

GOVERNANCE COMMITTEE

May 18, 2023

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **APPROVAL OF APPOINTMENT OF AND COMPENSATION FOR MICHAEL REESE AS INTERIM SENIOR VICE PRESIDENT – EXTERNAL RELATIONS AND COMMUNICATIONS, 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 Michael Reese as Interim Senior Vice President – External Relations and Communications, Office of the President:

- A. Per policy, appointment of Michael Reese as Interim Senior Vice President – External Relations and Communications, Office of the President, at 100 percent time.
- B. Per policy, an annual base salary of \$433,680.
- C. Per policy, standard pension and health and welfare benefits.
- D. Mr. Reese will also accrue additional pension benefits not to exceed \$1,000 per month.
- E. Mr. Reese will comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- F. This action will be effective May 1, 2023 through June 30, 2024, or until the end of a transition period of up to two months following the appointment of a new Senior Vice President – External Relations and Communications, Office of the President, whichever occurs first.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: May 1, 2023 through June 30, 2024, or until the end of a transition period of up to two months following the appointment of a new Senior Vice President – External Relations and Communications, Office of the President, whichever occurs first.

Annual Base Salary: \$433,680

Incentive Compensation: N/A

Target Cash Compensation:* \$433,680

Prior Career Incumbent Data

Title: Senior Vice President – External Relations and Communication

Annual Base Salary: \$433,680

Incentive Compensation: N/A

Target Cash Compensation:* \$433,680

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

**COMPETITIVE ANALYSIS FOR INTERIM SENIOR VICE PRESIDENT –
EXTERNAL RELATIONS AND COMMUNICATIONS
(MRZ TITLE: SENIOR VICE PRESIDENT – EXTERNAL RELATIONS)**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
	25 th	50 th	60 th	75 th	90 th		25 th	50 th	60 th	75 th	90 th
Market Data	\$280.9k	\$366.1k	\$390.4k	\$435.2k	\$542.2k	Market Data	\$303.4k	\$438.5k	\$472.5k	\$532.0k	\$660.9k
% Difference	54.4%	18.5%	11.1%	-0.3%	-20.0%	% Difference	42.9%	-1.1%	-8.2%	-18.5%	-34.4%

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

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 Michael Reese as Interim Senior Vice President – External Relations and Communications, Office of the President, at 100 percent time, with a proposed annual base salary of \$433,680 effective May 1, 2023 through June 30, 2024, or until the end of a transition period of up to two months following the appointment of a new Senior Vice President – External Relations and Communications, Office of the President, whichever occurs first. Mr. Reese will also accrue additional pension benefits not to exceed \$1,000 per month. This is a Level One Senior Management Group (SMG) position; therefore, approval by the Regents is required.

The transition period following the appointment of a new career incumbent is being requested in order to allow for appropriate transfer of knowledge and responsibilities, from Mr. Reese to a new Senior Vice President – External Relations and Communications.

The previous career incumbent, Brent Colburn, stepped down as of May 12, 2023. Appointing Mr. Reese into the interim role as of May 1, 2023 allowed for a transition of knowledge and responsibilities to Mr. Reese before Mr. Colburn left the University.

Consistent with policy, competitive recruitment has been waived for this interim appointment due to the need for immediate and continuing executive oversight of this area by filling the position with an interim incumbent on an immediate basis. The Office of the President will launch a competitive recruitment to hire a new career incumbent for the Senior Vice President – External Relations and Communications role.

As Interim Senior Vice President – External Relations and Communications, Mr. Reese will be authorized to exercise the full authority of the Senior Vice President – External Relations and Communications position.

Mr. Reese is being rehired into UC service from retirement, and he has suspended his monthly retirement payments and retiree health benefits while he is serving in this role. This appointment is consistent with the University of California Policy on Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions. He will return to retirement after the transition period following the start date of a new career incumbent for this position.

Committee vote: Regents Cohen, Drake, Elliott, Leib, Park, Reilly, and Sherman voting “aye.”

Board vote: Regents Anguiano, Batchlor, Blas Pedral, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Park, Pérez, Robinson, Sherman, and Timmons voting “aye.”

