway currently holds the position of Vice Provost and Dean – Academic Affairs. In 2008, following the departure of the former dean, Ms. Galloway assumed the role of Dean – University Extension in addition to her Vice Provost – Academic Affairs position.

The Dean – University Extension provides vision, dynamic leadership, and professional management to the unit. The dean makes all decisions regarding academic programs, personnel actions, operations, and financial management and is responsible for the strategic direction, market positioning, fiscal viability, and regional educational leadership for UC Santa Cruz Extension.

Ms. Rogers has more than 20 years of experience as an educator and administrator. She currently serves as Assistant Vice Provost – University Extension for UC Santa Cruz. She is responsible for strategic and academic planning, financial planning, and organizational development for University Extension. Ms. Rogers also serves as liaison to University and regional constituents, including faculty, staff, administrators, students, and the business community.

The campus is proposing an annual base salary of \$145,000 which is 6.8 percent below the midpoint for SLCG Grade 104 (Minimum \$123,800, Midpoint \$155,600, Maximum \$187,500). The proposed base salary is 24 percent below the average base salary of \$179,620 for those in the position of Dean – University Extension, at the other UC locations. Market data indicate a market median base salary of \$185,177. The requested base salary is 28 percent below that market rate. This position is funded 100 percent by non-State funds.

Recommendation

The Committee recommends approval of the following items in connection with the term appointment of Lynda Rogers as Dean – University Extension, Santa Cruz campus:

- (1) Per policy, term appointment of Lynda Rogers as Dean, University Extension, Santa Cruz campus.
- (2) Per policy, appointment base salary of \$145,000 at SLCG Grade 104 (Minimum \$123,800, Midpoint \$155,600, Maximum \$187,500).
- (3) This term appointment is at 100 percent time and is effective September 16, 2010 through December 31, 2011, or until the appointment of a permanent dean, whichever occurs first.

Recommended Compensation

Effective Date: September 16, 2010

Term Appointment Base Salary: \$145,000

Grade Level: SLCG Grade 104

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

Median Market Data: \$185,177

Funding Source: Non-State Funds
Percentage Difference from Market: -28.0 percent

Budget &/or Prior Incumbent Data

Title: Dean – University Extension

Base Salary: \$147,200

Grade Level: SLCG Grade 104

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

Funding Source: State and Non-State Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Continued primary classification as Management and Senior Professional (MSP) 3 (Minimum \$71,200, Midpoint \$98,350, Maximum \$125,500).

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

E. *Appointment of and Compensation for Alison Galloway as Campus Provost and Executive Vice Chancellor, Santa Cruz Campus*

Background to Recommendation

Approval is requested for the appointment of Alison Galloway as Campus Provost and Executive Vice Chancellor (CP/EVC) at the Santa Cruz campus, effective September 16, 2010. This appointment fills a vacancy created by the planned retirement of the CP/EVC David S. Klinger on September 15, 2010.

On the Santa Cruz campus, the CP/EVC reports directly to the Chancellor, serves as chief academic officer by providing vigorous academic leadership to the entire campus, manages the budget and day-to-day operations of the campus, serves as a member of the Chancellor's Cabinet, advises the Chancellor on all campus issues, and serves as the chief executive officer of the campus when the Chancellor is unavailable. The CP/EVC provides leadership in the complex development and implementation of long-term academic plans and, in conjunction with the Chancellor, is responsible for articulating and implementing the campus vision and priorities, which include upholding the campus' enduring commitment to achieving excellence through diversity of faculty, students, staff, and ideas.

As the culmination of a search throughout the University of California system, Ms. Galloway was selected from a strong pool of candidates to fill this key leadership position. Ms. Galloway is currently the Vice Provost and Dean – Academic Affairs and a professor in the Department of Anthropology at the Santa Cruz campus. In her administrative role, Ms. Galloway is responsible for coordinating campus-wide academic planning, program development, implementation, and review and for coordinating policies affecting faculty, including personnel actions, faculty diversity, and the development of senior leadership from within the campus community. She also serves as Dean – University Extension and as campus co-chief diversity officer for faculty.

