

The Regents of the University of California

**COMMITTEE ON COMPENSATION**

July 17, 2014

A special meeting of the Committee on Compensation was held on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members present: Regents Gould, Kieffer, Lozano, Reiss, Saifuddin, and Wachter; Ex officio members Napolitano and Varner; Advisory member Gilly

In attendance: Regents De La Peña, Engelhorn, Island, Lansing, Makarechian, Ruiz, Sherman, Torlakson, and Zettel, Regents-designate Davis, Gorman, and Oved, Faculty Representative Jacob, Interim Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Chief Investment Officer Bachher, Provost Dorr, Executive Vice President and Interim Chief Financial Officer Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Brown, Budil, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Wilcox, and Yang, Interim Chancellor Gillman, and Recording Secretary Johns

The meeting convened at 9:20 a.m. with Committee Chair Kieffer presiding.

**1. READING OF NOTICE OF MEETING**

For the record, it was confirmed that notice had been given in compliance with the Bylaws and Standing Orders for a special meeting of the Committee on Compensation, for this date and time, for the purpose of considering approval of compensation for Samuel Hawgood as Chancellor, San Francisco campus.

**2. APPROVAL OF COMPENSATION FOR SAMUEL HAWGOOD AS CHANCELLOR, SAN FRANCISCO CAMPUS AS DISCUSSED IN REGENTS ONLY SESSION**

Background to Recommendation

The President recommended the appointment of and compensation for Samuel Hawgood to serve as Chancellor of the University of California, San Francisco, effective upon approval. Dr. Hawgood has been the Interim Chancellor of UCSF since April 1, 2014, when Dr. Desmond-Hellmann stepped down.

Dr. Hawgood has served UCSF for 32 years as a clinician, researcher, teacher, mentor and leader. Dr. Hawgood joined UCSF as a research fellow in 1982, and has maintained his own laboratory since 1984. His focus on the proteins associated with pulmonary surfactant has led to a multidisciplinary program project grant from the National Heart,

Lung and Blood Institute, which has supported his work continuously since then. He has gained an international reputation in neonatology research.

Dr. Hawgood has also been serving as Dean – School of Medicine and Vice Chancellor – Medical Affairs since September 2009, after assuming the role of interim Dean in December 2007. As the Dean – School of Medicine and Vice Chancellor – Medical Affairs, Dr. Hawgood managed an organization with an operating budget of more than \$1.7 billion, nearly 8,000 faculty and staff, and around 3,655 medical and graduate students, residents, fellows, and postdoctoral scholars.

Under his leadership, the UCSF School of Medicine has become the top medical school in the nation in research funding from the National Institutes of Health (\$439.6 million in 2013), with many of its departments also leading the nation in their fields, reflecting the caliber of scientific research on campus. In that time, the School also became the only medical school in the nation to rank in the top five in both research and primary care education (number four in each category), in the *U.S. News and World Report's* annual assessment of graduate schools.

The School's clinical faculty is renowned for world-class medical care through its practice in the top-ranked UCSF Medical Center, UCSF Benioff Children's Hospital, Langley Porter Psychiatric Institute, San Francisco General Hospital and Trauma Center, and the San Francisco Veterans' Administration Medical Center.

Dr. Hawgood earned his medical degree at the University of Queensland in Australia, completed a residency in pediatrics at the Royal Children's Hospital in Brisbane, Australia, and joined UCSF's faculty in 1984. His distinguished career at UCSF, where he has been Chair of the Department of Pediatrics and Associate Director of the Cardiovascular Research Institute, has contributed to his international reputation in neonatology research. His scientific contributions over the past decades have been recognized by numerous awards, publications, and invitations to present in national and international forums. Dr. Hawgood is a member of the American Academy of Pediatrics and was elected in 2010 to the Institute of Medicine (IOM), part of the National Academy of Sciences.

