

COMMITTEE ON COMPENSATION

SEPTEMBER 2007

STIPEND FOR ACTING DEPARTMENT COUNSELS IN THE OFFICE OF THE GENERAL COUNSEL

The President recommended that the Committee on Compensation recommend to The Regents approval of the following in support of a reorganization of the Oakland Office of the General Counsel:

- (1) Six stipends totaling \$265,904 on an annualized basis as shown on the attached table. Four of the six stipends are exceptions to policy since they exceed 15 percent of base salary.
- (2) The stipend amount will be increased as the base salary is increased, so the stipend will remain at the same percent of the base salary.
- (3) Effective July 1, 2007 through June 30, 2008 or until the positions are filled on a permanent basis and will be paid from state and common funds in the Office of the General Counsel.

The compensation described in the attached Executive Summary shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

BACKGROUND

As currently organized, the office consists of eight groups of 46 attorneys, each group focused on an area of legal specialization (Health, Technology Transfer, Education Affairs/Public Law, Construction, Environmental, Commercial Transactions, Litigation, and Labor/Employment). Each group is supported by one or more Group Leaders, who generally are responsible for convening group meetings and facilitating communication among group members, but who otherwise have no management responsibilities.

Under the new organization, established as of the beginning of the fiscal year on July 1, 2007, the office consists of six divisions focused on areas of legal specialization and one division devoted to finance and general administration (Academic Affairs and Campus Services, Health Law and Medical Center Services, Litigation Labor and Employment, Business Transactions and Intellectual Properties, Land Use, Governance and Compliance, and Finance & Administration). In establishing the new organization, the General Counsel combined areas where historically there has been overlap in clients and/or legal issues, and created a new division specifically focused on governance and compliance. This last division is expected to provide greater support to The Regents and senior administrators at the Office of the President, particularly in reviewing and organizing the various policies governing the University.

Each of the legal specialty divisions will be led by a Deputy General Counsel and the Finance and Administration Division will be led by a non-attorney Director with substantial budget and

financial analysis expertise. Each of these leaders will report directly to the General Counsel. The Deputies will be expected to devote at least one-third of their time to managing the affairs of the Division, including short-term and long-range planning, establishing and maintaining a budget, setting division objectives and evaluating performance, ensuring the quality of the services delivered, and developing the attorney personnel. Two of the Deputies additionally will be responsible for assisting the General Counsel in overseeing the counsel resident at the campuses, medical centers, and Lawrence Berkeley National Laboratory. The Deputies and Finance Director collectively will constitute a “cabinet” that will assist the General Counsel in providing direction to the department and managing the overall legal function for the University, which in fiscal year 2007 generated costs of approximately \$87 million.

The General Counsel views the responsibilities of the Deputies to be a significant “upgrade” from those of the former Group Leaders. He has begun recruiting for the new Director of Finance and Administration position and expects shortly to begin a search, inside and outside the University, for each of the Deputy positions. The General Counsel hopes to complete the recruitment process for all seven positions within the next six months; however, he can not wait this long to move forward with planning for the department and addressing some of the pressing management issues facing the office. Accordingly, the General Counsel has appointed “Interim Leads” to oversee each of the legal specialty divisions pending the appointment of the Deputies. Among other matters, the Interim Leads will assist the General Counsel in ensuring that every employee within the Office of the General Counsel receives a performance review for fiscal year 2007, and that each employee is given specific objectives to meet for the current fiscal year. Additionally, the Interim Leads will assist in developing a plan for reducing and better managing outside counsel expenses. While the search for full time Deputies is pending, the Interim Leads essentially will assume the expected functions of the Deputies. Because these expected functions represent an increase in the duties performed by the former Group Leaders, the General Counsel is seeking approval of stipends for each of the Interim Leads for a period of one year or until a full time Deputy is appointed to the division that the Interim Lead has been assigned to oversee, whichever occurs first.

The stipend proposed for each Interim Lead is based on the slotting anticipated to be established for the Deputy positions with a midpoint of approximately \$228,000. (The final slotting will be determined after the position descriptions have been finalized with the Human Resources and Benefits Department.) The stipends represent the amount required to raise the current base salary of each of the Interim Leads to an approximate point in the slotting range, taking into account the scope of responsibility to be assumed by each Interim Lead. Based on this formula, the six proposed stipends are as shown in the attached table.

(Attachments)

SALARY SUMMARY FOR INTERIM LEADS

Name:	Joanna Beam	David Birnbaum	Jeffrey Blair*	Anthony Garvin	Janet Norris	Susan Thomas
Current Position:	Attorney	Attorney	Attorney	Attorney	Attorney	Attorney
Grade:	Not yet slotted					
Current Base Salary:	\$192,500	\$163,700	\$161,000	\$141,400	\$176,813	\$176,813
Proposed Position:	Interim Lead	Interim Lead	Interim Lead	Interim Lead	Interim Lead	Interim Lead
Grade:	Not yet slotted					
Proposed Compensation:						
Base Salary:	\$192,500	\$163,770	\$161,000	\$141,400	\$176,813	\$176,813
Stipend:	<u>\$ 32,500</u>	<u>\$ 61,230</u>	<u>\$ 67,200</u>	<u>\$ 58,600</u>	<u>\$ 23,187</u>	<u>\$ 23,187</u>
Total Annual Salary:	\$225,000	\$225,000	\$228,200	\$200,000	\$200,000	\$200,000
Increase Over Current Base Salary:	16.9 percent	37.4 percent	41.7 percent	41.4 percent	13.1 percent	13.1 percent
Campus Head Counsel Average Salary:	\$183,516	\$183,516	\$183,516	\$183,516	\$183,516	\$183,516
Lead/Lag to Head Campus Counsels' Average Salary:	22.6 percent	22.6 percent	24.3 percent	9.0 percent	9.0 percent	9.0 percent
Additional Compensation:	Per policy, Standard Pension and Health and Welfare benefits apply.					

* maintains current level of stipend