

The Regents of the University of California

COMMITTEE ON COMPENSATION

September 13, 2012

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

Members present: Regents Island, Lozano, Mendelson, Ruiz, Stein, Varner, and Wachter; Ex officio members Lansing and Yudof; Advisory members Feingold and Powell

In attendance: Regents Blum, De La Peña, Gould, Makarechian, Newsom, Pattiz, Rubenstein, and Schilling, Regents-designate Flores and Schultz, Faculty Representative Jacob, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Blumenthal, Desmond-Hellmann, Drake, Katehi, Khosla, and Yang, and Recording Secretary Johns

The meeting convened at 12:40 p.m. with Committee Chair Ruiz 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 meetings of May 16 and June 19, 2012 were approved.

3. **PROPOSED REVISIONS TO GOVERNANCE OF SENIOR MANAGEMENT GROUP COMPENSATION**

[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 Ruiz briefly introduced the item. Vice President Duckett explained that the item proposed certain changes in the administration of compensation for the Senior Management Group (SMG). He stressed that it did not propose any salary increases. The revisions would accomplish several goals: simplification of the compensation program, delegation of authority for certain transactions to the appropriate organizational levels, and a more consistent analysis of SMG pay practices in relation to the University's employment marketplace. The revisions are consistent with the recommendations of the

Regents' 2009 Task Force on Compensation, Accountability and Transparency, whose members included Regent Varner, former Regent Kozberg, and other senior members of government, higher education, and industry.

The proposal would align accountability and approval authority at the proper levels of the organization, consistent with practices at other large public systems of higher education. It would also enable the Regents to focus more attention on strategic and programmatic issues regarding SMG compensation, while retaining direct oversight of compensation for the organization's senior leaders, delegating responsibility and accountability for lower-level SMG members to the President and chancellors under a tight operational framework. The current rigorous reporting requirements would remain in place. The approval requirements in the proposal are similar to practices at other public institutions such as the university systems of Oregon, Maryland, Texas, Minnesota and the California State University.

Mr. Duckett again emphasized that this item did not propose salary increases, nor would it alter the University's current rigorous transparency or reporting standards. The item proposed a new framework, controls, and methodology to manage SMG compensation transactions and provided consistent comparison data to guide any salary proposals. Under the proposal, the Regents would adopt a structure and administrative methodology determined by level and reporting relationships along with Market Reference Zones to administer the salaries of the 215 members of the SMG. The Regents would retain direct approval authority over the 27 highest-level leaders in the UC organization: the President and his direct reports at the Office of the President, the chancellors, the Regents' direct reports, medical center CEOs, and certain coaches and athletic directors. The proposal provides well-defined salary limits; actions exceeding those limits would require Regental approval under any circumstances.

Compensation transactions for the remaining group of 77 positions or 188 SMG members would be delegated to the President or chancellors within a tight framework. The Office of the President would continue to report on all SMG transactions as well as transactions for any staff member whose total cash compensation exceeds \$250,000, according to the established reporting schedule. The SMG compensation program would be reviewed annually with the Chair of the Committee on Compensation and adjustments would be made as warranted. This would include adjustments to the Market Reference Zones and all other SMG compensation policies. Market Reference Zones reflect pay practices for senior-level jobs at other institutions that UC competes with for talent. Because Market Reference Zones are an important tool and feature of the proposal, the Regents would have oversight of the definition of these ranges, their comparison groups, and any annual adjustments to data.

Executive Director Larsen defined Market Reference Zones as direct representations of the market for each SMG position. For example, the Market Reference Zone for the medical center CEOs comprises data from the Mercer Council of Teaching Hospitals compensation survey. Two data samples are used to define the CEO position; when

combined, they represent 40 institutions that appropriately reflect the five medical centers' range of size, based on total net revenue and scope of responsibilities.