Dr. Hawgood will receive compensation of \$750,000, consisting of an annual base salary of \$500,000, which will be funded by State sources, plus an additional \$250,000, which will be funded through an endowed chair created specifically for the Chancellor position by the UCSF Foundation using no State funds. The proposed compensation represents a 13.8 percent increase over his current compensation of \$658,975 as Acting Chancellor and includes a three percent increase as part of the 2014-15 systemwide salary increase program for all non-represented staff. Dr. Hawgood will be ineligible to participate in the Health Sciences Compensation Plan; he formerly participated as both Dean and Acting Chancellor. Dr. Hawgood's compensation will result in a pay ranking of 34th among the chancellors/presidents of the 62 Association of American Universities (AAU) institutions.

Recommendation

The Committee recommended that, contingent upon and effective with Dr. Hawgood's appointment by the Regents as Chancellor of the San Francisco campus, the following items be approved in connection with that appointment:

- A. Per policy, annual base salary of \$500,000, which will be funded by State sources, plus an additional \$250,000, which will be funded through an endowed chair, the Arthur Rock and Toni Rembe Distinguished Professorship, created specifically for the Chancellor position by the UCSF Foundation using no State funds.
- B. Per policy, annual automobile allowance of \$8,916.
- C. Per policy, continued participation in standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).
- D. Per policy, a University-provided house while serving as Chancellor.
- E. Per policy, the University will arrange for the packing and relocation of household goods and personal effects associated with the relocation to the University-provided house on campus. The University will also arrange to pack and move Dr. Hawgood's personal library, laboratory, and other related equipment and materials, subject to the limitations under University policy.
- F. Per policy, when Dr. Hawgood leaves the Chancellor position and returns to the University faculty at a UC campus, the University will arrange for the relocation of household goods and personal effects, including his personal library, laboratory, and any other related equipment and materials to a location of his choice in California.
- G. Per policy, eligibility to participate in the UC Home Loan Program, in accordance with all applicable policies when stepping down as Chancellor, if Dr. Hawgood assumes a tenured faculty position at San Francisco or at another UC campus.
- H. Per policy, an administrative fund will be established for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy.
- I. If Dr. Hawgood maintains an active research program during his appointment as Chancellor, an annual allocation of campus funding will be established for this research during the term as Chancellor.
- J. Per policy, continued accrual of sabbatical credits as a member of tenured faculty.

The compensation described above shall constitute the University's total commitment until modified by the Regents or the 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.

**Submitted by: President Napolitano**  
**Reviewed by: Committee on Compensation Chair Kieffer**  
**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 Kieffer briefly introduced the item, noting that this is one of most important positions within UC.

President Napolitano emphasized the crucial role played by the chancellors in the functioning of the University. Individual campuses depend for their success on the quality of their leadership. Samuel Hawgood personifies the qualities required to raise UC San Francisco to even greater heights. Dr. Hawgood is a deeply respected clinical physician and an accomplished scientist. Even within the universe of UC, UCSF is a unique institution, pursuing three missions – basic research, medical education, including medical, nursing, pharmacy, and dental schools, and a significant clinical practice. This clinical practice includes the anticipated opening of the Mission Bay hospital complex.

The person qualified to lead this kind of institution is indeed unique. Dr. Hawgood already had considerable experience to bring to the position. President Napolitano praised his achievements as Dean of the School of Medicine. Under his leadership, the School became the top medical school in the U.S. in research funding from the National Institutes of Health. At the same time, it became the only medical school in the country to rank in the top five in both research and primary care education.

Through an exhaustive selection process, Dr. Hawgood demonstrated the intellectual inquisitiveness, leadership acumen, and powerful vision the University seeks in its chancellors. The search committee reviewed more than 375 prospective candidates and met at length with seven finalists. The University had been fortunate in having Dr. Hawgood as a member of its community for more than 30 years. President Napolitano expressed her full confidence in Dr. Hawgood and recommended him wholeheartedly.

Executive Director Dennis Larsen outlined the elements of compensation for Dr. Hawgood.

President Napolitano noted that the search committee, in reviewing 375 candidates, also saw the current level of compensation of these candidates. She stated that based on that review, and considering compensation levels among Association of American

Universities institutions, the most appropriate comparator group for this market, Dr. Hawgood would be compensated at a fair level, taking into consideration the unique qualities needed for leadership of UCSF. Combining public and private funds to support this position represented good management at UC and this approach should be considered in the future.

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

The meeting adjourned at 9:25 a.m.

Attest:

Interim Secretary and Chief of Staff