

**NOVEMBER 2007
COMMITTEE ON COMPENSATION**

**STIPEND EXTENSION AND INCREASE FOR MAUREEN L. ZEHNTNER AS ACTING
CHIEF EXECUTIVE OFFICER – MEDICAL CENTER, IRVINE CAMPUS**

The President recommended that the Committee on Compensation recommend to The Regents approval of the following items in connection with the stipend for Maureen L. Zehntner as Acting Chief Executive Officer – Medical Center, Irvine campus:

- (1) Per policy administrative stipend of \$50,000 (11.3 percent) to increase her annual base salary of \$444,400 for an annual salary of \$494,400 (SLCG Grade 117: Minimum \$522,300, Midpoint \$679,000, Maximum \$835,800). This is an increase to her existing stipend of \$20,000 (4.5 percent) and is being requested to reflect that she has now assumed all of the duties of the vacant Chief Executive Officer position in addition to the duties of her position as Chief Operating Officer.
- (2) If an adjustment to the base salary is made prior to the termination of this interim role, the dollar amount of the administrative stipend of \$50,000 will not change.
- (3) As an exception to policy, this acting appointment will be effective November 1, 2007 and will continue until October 31, 2008 or until a permanent Chief Executive Officer is appointed, pending approval by the Regents. The original acting appointment (with stipend) was effective November 1, 2005, making the overall duration of this appointment beyond the one year allowed by policy for a total duration three years.
- (4) Per policy, eligibility for additional non-base building incentive pay (pursuant to the Clinical Enterprise Management Recognition Plan) of up to 20 percent (\$88,880) of annual base salary to be awarded based on meeting performance objectives.

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, continued participation in the Senior Management Supplemental Benefit Program at the rate of 5 percent.

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.

BACKGROUND

When the Chief Executive Officer (CEO) position was vacated about two years ago, UC Irvine assigned the main responsibilities of this position to Ms. Zehntner with a \$20,000 stipend and appointed Tim Smith on a contract basis to assume responsibilities in the Chief Operating Officer (COO) position. In their January 2006 meeting, The Regents approved this \$20,000

stipend effective November 1, 2005 and to continue for as long as she is serving as Interim CEO. However, effective early September 2007, Tim Smith left UCI. This staffing change forces Ms. Zehntner to fully function in both capacities, CEO and COO.

[Compensation form attached.]

**COMPENSATION FOR MAUREEN L. ZEHNTNER AS INTERIM CHIEF EXECUTIVE OFFICER – MEDICAL CENTER
IRVINE CAMPUS**

Position Slotted in Grade 117 – Minimum \$508,100, Midpoint \$660,500, Maximum \$813,000

Effective November 1, 2007 pending approval by The Regents

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ITEM	RECEIVING		AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO			
SALARY AND OTHER CASH PAYMENTS					
· Annual Base Salary	X		\$444,400	NO	REGENTS
· Health Sciences Compensation Plan		X			
· Additional Salary (Stipend, add-ons, etc.) This stipend is an exception to policy due to the duration of the acting appointment, not the amount of the stipend.	X		\$50,000	YES	REGENTS
· Clinical Enterprise Management Recognition Plan- up to 20% *example payout calculated at 20%	X		\$88,880	NO	REGENTS
· 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		\$24,720	NO	
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			

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	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)			\$608,000		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.