Regent Lozano praised the Office of the President for the work on this item. She recalled that the current policies were established in response to different circumstances. Over the past seven or eight years, there had been progress and a cultural change in the institution. The proposal would return certain authorities where they rightfully belong, to the President and chancellors, but would ensure that Regental approval is required for the appropriate executives. There would be appropriate discipline surrounding exceptions, and the proposal would require an appropriate level of oversight and disclosure. It would clearly define the responsibility of the Regents as opposed to that of the President and chancellors. She expressed strong approval for the proposal.

Committee Chair Ruiz observed that the proposal would allow the Committee to focus on other important matters.

Faculty Representative Powell also expressed approval for the proposal, but voiced concern about numerical values used in the definition of the Market Reference Zones and about potential salary increases of ten percent. He asked that lower values be considered for the initial period of implementation.

Chairman Lansing thanked the administration for its work on this item.

4. **APPROVAL OF INCENTIVE COMPENSATION FOR FISCAL YEAR 2011-12 FOR JOHN STOBO AS SENIOR VICE PRESIDENT – HEALTH SCIENCES AND SERVICES, OFFICE OF THE PRESIDENT, AS DISCUSSED IN REGENTS ONLY SESSION**

Background to Recommendation

The Office of the President requested approval of an annual incentive award for Dr. John Stobo as Senior Vice President – Health Sciences and Services. This proposed award for the 2011-12 plan year falls under the Clinical Enterprise Management Recognition Plan (CEMRP), a clinical incentive plan previously approved by the Regents. Incentives of this type are common practice at other major teaching hospitals with which the University competes for talent. Medical center operating revenues fund CEMRP awards; no State funds are used.

Dr. Stobo's award would be \$159,500, or 27.5 percent of his base salary, based on the clinical enterprise's accomplishments during the 2011-12 plan year. Given the current fiscal environment, however, Dr. Stobo has requested that his award be limited to the amount he received for the 2010-11 plan year, \$130,500, which represents 22.5 percent of his base salary. This award has been approved by the CEMRP Administrative Oversight Committee.

Recommendation

The Committee recommended approval of the fiscal year 2011-12 Clinical Enterprise Management Recognition Plan (CEMRP) award for Dr. John Stobo as Senior Vice President – Health Sciences and Services, Office of the President. The recommended incentive award of \$130,500 is 22.5 percent of his base salary.

Recommended Compensation**Effective Date:** Upon approval**Base Salary:** \$580,000**CEMRP Award:** \$130,500**Base Salary Plus Recommended CEMRP Award:** \$710,500**Funding:** non-State-funded**Prior Year Data (2010-11 Plan Year)****Base Salary:** \$580,000**CEMRP Award:** \$130,500**Base Salary Plus CEMRP Award:** \$710,500**Funding:** non-State-funded

The compensation described above shall constitute the University's total commitment regarding incentive compensation 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.

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Committee Chair Ruiz briefly introduced the item. Executive Director Larsen explained that Senior Vice President Stobo's goals under the Clinical Enterprise Management Recognition Plan (CEMRP) for fiscal year 2010-11 included clinical quality and safety improvements, operational and supply chain improvements, and two goals associated with systemwide clinical and operational leadership improvements. These clinical goals stimulated further collaboration among the clinical leadership, and formed the basis for expanding the scope and depth of systemwide initiatives.

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

5. **APPROVAL OF INCENTIVE COMPENSATION FOR FISCAL YEAR 2011-12 FOR MARIE BERGGREN AS CHIEF INVESTMENT OFFICER, VICE PRESIDENT FOR INVESTMENTS, AND ACTING TREASURER OF THE REGENTS, OFFICE OF THE PRESIDENT, AS DISCUSSED IN REGENTS ONLY SESSION**

Background to Recommendation

The President requested approval of an annual incentive award (\$744,950) for Marie Berggren, Chief Investment Officer (CIO), Vice President for Investments, and Acting Treasurer of The Regents. This award for the 2011-12 Plan Year falls under the Office of the Treasurer Annual Incentive Plan (AIP), which is funded entirely through investment assets. Assets under management total \$71.6 billion. For the 2011-12 Plan Year, the Treasurer's Office added approximately \$840 million of value in excess of the benchmark.