This position is funded 100 percent by State funds. The proposed base salary of \$265,000 is 3.4 percent below the midpoint of SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700). Market data indicate a market median base salary of \$371,633; the proposed base salary is 40 percent below the market rate. In addition, the proposed base salary is 14.4 percent below the average base salary of \$303,089 for the executive vice chancellor and provost position at the other UC locations.

Recommendation

The Committee recommends approval of the following items in connection with the appointment of and compensation for Alison Galloway as Campus Provost and Executive Vice Chancellor, Santa Cruz campus:

- (1) Appointment of Alison Galloway as Campus Provost and Executive Vice Chancellor, Santa Cruz campus, at 100 percent time.
- (2) Per policy, annual base salary of \$265,000 at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- (3) This appointment is effective September 16, 2010.

Recommended Compensation

Effective Date: September 16, 2010

Base Salary: \$265,000

Grade Level: SLCG Grade 109

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

Median Market Data: \$371,633

Funding Source: State Funds

Percentage Difference from Market: 40 percent

Budget &/or Prior Incumbent Data

Title: Campus Provost and Executive Vice Chancellor

Base Salary: \$255,600

Grade Level: SLCG Grade 109

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

Funding Source: State Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance 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.
- Per policy, an automobile allowance in the amount of \$8,916 per annum, declined by Ms. Galloway.

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

F. *Appointment of and Total Compensation for Russell W. Rumberger as Vice Provost – Education Partnerships, Office of the President*

Background to Recommendation

Approval is requested for the appointment of and compensation for Russell W. Rumberger as Vice Provost – Education Partnerships, Office of the President, effective upon approval by the Regents.

The Vice Provost – Education Partnerships is responsible for systemwide and intersegmental policies and programs that engage California P-20 education systems to promote student achievement and that strengthen the continuum of teaching, learning, and leadership to ensure a full range of postsecondary options for all students. The Vice Provost is directly responsible for the implementation of the University's collaborations with P-20 education segments to reduce academic achievement disparities among California student populations and enable all California students to receive a world-class education that prepares them for successful participation in higher education, employment, and civic life.

After an extensive national search, Mr. Rumberger was selected as the top candidate. In the role of Vice Provost – Education Partnerships, he will report to the Provost and Executive Vice President – Academic Affairs.

Mr. Rumberger is currently Professor of Education at the University of California, Santa Barbara. Over a distinguished career, Mr. Rumberger has addressed a range of important issues in education, including early childhood education, school segregation, the achievement gap, school dropouts, and the educational challenges of English language learners. In addition, he directed the UC Linguistic Minority Research Institute (UC LMRI) for ten years, from 1998 to 2008, and built this multicampus research unit into an internationally recognized research institute that funded important research on one of California's and the nation's fastest-growing populations, English language learners. Currently Mr. Rumberger is directing the California Dropout Research Project (CDRP) with funding from major foundations, which is commissioning research and developing a policy agenda to address the problem of school dropouts in California.

The requested base salary of \$250,000 is 0.8 percent above the market median of \$248,100. This position is funded 100 percent by State funds.

Recommendation

The Committee recommends approval of the following items in connection with the appointment of and compensation for Russell W. Rumberger as Vice Provost – Education Partnerships, Office of the President:

- (1) Appointment of Russell W. Rumberger as Vice Provost – Education Partnerships, Office of the President.
- (2) Per policy, appointment salary of \$250,000 at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- (3) Per policy, one-time, one-way airfare to Oakland, California from Santa Barbara, California.
- (4) Per policy, 100 percent reimbursement of all reasonable moving expenses subject to the current policy guidelines, provided that Mr. Rumberger and Provost Pitts mutually agree within the first 12 months of appointment that the University is better served by having Mr. Rumberger relocate to the Bay Area.
- (5) Per policy, reasonable costs not to exceed \$500 for moving professional office materials from Santa Barbara to Oakland, California.
- (6) Per policy, eligibility to participate in the UC Home Loan Program, in accordance with all applicable policies. The UC Home Loan Program will only apply if the primary residence is located within 30 miles of the Office of the President, Oakland, California.
- (7) This appointment is at 100 percent time and effective upon Regental approval.

