COMMITTEE ON COMPENSATION

ACTION ITEM – CONSENT

For Meeting of September 15, 2011

APPROVAL OF INDIVIDUAL NON-STATE-FUNDED COMPENSATION ACTIONS AS DISCUSSED IN CLOSED SESSION

RECOMMENDATION

A. Change in Total Compensation for Claire Pomeroy as Vice Chancellor – Human Health Sciences and Dean – School of Medicine, UC Davis Health System

Background to Recommendation

The UC Davis Health System requests approval to change the total compensation for Claire Pomeroy as Vice Chancellor – Human Health Sciences and Dean – School of Medicine. Funding for her compensation comes exclusively from health system clinical revenue.

Dr. Pomeroy participates in the Health Sciences Compensation Plan (HSCP), under the purview of the Academic Personnel group. Her current compensation consists of an annual base salary of $468,800, plus a negotiated additional compensation “Y” component payment of $75,000 and a “Z” component negotiated as a true incentive with objectives aligned with the Clinical Enterprise Management Recognition Plan (CEMRP). This request is to increase Dr. Pomeroy’s “Y” payment from $75,000 to $195,475 to be in alignment with her UC peers. Per policy, Dr. Pomeroy is a participant only in the HSCP, not CEMRP. In addition, the campus proposes eliminating the “Z” component of the HSCP for Dr. Pomeroy. The “Z” payment is a variable payment based on achievement of annual goals, with a target of 20 percent and a maximum potential award amount of 30 percent of base salary. This action is intended to achieve consistency among Dr. Pomeroy’s role and those of her peers at other UC health systems.

Dr. Pomeroy was appointed Vice Chancellor – Human Health Sciences and Dean – School of Medicine in 2005. In that role, she oversees the UC Davis Health System and its academic, research and clinical programs, including the School of Medicine, the Betty Irene Moore School of Nursing, the 800-member physician practice group and the UC Davis Medical Center, a 645-bed acute care hospital.

This past year, Dr. Pomeroy oversaw the UC Davis School of Medicine’s rise to 37th place among 134 schools of medicine in the United States in an annual ranking based on
the amount of National Institutes of Health (NIH) research funds received. The 2010 ranking moves UC Davis School of Medicine 11 places higher than its 2009 ranking and 25 places higher than its 2001 ranking, when it ranked 62nd nationwide. Total NIH funding for the School of Medicine has more than doubled in the past nine years. In 2010, NIH funds reached nearly $119 million; the total in 2001 was just over $46 million. NIH funding represents 62 percent of the School’s total extramural funding, which in fiscal year 2009-10 reached $190.4 million.

The School of Medicine successfully renewed three major grants – for the Alzheimer’s disease Center, the Clinical and Translational Science Center, and the Cancer Center. The Betty Irene Moore School of Nursing has drawn significant initial research funding as it develops its research program aimed at improving health care systems and advancing the health of individuals, families, and communities. In addition, high-impact, collaborative research programs that improve societal health have experienced tremendous growth under Dr. Pomeroy’s leadership.

In the area of education, the School of Nursing recruited five faculty members and enrolled its second class of eight Ph.D. students and 25 master’s students. The School of Medicine recruited 63 new faculty members, four new chairs and a director of the MIND (Medical Investigation of Neurodevelopmental Disorders) Institute. Both schools utilized a new holistic admissions process and a multiple mini-interview approach to improve the quality and diversity of students. The UC Davis Health System also has successfully reaccredited six of its 56 graduate medical education programs.

UC Davis was the only UC medical center to be recognized by the Leapfrog Group, which ranked the medical center in the top 65 hospitals nationally.

National recognition for and awareness of the UC Davis Health System continues to rise under Dr. Pomeroy’s leadership. The UC Davis Medical Center and School of Medicine rank among the top 50 institutions in America, according to an annual U.S. News and World Report survey published in July 2011. U.S. News and World Report assessed medical schools across the country for both the quality of their research training and primary care training. The current year’s rankings place UC Davis School of Medicine at 42nd for research and 41st for primary care. UC Davis Children’s Hospital is among the nation’s premiere children’s hospitals, as reported in the May 2011 ranking by U.S. News and World Report.

