

**COMMITTEE ON COMPENSATION
JULY 18, 2007**

**STIPEND FOR JESSE PHILLIPS AS ACTING SENIOR MANAGING DIRECTOR OF
PUBLIC EQUITIES, OFFICE OF THE TREASURER**

RECOMMENDATION

The Committee on Compensation recommends to The Regents approval of the following items in connection with the appointment of Jesse Phillips as Acting Senior Managing Director of Public Equities, Office of the Treasurer:

- (1) An administrative stipend of 10.0 percent (\$29,000, calculated against base salary of \$290,000 increases his base salary to a total annual salary of \$319,000) due to the significant increase in Mr. Phillips' scope of responsibilities.
- (2) The stipend amount will be increased as the base salary is increased, so the stipend will equal 10.0 percent of the base salary.
- (3) Per policy, continued eligibility to participate in the Office of the Treasurer's Annual Incentive Plan (AIP) with a maximum payout of up to 120 percent of base salary.
- (4) Per Policy, continued participation in the Senior Management Supplemental Benefit Program at the rate of 5 percent.
- (5) Effective May 1, 2007 through September 30, 2007 or until transition to a permanent management structure, whichever is earlier, upon approval of The Regents.

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, Executive Salary Continuation for Disability.

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

Until a new Senior Managing Director of Public Equities has been selected, Jesse Phillips has been selected as the Acting Senior Managing Director of Public Equities in addition to his role as Managing Director of Investment Risk Management. This is a temporary management job, and is a broader and more comprehensive extension of Mr. Phillips current function of providing oversight to all asset groups regarding proper risk management procedures.

[Compensation form attached.]

**COMPENSATION FOR JESSE PHILLIPS AS ACTING SENIOR MANAGING DIRECTOR OF PUBLIC EQUITIES
OFFICE OF THE TREASURER**

Position Slotted in Grade 110 – Minimum \$223,200, Midpoint \$298,800, Maximum \$364,300

Page 1 of 2

ITEM	RECEIVING		AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO			
SALARY AND OTHER CASH PAYMENTS					
· Annual Base Salary	X		\$290,000	NO	REGENTS
· Health Sciences Compensation Plan		X			
· Additional Salary (Stipend, add-ons, etc.)	X		\$29,000	NO	REGENTS
· Clinical Enterprise Management Recognition Plan- up to 20% *example payout calculated at 20%		X			
· Any other bonuses/Incentives:		X			
· Annual Incentive Plan (Treasurer's Office only) - per plan design awards are paid out in equal increments over a three year period.	X		\$348,000	NO	REGENTS
· Senior Management Supplemental Benefit Program - eligible to receive 5% as contribution to retirement plan for total annual amount at current base salary	X		\$15,950	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		X			

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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)			\$682,950		

[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.