

Office of the President

TO MEMBERS OF THE GOVERNANCE COMMITTEE:

ACTION ITEM

For Meeting of September 18, 2019

APPROVAL OF SALARY INCREASES FOR CERTAIN LEVEL ONE SENIOR MANAGEMENT GROUP EMPLOYEES AND AUTHORIZATION FOR THE PRESIDENT OF THE UNIVERSITY TO APPROVE RETROACTIVE MERIT-BASED SALARY INCREASES FOR CERTAIN LEVEL TWO SENIOR MANAGEMENT GROUP AND MANAGEMENT AND SENIOR PROFESSIONAL EMPLOYEES, AS DISCUSSED IN CLOSED SESSION

EXECUTIVE SUMMARY

Consistent with the 2019 salary program for non-represented staff, the President of the University recommends approval of increases for certain Level One members of the Senior Management Group (SMG) who were in their current career appointments on or before January 1, 2019 and who have not received a salary increase on or after January 1, 2019. The proposed increase for the Lawrence Berkeley National Laboratory Director will be effective October 1, 2019. The other proposed increases will be effective retroactive to July 1, 2019 for employees paid monthly and to June 30, 2019 for employees paid bi-weekly as an exception to policy.

Participation by the Level One SMG members in this organization-wide, non-represented staff salary program will allow the University to keep pace with general salary movement in the labor market.

Of the 27 current Level One SMG employees, one Chancellor and two Chief Executive Officers were appointed into their career positions after January 1, 2019, and therefore are not eligible for the 2019 program. Of the 24 Level One SMG employees for which 2019 increases are being proposed, all received increases in 2018, except for one employee who was newly appointed into her career SMG position in September 2018, and therefore was not eligible for an increase. For one Chancellor, the portion of his salary funded from an endowed chair (\$75,000) should be included in his base salary for purposes of increases, which was not done in 2018 when he received a three percent increase effective July 1, 2018; therefore, the request below includes a proposed exception to policy for a three percent (\$2,250) increase effective retroactively to July 1, 2018. The Lawrence Berkeley National Laboratory (LBNL) Director received an increase effective October 1, 2018 in line with LBNL's fiscal year. The total cost for the SMG Level One increases is \$411,090. The President elects to decline any increase, consistent with her practice the prior five years.

Additionally, this item requests approval of merit increases for three employees of the Office of the President who do not report to the President, are in the Managers and Senior Professionals (MSP) personnel program, and whose salaries are over the current Indexed Compensation Level (ICL) of \$318,000. Their salaries are over the maximum of the salary ranges for their respective positions, so this is an exception to policy that requires Regents' approval.

This item also requests approval to authorize approval authority for the President of the University retroactive to July 1, 2019 for employees paid monthly and to June 30, 2019 for employees paid bi-weekly for merit increases for certain Level Two SMG members and those employees in the Managers and Senior Professionals (MSP) personnel program that require the President's approval and would normally be within the President's authority to approve. All proposed merit increases are consistent with the 2019 salary program for non-represented staff. This is an exception to policy requiring Regental approval as the time period between the effective date and approval date is greater than 45 days; however, the action is needed to align the merit increases with the effective date established for the systemwide 2019 merit program. For those employees assigned to LBNL, their merit increases will be effective as of October 1, 2019 in alignment with the LBNL's fiscal year.

RECOMMENDATION

The Committee recommends approval of the following:

- A. Increases for the Level One Senior Management Group (SMG) employees listed below. The increase for the Lawrence Berkeley National Laboratory Director will be effective October 1, 2019. As an exception to policy, the increases for all other individuals listed below will be effective retroactively to July 1, 2019 for employees paid monthly and June 30, 2019 for employees paid bi-weekly. As a further exception to policy, a three percent merit increase to the endowed chair portion of the base salary for the Chancellor, Davis campus, increasing that portion of his base salary from \$75,000 to \$77,250, effective retroactively to July 1, 2018.
- B. Merit increases for the three Managers and Senior Professionals (MSP) Office of the President employees listed below. As an exception to policy, the increases for these employees will be effective retroactively to July 1, 2019 for employees paid monthly and June 30, 2019 for employees paid bi-weekly.