Recommendation

The Committee recommends approval of the following items in connection with a change in the total compensation for Claire Pomeroy as Vice Chancellor – Human Health Sciences and Dean – School of Medicine, UC Davis Health System:

(1) Per policy, continuation of an annual base salary of $468,800 at SLCG Grade 113 (Minimum $333,900, Midpoint $431,500, Maximum $529,100).
(2) Per policy, continued participation in the Health Sciences Compensation Plan (HSCP) with an increase to the “Y” payment from $75,000 to $195,475 annually and elimination of the “Z” payment.

(3) This appointment is at 100 percent time and effective upon approval.

**Recommended Compensation**

Effective Date: Upon approval  
Annual Base Salary: $468,800  
Health Sciences Compensation Plan (“Y”): $195,475  
Total Cash Compensation: $664,275  
Grade Level: SLCG Grade 113 (Minimum $333,900, Midpoint $431,500, Maximum $529,100)  
50th Percentile Market Data for Base Salary Only: $549,700  
Percentage Difference from 50th Percentile Market Data for Base Salary Only: 14.7 percent below market  
75th Percentile Market Data for Base Salary Only: $818,800  
Percentage Difference from 75th Percentile Market Data for Base Salary Only: 42.7 percent below market  
50th Percentile Market Data for Total Cash Compensation: $660,400  
Percentage Difference from 50th Percentile Market Data for Total Cash Compensation: 0.6 percent above market  
75th Percentile Market Data for Total Cash Compensation: $923,300  
Percentage Difference from 75th Percentile Market Data for Total Cash Compensation: 28.1 percent below market  
Funding Source: Non-State funds

**Budget &/or Prior Incumbent Data**

Title: Vice Chancellor – Human Health Sciences and Dean – School of Medicine  
Annual Base Salary: $468,800  
Health Sciences Compensation Plan (“Y”): $75,000  
Health Sciences Compensation Plan (“Z”)*: $93,760 (at target of 20 percent)  
Total Cash Compensation: $637,560  
Grade Level: SLCG Grade 113 (Minimum $333,900, Midpoint $431,500, Maximum $529,100)  
Funding Source: Non-State funds

*The “Z” component is a variable payment of the HSCP. Dr. Pomeroy was eligible to receive up to 30 percent of her base salary.

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, ineligible to participate in the Senior Management Supplemental Benefits Program due to tenured faculty appointment.
• Per policy, accrual of sabbatical credits as a member of tenured faculty.

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

B. Retention Increase in Salary and Total Compensation for Ann Madden Rice as Chief Executive Officer, UC Davis Medical Center

Background to Recommendation

The UC Davis Medical Center is requesting approval of a preemptive retention salary adjustment for Ann Madden Rice as Chief Executive Officer. Funding for this position will come exclusively from hospital system funds.

The requested annual base salary increase would bring Ms. Rice’s base salary plus target award to $960,000. This request is in response to a recent recruitment effort by a major competing academic medical center. Due to Ms. Rice’s outstanding leadership, she is now a finalist for the chief executive officer position at the other institution. It is expected that her salary offer will be in excess of $1.5 million. The requested increase would take Ms. Rice’s base salary from $584,300 annually to $800,000 annually. According to Mercer Consulting, the 50th percentile market data indicate a base salary for this position of $923,800. A review of chief executive officers’ compensation at competing institutions shows total compensation packages of over $1 million. Comparator institutions included Thomas Jefferson University Hospital, University Hospitals Case Medical Center, University of Maryland Medical Center, Kaleida Health/University of Buffalo, and Yale-New Haven Hospital.

Ms. Rice has been the Chief Executive Officer of the UC Davis Medical Center since October 1, 2006. She oversees 6,500 employees who support the operations of an acute care teaching hospital licensed at 613 beds. The Medical Center, which includes primary and specialty clinics in ten communities, has an annual operating budget of more than $1 billion. It serves a region of six million residents in 33 counties in Northern and Central California and records nearly one million patient visits annually. It is the sole provider of a number of services for inland Northern California, including a Level 1 trauma center, a full-service children’s hospital and pediatric emergency department, and a National Cancer Institute-designated Cancer Center.
Under Ms. Rice’s leadership, the UC Davis Medical Center leadership and staff continue to achieve exceptional success in patient quality and safety, patient satisfaction, and financial objectives. The UC Davis Medical Center opened its Surgery and Emergency Services Pavilion in August 2010; it is the largest, most complex and far-reaching building project UC Davis has ever undertaken. The expansion of the Medical Center combines the latest in technological advances with a focus on patient care. The UC Davis Medical Center is the only UC medical center to receive national recognition from the Leapfrog Group as a top hospital. It has received top rankings locally and nationally for its specialty services and for its advanced use of electronic health records. UC Davis Children’s Hospital also received top rankings for the first time. The Medical Center achieved Healthcare Information and Management Systems Society (HIMSS) Analytics Stage 6 for its advanced implementation of electronic health records, joining the top three percent of the hospitals that have earned this distinction. It also has been honored for its commitment to diversity: the Institute for Diversity in Health Management recognized the Medical Center as “best in class” for strengthening its diverse workforce and for delivering culturally and linguistically competent care. The Human Rights Campaign Foundation honored the Medical Center as a leader in health care equality for lesbian, gay, bisexual, and transgender patients and employees.