Recommended Compensation

Effective Date: Upon Regental Approval

Base Salary: \$250,000

Total Cash Compensation: \$250,000

Grade Level: SLCG Grade 108

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

Median Market Data: \$248,100

Funding Source: State Funds

Percentage Difference from Market: 0.08 above market

Budget &/or Prior Incumbent Data

Title: Vice Provost – Educational Partnerships (new position)

Base Salary: \$250,000

Funding Source: State Funds

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance 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.

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

G. ***Appointment of and Total Compensation for Deborah Wylie as Associate Vice President – Capital Resources Management, Office of the President***

Background to Recommendation

Approval is requested for the appointment of and total compensation for Deborah Wylie as Associate Vice President, Capital Resources Management, University of California Office of the President, to be effective upon approval by the Regents and pending suitable transition notice.

This request is being made as part of the consolidation launched in mid-April 2009, which created the new Department of Budget and Capital Resources under Vice President Lenz. The request is to fill the vacancy created when Associate Vice President –

Facilities Administration Bocchicchio retired in December 2009. This replacement is critical to meeting the strategic initiatives of the new Budget and Capital Resources department.

Reporting to the Vice President – Budget and Capital Resources, the Associate Vice President (AVP) – Capital Resources Management is the senior executive charged with University-wide responsibility for the effective planning, funding, and development of the University's capital assets. This responsibility spans a \$9.2 billion program of capital projects currently under way, a proposed \$9.9 billion five-year prospective capital budget, real estate purchases, and sales of approximately \$140 million over three years. In addition, the AVP – Capital Resources Management is responsible for 150-200 leases/licenses/easements per year, several major environmental filings and monitoring; and reporting on hundreds of environmental mitigations. The AVP will have an ambitious sustainability program that includes reducing systemwide energy consumption by ten percent by 2014, reducing greenhouse gas emissions to year 2000 levels by 2014 and to 1990 levels by 2020. The AVP directs and leads the services provided by Capital Resources Management, which includes the following subordinate functions: Design and Construction (strategic delivery and policy), Capital Planning, Physical and Environmental Planning (including sustainability), and Real Estate Services.

After an extensive national search, Deborah Wylie was selected as the top candidate. Ms. Wylie is currently working for California State University Channel Islands as Associate Vice President for Operations, Planning and Construction. Her current role encompasses all aspects of ongoing operations and maintenance as well as capital planning, design, and construction. She is responsible for collaborating with campus administrators and central Chancellor's office staff to develop long-range plans for adaptive re-use of existing facilities and new construction to meet 21st-century needs for teaching and learning. She is responsible for over 100 staff, including architects, construction managers, and inspectors, as well as custodians, grounds workers, skilled trades, logistical services, and events staff.

The position is currently slotted at SLCG Grade 106 and the requested base salary of \$180,000 is 7.7 percent below the midpoint of the SLCG Grade 106 range (\$195,000).

This position is funded 85 percent by non-State funds with the balance coming from State funds.

Recommendation

The Committee recommends approval of the following items in connection with the appointment of and compensation for Deborah Wylie as Associate Vice President – Capital Resources Management, Office of the President:

- (1) Appointment of Deborah Wylie as Associate Vice President – Capital Resources Management, Office of the President.

- (2) Per policy, appointment salary of \$180,000 at SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,000, Maximum \$236,100).
- (3) Per policy, a relocation allowance of 25 percent (\$45,000) of annual base salary to be paid in annual installments of \$15,000 over a three-year period. The relocation allowance is subject to repayment on a pro-rated basis, should the appointee leave the University prior to the completion of five consecutive years of service. The repayment amount will be reduced 20 percent per year over five years. Any unpaid relocation allowance amounts will be forfeited at the time of separation.
- (4) Per policy, a temporary housing allowance not to exceed \$15,000 for a period of 90 days to offset limited housing-related expenses. If Ms. Wylie leaves the University prior to the completion of one year of service, or accepts an appointment at another University location within 12 months from her initial date of appointment, she will be required to pay back 100 percent of the temporary cash allowance.
- (5) Per policy, two house hunting trips each, subject to the limitations under policy, for the candidate and her spouse/partner.
- (6) Per policy, 100 percent reimbursement of reasonable and allowable expenses associated with moving expenses.
- (7) Per policy, eligibility to participate in the UC Home Loan Program, in accordance with all applicable policies.
- (8) This appointment is at 100 percent time and effective upon Regental approval.

