



Information about Regents Item 3C - Salary Ranges and Job Slotting for the UC Senior Leadership Compensation Group

As part of the university's ongoing commitment to ensuring regental oversight, public accountability and appropriate compensation levels for UC's senior management, the Special Committee on Compensation is recommending that the Board of Regents adopt a base salary structure establishing salary grades and ranges for administering base compensation for the Senior Leadership Compensation Group (SLCG) positions.

The key benefits for adopting this salary structure are:

- It establishes a compensation plan that is clear, equitable, transparent and accountable to the Regents and the public.
- It will better enable the university to recruit and retain the quality academic, management and staff personnel that is essential to maintain the excellence of the University of California and its contributions toward the health and vitality of the state.

The recommendation is a continuation of the principles approved by the Regents in November under RE-61. Under the proposal, all eligible SLCG positions will be slotted into specific salary ranges that will ensure competitive base pay compensation compared to external competitive markets in which UC competes for employees, and it will help ensure internal salary equity among similar positions throughout the UC system.

The Board itself will set a salary range structure for all senior management positions above a certain salary level (currently \$168,000) based on external consultant review. For UC's top 32 positions, the Regents will continue to approve individual salaries and salary adjustments. For others above the \$168,000 level but not among the top 32, the president will determine salaries within the new structure approved by the Regents.

There will be constraints placed on how much of an increase can be provided to individuals as well as limited overall budgets for salary increases for the \$168,000+ group at each campus. The Regents will continue to approve salaries individually in the following circumstances:

- Salary increases of 15% or more that take an employee's salary over the salary range midpoint for the employee's position.
- Salary increases that place an employee's salary above the salary range maximum for the employee's position.

The Regents will NOT be acting to approve SLCG increases with this action. They will be acting on the new salary structure only. Any possible increases will be discussed at future meetings.

All salaries for those in this group will be reported annually to the Regents to review and adjust the salary structure as necessary. Moreover, the Regents will receive annual reports that show the following:

- How salary increases were distributed to the group within the overall constraint of the salary increase budget the Regents established for the period.
- How the resulting salaries compare to the salary range midpoints before and after the increases.
- How the salary grade midpoints and UC actual salaries compare to salaries paid for comparable positions in the external marketplace.

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