

**COMMITTEE ON COMPENSATION:
MAY 2008**

**RETROACTIVE APPROVAL OF SIX ACTIONS REPORTED IN THE ANNUAL REPORT ON EXECUTIVE
COMPENSATION AND ONE ADMINISTRATIVE ERROR**

RECOMMENDATION

The President recommended that the Committee on Compensation recommend to the Regents approval of the following corrections:

- (1) Six corrective actions concerning compensation and personnel actions proposed for the employees as shown on the Attachment. Three items were identified after the initial review and have been added here. Two items from the original five as reported at the March 2008 Regents meeting have been removed due to the need for additional research and preparation. All of these include corrective actions related to matters identified in the 2007 Annual Report on Executive Compensation for which the Guidelines for resolution in May 2007 (RE-74), as approved by the Regents, have been applied.
- (2) One corrective action that addresses an error in an interim item approved by the Regents in February 2008 and identified by the campus is being presented for correction and approval.

This item reflects only compensation related to corrective actions recommended for approval.

BACKGROUND

Certain actions as shown in the Attachment and effective as noted are being brought forward pursuant to the extension of the July 1, 2006 Regents' Item (*Procedures for Setting Compensation in 2006-07 for Those Classified in the Senior Leadership Compensation Group and Other Specified Non-Faculty Employees*, to be effective July 1, 2007 through June 30, 2008, stating that salary actions resulting in specified compensation exceeding the Indexed Compensation Level (ICL) of \$205,000 and/or increasing base salary in excess of 7.5 percent shall be individually approved by the Regents.

Following the review of the Annual Report on Executive Compensation, five corrections were described as part of the report. Two of these items have been removed so that additional preparation can be completed and will be presented at the July Regents' meeting. Three additional items have been identified, and an administrative oversight was noted in an action taken to the Regents under interim authority in February 2008. These corrections are being presented here for review and approval. Further detail for each correction is noted in the Attachment.

I. Three Retroactive Approvals as noted in the March 2008 Annual Report on Executive Compensation (AREC) for Calendar Year 2007 at several locations plus three additional actions identified after the initial review.

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Geocaris, Diane Fields	Chief Campus Counsel	UCI	Stipend for the period 7/1/2007 – 12/31/2007 was not brought to the Regents for approval due to incorrect interpretation of how to calculate total compensation for comparison against the threshold. Actual payout was \$12,000.	Staff to design guide for distribution to locations that should provide clarification necessary to avoid this in the future.	Approve retroactively.
Macias, Reynaldo	Acting Dean – Division of Social Sciences, College of Letters and Science	UCLA	Meritorious advancement increase to the adjusted faculty salary (effective July 2006) was not approved by campus until January 2008. January 2007 Regents item seeking approval of a stipend and the November 2007 Regents item seeking extension of the stipend did not reflect the July 2006 meritorious advancement increase to the adjusted faculty salary. The correct adjusted faculty salary in January 2007 was \$205,500 (not \$178,500) and the correct adjusted faculty salary in November 2007 was \$210,600 (not \$178,500). It is intended that the 15 percent stipend be calculated upon the accurate adjusted faculty salary, retroactively.	This one time occurrence has been discussed with the campus and all other involved reviewers. No further action is required.	Approve retroactively (Recalculation of stipend based upon retroactive increase to adjusted faculty salary is pending Regental Approval).

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Norvell, Jay	Asst. Coach (Football Offensive Coordinator)	UCLA	Item/contract approved by the Regents under interim authority in May 2007 did not specify level of moving reimbursement. Reimbursement was covered at 100%, for a total cost of \$16,058.67.	This one time occurrence has been discussed with the campus and all other involved reviewers. No further action is required.	Approve retroactively.
Gil, Gloria Browning	Real Estate Investment Officer	UCOP	Item approved by the Regents at March 2006 meeting did not specify level of moving reimbursement. Policy called for coverage at 50%, actual was covered at 100%, for a total cost of \$6,259.76.	Since 2006 have developed guidelines for content of items going to the Regents that should prevent this in the future.	Approve retroactively.
O'Rourke, Sheila M.	Academic Personnel	UCOP	Of the \$9,600 reported in the AREC for SRDP, \$8,000 was in recognition for work performed while serving as Acting Assistant Vice President for Academic Advancement which is a SMG position. She continued to be covered by MSP policy, therefore eligibility was per policy. This portion should have gone to the Regents for approval.	Due to a Dept. oversight, UCOP SMG Coordinator was not notified of this action. Guidance to Depart. is being provided locally. No further action is required.	Approve retroactively.

Name	Title	Location	Issue	Recommended Corrective Action	Recommended Curative Action For Recipient
Reynolds, Max M.	University Counsel	UCOP	Mr. Reynolds was hired in 2005 at a salary above the Regental threshold (\$192,500) without Regental approval. Annual salary actions since have also not triggered recognition by the dept. of the need for Regental approval. Most recent, Oct. 2007 merit resulted in salary of \$205,500. The 2007 AREC brought this oversight to the attention of the local SMG Coordinator.	Local annual reports are run that are used for this type of oversight. Administrative error caused these actions to be missed. No further action is required.	Approve retroactively.

II. One Administrative Error that occurred during 2008.

- Clayton H. Heathcock as Acting Dean–College of Chemistry and Chief Science Advisor QB3 at Berkeley campus: Calculation of the administrative stipend in the original item approved by the Regents under interim authority in February 2008 used an academic rate that did not take into consideration administrative work being done for approximately six weeks in May and June 2008. The monthly rate used in this item should have been \$8,668.52. The difference in overall cost to the University during this six-month acting appointment is \$12,482.98. Due to the change in base salary, the stipend is 11.5 percent of his monthly base salary rather than the 18.6 percent as represented in the item and is consistent with policy. Approval by the Regents of this correction is recommended.