Recommended Compensation

Effective Date: Upon Regental Approval

Base Salary: \$180,000

Bonus/Incentive: \$0

Total Cash Compensation: \$180,000

Grade Level: SLCG Grade 106

(Minimum \$154,200, Midpoint \$195,000 Maximum \$236,100)

Median Market Data: No match

Funding Source: 85% Non-State Funds

Budget &/or Prior Incumbent Data

Title: Associated Vice President – Facilities Administration

Base Salary: \$185,852

Grade Level: SLCG Grade 106

(Minimum \$154,200, Midpoint \$195,000 Maximum \$236,100)

Funding Source: 85% Non-State Funds

Additional items of compensation include:

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

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

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

- H. *Salary Adjustment and Title Change for Shelton J. Duruisseau, Ph.D. as Associate Vice Chancellor – Diversity and Inclusion and Chief External Affairs Officer, UC Davis Health System, Davis Campus*

Background to Recommendation

As part of a comprehensive restructuring and streamlining initiative, the UC Davis Health System is eliminating the School of Medicine's Associate Dean of Diversity position and reassigning leadership responsibilities for external affairs and diversity and inclusion. Reflecting the critical significance of the diversity and inclusion initiatives and program, the goals of the restructuring include reducing health care disparities and promoting greater diversity among medical and nursing students, faculty, and staff. Moreover, this initiative will result in reduced costs and bureaucracy, and create a more streamlined, efficient, and integrated academic health center.

Consequently, the UC Davis campus requests a salary adjustment and title change from Chief Administrative and Professional Services Officer to Associate Vice Chancellor – Diversity and Inclusion and Chief External Affairs Officer for Shelton J. Duruisseau. The campus recommends continued SLCG grading at Grade 109 and a 4.19 percent salary adjustment from \$278,320 to \$290,000, effective immediately upon approval of the Regents.

The restructuring includes consolidation of diversity and inclusion functions for the UC Davis Medical Center, School of Medicine, Betty Irene Moore School of Nursing, Medical Group and other professional departments to provide oversight across all Health System operations. Administrative functions – including government and community relations, public affairs and marketing, and human resources – will continue to be under Mr. Duruisseau's purview. As part of this initiative, a compelling need was identified for unified leadership by this Associate Vice Chancellor position, which would now report directly to the Vice Chancellor for Human Health Sciences and Dean – School of

Medicine rather than to the Chief Operating Officer. Reassigning UC Davis Health System responsibilities for diversity and inclusion under Mr. Duruisseau's leadership and under the new title of Associate Vice Chancellor – Diversity and Inclusion will further demonstrate to the Health System, as well as to external constituents, the commitment that senior leadership is making to heighten the awareness of the importance of diversity and inclusion issues. The elimination of the Associate Dean of Diversity position, formerly held by Dr. Jesse Joad, will save the Health System \$200,000 per year. The modest salary increase proposed for Mr. Duruisseau recognizes his expanded scope and places Mr. Duruisseau's salary in closer alignment with other leaders with similar reporting relationships at the UC Health System.

With this restructuring, responsibilities for Faculty Life with the School of Medicine will be absorbed by the Associate Dean of Academic Personnel.

Mr. Duruisseau has worked at the UC Davis Health System since February 1981, and has been serving as the Medical Center's Chief Administrative and Professional Services Officer since that time. He assumed additional responsibility for Government and Community Affairs in 2000.

