

**COMMITTEE ON COMPENSATION
JUNE 2008**

**ACTION UNDER INTERIM AUTHORITY – ESTABLISHMENT AND INTERIM
SLOTING OF NEW POSITION AND APPOINTMENT SALARY FOR FRANK D.
YEARY AS VICE CHANCELLOR, BERKELEY CAMPUS**

Action under interim authority was requested for the establishment and interim slotting of a new Vice Chancellor position and the appointment salary for Frank D. Yeary as Vice Chancellor. This request was in response to an immediate need to make an offer to Mr. Yeary so that he could inform his current employer.

Compensation:

- (1) Establishment of a new position within the Senior Management Group, Vice Chancellor, Berkeley campus.
- (2) Approval of interim slotting at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400) as recommended by Mercer Human Resources Consulting Group.
- (3) Per policy, an appointment salary of \$200,000 (Salary Grade 108 Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). Per policy, ineligible for merit consideration until October, 2009.
- (4) This appointment is 100 percent time and is effective August 1, 2008.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, 5% contribution to the Senior Management Supplemental Benefit Program

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral or written commitments. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by the Regents.

BACKGROUND

With a rapidly growing funding gap with its elite private peers and as higher education becomes more competitive nationally and globally, the Berkeley campus faces a major challenge in sustaining its academic standing for the future. To address this challenge, the campus believes that it must develop short, mid- and long-term strategies that blend public and private support and take advantage of opportunities, partnerships and alliances to ensure its continued preeminence and secure its future as a model public university.

The campus has a unique opportunity to address these issues by the appointment of Frank D. Yeary, a Berkeley alumnus, who has significant financial background and expertise and is a major figure on Wall Street. To take advantage of Mr. Yeary's availability, the campus is proposing the creation of a new position of Vice Chancellor, which will be for the incumbent only. The focus of the position will be to support the University's academic mission by advising on, developing and assisting the Vice Chancellor Administration in executing business strategies at a very high level of innovation, complexity and sophistication. This position will not hold a management portfolio, but will work across the organization to lead major initiatives.

The campus and Mr. Yeary have agreed to an initial three year commitment, renewable on an annual basis by mutual agreement.

[Compensation form attached.]

**COMPENSATION FOR FRANK D. YEARY AS VICE CHANCELLOR
BERKELEY CAMPUS**

**Position Slotted in Grade 108 – Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400
Effective August 1, 2008, pending approval by The Regents**

Page 1 of 2

ITEM	RECEIVING		AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO			
SALARY AND OTHER CASH PAYMENTS					
· Annual Base Salary	X		\$200,000	NO	REGENTS
· Health Sciences Compensation Plan		X			
· Additional Salary (Stipend, add-ons, etc.)		X			
· Clinical Enterprise Management Recognition Plan- up to 20%		X			
*example payout calculated at 20%					
· Any other bonuses/Incentives		X			
· Annual Incentive Plan (Treasurer's Office only)		X			
· Senior Management Supplemental Benefit Program - eligible to receive 5% as contribution to retirement plan for total annual amount at current base salary	X		\$10,000	NO	REGENTS
BENEFITS AND PERQUISITES					
· Standard Benefits Package (Health, UCRP, Vision, Dental, etc.)	X			NO	
· Automobile Allowance		X			
· Leased Automobile		X			
· Senior Manager Life Insurance	X			NO	
· Executive Business Travel Insurance	X			NO	
· Exec. Salary Continuation for Disability	X			NO	
· Mortgage Origination Program (MOP) Loan		X			
· Supplemental Home Loan Program (SHLP)		X			
· University-provided Housing (President/Chancellors)		X			
· Educational Expenses		X			
· Other Perqs – please list below		X			
ONE-TIME PAYMENTS/REIMBURSEMENTS					
· Payment in Lieu of Sabbatical Pay		X			
· Relocation Allowance		X			
· Temporary Housing Allowance - 1 month per policy		X			
· Payment in lieu of Vacation Pay		X			
· Moving Expenses/Movement of Household Goods – 100% of covered expenses		X			

**COMPENSATION FOR FRANK D. YEARY AS VICE CHANCELLOR
BERKELEY CAMPUS**

**Position Slotted in Grade 108 – Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400
Effective August 1, 2008, pending approval by The Regents**

Page 2 of 2

ITEM	RECEIVING		AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO			
FUTURE BENEFITS					
· Post-retirement Employment Agreements		X			
· Consultant/Independent Contractor Compensation Agreement		X			
· Severance/Separation Agreement		X			
· Sabbatical/Administrative Leave		X			
· Special Health Benefits or Other Benefits		X			
OTHER					
· Administrative Fund Allocation		X			
· Corporate Board Service		X			
· Other (Specify)		X			
TOTAL ANNUAL EMPLOYEE COMPENSATION (Including, if applicable, Salary, Perquisites, One-time Payments, Future Benefits, and Other)			\$210,000		REGENTS

[Please note that all payments, reimbursements, special benefits, etc. should be listed on this form in order to be authorized by the President and The Regents. This information will be released to the Public.]

The only compensation permitted is what is listed on the summary page that accompanied the item.