Recommendation

The Committee recommended approval of the Plan Year 2011-12 Office of the Treasurer Annual Incentive Plan (AIP) award for Marie Berggren as Chief Investment Officer, Vice President for Investments, and Acting Treasurer of The Regents. The recommended incentive award of \$744,950 is 159 percent of her base salary.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$470,000

AIP Award: \$744,950

Base Salary Plus Recommended AIP Award: \$1,214,950

Funding: combination of State and non-State funds

Prior Year Data (2010-11 Plan Year)

Base Salary: \$470,000

AIP Award: \$744,950 (159 percent of base salary)

Base Salary Plus AIP Award: \$1,214,950

Funding: combination of State and non-State funds

The incentive compensation described above shall constitute the University's total commitment regarding incentive compensation 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.

[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 Ruiz briefly introduced the item. Executive Director Larsen explained that this incentive compensation was consistent with the Annual Incentive Plan document approved by the Regents two years earlier, which allows awards based on investment returns as well as individual performance. The award earned by Chief Investment Officer Berggren for the 2011-12 year amounted to 159 percent of salary or \$744,950. This amount was less than one-tenth of a percent of the value added to the investment

portfolio during this period. Funding would come from a combination of State and non-State sources.

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

6. **APPROVAL OF INCENTIVE COMPENSATION FOR FISCAL YEARS 2011-12 AND 2010-11 FOR MELVIN STANTON AS ASSOCIATE CHIEF INVESTMENT OFFICER AND ASSISTANT TREASURER OF THE REGENTS, OFFICE OF THE PRESIDENT, AS DISCUSSED IN REGENTS ONLY SESSION**

Background to Recommendation

The President requested approval of an annual incentive award (\$331,348) for Melvin Stanton, Associate Chief Investment Officer (ACIO) and Assistant Treasurer of The Regents. This award for the 2011-12 Plan Year falls under the Office of the Treasurer Annual Incentive Plan (AIP), which is funded entirely through investment assets. Assets under management total \$71.6 billion. For the 2011-12 Plan Year, the Treasurer's Office added approximately \$840 million of value in excess of the benchmark. In addition, the President requested retroactive approval for Mr. Stanton's AIP incentive award for the 2010-11 Plan Year.

Recommendation

The Committee recommended:

- A. Approval of Plan Year 2011-12 Office of the Treasurer Annual Incentive Plan (AIP) award for Melvin Stanton as Associate Chief Investment Officer and Assistant Treasurer of The Regents. The recommended incentive award of \$331,348 is 108 percent of his base salary.
- B. Retroactive approval of Plan Year 2010-11 Office of the Treasurer AIP award for Mr. Stanton of \$331,348. The retroactive approval is an exception to policy.

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$306,800

AIP Award: \$331,348 (108 percent of base salary)

Base Salary Plus Recommended AIP Award: \$638,148

Funding: combination of State and non-State funds

Prior Year Data (2010-11 Plan Year)

Base Salary: \$306,800

AIP Award: \$331,348 (108 percent of base salary)

Base Salary Plus AIP Award: \$638,148

Funding: combination of State and non-State funds

The incentive compensation described above shall constitute the University's total commitment regarding incentive compensation 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.

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Committee Chair Ruiz briefly introduced the item. Executive Director Larsen explained that this incentive compensation was consistent with the Annual Incentive Plan document approved by the Regents two years earlier. The amount of the award for 2011-12 was \$331,348, or 108 percent of base salary.

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

7. **CONSENT AGENDA**

A. *Approval of Individual Non-State-Funded Compensation Actions as Discussed in Closed Session*

(1) *Extension of the Term Appointment of and Compensation for Sharon A. Duffy as Dean – University Extension, Riverside Campus*

Background to Recommendation

The Riverside campus requested approval for an extension to the term appointment of and compensation for Sharon A. Duffy as Dean – University Extension for a nine-month period, effective October 1, 2012, through June 30, 2013. Ms. Duffy has served as Dean – University Extension since October 1, 2010, and prior to that as Acting Dean – University Extension since October 1, 2007. Her current term appointment ends on September 30, 2012.