This position is funded 100 percent from non-State funds. Mr. Duruisseau's current appointment is classified in the Senior Management Group, with slotting at SLGC Grade 109 and, per policy, is eligible to participate in the Clinical Enterprise Management Recognition Plan, with a target of 15 percent. Mr. Duruisseau's current annual base salary is \$278,320. There are no market data for this hybrid position.

Recommendation

The Committee recommends approval of the following items in connection with the title change and salary adjustment for Mr. Shelton J. Duruisseau as Associate Vice Chancellor – Diversity and Inclusion and Chief External Affairs Officer, UC Davis Health System, Davis campus:

- (1) Title change from Chief Administrative and Professional Services Officer to Associate Vice Chancellor – Diversity and Inclusion and Chief External Affairs Officer at 100 percent time.
- (2) Per policy, a salary adjustment of 4.19 percent from \$278,320 to \$290,000.
- (3) Continued slotting at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).
- (4) Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Plan, with a target of 15 percent (\$43,500), and maximum potential of 25 percent.

Recommended Compensation

Effective Date: Immediately upon approval of the Regents

Base Salary: \$290,000

Clinical Enterprise Management Recognition Program (CEMRP): \$43,500 (at 15 percent target rate) 25 percent potential maximum amount dependent upon base salary

Total Cash Compensation: \$333,500

Grade Level: SLCG Grade 109

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

Funding Source: Non-State funds

Budget &/or Prior Incumbent Data

Base Salary: \$278,320

Clinical Enterprise Management Recognition Program (CEMRP): \$41,748 (at 15 percent target rate)

Total Cash Compensation: \$320,068

Grade Level: SLCG Grade 109

Funding Source: Non-State funds

Additional items of compensation include:

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

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

Submitted by: UCD Chancellor Katehi

Reviewed by: President Yudof

Compensation Committee Chair Varner

Office of the President, Human Resources

- I. *Establishment of a New Senior Management Group Position, Chief Strategy Officer; and Appointment of and Compensation for M. Teresa Conk as Chief Strategy Officer – UC Irvine Health Affairs, Irvine Campus*

Background to Recommendation

Approval is requested for the appointment of and compensation for M. Teresa Conk in a new Senior Management Group position, Chief Strategy Officer – UC Irvine Health Affairs, Irvine campus. This request is in response to an immediate need to establish permanent senior leadership over strategic efforts in Health Affairs. Further increasing

the need for urgent action, Ms. Conk is considering another employment offer from a key competitor hospital.

Health Affairs is establishing the Chief Strategy Officer (CSO) position to better implement strategic plans, allowing it to compete in the evolving healthcare environment. This position integrates several functions into one entity, eliminating redundancy and aligning strategic efforts. The CSO will be accountable for growing Health Affairs in targeted markets by increasing the number of patients in key areas and physician revenues, such as in the ambulatory practice. The cost savings and additional revenues generated from this new position are expected to fully fund the position.

The CSO will be responsible for leading the development and execution of strategic and business plans for Health Affairs. Reporting to the Chief Executive Officer of the Medical Center and the Dean of the School of Medicine, the CSO will manage a \$4.2 million budget and three functional areas: strategic and business planning, business development, and marketing and communications.

For strategic and business planning, the CSO will develop and implement strategies that are designed to increase operational and financial performance. The CSO will identify, research, and analyze new business opportunities and strategic directions. Additionally, the CSO will develop an annual plan review process to ensure progress towards goals.

For business development, the CSO will increase the overall growth of Health Affairs. Network and physician relations development will be key areas of focus to increase the number of patients by physician referrals. The CSO will tightly coordinate service line and business growth activities to ensure the best possible return on investment.

For marketing and communications, the CSO will determine strategic positioning and ensure that all messages are consistent with the position. The CSO will be responsible for managing the Health Affairs brand, strategic community relationships, and public relations. Lastly, the CSO will direct all communications to stakeholders, both internally and externally.

The campus requests interim slotting of the position at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).

