

The Regents of the University of California

COMMITTEE ON COMPENSATION

November 18, 2010

The Committee on Compensation met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Hime, Johnson, Kieffer, Lozano, Varner, and Wachter; Ex officio members Gould and Yudof; Advisory members Anderson and Pelliccioni

In attendance: Regents Blum, Cheng, DeFreece, De La Peña, Island, Lansing, Makarechian, Maldonado, Marcus, Pattiz, Schilling, and Zettel, Regents-designate Hallett and Mireles, Faculty Representative Simmons, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Drake, Katehi, White, and Yang, and Recording Secretary Johns

The meeting convened at 11:30 a.m. with Committee Chair Varner presiding.

1. **PUBLIC COMMENT**

There were no speakers wishing to address the Committee.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of September 16, 2010 were approved.

3. **APPROVAL OF INDIVIDUAL COMPENSATION ACTIONS AS DISCUSSED IN CLOSED SESSION**

A. *Appointment of and Compensation for Elizabeth Boyd as Associate Vice Chancellor and Chief Ethics and Compliance Officer, San Francisco Campus*

Background to Recommendation

Approval was requested for the appointment of and compensation for Elizabeth Boyd as Associate Vice Chancellor and Chief Ethics and Compliance Officer, San Francisco campus. The campus requested a base salary of \$230,000 and SLCG Grade 108, effective upon approval. This is a new UCSF position, funded 100 percent by non-State revenue.

After a national search, the campus concluded that Ms. Boyd's extensive and solid background in ethics and compliance made her extremely well suited for the Associate Vice Chancellor and Chief Ethics and Compliance Officer position. Currently serving as the Assistant Vice President for Research Compliance and Policy at the University of Arizona (since 2008), she oversees the management of ten compliance units, including conflict of interest, the Institutional Review Boards, privacy/security, animal care, export control, laboratory safety, and research misconduct. She is the key point of contact for all matters pertaining to regulatory compliance and is responsible for developing a coordinated program for both the main and medical campuses. Ms. Boyd has experience conducting audits, investigating non-compliance, constructing management plans and interacting with federal agencies. Her experience includes academic research, with postdoctoral training at the Institute for Health Policy Studies (UCSF). She served as a faculty member in the UCSF Department of Clinical Pharmacy for five years (developing a research agenda focusing on medical and research ethics) and has served as a consultant to many policy groups, including the Institute of Medicine and the World Health Organization. She participated in the Research on Research Integrity Program under the auspices of the Office of Research Integrity and the National Institutes of Health. Ms. Boyd has a B.A. from UC Berkeley (Psychology), an M.A. from Stanford University (Communication), and a Ph.D. from UCLA (Sociology). Ms. Boyd has a proven track record in ethics and compliance leadership, and will bring the required skills, knowledge, and abilities to this critical new role at UCSF.

Reporting directly to the Executive Vice Chancellor and Provost as well as the UC systemwide Chief Compliance and Audit Officer, with direct access to the Chancellor, Ms. Boyd will be responsible for providing leadership, direction, and oversight for the UCSF Ethics and Compliance Program, including identification of all regulatory compliance matters, data privacy and security issues, interpretation of relevant statutes and policies governing such issues and assuring that management has developed appropriate mitigation plans to address these issues for the UCSF campus and clinical enterprise, and directing the ethics and compliance programs to ensure that UCSF fulfills its academic missions to perform high-quality research, teaching, and health care while preventing fraud, abuse, and waste.

The Associate Vice Chancellor and Chief Ethics and Compliance Officer position reflects a solid match with the highest level of compliance management found in the 2010 Radford Global Life Sciences Survey. Radford reports national average pay of \$222,446 for that benchmark. This national average, adjusted by a 20 percent geographic differential to reflect local Bay Area pay practices, results in an average market base pay comparator of \$266,935 which is 16.1 percent above the proposed salary. Sperling's Cost of Living Index reports an estimated increase in cost of living from Tucson, Arizona, to San Francisco of 131 percent.

As this is a new position, there is no prior incumbent comparator data for the proposed annual base salary of \$230,000. The most comparable internal UC position is the Chief Compliance Officer, UCLA Health Sciences, which was recently approved by the Regents as a Senior Management Group appointment at SLCG Grade 108 with an appointment base salary of \$244,900 (reflecting the midpoint of the range). The UCLA Chief Compliance Officer position is substantively similar to the proposed UCSF Associate Vice Chancellor and Chief Ethics and Compliance Officer position and may arguably reflect a narrower scope as the focus is more keenly and exclusively directed at issues of medical compliance and privacy. The proposed base salary is 6.5 percent below the SLCG Grade 108 salary range midpoint and UCLA comparator of \$244,900.