2. APPROVAL OF 2023-24 SYSTEMWIDE SALARY PROGRAM INCREASES FOR CERTAIN LEVEL ONE SENIOR MANAGEMENT GROUP EMPLOYEES AS DISCUSSED IN CLOSED SESSION

Recommendation

The Committee recommends approval of the following items in connection with the 2023-24 systemwide salary program increases for certain Level One Senior Management Group employees:

- A. Per policy, as listed in Attachment 1, a general increase of 4.6 percent applied to the base salary in effect as of June 30, 2023 for employees paid monthly and June 24, 2023 for employees paid bi-weekly for each Level One Senior Management Group (SMG) employee systemwide who is eligible for such an increase pursuant to systemwide guidelines and any applicable local guidelines. The effective date for employees paid monthly will be July 1, 2023 and the effective date for employees paid bi-weekly will be June 25, 2023.

- B. Per policy, as listed in Attachment 1, for the Laboratory Director, Lawrence Berkeley National Laboratory, a general increase of 4.6 percent applied to his base salary in effect as of September 30, 2023. The effective date will be October 1, 2023 pursuant to systemwide guidelines and the salary program approved by the Department of Energy.
- C. As an exception to local guidelines, as listed in Attachment 1, a general increase of 4.6 percent of the base salary in effect as of June 30, 2023 for Katherine Newman as Provost and Executive Vice President – Academic Affairs, Office of the President. The effective date will be July 1, 2023.

Additionally, this item seeks a recommendation by the Governance Committee to the Board of Regents for approval of a 2023-24 systemwide salary program general increase of 4.6 percent of the base salary in effect as of June 30, 2023 for Michael V. Drake as President of the University, as listed on Attachment 1, effective July 1, 2023.

The resulting base salaries shall constitute the University's total commitment for base salary 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

Consistent with the 2023-24 systemwide salary program for policy-covered staff, the President of the University recommends approval of general increases for certain Level One members of the Senior Management Group (SMG). The same increase is also recommended for approval for the President of the University, as noted in Attachment 1.

The proposed effective date for the Level One SMG members at the campuses and the Office of the President is July 1, 2023 for monthly payees and June 25, 2023 for bi-weekly payees, and the proposed effective date for the Lawrence Berkeley National Laboratory (LBNL) Director is October 1, 2023 in alignment with LBNL's fiscal year.

The increases as proposed in this item are in accordance with 2023-24 systemwide guidelines at the direction of the President and consistent with each location's 2023-24 salary program guidelines, other than one exception to local guidelines; in that case, the employee's start date is less than six months prior to the effective date of the 2023-24 systemwide salary program increase and no proration will be applied.

Attachment 1 lists the employees who are proposed for the 2023-24 systemwide salary program general increase of 4.6 percent as provided to other eligible policy-covered staff. The total amount for the increases for the Level One SMG members listed on Attachment 1 is \$613,828.

Committee vote: Regents Cohen, Elliott, Leib, Park, Pérez, and Reilly voting “aye” and Regent Drake abstaining.

Board vote: Regents Anguiano, Batchlor, Chu, Cohen, Elliott, Hernandez, Leib, Park, Robinson, Sherman, and Timmons voting “aye,” Regents Blas Pedral and Kounalakis voting “no,” and Regents Drake and Pérez abstaining.

3. **ESTABLISHMENT OF A SPECIAL COMMITTEE ON ATHLETICS AND ADOPTION OF A CHARTER**

The Committee recommends that the Regents:

- A. Establish a Special Committee on Athletics for a period of two years, effective upon approval; and
- B. Adopt the Charter for the Special Committee on Athletics, as shown in Attachment 2.

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

Board vote: Regents Anguiano, Batchlor, Blas Pedral, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Park, Pérez, Robinson, Sherman, and Timmons voting “aye.”