In the recruitment, M. Teresa Conk emerged as the top candidate from the Health Affairs executive administration. Ms. Conk brings in-depth knowledge of the Orange County health care community and a solid understanding of national health care issues. She has 20 years of experience in the health care industry. She has a record of success in fostering physician partnerships and developing and implementing strategies for complex health care enterprises. Her strategic direction has led to expansion, increased market share, and improved performance. She led the strategic planning processes for a \$350 million revenue multi-entity health care system resulting in operating income increases of \$20 million. Ms. Conk's most recent position was Vice President of Business and Development and Strategic Planning at the Children's Hospital of Orange County

(CHOC). She has also held positions at St. Joseph Hospital and United Western Medical Centers. Ms. Conk has a Bachelor of Science in Health Services Management from Chapman University and is pursuing an Executive Master of Health Administration at the University of Southern California.

This position is funded 100 percent by UC Irvine Medical Center operating revenue. The campus proposes a compensation package including a base salary of \$260,000, participation in the Clinical Enterprise Management Recognition Plan at an annual target payout of 15 percent (\$39,000), and executive benefits. This compensation package is less than her package at CHOC and is less than the competing offer from another hospital. The proposed base salary of \$260,000 is 6.2 percent higher than the midpoint for SLCG Grade 108, and 4.1 percent below the median market salary of \$271,026.

Recommendation

The Committee recommends approval of the following items in connection with the appointment of and compensation for M. Teresa Conk as Chief Strategy Officer – UC Irvine Health Affairs, Irvine campus:

- (1) Establishment of a new Senior Management Group position, Chief Strategy Officer – UC Irvine Health Affairs, Irvine campus.
- (2) Approval of interim slotting of the position at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- (3) Per policy, an appointment salary of \$260,000.
- (4) Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan, with an annual target payout of 15 percent of base salary (\$39,000) beginning in fiscal year 2010-11.
- (5) This appointment is at 100 percent time and effective immediately upon Regental approval.

Recommended Compensation

Effective Date: Immediately upon approval

Base Salary: \$260,000

Clinical Incentive Plan: \$39,000 (15 percent at target)

Total Cash Compensation: \$299,000

Grade Level: SLCG Grade 108

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

Median Market Data: \$ 271,026

Funding Source: Medical Center Operating Revenue

Percentage Difference from Market: 4.1 percent below

Additional items of compensation include:

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

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

Submitted by: UCI Chancellor Drake
Reviewed by: President Yudof
Compensation Committee Chair Varner
Office of the President, Human Resources

J. *Preemptive Retention Salary Adjustment for David Feinberg as Associate Vice Chancellor and Chief Executive Officer, Hospital System, Los Angeles Campus*

Background to Recommendation

Under the leadership of David Feinberg as Associate Vice Chancellor and Chief Executive Officer, the UCLA Hospital System completed the most successful year in its history in 2008-09, achieving the highest level of performance for the three major performance goals under its annual performance plan. Specifically, the Hospital System leadership and staff achieved an "Outstanding" level of performance for Patient Quality and Safety, Patient Experience/Satisfaction and Financial Performance. Financial performance exceeded industry standards, a development that serves the broader interest of UCLA Health Sciences because these gains support many academic programs and capital projects. The UCLA Hospital System is considered among the top performing providers nationally in offering positive patient experiences. The system's Ronald Reagan UCLA Medical Center (RRUCLAMC) consistently achieves patient experience scores above the 95th percentile among more than 600 hospitals surveyed nationally by the Picker/National Research Corporation. In the most recent patient satisfaction survey conducted by the University Hospital Consortium, RRUCLAMC was ranked first among 107 member academic health centers across the nation.

In addition to serving as Chief Executive Officer since 2008, after becoming Interim CEO in 2007, Dr. Feinberg is a Professor of Clinical Psychiatry and has held key positions at UCLA over the past 15 years.

Dr. Feinberg was recently approached as a potential candidate for a similar chief executive position at a major academic medical center in Northern California. Because of the outstanding leadership that Dr. Feinberg has demonstrated since assuming his executive role, it is essential for the campus to retain him. Retaining his leadership at the

forefront of the major initiatives and challenges facing the UCLA Hospital System is critical. Thus, the UCLA campus requests approval for a preemptive salary adjustment for Dr. Feinberg as Associate Vice Chancellor and Chief Executive Officer, UCLA Hospital System.