Patient satisfaction scores have increased over the past four years. Despite the lack of County funding for acute and ambulatory patients and the decline in funding for mental health in Sacramento County, operating income for the period ending May 2011 exceeded the approved budget by approximately $47 million with actual expenses approximately $27.48 million under budget.

Ms. Rice is highly regarded within her professional community. She has received the Senior Level Healthcare Executive Award from the Association of Healthcare Leaders. She is on the Executive Board and the Finance Committee of the University Health System Consortium and on the Board of the Hospital Council of Northern California. Most recently, she was elected alternate delegate to the American Hospital Association’s Regional Policy Board from District 9. She is currently chair of the Sacramento Area Commerce and Trade Organization, the Sacramento Region’s economic development group.

These achievements are a testament to Ms. Rice’s exceptional management skills. Retaining such an accomplished leader is critical to the mission of the UC Davis Health System, particularly with the challenges and uncertainties of health care reform.

Recommendation

The Committee recommends approval of the following items in connection with a retention increase in salary and total compensation for Ann Madden Rice as Chief Executive Officer, Medical Center, Davis campus:

(1) Per policy, an adjustment to the base salary of $215,700 for a base salary of $800,000, SLCG Grade 117 (Minimum $522,300, Midpoint $679,000, Maximum
$835,800). This adjustment to base salary is to be effective upon approval and consistent with the withdrawal of Ms. Rice’s candidacy in the outside recruitment effort.

(2) Per policy, continued eligibility for additional non-base building incentive compensation as an eligible participant in the Clinical Enterprise Management Recognition Plan with an annual target award of 20 percent of base salary and a maximum potential award of 30 percent of base salary. Actual award will be determined based on performance against pre-established goals and objectives.

(3) Per policy, continued annual automobile allowance of $8,916.

(4) Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

(5) This appointment is at 100 percent time.

**Recommended Compensation**

**Effective Date:** Upon approval  
**Base Salary:** $800,000  
**CEMRP (at 20 percent target rate):** $160,000  
**Total Cash Compensation (TCC):** $960,000  
**Grade Level:** SLCG Grade 117 (Minimum $522,300, Midpoint $679,000, Maximum $835,800)  
**Funding Source:** Non-State-funded position

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**Budget &/or Prior Incumbent Data**

**Title:** Chief Executive Officer, Medical Center  
**Base Salary:** $584,300  
**CEMRP (at 20 percent target rate):** $116,860  
**Total Cash Compensation:** $701,160  
**Grade Level:** SLCG Grade 117 (Minimum $522,300, Midpoint $679,000, Maximum $835,800)  
**Funding Source:** Non-State-funded position

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).

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

C. Retention Increase, Reclassification, and Interim Slotting for John A. Heydt as Senior Associate Dean for Clinical Affairs and President and Chief Executive Officer for University Physicians and Surgeons, Irvine Campus

Background to Recommendation

Approval is requested for the retention increase, reclassification, and interim slotting for John A. Heydt, Senior Associate Dean for Clinical Affairs and President and Chief Executive Officer (CEO) for University Physicians and Surgeons (UPS), Irvine campus. The requested amount is an increase of $74,975 (16.7 percent) in total potential cash compensation. Funding would come exclusively from non-State funds.

Since 2005, Dr. Heydt has excelled in leadership, consensus building, and strategic vision development. He has received a competitive offer from a premier institution in Florida. Because it is crucial to the stability of UC Irvine Health Sciences that his talents and experience be retained, approval is requested for a retention increase, reclassification, and interim slotting of his position into the Senior Leadership Compensation Group (SLCG).

