

SUPPLEMENTAL REPORT ON COMPENSATION

SPECIAL COMMITTEE ON COMPENSATION

May 18, 2006

A. *Compensation for Anne L. Shaw as Acting Secretary of The Regents*

The Committee recommends that an administrative stipend of \$14,800 per year (15 percent) be approved for Anne L. Shaw as Acting Secretary of The Regents, bringing her total annual salary from \$98,500 to \$113,300, 100 percent time, effective June 28, 2006.

Additional items of compensation include:

- Standard Pension and Health and Welfare Benefits

B. *Contract Appointment and Compensation for Lawrence C. Hershman as Vice President–Budget, Office of the President*

The Committee recommends that the following be approved for Lawrence C. Hershman as Vice President–Budget, Office of the President, effective July 17, 2006:

- (1) A 12-month contract with a 60-day termination clause by either party.
- (2) A total annual salary not to exceed \$150,000.
- (3) Reimbursement of reasonable and actual business-related travel and entertainment expenses.

All pension accrual as well as participation in the Senior Management Supplemental Benefit Program will cease as of June 16, 2006.

Mr. Hershman will receive his normal benefits in addition to his retirement income.

- *Mr. Hershman has reached the mandatory retirement age*
- *He brings value to UC with his extensive institutional experience*
- *His contributions to the budget process are critical in this time of transition*
- *This is a temporary arrangement until the final new organization for the Office of the President is settled*

C. ***Compensation for Albert Carnesale as Professor of Public Policy and Mechanical and Aerospace Engineering, Los Angeles Campus***

The Committee recommends that the following appointment compensation be approved for Albert Carnesale as Professor, Step IX off scale, in the Departments of Public Policy and Mechanical and Aerospace Engineering, Los Angeles campus, 100 percent time:

- (1) For the period July 1, 2006, through June 30, 2007, total salary of \$323,600 while he is on sabbatical leave. This is his current base salary as Chancellor and is consistent with the provisions of Academic Personnel Policy 758, which govern these types of leaves.
- (2) Effective July 1, 2007, total academic salary of \$201,700, as Professor, Step IX off scale.

Additional items of compensation include:

- Mortgage Origination Program loan of up to \$1.5 million;
- Actual moving costs from University house to his personal residence, split between Los Angeles and Boston (papers, books and research materials to be used in Boston during sabbatical to prepare for returning to UCLA as Professor), not to exceed \$12,000.
 - ***This arrangement is consistent with existing policy while the leave policy is under review as recommended by the Task Force on Compensation, Accountability and Transparency***
 - ***Because the policy is undergoing a transition, the Regents felt it only fair to honor this commitment to Chancellor Carnesale***
 - ***This arrangement recognizes Chancellors Carnesale's 9 years of service as a distinguished chancellor and scholar***