

**SEPTEMBER 2007
INTERIM ITEM
COMMITTEE ON COMPENSATION**

APPROVAL TO USE FEE EARNED BY THE UNIVERSITY FOR UNREIMBURSED SALARY AMOUNTS AND FOR INCENTIVE COMPENSATION PROGRAM PARTICIPATION FOR UC-DESIGNATED KEY PERSONNEL AT LAWRENCE LIVERMORE NATIONAL SECURITY, LLC (LLNS)

Action under interim authority was requested to approve the use of fee earned by UC for unreimbursed salary amounts and for an incentive program for UC-designated key personnel at Lawrence Livermore National Security, LLC (LLNS). This request was necessary because all LLNL employees, including the UC-designated key personnel (who are all incumbent LLNL employees), must respond to the LLNS offer letters and pension elections no later than September 17, 2007. The offer letters will include the salary amounts and the eligibility for participation in the incentive program. UC will be responsible for meeting its share of such obligations as indicated below.

Compensation approved to facilitate the transition from UC to LLNS effective October 1, 2007:

The amount of compensation unreimbursed by DOE-NNSA for thirteen UC-designated key personnel at Lawrence Livermore National Security, LLC (LLNS) be reimbursed by UC from the fee earned by the University under the terms of the LLNS contract.

A new Performance Incentive Program at LLNS that is not reimbursed by DOE be funded by UC for UC-designated key personnel from the fee earned by the University under the terms of the LLNS contract. Approval of individual incentive bonuses will require approval by the LLNS UC Governors and The Regents.

Key Personnel Annual Base Salary Amounts Not Reimbursed by NNSA

The annual salaries shown below for each individual are effective October 1, 2007 as presented to and approved by the LLNS Executive Committee Governing Board on May 15, 2007. The following tables confirm the annual salary to be paid to the individuals, the amount reimbursed by NNSA, and the amount to be reimbursed by UC. The total annual amount proposed for reimbursement by UC is \$279,900 and the source of funds will be from the fee earned by the University under the terms of the LLNS contract.

PROPOSED UC ANNUAL REIMBURSEMENTS FOR FEDERAL FY2008 (OCTOBER THROUGH SEPTEMBER)

LLNS Key Personnel from UC	Annual Salary Effective Oct 1, 2007	NNSA Reimbursed Amount	UC Reimbursed Amount
Miller, G.	\$410,000	\$335,000	\$75,000
Goodwin	\$330,000	\$315,000	\$15,000
Moses	\$330,000	\$315,000	\$15,000
Murray	\$337,100	\$315,000	\$22,100
Crawford	\$310,000	\$300,000	\$10,000
Diaz de la Rubia	\$310,000	\$300,000	\$10,000
Goldstein	\$310,000	\$300,000	\$10,000
Patterson	\$310,000	\$300,000	\$10,000
Jernigan	\$290,000	\$270,000	\$20,000
Leary	\$332,800	\$270,000	\$62,800
Alain	\$270,000	\$260,000	\$10,000
Miller, R.	\$270,000	\$260,000	\$10,000
Rakow	\$270,000	\$260,000	\$10,000
Total	\$4,079,900	\$3,800,000	\$279,900