After the retirement of John Azzaretto, Dean – University Extension, in November 2006, the campus conducted a nationwide search for a replacement but was not able to find a viable candidate. As a result, Sharon Duffy was appointed as Acting Dean – University Extension from October 1, 2007 through September 30, 2010. Ms. Duffy was then appointed to the position of Dean – University Extension for a two-year period, October 1, 2010 through September 30, 2012, in consideration of the previous failed search, the contributions she made in her role as Acting Dean – University Extension, the need for continuity of successful leadership, and the decision to conduct a nationwide search in 2011-12. The nationwide search will commence in November 2012, and the

successful candidate is anticipated to begin serving as Dean – University Extension on July 1, 2013.

Extending this appointment is crucial to ensure leadership continuity during a pivotal period for the campus and the University Extension. Ms. Duffy served on the Strategic Planning Steering Committee and as chair of the subcommittee on Community Engagement, one of the four overarching themes that emerged from UCR's strategic planning process. Ms. Duffy is uniquely positioned to lead the University Extension during the implementation phase of UCR 2020: The Path to Preeminence, which is the strategic plan for the future growth and development of UCR. Additionally, as UC Riverside has historically struggled with low numbers of international undergraduates, Ms. Duffy plays a key role in the critical initiative to increase the enrollment of such students at UCR from one percent to between eight and ten percent in the next few years. This initiative is significant on both educational and fiscal fronts. To ensure that the UCR campus does not lose momentum in this endeavor, it is important that Ms. Duffy continue as Dean – University Extension, including her role as a key contributor to the Chancellor's Enrollment Management Council and the related international student task force.

Ms. Duffy's current annual base salary is \$184,000. The campus proposes maintaining Ms. Duffy's current salary throughout her appointment as the Dean – University Extension.

This position is funded 100 percent from non-State funds.

Recommendation

The Committee recommended approval of the following items in connection with the extension of the term appointment of and compensation for Sharon A. Duffy as Dean – University Extension, Riverside campus:

- a. Extension of the term appointment of Sharon A. Duffy as Dean – University Extension at 100 percent time.
- b. Per policy, continuation of the base salary of \$184,000 and continued slotting at SLCG Grade 105 (Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400).
- c. Per policy, continuation of standard pension and health and welfare benefits.
- d. Per policy, continued accrual of sabbatical credits as a member of tenured faculty.

- e. This appointment will be effective from October 1, 2012, through June 30, 2013, or until the appointment of a new Dean – University Extension, whichever occurs first.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: October 1, 2012

Base Salary: \$184,000

Target Cash Compensation:* \$184,000

Grade Level: SLCG Grade 105

(Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400)

Funding: non-State-funded

Budget &/or Prior Incumbent Data

Title: Dean – University Extension

Base Salary: \$184,000

Target Cash Compensation:* \$184,000

Grade Level: SLCG Grade 105

(Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400)

Funding: non-State-funded

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

COMPETITIVE ANALYSIS

BASE SALARY MARKET PERCENTILES					
Percentiles	25th	50th	Mean	75th	90th
Market Data	\$163.9	\$201.2	\$200.0	\$237.0	\$266.7
% Difference from Market (based on \$184,000 base salary)	12.3%	-8.6%	-8.0%	-22.4%	-31.0%

Survey Source: 2011-12 College and University Professional (CUPA) Administrative Compensation Survey

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 Riverside Chancellor White

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

B. *Approval of Individual Partially or Fully State-Funded Compensation Actions as Discussed in Closed Session*

- (1) ***Retroactive Extension of Appointment of and Compensation for Lorelei A. Tanji as Interim University Librarian, Irvine Campus, and Appointment of and Compensation for Lorelei A. Tanji as University Librarian, Irvine Campus***

Background to Recommendation

The Irvine campus requested approval for the retroactive extension of appointment of and compensation for Lorelei A. Tanji as Interim University Librarian, effective April 1, 2012 and continuing until the effective date of the career appointment described below. The proposed annual base salary of \$170,000 is a continuation of Ms. Tanji's base salary from April 18, 2011 to present.