Recommendation

The President recommended approval of the following items in connection with the appointment of and compensation for Elizabeth Boyd as Associate Vice Chancellor and Chief Ethics and Compliance Officer, San Francisco campus:

- (1) Appointment of Elizabeth Boyd as Associate Vice Chancellor and Chief Ethics and Compliance Officer, San Francisco campus, at 100 percent time.
- (2) Per policy, an annual base salary of \$230,000, at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- (3) Effective upon approval.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$230,000

Total Cash Compensation: \$230,000

Grade Level: SLCG Grade 108

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

Median Market Data: \$266,935

Funding Source: Non-State revenue

Percentage Difference from Market: 13.8 percent below market

Budget &/or Prior Incumbent Data

Base Salary: N/A (new position)

Total Cash Compensation: N/A (new position)

Grade Level: N/A (new position)

Additional items of compensation include:

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

- Per policy, reimbursement for 100 percent of all reasonable moving expenses for the purpose of relocating the primary residence, subject to the limitations under policy and the local limitation that the total not exceed \$35,000.
- Per policy, two University-paid house-hunting trips each for the candidate and her spouse/partner, subject to the limitations under policy and the local limitation that each trip not exceed \$3,000.
- 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, eligibility to participate in the University of California Home Loan Program, available to be exercised within a period not to exceed 24 months from date of employment. Participation will comply with all University/campus normal program parameters.

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
Compensation Committee Chair Varner
Office of the President, Human Resources

B. *Appointment of and Compensation for Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz Campus*

Background to Recommendation

Approval was requested for the appointment of and compensation for Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz campus, with an annual salary of \$204,150, effective November 18, 2010. The permanent position of Vice Chancellor – Planning and Budget does not carry with it an underlying faculty appointment. While serving as the permanent Vice Chancellor – Planning and Budget full-time, Ms. Delaney will be placed on leave without pay from her professorial appointment and thus will not be eligible to accrue sabbatical credits.

In the culmination of a national search, Ms. Delaney was selected from a strong pool of candidates to fill this key leadership position. Ms. Delaney is currently serving in a term position as Vice Chancellor – Planning and Budget and has been serving in this capacity since August 17, 2009. The term appointment was approved in August 2009 pending the outcome of a national search and was necessary due to the departure of the former Vice Chancellor – Planning and Budget for a similar position at UC Irvine.

The Vice Chancellor – Planning and Budget actively and collaboratively supports all phases of UC Santa Cruz’s academic, capital, and financial processes and planning. The Vice Chancellor’s goal is to advance the campus’ instructional, research, and public service missions and to promote equity and inclusion for faculty, students, and staff. The Vice Chancellor is a collaborator in the development and implementation of plans that integrate space/capital, fiscal, and human resource considerations in all areas of the campus.

The Vice Chancellor advises the Chancellor and the Executive Vice Chancellor on academic, financial, and resource planning matters. The Vice Chancellor employs sound financial modeling and forecasting techniques to provide the campus with robust options for setting fiscal and budgetary direction, and represents the campus in budgetary matters with the University of California Office of the President and all external agencies. The Vice Chancellor also provides the leadership, direction and management of several campus offices: Budget and Resource Management, Institutional Research and Policy Studies, Capital Planning and Space Management, and Data Management Services.

Ms. Delaney was receiving an annual base salary of \$204,150 for her role as the interim Vice Chancellor – Planning and Budget. Considering the responsibilities of the position, campus and systemwide internal comparators, and Ms. Delaney’s experience, the campus proposed that Ms. Delaney continue to receive an annual base salary of \$204,150. The base salary for this position is funded 100 percent by UC general funds provided by the State. The requested base salary of \$204,150 is 4.4 percent above the midpoint of SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100) and 25.7 percent below the average base salary of \$256,637 for the Vice Chancellor – Budget and Planning at the other UC locations. According to Mercer Human Resource Consulting data from the 2009/2010 College and University Professional Association (CUPA) Administrative Compensation Survey, the proposed base salary is 9.3 percent above the market median of \$186,839 for chief planning and budget officers.

Recommendation

The President recommended approval of the following items in connection with the appointment of and compensation for Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz campus:

- (1) Appointment of Margaret L. Delaney as Vice Chancellor – Planning and Budget, Santa Cruz campus.
- (2) Per policy, an annual base salary of \$204,150 at SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).
- (3) This appointment is at 100 percent time and is effective upon approval.

Recommended Compensation**Effective Date:** Upon approval**Base Salary:** \$204,150**Bonus/Incentives:** \$0**Total Cash Compensation:** \$204,150**Grade Level:** SLCG Grade 106

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

Median Market Data: \$186,839**Percentage Difference from Market:** 9.3 percent above market**Funding Source:** UC general funds provided by the State**Budget &/or Prior Incumbent Data****Title:** Vice Chancellor – Planning and Budget (Interim)**Base Salary:** \$204,150**Bonus/Incentives:** \$0**Total Cash Compensation:** \$204,150**Grade Level:** SLCG Grade 106

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

Funding Source: UC general funds provided by the State

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 Benefit Program due to tenured faculty appointment.
- Ms. Delaney will be placed on leave without pay from her professorial appointment while serving as the permanent Vice Chancellor – Planning and Budget and will not be eligible to accrue sabbatical credits.