The Senior Associate Dean for Clinical Affairs and President and CEO has ultimate responsibility for UPS attaining its mission in accordance with its guiding principles. The position encompasses all oversight and management of UPS clinical activities such as strategic planning, administration, information systems, provider relations, credentialing, eligibility, claims and finance, contracting, productivity standards, and operations. The incumbent is expected to lead the organization while building consensus among the group practice physicians to advance their professional and economic interests and improve their ability to care for patients.

The campus also requests a reclassification of the position from an academic title into a Manager and Senior Professional (MSP) title. The Senior Associate Dean for Clinical Affairs and President and CEO of UPS position requires deep and broad experience similar to that required for other high-level positions associated with the medical center. The campus requests that this position be aligned to the market (SLCG Grade 113). The
position is comparable to a position at its peer institution of UC San Diego, specifically the Dean of Clinical Affairs position, which is an SMG position slotted in SLCG Grade 115.

Dr. Heydt has extensive management experience at high-quality academic medical organizations where he has served as chief executive officer, medical director, chief quality officer, and director. In addition, he is a Board-certified sports medicine physician with more than 20 years of experience working with all levels of athletes, including children, adolescents, Olympic athletes, and professional elites.

This position is funded 100 percent by medical group operating revenue. Dr. Heydt’s current total annual compensation of $450,000 consists of a base salary of $104,300, a “prime” addition to base salary of $31,300, and a negotiated amount of $314,400. UC Irvine proposes a base salary of $456,500, which is 5.8 percent above the proposed SLCG Grade 113 midpoint of $431,500, 17 percent below the $550,000 base salary of the Dean of Clinical Affairs at UC San Diego, 15.5 percent below the 50th percentile market base salary of $539,920, and 35.9 percent below the 75th percentile market base salary of $712,600. The proposed base salary and eligibility to participate in the Clinical Enterprise Management Recognition Plan with an annual target award of 15 percent of base salary would result in total annual cash compensation of $524,975.

Recommendation

The Committee recommends approval of the following items in connection with the retention increase, reclassification, and interim slotting of John A. Heydt into a Manager and Senior Professional (MSP) title slotted in the Senior Leadership Compensation Group (SLCG) as Senior Associate Dean for Clinical Affairs and President and Chief Executive Officer for University Physicians and Surgeons, Irvine campus:

(1) Per policy, a retention increase of 16.7 percent to total annual cash compensation with an annual base salary of $456,500 (SLCG Grade 113: Minimum $333,900, Midpoint $431,500, Maximum $529,100).

(2) Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP), with an annual target award of 15 percent of base salary ($68,475) and maximum potential award of 25 percent of base salary ($114,125). Actual payout will depend upon performance.

(3) This appointment is at 100 percent time.

(4) Effective upon approval.

Recommended Compensation
Effective Date: Upon approval
Base Salary: $456,500
CEMRP (at 15 percent target rate): $68,475
Total Cash Compensation: $524,975  
Grade Level: SLCG Grade 113 (Minimum $333,900, Midpoint $431,500, Maximum $529,100)  
50th Percentile Market Base Salary: $539,920  
Percentage Difference from 50th Percentile Market Base Salary: 15.5 percent below market  
75th Percentile Market Base Salary: $712,600  
Percentage Difference from 75th Percentile Market Base Salary: 35.9 percent below market  
Funding Source: Non-State-funded position

Budget &/or Prior Incumbent Data  
Job Title: Senior Associate Dean for Clinical Affairs; President and Chief Executive Officer for University Physicians and Surgeons  
Base Salary: $104,300  
Health Sciences Base Prime (HSCP): $345,700  
Total Cash Compensation: $450,000  
Grade Level: Clinical faculty appointment – not slotted in SLCG  
Funding Source: Non-State-funded position

Additional items of compensation include:

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

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

Submitted by: UC Irvine Chancellor Drake  
Reviewed by: President Yudof  
Committee on Compensation Chair Ruiz  
Office of the President, Human Resources

D. Market-Based Salary Adjustment for Katharine “Posie” Carpenter as Chief Administrative Officer, Santa Monica – UCLA Orthopaedic Hospital, UCLA Hospital System, Los Angeles Campus

Background to Recommendation

Approval is requested for a 21.8 percent market-based salary adjustment for Katharine “Posie” Carpenter, Chief Administrative Officer, Santa Monica – UCLA Orthopaedic Hospital, UCLA Hospital System, Los Angeles campus, effective upon approval. The funding source for this increase will come from UCLA Hospital System funds; no State monies are involved.
According to market data provided by Mercer Consulting, using the Council of Teaching Hospitals and Health Systems Custom Analysis survey, Ms. Carpenter’s current base salary of $266,805 is 18.9 percent below the market median of $328,900 for a chief operating officer in institutions with net revenue in excess of $300 million. The campus proposes a salary increase of 21.8 percent to bring Ms. Carpenter’s annual base salary to $325,000. The proposed base salary is 1.2 percent below the market median of $328,900 and 27 percent below the 75th percentile market base salary of $445,000.

