

**GOVERNANCE COMMITTEE**

July 20, 2023

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

**1. APPROVAL OF EXTENSION OF THE APPOINTMENT OF AND COMPENSATION FOR JEFFREY STEWART AS INTERIM VICE CHANCELLOR FOR DIVERSITY, EQUITY AND INCLUSION, SANTA BARBARA CAMPUS AS DISCUSSED IN CLOSED SESSION**

Recommendation

The Committee recommends approval of the following items in connection with the extension of the appointment of and compensation for Jeffrey Stewart as Interim Vice Chancellor for Diversity, Equity and Inclusion, Santa Barbara campus:

- A. Per policy, appointment of Jeffrey Stewart as Interim Vice Chancellor for Diversity, Equity and Inclusion, Santa Barbara campus, at 100 percent time.
- B. Per policy, an annual base salary of \$415,368. At the conclusion of the interim appointment, Mr. Stewart's base salary will revert to his nine-month faculty salary in effect as of June 30, 2022 (\$308,300) in addition to any increases under academic salary programs in effect during the full duration of his interim appointment.
- C. Per policy, continued eligibility to accrue sabbatical credits as a member of the tenured faculty, consistent with academic personnel policy.
- D. Per policy, continuation of standard pension and health and welfare benefits.
- E. Mr. Stewart will comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- F. This action will be effective July 1, 2023 through June 30, 2024, or until a new Vice Chancellor for Diversity, Equity and Inclusion, Santa Barbara campus, is appointed, whichever occurs first.

**COMPARATIVE ANALYSIS**

**Recommended Compensation**

**Effective Date:** July 1, 2023 to June 30, 2024, or until a new VC-DEI is appointed, whichever occurs first.

**Annual Base Salary:** \$415,368

**Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI):**

N/A

**Target Cash Compensation:**\* \$415,368  
**Funding:** Partially or fully State-funded

**Prior Career Incumbent Data**

**Title:** Vice Chancellor for Diversity, Equity and Inclusion

**Annual Base Salary:** \$290,460

**Clinical Enterprise Management Recognition Plan (CEMRP) - Short Term Incentive (STI):**

N/A

**Target Cash Compensation:**\* \$290,460

**Funding:** Partially or fully State-funded

\*Target Cash Compensation consists of base salary and, if applicable, short term incentive and/or stipend.

**COMPETITIVE ANALYSIS FOR INTERIM VICE CHANCELLOR FOR DIVERSITY, EQUITY AND INCLUSION  
(MRZ: Vice Chancellor – Equity and Inclusion)**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>		25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Market Data	\$227,700	\$282,400	\$304,700	\$360,300	\$420,100	Market Data	\$256,800	\$339,100	\$375,100	\$454,600	\$546,500
% Difference	82.4%	47.1%	36.3%	15.3%	-1.1%	% Difference	61.7%	22.5%	10.7%	-8.6%	-24.0%

**Survey Source:** CUPA Administrators in Higher Education Salary Survey, Mercer Benchmark Database Survey, Towers-Watson CDB General Industry Executive Survey, California State University and California State Data

The compensation described above shall constitute the University’s total commitment until modified by the Regents, President, or Chancellor, as applicable under Regents policy, 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.

**Background to Recommendation**

The President of the University recommends approval for the extension of the appointment of and compensation for Jeffrey Stewart as Interim Vice Chancellor for Diversity, Equity and Inclusion, Santa Barbara campus, at 100 percent time, with a proposed annual base salary of \$415,368, effective July 1, 2023 through June 30, 2024, or until a new career Vice Chancellor for Diversity, Equity and Inclusion is appointed, whichever occurs first. Mr. Stewart will maintain his tenured faculty appointment as Professor of Black Studies, Santa Barbara campus, at zero percent time, without salary.

The previous career incumbent stepped down with short notice in December 2021, and Mr. Stewart assumed a portion of the responsibilities of the position as of December 14, 2021.

In order to stabilize the Diversity, Equity and Inclusion (DEI) area and announce the Senior Management Group (SMG)-level leadership for the DEI area, Chancellor Yang requested that Mr. Stewart's interim appointment start as of March 1, 2022, with no change to Mr. Stewart's faculty compensation until the close of the 2021-22 academic year. Mr. Stewart's interim appointment was approved by the President effective March 1, 2022, through June 30, 2022. As a separate action to transition Mr. Stewart from a nine-month academic year salary to a staff salary as of July 1, 2022, Mr. Stewart's continued interim appointment and compensation in the form of an interim SMG salary of \$380,000 was approved by the Regents effective July 1, 2022 through June 30, 2023. Because the salary exceeded the 90th percentile of the Market Reference Zone in effect at that time, Mr. Stewart's interim appointment and SMG compensation required approval by the Regents.