The term appointment of Ms. Tanji as Interim University Librarian was approved from April 18, 2011 through March 31, 2012 or until the appointment of a University Librarian, whichever occurred first. However, due to an administrative oversight, Ms. Tanji was allowed to continue in the interim appointment and continue to earn the salary associated with that interim appointment from April 1, 2012 to present without Regental approval. As Ms. Tanji has been continuously serving in this interim appointment, the campus now requested that the Regents retroactively approve the extension of this interim appointment and the associated compensation for this time period under interim authority. This retroactive approval would be an exception to policy.

Simultaneously, the Irvine campus requested approval for the appointment of and compensation for Lorelei A. Tanji as University Librarian, effective upon approval.

This career appointment is the outcome of an internal search conducted on the Irvine campus. Irvine campus leaders were aware of existing talent on campus and the need to hire an individual with unique knowledge of the UC Irvine campus, including a keen understanding of the campus climate and current environment of strategic change in the libraries. Key stakeholders, including senior staff at the UC Irvine Libraries, faculty from a representative selection of departments, the Vice Provost for Academic Personnel, senior campus administrators, and additional members of the campus community were consulted.

Ms. Tanji has been serving the Irvine campus as Interim University Librarian since April 2011. The campus requested a base salary of \$200,000. This base salary represents an increase of 17.7 percent over Ms. Tanji's current base salary of \$170,000 as Interim University Librarian.

This position is paid 100 percent from State General Funds.

Recommendation

The Committee recommended approval of the following items in connection with the retroactive extension of the appointment of and compensation for Lorelei A. Tanji as Interim University Librarian, Irvine campus, and the appointment of and compensation for Lorelei A. Tanji as University Librarian, Irvine campus:

- a. As an exception to policy, retroactive extension of the appointment of and compensation for Lorelei A. Tanji as Interim University Librarian at 100 percent time, from April 1, 2012 until the effective date of her career appointment.
 - i. Per policy, continuation of annual base salary of \$170,000. The position is slotted in SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).
 - ii. Per policy, standard pension and health and welfare benefits.
- b. Appointment of Lorelei A. Tanji as University Librarian at 100 percent time.
 - i. Per policy, an annual base salary of \$200,000. The position is slotted in SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).
 - ii. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.
 - iii. 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).

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$200,000
Target Cash Compensation:* \$200,000
Grade Level: SLCG Grade 106
 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100)
Funding: partially or fully State-funded

Budget &/or Prior Incumbent Data

Title: Interim University Librarian
Base Salary: \$170,000
Target Cash Compensation:* \$170,000
Grade Level: SLCG Grade 106
 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100)
Funding: partially or fully State-funded

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

COMPETITIVE ANALYSIS

TARGET BASE SALARY MARKET PERCENTILES					
Percentiles	25th	50th	Mean	75th	90th
Market Data	\$213.0	\$232.0	\$244.4	\$295.3	\$333.0
% Difference from Market	-6.1%	-13.8%	-18.2%	-32.3%	-40.0%

Survey Source: 2011-12 College and University Professional Association (CUPA) Administrative Compensation Survey

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

- (2) *Appointment of and Compensation for Catherine Constable as Acting Vice Chancellor for Marine Sciences, Director of the Scripps Institution of Oceanography, and Dean of the Graduate School of Marine Sciences, San Diego Campus*

Background to Recommendation

Approval was requested for the appointment of and compensation for Catherine Constable as Acting Vice Chancellor for Marine Sciences, Director of the Scripps Institution of Oceanography (SIO), and Dean of the Graduate School of Marine Sciences, San Diego campus, effective October 1, 2012 through June 30, 2013.

This request was in response to the immediate need to fill this key leadership position as Tony Haymet, the current incumbent, will take a sabbatical leave from October 1, 2012, through June 30, 2013.

Concurrent with the appointment, the campus requested approval of an administrative stipend of 36.8 percent (\$60,000) of Ms. Constable's fiscal year (11 month) academic salary of \$163,200. This would result in a total annual salary of \$223,200.