Title	Incumbent		Current Salary	Proposed Salary Increase	Proposed Annual Base Salary	Funding Source
Direct and/or Dual Reports to the Regents						
Chief Investment Officer and VP of Investments	Jagdeep	Bachher ¹	\$672,036	3.0%	\$692,208	Non State Funded
General Counsel and Vice President - Legal Affairs	Charles	Robinson	\$468,216	3.0%	\$482,268	Partially or Fully State Funded
Secretary and Chief of Staff to the Regents	Anne	Shaw	\$245,864	3.0%	\$253,248	Partially or Fully State Funded
Senior Vice President - Chief Compliance and Audit Officer	Alex	Bustamante	\$360,504	3.0%	\$371,328	Partially or Fully State Funded

Chancellors – Campuses With Health Services						
Chancellor - UCD	Gary	May ²	\$509,850	3.0%	\$525,156	Partially or Fully State Funded
Chancellor - UCI	Howard	Gillman	\$529,973	3.0%	\$545,880	Partially or Fully State Funded
Chancellor - UCLA	Gene	Block	\$482,257	3.0%	\$496,728	Partially or Fully State Funded
Chancellor - UCR	Kim	Wilcox	\$418,690	3.0%	\$431,256	Partially or Fully State Funded
Chancellor - UCSD	Pradeep	Khosla	\$476,565	3.0%	\$490,872	Partially or Fully State Funded
Chancellor – UCSF	Sam	Hawgood	\$844,131	3.0%	\$869,460	Partially or Fully State Funded
Chancellors – Campuses Without Health Services						
Chancellor – UCB	Carol	Christ	\$547,897	3.0%	\$564,336	Partially or Fully State Funded
Interim Chancellor - UCM	Nathan	Brostrom	\$437,100	3.0%	\$450,216	Partially or Fully State Funded
Chancellor – UCSB	Henry	Yang	\$425,443	3.0%	\$438,216	Partially or Fully State Funded
Chief Executive Officers - Health Systems						
Chief Executive Officer - UCLA	Johnesse	Spisso ¹	\$1,059,472	3.0%	\$1,091,268	Non State Funded
Interim Chief Executive Officer – UCD	Bradley	Simmons ¹	\$732,022	3.0%	\$753,984	Non State Funded
Chief Executive Officer - UCSD	Patricia	Maysent ¹	\$907,194	3.0%	\$934,416	Non State Funded
Chief Executive Officer - UCSF	Mark	Laret ¹	\$1,430,008	3.0%	\$1,472,916	Non State Funded
Lawrence Berkeley Laboratory Director						
Laboratory Director (LBNL)	Michael	Witherell	\$466,800	3.0%	\$480,804	Non State Funded
OP - Direct Reports to the President						
Executive Vice President - Chief Operating Officer	Rachael	Nava	\$381,108	3.0%	\$392,544	Partially or Fully State Funded
Interim Executive Vice President - Chief Financial Officer	Paul	Jenny	\$429,452	3.0%	\$442,344	Partially or Fully State Funded
Executive Vice President - UC Health	John	Stobo ¹	\$652,800	3.0%	\$672,384	Partially or Fully State Funded
Provost and Executive Vice President - Academic Affairs	Michael	Brown	\$390,372	3.0%	\$402,084	Partially or Fully State Funded
Senior Vice President - External Relations and Communications	Claire	Holmes	\$360,000	3.0%	\$370,800	Partially or Fully State Funded
Vice President - Agriculture and Natural Resources	Glenda	Humiston	\$295,620	3.0%	\$304,500	Partially or Fully State Funded

OP MSP Employees –Merit-Based Increases Requiring Regental Approval					
Employee	Title	Current Salary	Proposed Salary Increase	Proposed Annual Base Salary	Reason for Regental Approval
Mark Cianca	Assoc. VP, Operational Services	\$347,844	3.80%	\$361,068	UCOP MSP ³ employee over the ICL ⁴ and over salary range maximum (\$347,357)
Dan Russi	Exec. Dir., UCPath Center	\$315,000	3.75%	\$326,820	UCOP MSP ³ employee over the ICL ⁴ and over salary range maximum (\$309,300)
Gary Falle	Exec. Dir., Federal Govt Relations – UC Nat'l Labs	\$339,504	3.00%	\$349,692	UCOP MSP ³ employee over the ICL ⁴ and over salary range maximum(\$347,357)

¹Eligible for Incentive Pay (OCIO AIP or CEMRP)

²Current Salary shown includes proposed retroactive 3% increase on Endowed Chair portion of salary (\$75k) to 7/1/18 (\$2,250)

³Managers and Senior Professionals Personnel Program

²Indexed Compensation Level – Currently \$318k

- C. As an exception to policy, because the time period between the effective date and the approval date is greater than 45 days, authorization for the President of the University to approve merit increases retroactive to July 1, 2019, for employees paid monthly and to June 30, 2019, for employees paid bi-weekly for those Level Two SMG members and employees in the MSP personnel program that require the President's approval and would normally be within the President's authority to approve. This does not include employees assigned to Lawrence Berkeley National Laboratory (LBNL).

The base salaries presented above shall constitute the University's total commitment for base salary 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.