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

C. *Appointment of and Compensation for Karen A. Grimley as Chief Nursing Officer, UC Irvine Medical Center, Irvine Campus*

Background to Recommendation

Approval was requested for the appointment of and compensation for Karen A. Grimley as Chief Nursing Officer, UC Irvine Medical Center, Irvine campus, effective upon approval. The Chief Nursing Officer position, formerly called the Chief Patient Care Services Officer, was vacated due to the prior incumbent's retirement effective July 1, 2010, following a leave of absence.

UC Irvine conducted an exhaustive national search to fill the position of Chief Nursing Officer (CNO). Ms. Grimley was selected as the top candidate by a search committee made up of key stakeholders at the UC Irvine Medical Center.

While the CNO position was vacant, UC Irvine contracted with an agency providing interim leadership services and employed the services of Ms. Grimley through this agency. Ms. Grimley has provided excellent services to the Medical Center during this transitional period. She played a key role in preparation for the Centers for Medicare and Medicaid Services and Joint Commission surveys; worked closely with senior leadership to implement an organizational culture change, including greater accountability and oversight; and was an important leader in advancing the quality and patient safety agenda for the Medical Center.

Prior to providing interim leadership through a contract services agency, Ms. Grimley held two senior positions in clinical services at Broadlane, served as CNO in three different medical centers through Tenet Healthcare, and held two other medical center positions with progressive responsibility. Ms. Grimley holds a Bachelor of Science in Nursing from St. Anselm College, a Master in Business Administration from Anna Maria College, and is pursuing a Doctor of Philosophy in Nursing at the Christine E. Lynn College of Nursing at Florida Atlantic University. Ms. Grimley's nearly 20 years of experience in clinical services, education, and track record of success, coupled with her leadership abilities and passion for nursing, will allow the Medical Center to excel in areas related to service and staff engagement.

This position is funded 100 percent by UC Irvine Medical Center operating revenue. UC Irvine proposes a compensation package including a base salary of \$274,000, participation in the Clinical Enterprise Management Recognition Plan at an annual target payout of 15 percent (\$41,000), moving expenses and temporary housing, and standard and executive benefits. Ms. Grimley's permanent residence is currently in Boca Raton, Florida.

The proposed base salary is 12.8 percent above the prior incumbent's salary of \$243,000, and slightly below (-0.1 percent) the proposed interim re-slotting to the SLCG Grade 109 midpoint of \$274,300, 1.5 percent above the average salary of

\$269,900 for other chief nursing/patient care services officers at the University of California (inclusive of the UCSF CNO's stipend), and 0.9 percent below the average market salary of \$276,543.

Recommendation

The President recommended approval of the following items in connection with the appointment of and compensation for Karen A. Grimley as Chief Nursing Officer, UC Irvine Medical Center, Irvine campus:

- (1) Position title change from Chief Patient Care Services Officer to Chief Nursing Officer.
- (2) Per policy, an appointment salary of \$274,000 and interim re-slotting from SLCG Grade 108 to SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,000, Maximum \$333,700).
- (3) Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan, with an annual target payout of 15 percent of base salary (\$41,100) and maximum payout of 25 percent of base salary (\$68,500). Actual payout will depend upon performance.
- (4) Per policy, reimbursement of 100 percent of all reasonable moving expenses for the purpose of relocation of the primary residence subject to the current policy guidelines.
- (5) Per policy, temporary living assistance for up to 90 days including cost of furnished temporary lodging and reasonable residential parking fees, reimbursed within normal policy limits, up to \$12,000 total. Additionally, meals for the first 30 days of residence in temporary quarters that do not have cooking facilities, reimbursed within normal policy limits. At the discretion of the University, the University may provide a temporary cash allowance, not to exceed \$12,000, to the relocating employee to offset limited housing-related expenses in lieu of reimbursement.
- (6) This appointment is at 100 percent time and the actions associated with the appointment are effective upon approval.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$274,000

Clinical Incentive Plan: \$41,100 (15 percent at target)¹

Total Cash Compensation: \$315,000

Grade Level: SLCG Grade 109

¹ CEMRP incentive opportunities are at risk with actual payouts ranging from zero percent up to 25 percent for this level and dependent upon actual achievement of goals.

(Minimum \$ 214,700, Midpoint \$274,000, Maximum \$333,700)
Median Market Data (base salary only): \$276,543
Median Market Data (total cash compensation): \$328,860
UC CNO Average Salary: \$269,900
Funding Source: Medical center revenues
Percentage Difference from Market: 1.9 percent below market

Budget &/or Prior Incumbent Data

Base Salary: \$243,000
Clinical Incentive Plan: \$36,450 (15 percent at target)
Total Cash Compensation: \$279,450
Grade Level: SLCG Grade 108
(Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400)
Funding Source: Medical center revenues

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

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Varner noted that the Committee had reviewed the three individual compensation items the previous day in closed session.

Upon motion duly made and seconded, the Committee approved the President's recommendations and voted to present them to the Board.

The meeting adjourned at 11:35 a.m.

Attest:

Secretary and Chief of Staff