As Chief Administrative Officer for the Santa Monica – UCLA Orthopaedic Hospital, Ms. Carpenter oversees the daily delivery of care and operations in a matrix organization with 1,600 employees. Her responsibilities include overseeing a budget in excess of $300 million. Over the past two years, the hospital’s scope of patient services has increased as medical specialties have migrated into this facility. With the opening of new hospital buildings, anticipated in early 2012, the census is expected to continue to grow by four percent annually.

Ms. Carpenter was appointed Chief Administrative Officer in 2005 and has been instrumental in guiding the hospital toward its continued expansion and increased community involvement. She played a key role in preparations for the hospital’s accreditation surveys for patient care, pharmacy, and laboratory functions. She works closely with the hospital system senior leadership to implement the organizational culture across facilities, ensuring consistency, accountability and oversight with intensified focus on patient quality outcomes.

Recommendation

The Committee recommends approval of the following items in connection with the market-based salary adjustment for Katharine “Posie” Carpenter as Chief Administrative Officer, Santa Monica – UCLA Orthopaedic Hospital, UCLA Hospital System, Los Angeles campus:

1. Continued appointment of Katharine “Posie” Carpenter as Chief Administrative Officer at 100 percent time.

2. Per policy, a market-based salary adjustment of 21.8 percent for an annual base salary of $325,000 at SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700).

3. Per policy, continued participation in the Clinical Enterprise Management Recognition Plan (CEMRP) with a target award at the rate of 15 percent of base salary ($48,750) and a maximum potential award of up to 25 percent of base salary ($81,250). Actual award will depend on performance against pre-established goals and objectives.

4. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
(5) Effective upon approval.

**Recommended Compensation**

**Effective Date:** Upon approval  
**Base Salary:** $325,000  
**CEMRP (at 15 percent target rate):** $48,750  
**Total Cash Compensation:** $373,750  
**Grade Level:** SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700)  
**Funding Source:** Non-State-funded position

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**Budget &/or Prior Incumbent Data**

**Title:** Chief Administrative Officer  
**Base Salary:** $266,805  
**CEMRP (at 15 percent target rate):** $40,021  
**Total Cash Compensation:** $306,826  
**Grade Level:** SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700)  
**Funding Source:** Non-State-funded position

Additional items of compensation include:

- Per policy, continuation of standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).

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  
Committee on Compensation Chair Ruiz  
Office of the President, Human Resources
E. **Market-Based Salary Adjustment for Heidi Crooks as Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer, UCLA Hospital System, Los Angeles Campus**

**Background to Recommendation**

Approval is requested for a market-based salary adjustment of 21.8 percent for Heidi Crooks, Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer, UCLA Hospital System, Los Angeles campus, effective upon approval. The source of funding for this position will come exclusively from UCLA Hospital System funds; no State monies are involved.

Ms. Crooks’ current base salary of $266,800 reflects a market lag of 5.1 percent when compared to the 2010 market median salary of $281,000 for a top nursing executive. Market data are provided by Mercer Consulting, using the Council of Teaching Hospitals and Health Systems Custom Analysis survey. The salaries of the UC incumbents in this role have been aligned with the market and have historically been paid relative to the size and scope of their respective portfolios. Specifically, for grade designation and salary purposes, the comprehensive scope of the UCLA Hospital System has supported placement above the midpoint of the range. Additionally, Ms. Crooks currently lags her UCSF counterpart by 7.2 percent. Maintaining salary alignment between these comparable positions is appropriate. Therefore, an equity increase of 21.8 percent is recommended for Ms. Crooks to bring her salary from $266,800 to $325,000, effective upon approval. The proposed base salary of $325,000 is 15.7 percent above the market median of $281,000 and 2.2 percent above the 75th percentile market base salary of $318,000.