The proposed base salary (\$415,368) for the extension of Mr. Stewart's interim appointment is inclusive of the 2022 and 2023 systemwide salary increases that were processed for all eligible employees, and no increase to Mr. Stewart's current interim salary is being requested. The proposed base salary is 15.3 percent above the 75th percentile (\$360,300) and 1.1 percent below the 90th percentile (\$420,100) of the position's current (August 2022) Market Reference Zone.

The Vice Chancellor for Diversity, Equity and Inclusion position is classified as a Level Two position in the Senior Management Group. Because the proposed base salary is above the 75th percentile of the Market Reference Zone for the position, approval by the Regents is required.

The previous career incumbent's salary was \$290,460 upon stepping down from the position in December 2021, and is equivalent to \$317,493 after adjusting for the 2022 (4.5 percent) and 2023 (4.6 percent) systemwide general increases that have occurred since the career incumbent stepped down. The proposed base salary (\$415,368) is 30.8 percent above the adjusted base salary (\$317,493) for the previous career incumbent.

The campus reports that the DEI area has stabilized under Mr. Stewart's leadership, and the campus has formed a search advisory committee to find a new career appointee. The recruitment will not be concluded prior to June 30, 2023; therefore, the campus is requesting an extension of Mr. Stewart's appointment as Interim Vice Chancellor for Diversity, Equity and Inclusion to ensure continuity of leadership until a new career incumbent is appointed.

At the conclusion of the interim appointment, Mr. Stewart will return to his position as Professor of Black Studies, Santa Barbara campus, and his base salary will revert to his nine-month faculty salary in effect as of June 30, 2022 (\$308,300) in addition to any increases under academic salary programs in effect during the full duration of his interim appointment.

Committee vote: Regents Cohen, Drake, Elliott, Hernandez, Leib, Pérez, Reilly, and Sures voting "aye."

Board vote: Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Kounalakis, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures, and Tesfai voting “aye.”

**2. APPROVAL OF APPOINTMENT OF AND COMPENSATION FOR TALMADGE KING, JR., M.D. AS INTERIM EXECUTIVE VICE PRESIDENT – UC HEALTH, OFFICE OF THE PRESIDENT AS DISCUSSED IN CLOSED SESSION**

Recommendation

The Committee recommends approval of the following items in connection with the appointment of and compensation for Talmadge King, Jr., M.D. as Interim Executive Vice President – UC Health, Office of the President:

- A. Per policy, appointment of Talmadge King, Jr., M.D. as Interim Executive Vice President – UC Health, Office of the President.
- B. Per policy, an annual base salary of \$894,240. At the conclusion of the interim appointment, Dr. King’s annual base salary will revert to his annual base salary in effect as of June 30, 2023 (\$759,276) plus any adjustments made under the UC San Francisco salary program during the interim appointment.
- C. Per policy, continued participation in the Health Sciences Compensation Plan with a negotiated “Y” payment of \$164,000 and an incentive-based “Z” payment with a target of 20 percent (\$158,841) and a maximum of 30 percent (\$238,261) of Dr. King’s annual base salary, including the 2023-24 systemwide salary program increase effective July 1, 2023 (\$794,203), as Dean – School of Medicine and Vice Chancellor – Medical Affairs based on attainment of pre-established annual objectives.
- D. Per policy, continued eligibility to accrue sabbatical credits as a member of the tenured faculty, consistent with academic personnel policy.
- E. Per policy, continuation of standard pension and health and welfare benefits and standard senior management benefits including eligibility for senior manager life insurance and executive salary continuation for disability (eligible and vested after five consecutive years of Senior Management Group service).
- F. Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- G. Dr. King will continue to comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.

- H. This action will be effective July 1, 2023 through December 31, 2023, or until a new Executive Vice President – UC Health, Office of the President, is appointed, whichever occurs first.