**Attachment 1
2023 UC Systemwide Salary Program - For Regental Approval**

Title	Incumbent		Current Salary	4.6% General Increase	Proposed Annual Base Salary
President of the University	Michael V.	Drake	\$957,960	4.6%	\$1,002,036
Direct and/or Dual Reporting to the Regents					
Chief Investment Officer and VP of Investments	Jagdeep	Bachher ¹	\$745,068	4.6%	\$779,352
General Counsel and Vice President - Legal Affairs	Charles	Robinson	\$519,096	4.6%	\$542,976
Secretary and Chief of Staff to the Regents	Tricia	Lyall	\$260,000	4.6%	\$271,968
Senior Vice President - Chief Compliance and Audit Officer	Alex	Bustamante	\$399,684	4.6%	\$418,080
UCOP - Direct Reports to the President					
Executive Vice President - Chief Financial Officer	Nathan	Brostrom	\$550,020	4.6%	\$575,328
Executive Vice President - Chief Operating Officer	Rachael	Nava	\$456,324	4.6%	\$477,324
Provost and Executive Vice President - Academic Affairs	Katherine	Newman ²	\$508,000	4.6%	\$531,372
Vice President for UC National Labs	Craig	Leasure	\$413,868	4.6%	\$432,912
Vice President - Agriculture and Natural Resources	Glenda	Humiston	\$327,756	4.6%	\$342,840
LBNL					
Laboratory Director (LBNL)	Michael	Witherell	\$538,224	4.6%	\$562,992
Chancellors					
Chancellor - UCB	Carol	Christ	\$666,504	4.6%	\$697,164
Chancellor - UCD	Gary	May	\$614,328	4.6%	\$642,588
Chancellor - UCI	Howard	Gillman	\$623,340	4.6%	\$652,020
Chancellor - UCLA	Gene	Block	\$668,760	4.6%	\$699,528
Chancellor - UCM	Juan	Munoz	\$545,388	4.6%	\$570,480
Chancellor - UCR	Kim	Wilcox	\$577,524	4.6%	\$604,092
Chancellor - UCSB	Henry	Yang	\$605,844	4.6%	\$633,720
Chancellor - UCSC	Cynthia	Larive	\$567,480	4.6%	\$593,592
Chancellor - UCSF	Sam	Hawgood	\$935,844	4.6%	\$978,900
Chief Executive Officers - UC Medical Centers					
Chief Executive Officer - UCSF	Suresh	Gunasekaran ^{1,3}	\$1,850,000	4.6%	\$1,935,576

¹Eligible for Incentive Pay (OCIO AIP or CEMRP).

²Exception to UCOP 2023-24 salary program guidelines that require a hire date of 12/31/22 or earlier (six months of service) to be eligible for the 2023-24 general increase, and no proration is being applied.

³Bi-weekly Payee.

Charter of the Special Committee on Athletics

A. Purpose

The primary purpose of the Special Committee on Athletics shall be to assist the Board in fulfilling its responsibilities for oversight of intercollegiate athletics programs including but not limited to the following areas:

1. Explore the health, safety, and academic success of student-athletes at all University of California campuses. This may include:
 - Review of travel impacts on student-athletes' educational accomplishments, mental health, and physical health;
 - Review of budgeted academic support provided to student-athletes to ensure adequate resource allocation for student success;
 - Review of mental health services and nutritional support provided to student-athletes overall;
 - Review differential impacts by sport.
2. Provide oversight of any compliance and audit activities to assess the effectiveness of athletics departments' governance, internal controls, and risk management.
3. Provide strategic direction and guidance, and make recommendations to the Board when appropriate, on matters that impact student-athletes and athletic programs.
4. Review systemwide policies in the area of intercollegiate athletics.

B. Duration

The Special Committee on Athletics shall be established for two years, effective upon approval by the Regents.

C. Membership/Appointment/Term

The Special Committee shall be comprised of the following voting members: President of the Board, Chair of the Board, President of the University, and no fewer than 3 additional Regents. A quorum of the committee shall be a majority of voting members. The Special Committee may include non-voting advisory members, including Faculty Representatives, Chancellors, and/or UC-affiliated or external advisors with expertise relevant to the committee.

The Chair of the Board will make appointments, including the Committee Chair, to the Special Committee for a two-year term.

D. Reporting

The Special Committee shall report annually to the Board on its discussions and recommendations.

E. Consultation With Other Committee Chairs

The Special Committee shall consult with Chairs of other Standing Committees, as appropriate, in making determinations and recommendations regarding student affairs and academic instruction, internal audits, and University financial affairs and business operations related to athletics.

F. Meetings

The Special Committee shall meet at least three times each year.