As Chief Patient Care Services Officer and Chief Nursing Officer for the UCLA Hospital System, Ms. Crooks oversees the clinical delivery of care by 3,000 employees and has responsibility for a budget in excess of $300 million. Ms. Crooks has held the Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer position for more than 20 years and her demonstrated leadership, both internally at the University and throughout the country, has allowed the UCLA Hospital System to excel in areas related to staff engagement and service.

It should be noted that Ms. Crooks’ portfolio is significantly greater relative to her colleagues in the system, including three separately accredited hospitals, oversight of patient care at all UCLA sites, and ancillary support for hospital operations. Ms. Crooks oversees pharmacy operations with a budget well over $100 million. She is also responsible for the clinical activities of rehabilitation services (physical/occupational therapies) and respiratory therapy. Further, her oversight of child development services has expanded to include multiple sites and disciplines.
Committee on Compensation

September 15, 2011

Recommendation

The Committee recommends approval of the following items in connection with the market-based salary adjustment for Heidi Crooks as Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer, UCLA Hospital System, Los Angeles campus:

(1) Continued appointment of Heidi Crooks as Senior Associate Director of Operations and Patient Care Services, Chief Nursing Officer at 100 percent time.

(2) Per policy, a market based salary adjustment of 21.8 percent for an annual base salary of $325,000 at SLCG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700).

(3) Per policy, continued participation in the Clinical Enterprise Management Recognition Plan (CEMRP) with a target incentive award of 15 percent of base salary ($48,750) and a maximum potential award of 25 percent of base salary ($81,250). Actual award will depend on performance against pre-established goals and objectives.

(4) Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

(5) Effective upon approval.

Recommended Compensation

Effective Date: Upon approval
Base Salary: $325,000
CEMRP (at 15 percent target rate): $48,750
Total Cash Compensation: $373,750
Grade Level: SLG Grade 109 (Minimum $214,700, Midpoint $274,300, Maximum $333,700)
Funding Source: Non-State-funded position

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F. Market-Based Salary Adjustment for Sheila E. Antrum as Chief Nursing and Patient Care Services Officer, UCSF Medical Center, San Francisco Campus

Background to Recommendation

UCSF Medical Center seeks approval for a 27.6 percent increase in annual base salary for Sheila Antrum as Chief Nursing and Patient Care Services Officer, UCSF Medical Center. The requested increase from $250,000 to $319,000 rolls an existing stipend into base salary, provides for a salary level reflective of the market, and addresses pay compression issues related to the UCSF Chief Pharmacy Officer and UCSF Associate Chief Nursing Officer positions, which both report to Ms. Antrum. This change would be effective upon Regental approval. Funding for the proposed salary increase would come exclusively from medical center revenues and would not include general funds provided by the State or student fee revenues.

Since 2009, Ms. Antrum has been receiving a stipend approved by the Regents in recognition of the fact that she assumed responsibility for oversight of Pharmacy and Perioperative Services and has demonstrated exemplary leadership in those areas over the past two years. The scope of her additional duties includes budgetary oversight of $250 million with 789 full-time equivalent employees. This represents a staff increase of
more than 50 percent and a 103 percent increase in operating budget oversight compared to her position prior to receiving the stipend. Below is a summary of the prior Regental approvals related to this request:

- May 6, 2009 – the original annual 15 percent stipend ($37,500) was approved by the Regents to increase Ms. Antrum’s annual salary of $250,000 to $287,500, retroactive to February 1, 2009 through December 31, 2009.

- November 19, 2009 – A request was submitted for approval to increase Ms. Antrum’s annual base salary from $250,000 to $287,500 (rolling the stipend into annual base salary), along with a promotion. While the promotion was approved on November 19, 2009, with re-slotting to SLCG Grade 110, the annual base salary ($250,000) plus the stipend ($37,500) were approved without change, through December 31, 2010.


- May 18, 2011 – the Regents approved a stipend extension, effective July 1, 2011 through December 31, 2011.

Since the first implementation of the stipend, effective February 1, 2009, two actions have affected the current annual base salary rate of $250,000, resulting in this salary adjustment request:

- New UCSF Chief Pharmacy Officer: UCSF is currently recruiting for a new Chief Pharmacy Officer with a proposed salary level up to $250,000 (non-Senior Management Group). This position will report to Ms. Antrum. The Chief Nursing Officer position will experience extreme compression against the Chief Pharmacy Officer position as both positions will be leveled at an annual base salary rate of $250,000.