**COMPARATIVE ANALYSIS**

**Recommended Compensation**

**Effective Date:** July 1, 2023 through December 31, 2023, or until a new EVP-UCH is appointed, whichever occurs first.

**Annual Base Salary:** \$894,240

**Health Sciences Compensation Plan Fixed “Y” Component:** \$164,000

**Health Sciences Compensation Plan “Z” Component at 20% Target (calculated using Dean/VC salary including 2023-24 Systemwide 4.6 percent General Increase (\$794,203):** \$158,841

**Target Cash Compensation:**\* \$1,217,081 (annualized)

**Funding:** Partially or fully State-funded

**Prior Career Incumbent Data**

**Title:** Executive Vice President – UC Health

**Annual Base Salary:** \$936,216

**Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI):** (\$187,243 at 20 percent target rate)

**Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI):** \$93,622 (at 10 percent target rate)

**Target Cash Compensation:**\* \$1,217,081

**Funding:** Partially or fully State-funded

\*Target Cash Compensation consists of base salary and, if applicable, stipends, HSCP components, and/or short term and long term CEMRP incentives.

**COMPETITIVE ANALYSIS FOR INTERIM EXECUTIVE VICE PRESIDENT – UC HEALTH  
(MRZ: Executive Vice President – UC Health)**

	MARKET REFERENCE ZONE FOR BASE SALARY						MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>		25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Percentiles						Percentiles					
Market Data	\$735,700	\$847,200	\$917,100	\$1,021,900	\$1,201,400	Market Data	\$808,600	\$847,200	\$1,086,900	\$1,446,400	\$1,671,500
% Difference from Market	21.5%	5.6%	-2.5%	-12.5%	-25.6%	% Difference from Market	50.5%	43.7%	12.0%	-15.9%	-27.2%

**Survey Source:** Sullivan Cotter Survey of Manager and Executive Compensation, Public and Not-For-Profit Academic Medical Centers and National Health Systems

The compensation described above shall constitute the University’s total commitment until modified by the Regents or President, as applicable under Regents policy, 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.

#### Background to Recommendation

The President of the University recommends approval for the appointment of and compensation for Talmadge King, Jr., M.D. as Interim Executive Vice President – UC Health, Office of the President, with a proposed annual base salary of \$894,240, effective July 1, 2023 through December 31, 2023, or until a new Executive Vice President – UC Health (EVP-UCH) is appointed, whichever occurs first. During the interim appointment, Dr. King will allocate 40 percent of his time to the Interim EVP-UCH position and 60 percent of his time to his existing position as Dean – School of Medicine and Vice Chancellor – Medical Affairs, San Francisco campus. Dr. King will maintain his tenured faculty appointment, at zero percent time, without salary.

Dr. Carrie Byington stepped down as EVP-UCH on June 30, 2023, and the interim appointment for Dr. King is needed in order to ensure continuity of leadership for this critical area.

The proposed annual base salary of \$894,240 is 17.7 percent (\$134,964) above Dr. King's base salary as of June 30, 2023 (\$759,276), 12.6 percent (\$100,037) above Dr. King's base salary including the 2023-24 systemwide salary program increase effective July 1, 2023 (\$794,203), and 4.5 percent below Dr. Byington's salary on June 30, 2023 (\$936,216). The proposed base salary is 5.6 percent above the 50th percentile (\$847,200) and 2.5 percent below the 60th percentile (\$917,100) of the Market Reference Zone for the position. There will be no change to Dr. King's existing fixed Y and variable Z compensation in the Health Sciences Compensation Plan (HSCP). Dr. King's variable Z compensation will be calculated using his Dean – School of Medicine and Vice Chancellor – Medical Affairs base salary and not the interim Senior Management Group base salary.

The EVP-UCH position is classified as a Level One position in the Senior Management Group; therefore, approval by the Regents is required.

The Office of the President is completing an open competitive recruitment to hire a new career appointee for the EVP-UCH. At the conclusion of the interim appointment, Dr. King will return to allocating 100 percent of his time as Dean – School of Medicine and Vice Chancellor – Medical Affairs, San Francisco campus, and his annual base salary will revert to his annual base salary in effect as of June 30, 2023 (\$759,276), plus any adjustments made under the UC San Francisco salary program during the interim appointment (*e.g., the 2023-24 systemwide salary program increase effective July 1, 2023*).

Committee vote: Regents Cohen, Drake, Elliott, Hernandez, Leib, Pérez, Reilly, and Sures voting “aye.”

Board vote: Regents Anguiano, Cohen, Drake, Elliott, Ellis, Hernandez, Lee, Leib, Makarechian, Matosantos, Pérez, Reilly, Sarris, Sherman, Sures, and Tesfai voting “aye” and Regent Kounalakis abstaining.