The position is unique; therefore, market data are not readily available. In 2009, the Regents approved a retention proposal based on an external offer of \$300,000 Australian dollars (\$314,070 in U.S. dollars) in base salary, with an annual incentive opportunity of up to \$25,000 Australian dollars (\$26,172.50 in U.S. dollars) and an employer contribution equal to 17 percent of base salary into a superannuation retirement fund.

The position will be funded 100 percent from State General Funds.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Catherine Constable as Acting Vice Chancellor for Marine Sciences, Director of the Scripps Institution of Oceanography, and Dean of the Graduate School of Marine Sciences, San Diego campus:

- a. Appointment of Catherine Constable as Acting Vice Chancellor for Marine Sciences, Director of the Scripps Institution of Oceanography, and Dean of the Graduate School of Marine Sciences, San Diego campus, at 100 percent time.
- b. Per policy, an administrative stipend of 36.8 percent (\$60,000) of base salary for the duration of the appointment. If a change to the academic base salary is made prior to the termination of this acting role, the administrative compensation will not be recalculated against the academic base salary. The position is slotted in SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700).

- c. Per policy, continuation of standard pension and health and welfare benefits.
- d. Per policy, continued accrual of sabbatical credits as a member of tenured faculty.
- e. This appointment is effective from October 1, 2012, through June 30, 2013.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: October 1, 2012

Annual Base Salary: \$163,200 (11 months)

Administrative Stipend: \$60,000

Target Cash Compensation:* \$223,200

Grade Level: SLCG Grade 109

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

Funding: partially or fully State-funded

Budget &/or Prior Incumbent Data

Title: Vice Chancellor for Marine Sciences, Director of SIO, and Dean of the Graduate School of Marine Sciences

Annual Base Salary: \$295,000

Target Cash Compensation:* \$295,000

Grade Level: SLCG Grade 109

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

Funding: partially or fully State-funded

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

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 San Diego Chancellor Fox
Reviewed by: President Yudof
 Committee on Compensation Chair Ruiz
 Office of the President, Human Resources

- (3) *Establishment of a New Senior Management Group Position, Appointment of and Compensation for Linda S. Greene as Vice Chancellor – Equity, Diversity and Inclusion, San Diego Campus*

Background to Recommendation

The San Diego campus requested approval to establish a new Senior Management Group position, Vice Chancellor – Equity, Diversity and Inclusion. The proposed interim slotting of the position is SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400), which aligns with internal comparators at other UC campuses.

The candidate appointed to this position would report to the Executive Vice Chancellor – Academic Affairs with a dotted line reporting relationship to the Chancellor, would be a member of the Chancellor’s Cabinet and would serve as the leading senior executive responsible for providing a holistic and integrated vision on all major equity, diversity and inclusion efforts at UC San Diego.

This position is being created to address campus climate issues following incidents that occurred in the spring of 2010. Since the incidents, campus leadership has been committed to establishing a full-time position with responsibility for equity, diversity and inclusion activities related to student, faculty and staff constituents.

Following a comprehensive national search, Linda S. Greene was identified as the top candidate. Approval was requested for the appointment of and compensation for Ms. Greene as the Vice Chancellor – Equity, Diversity and Inclusion with an annual base salary of \$250,000, effective upon approval.

This position will be paid from State funds.

When she accepted this offer, Ms. Greene indicated that, because of the lengthy search process, she has already committed to teaching at her current institution this fall and will be unable to begin the new assignment before December 2012.

The campus anticipates that the fall quarter will be a critical time for this position because of two significant factors: (1) Chancellor Khosla’s introduction to the community affords the occasion to touch key constituent groups and show his commitment to the diversity mission; and (2) the campus is embarking on a strategic planning exercise that would provide an important foundational effort for the work of the campus’ chief diversity officer.

Although her arrival is delayed, Ms. Greene has indicated a willingness to participate in these important activities beginning right after the Regents approve her appointment. Her visibility on campus will go a long way in

addressing the campus community's concerns about the fact that she will not formally assume the position until later.