- UCSF Associate Chief Nursing Officer: An additional compression issue exists between Ms. Antrum’s annual base salary and that of the UCSF Associate Chief Nursing Officer, a direct report to Ms. Antrum, whose annual base is $224,500 (non-Senior Management Group). When the Associate Chief Nursing Officer received an equity increase of three percent, effective November 1, 2010, Ms. Antrum received no increase to maintain parity and, thus, the equity action created salary compression between the two positions.

Ms. Antrum has served as the UCSF Chief Nursing and Patient Care Services Officer since October 2007. She has overall responsibility for the nursing practices provided within the organization, including UCSF Medical Center at Parnassus and Mount Zion, UCSF Children’s Hospital, Home Care, and Ambulatory Services. In addition to nursing services, her responsibilities include pharmacy, perioperative services, case management/social work, respiratory care, and clinical nutrition services. She serves on
the Medical Center’s Executive Medical Board and the Governance Advisory Council, chairs the Committee on Interdisciplinary Practice, and is an integral member of medical center and campus-wide committees within the organization.

Ms. Antrum received her Master of Health Services Administration (MHSA) at the University of Michigan School of Public Health in Ann Arbor, Michigan, and her bachelor of science degree in nursing from the Hampton Institute in Virginia. She has given many university and nursing forum lectures and served on a variety of committees and taskforces at both UC San Diego and UCSF. Ms. Antrum is a member of the American Organization of Nurse Executives, Beacon Leadership Council, and Sigma Theta Tau.

The proposed base salary of $319,000 is 13.5 percent above the 50th percentile market base salary of $281,000, 0.31 percent above the 75th percentile market base salary of $318,000, and 3.8 percent above the SLCG Grade 110 midpoint of $307,200.

Recommendation

The Committee recommends approval of the following items in connection with the market-based salary adjustment for Sheila E. Antrum as Chief Nursing and Patient Care Services Officer, UCSF Medical Center, San Francisco campus:

1. Per policy, a 27.6 percent increase ($69,000) resulting in a base salary of $319,000, SLCG Grade 110 (Minimum $239,700, Midpoint $307,200, Maximum $374,500).

2. Per policy, continued eligibility for additional non-base building incentive compensation as an eligible participant of the Clinical Enterprise Management Recognition Plan (CEMRP) with an annual target award of 15 percent of base salary and a maximum potential award of 25 percent of base salary. Actual award will be determined based on performance against pre-established goals and objectives.

3. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

4. Continued appointment at 100 percent time.

5. Ms. Antrum is currently receiving an annual stipend of $37,500 until December 31, 2011. This stipend will be discontinued upon receipt of the market-based salary adjustment of $69,000.

Recommended Compensation

Effective Date: Upon approval

Base Salary: $319,000

CEMRP (at 15 percent target rate): $47,850
Total Cash Compensation: $366,850
Grade Level: SLCG Grade 110 (Minimum $239,700, Midpoint $307,200, Maximum $374,500)
Funding Source: Non-State-funded position

<table>
<thead>
<tr>
<th>BASE SALARY MARKET REFERENCE ZONE</th>
<th>TOTAL CASH MARKET REFERENCE ZONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentiles</td>
<td>25th</td>
</tr>
<tr>
<td>Market Data</td>
<td>$237.7</td>
</tr>
<tr>
<td>% Difference from Market</td>
<td>34.2%</td>
</tr>
</tbody>
</table>

Budget &/or Prior Incumbent Data
Title: Chief Nursing and Patient Care Services Officer
Base Salary: $250,000
Stipend: $37,500
CEMRP (at 15 percent target rate): $37,500
Total Cash Compensation: $325,000
Grade Level: SLCG Grade 110 (Minimum $239,700, Midpoint $307,200, Maximum $374,500)
Funding Source: Non-State-funded position

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).

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

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

G. Salary Adjustments for Members of the Senior Management Group at Lawrence Berkeley National Laboratory

Background to Recommendation

On July 27, 2011, the Lawrence Berkeley National Laboratory (LBNL) received approval from the U.S. Department of Energy (DOE) for a salary budget allocation of two percent for federal fiscal year 2012, effective October 1, 2011. The allocation includes
1.5 percent for special adjustments and 0.5 percent for reclassifications and promotions throughout the year.

Additionally, the Laboratory has received approval from the DOE to distribute one percent of the special adjustment fund as an across-the-board pay increase for all LBNL employees on October 1, 2011. The remaining 0.5 percent of the special adjustment fund will be used to address equity or retention issues throughout the year.