A base salary increase of \$160,300 is proposed, bringing Dr. Feinberg's annual base salary from \$739,700 to \$900,000, effective July 1, 2010. The proposed salary would be 12.4 percent above the 50th percentile (\$800,748) of market salaries for teaching hospital system chief executive officers according to survey data provided by Mercer Human Resource Consulting. However, based on size and scope factors of the UCLA Hospital System, the 75th percentile (\$887,175) of market salaries is a meaningful reference point.

The funding to support the proposed salary increase will initially be provided by hospital operating funds. UCLA's donor community has initiated creation of a \$10 million endowed fund, with proceeds directed toward covering the additional compensation associated with Dr. Feinberg's retention. To date, signed pledge agreements and gifts received total ~~\$5.75~~ \$6.75 million with an additional ~~\$2.8~~ \$0.8 million in verbal pledge agreements received and gifts pending, for a total of ~~\$8.55~~ \$7.55 million in total gifts pledged. The majority of the endowment will be available within two years. Income from the endowment, when fully funded, should cover the salary and retention bonus associated with Dr. Feinberg's retention.

Recommendation

The Committee recommends approval of the following items in connection with the preemptive retention salary adjustment for Dr. David Feinberg as Associate Vice Chancellor and Chief Executive Officer, Hospital System, Los Angeles campus:

- (1) Per policy, an adjustment to the base salary of \$160,300 for a base salary of \$900,000, SLCG Grade 118 (Minimum \$585,000, Midpoint \$760,400, Maximum \$935,900).
- (2) As an exception to policy, effective retroactive to July 1, 2010, to be consistent with the withdrawal of Dr. Feinberg's candidacy in the outside recruitment effort.
- (3) As an exception to policy, a \$250,000 annual non-base-building retention bonus paid on June 30 of each fiscal year beginning June 30, 2011, as long as Dr. Feinberg remains an active UC employee serving in the capacity of Chief Executive Officer, Hospital System, Los Angeles campus. This retention bonus is characterized as an exception to policy because such an award would not be permissible under the Senior Management Group Policy on Incentive Awards adopted in July 2010 because Dr. Feinberg is a participant in the Clinical Enterprise Management Recognition Plan.
 - a. Should Dr. Feinberg resign, these retention payments will cease and be forfeited in the fiscal year in which Dr. Feinberg resigns.

- b. Retention payments will not be prorated for a partial fiscal year of service.
 - c. Each retention payment will not be subject to increases or decreases such as a merit increase or furlough-related decrease.
 - d. Consistent with policies, these retention payments will not be included in the calculation of:
 - i. Clinical Enterprise Management Recognition Plan awards
 - ii. Senior management life insurance
 - iii. Executive salary continuation for disability
 - iv. Terminal vacation payout
 - v. UC Retirement Plan covered compensation
- (4) Per policy, continued eligibility for additional non-base building incentive pay as an eligible participant of the Clinical Enterprise Management Recognition Plan with a target of 20 percent and a maximum potential of up to 30 percent.

Recommended Compensation

Effective Date: July 1, 2010

Base Salary: \$900,000

Clinical Incentive Plan: \$180,000 (at target)

Annual Retention Bonus: \$250,000

Total Cash Compensation: \$1,330,000

Grade Level: SLCG Grade 118

(Minimum \$585,000, Midpoint \$760,400, Maximum \$935,900)

Median Market Data (base salary only): \$800,748

Percentage Difference from Market: 12.4 percent (base salary only)

Median Market Data (total cash compensation): \$1,000,162

Percentage Difference from Market: 33 percent (total cash compensation)

Funding Source: Hospital System revenue supplemented with endowment income

Budget &/or Prior Incumbent Data

Base Salary: \$739,700

Clinical Incentive Plan: \$147,940

Total Cash Compensation: \$887,640

Grade Level: SLCG Grade 118

(Minimum \$585,000, Midpoint \$760,400, Maximum \$935,900)

Funding Source: Hospital System revenue

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.
- Per policy, annual automobile allowance of \$8,916.

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