Recommendation

The Committee recommended approval of the following items in connection with the establishment of a new Senior Management Group position, Vice Chancellor – Equity, Diversity and Inclusion, at the San Diego campus and for the appointment of and compensation for Linda S. Greene as Vice Chancellor – Equity, Diversity and Inclusion, San Diego campus:

- a. Establishment of a new position within the Senior Management Group, Vice Chancellor – Equity, Diversity and Inclusion, San Diego campus.
- b. Appointment of Linda S. Greene as Vice Chancellor – Equity, Diversity and Inclusion, San Diego campus, at 100 percent time.
- c. Per policy, an annual base salary of \$250,000 at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- d. Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program. This benefit is only applicable if a faculty appointment for Ms. Greene is not approved. If a faculty appointment is approved, Ms. Greene will be ineligible for this benefit.
- e. Per policy, a relocation allowance of 24 percent of base salary (\$60,000) to be paid either as a lump sum or in installment payments. If paid in a lump sum, the relocation allowance will be subject to a repayment schedule if Ms. Greene separates from the University within the first four years of her employment. The following repayment schedule will apply: 100 percent if separation occurs within the first year of employment, 60 percent if separation occurs within the second year of employment, 30 percent if separation occurs within the third year of employment and ten percent if separation occurs within the fourth year of employment. If the relocation allowance is paid in installments and Ms. Greene separates from University employment, any unpaid installments will be forfeited at the time of separation.
- f. Per policy, a temporary housing allowance not to exceed \$13,500 for a period of 90 days to offset limited housing-related expenses, subject to the limitations under policy.

- g. Per policy, 100 percent reimbursement of reasonable and allowable expenses associated with moving household goods and personal effects from the former primary residence to the new primary residence, subject to the limitations under policy.
- h. Per policy, two house-hunting trips each for the candidate and her spouse or partner, subject to the limitations under policy.
- i. Reasonable travel expenses for all business-related visits to the campus during the transition period prior to her start date, which is anticipated to be no later than January 2, 2013.
- j. Per policy, eligibility to participate in the UC Home Loan Program, in accordance with all applicable policies.
- k. 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).
- l. Per policy, accrual of sabbatical credits as a member of tenured faculty. This benefit is only applicable if a tenured faculty appointment is approved for Ms. Greene.
- m. This appointment is effective upon approval, with an anticipated start date no later than January 2, 2013.

Recommended Compensation**Effective Date:** Upon approval, but no later than January 2, 2013**Annual Base Salary:** \$250,000**Target Cash Compensation:*** \$250,000**Grade Level:** SLCG Grade 108

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

Funding: partially or fully State-funded**Budget &/or Prior Incumbent Data**

Not applicable – this is a new position

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

COMPETITIVE ANALYSIS

	Base Salary Market Percentiles					Target Cash Market Percentiles				
	25th	50th	Mean	75th	90th	25th	50th	Mean	75th	90th
Market Data	\$174.0	\$200.0	\$219.0	\$266.0	\$320.0	\$191.0	\$236.0	\$268.0	\$314.0	\$485.0
% Difference from Market	44.0%	24.9%	14.4%	-5.9%	-21.8%	31.0%	6.0%	-6.7%	-20.4%	-48.5%

Survey Source: Towers Watson General Industry Executive Compensation Survey, Towers Watson Top Management Survey, and Mercer Benchmark Database Survey

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 San Diego Chancellor Khosla
Reviewed by: President Yudof
 Committee on Compensation Chair Ruiz
 Office of the President, Human Resources

- (4) *Appointment of and Compensation for Rachel Nosowsky as Interim Deputy General Counsel – Health Law and Medical Center Services, Office of the General Counsel, Office of the President*

Background to Recommendation

Approval was requested for the appointment of and compensation for Rachel Nosowsky as Interim Deputy General Counsel – Health Law and Medical Center Services, Office of the General Counsel, Office of the President, with a retroactive effective date of July 20, 2012. Ms. Nosowsky is currently Principal Counsel – Health Law, and her position is slotted at SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100).