As the DOE contractor responsible for managing and operating LBNL, the University is obligated by its contract with DOE to ensure the competitiveness and scientific excellence of LBNL without regard to the University’s own financial circumstances. Among the obligations to which the University has committed in the contract is to recruit and retain the best possible scientific and administrative staff to perform the mission assigned by DOE within the level of funding provided by DOE. This is particularly challenging in the vibrant Bay Area science and technology community, where other National Laboratories and successful technology companies regularly attempt to recruit LBNL employees with offers of significantly greater compensation.

Each year LBNL must benchmark its levels of compensation against an approved list of comparator institutions. LBNL compensation is currently 4.7 percent below the market. DOE expects all its National Laboratory contractors, including the University of California, to allocate the level of funding for compensation increases that DOE authorizes on an annual basis. This action by the Regents would fulfill that obligation. Further, this increase would be paid from federal funds that may not be used for other University purposes and that may not be reallocated to supplement compensation increases for non-Senior Management Group (SMG) employees at LBNL.

Recommendation

The Committee recommends approval of salary adjustments for Senior Management Group members at Lawrence Berkeley National Laboratory, other than the Laboratory Director, as proposed by the Laboratory Director and as presented in the table below.

This measure is in accordance with the approval authority guidelines and the Senior Management Group Salary and Appointment Policy, approved by the Regents at the September 2008 meeting.

All salary increases will be made by the Laboratory with funds provided by the U.S. Department of Energy’s two percent salary budget allocated for fiscal year 2012, including 1.5 percent for special adjustments. The effective date of the increases is October 1, 2011.

Those salary increases that are under the authority of the President and Laboratory Director will be reported to the Regents separately.
<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB TITLE</th>
<th>PREVIOUS BASE SALARY</th>
<th>PERCENT INCREASE</th>
<th>NEW BASE SALARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simon, Horst D.</td>
<td>Deputy Laboratory Director</td>
<td>$334,992</td>
<td>1.0% across-the-board</td>
<td>$338,342</td>
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<tr>
<td>Krupnick, James T.</td>
<td>Associate Laboratory Director for Operations</td>
<td>$326,364</td>
<td>1.0% across-the-board</td>
<td>$329,628</td>
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<tr>
<td>Fernandez, Jeffrey A.</td>
<td>Management IV – Chief Financial Officer</td>
<td>$284,892</td>
<td>1.0% across-the-board</td>
<td>$287,741</td>
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<tr>
<td>Blair, Jeffrey A.</td>
<td>Management III – Laboratory Counsel</td>
<td>$267,288</td>
<td>1.0% across-the-board 0.5% equity adjustment</td>
<td>$271,311</td>
</tr>
<tr>
<td>Keasling, Jay D.</td>
<td>Associate Laboratory Director for Biosciences</td>
<td>$357,996</td>
<td>1.0% across-the-board</td>
<td>$361,576</td>
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<tr>
<td>DePaolo, Donald J.</td>
<td>Associate Laboratory Director for Energy &amp; Environmental Sciences</td>
<td>$333,996</td>
<td>1.0% across-the-board 0.5% retention adjustment</td>
<td>$339,023</td>
</tr>
<tr>
<td>Siegrist, James L.</td>
<td>Associate Laboratory Director for General Sciences</td>
<td>$290,664</td>
<td>1.0% across-the-board</td>
<td>$293,571</td>
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<tr>
<td>Yelick, Katherine A.</td>
<td>Associate Laboratory Director for Computing Sciences</td>
<td>$273,996</td>
<td>1.0% across-the-board 0.5% equity adjustment</td>
<td>$278,120</td>
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</tbody>
</table>

Except as expressly modified by the Regents above, the University’s total compensation commitment for the aforementioned employees remains unchanged. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: Laboratory Director Alivisatos
Reviewed by: President Yudof
Committee on Compensation Chair Ruiz
Office of the President, Human Resources

1 0.5 percent equity adjustment to better align salary with market average of $328,288 (Pearl Meyer & Partners Executive and Senior Management Survey, Top Legal Counsel aged to 04/01/12 with a three percent aging factor).
2 0.5 percent preemptive retention adjustment to retain unique talent and expertise in high demand from both private and public institutions, particularly those in the petroleum and mining industries.
3 0.5 percent equity adjustment to better align with Associate Laboratory Director peers.