This request was in response to the recent departure of Deputy General Counsel Max Reynolds, who became the Executive Director of Strategy and Business Development for the UC San Diego Health System. Mr. Reynolds gave his notice in early July 2012, and his last day in the Office of the General Counsel was July 19, 2012.

Approval was also requested for a stipend equivalent to 15 percent of Ms. Nosowky's annual base salary (\$32,250) to recognize the additional duties she has assumed as a result of the interim appointment. The stipend

plus her current base salary of \$215,000 will bring Ms. Nosowsky's total annual salary to \$247,250. The Deputy General Counsel position is slotted in SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). The stipend amount is based on competitive market data for health law counsel senior management positions, as well as Ms. Nosowsky's extensive experience in the field.

This position is partially or fully State-funded. Funding for this position comes almost equally from the Office of the President Systemwide Assessment and the Office of the General Counsel recharge (which recharges from campuses across the system for services provided by the Office of the General Counsel).

A nationwide search for Mr. Reynolds' replacement will take place; however, due to the complexity of the search, it is anticipated that it will be four to eight months before a successor is selected. Approval was requested to ensure that the Office of the General Counsel has adequate leadership in place for the Health Law and Medical Services legal function during the recruitment process.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Rachel Nosowsky as Interim Deputy General Counsel – Health Law and Medical Center Services, Office of the General Counsel, Office of the President:

- a. Appointment of Rachel Nosowsky as Interim Deputy General Counsel – Health Law and Medical Center Services, Office of the General Counsel, Office of the President, at 100 percent time.
- b. Per policy, an administrative stipend of 15 percent of base salary (\$32,250), increasing Ms. Nosowsky's current annual salary from \$215,000 to \$247,250. The position of Deputy General Counsel is slotted at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). The stipend will be recalculated if the base salary is increased so that the stipend will continue to equal the approved percentage (15 percent) of the annual base salary.
- c. Per policy, standard pension and health and welfare benefits.
- d. As an exception to policy, this appointment is retroactively effective July 20, 2012 and will continue for a period not to exceed 12 months or until the appointment of a new Deputy General Counsel – Health Law and Medical Center Services, whichever

occurs first.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: July 20, 2012

Base Salary: \$215,000

Administrative Stipend: \$32,250

Target Cash Compensation:* \$247,250

Grade Level: SLCG Grade 108

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

Funding: partially or fully State-funded

Budget &/or Prior Incumbent Data:

Title: Deputy General Counsel – Health Law and Medical Center Services

Base salary: \$250,000

Target Cash Compensation:* \$250,000

Grade Level: SLCG Grade 108

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

Funding: partially or fully State-funded

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

COMPETITIVE ANALYSIS

Percentiles	*BASE SALARY MARKET PERCENTILES					**TARGET CASH COMPENSATION MARKET PERCENTILES				
	25th	50th	Mean	75th	90th	25th	50th	Mean	75th	90th
Market Data	\$209.5K	\$238.0K	\$246.8K	\$273.00	\$303.6K	\$248.1K	318.4K	\$336.7K	\$386.0K	\$449.2K
% Difference from Market	-15.3%	-3.6%	-0.2%	10.4%	22.8%	0.4%	28.8%	36.2%	56.1%	81.7%

Survey Source: 2011 Mercer Benchmark Database Survey and 2011 Radford Executive Survey

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: Vice President and General Counsel for Legal Affairs Robinson

Reviewed by: President Yudof

**Committee on Compensation Chair Ruiz
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 Ruiz introduced the five compensation actions being proposed in the consent agenda, noting that they had been reviewed in the closed session meeting of the Committee earlier that day. One was an extension of an acting appointment with continuation of the existing terms and was funded by sources other than the State. The other four were partially or fully funded by the State and represented extensions of existing temporary appointments, two new acting appointments, and the appointment of a new Vice Chancellor of Equity, Diversity and Inclusion at the San Diego campus.

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 12:50 p.m.

Attest:

Secretary and Chief of Staff