

CONSIDERATION OF AMENDMENTS TO THE COMPENSATION PROGRAM FOR CIRM STAFF

Background

The Governance Subcommittee approved and recommended to the Board, at their May 19, 2006 meeting, and the Board approved at their June 2, 2006 meeting the salary ranges for 10 salary levels including placement of current staff positions within the approved ranges and levels. As new positions are created and approved by the President these positions are placed into the approved salary range and level based on duties and responsibilities, reporting relationship and equity within the organization.

At that same meeting, staff proposed to bring forward for approval at a subsequent Governance Subcommittee and ICOC meeting a merit and cost of living salary increase program including recognition for exceptional work contributions. The Governance Committee and the ICOC each approved the compensation program April 5, 2007 and April 10, 2007, respectively. This item is the proposal to address the remaining components necessary for a complete Compensation Program.

Action

The President recommends that the following amendments to the Compensation Program for CIRM Staff (Compensation Program), which includes the parameters for a Merit Pay Plan, Cost of Living Adjustment, Performance Awards, Spot Awards, Professional Development, be approved by the ICOC presented to the Governance Subcommittee for approval. The implementation of the Compensation Program will be determined by the President on an annual basis.

Program Details

The amendments to the Compensation Program for CIRM staff include separating the COLA Adjustment from Merit Pay, clarifying the President's authority to increase an employee's compensation above 80% of the minimum salary for the employee's level without Governance Subcommittee approval, and increasing the Professional Development budget from 1% to 2%. The proposed amendments to Compensation Program are highlighted belows a Merit Pay Plan, Performance and Spot Awards, Professional Development, Salary Range Adjustment, Promotion, Merit, and Equity and COLA Adjustments. The Compensation Program is as follows:

COMPENSATION PROGRAM FOR CIRM STAFF

Merit Pay Plan

- A merit ~~and/or COLA (Cost of Living Adjustment)~~ funding pool of 0-5% annually for salary levels 1-9 only effective July 1 of each year.
- No employee shall receive more than a 5% merit ~~and/or COLA~~ increase in any one fiscal year.
- ~~Merit and/or COLA increases shall be implemented annually and effective as of July 1 of each fiscal year.~~
- A merit increase will~~shall~~ be determined through a documented Performance Review by the individual's supervisor.
- An individual whose performance is judged less than satisfactory would not be recommended for a merit increase.
- A merit non-base building lump sum increase may be implemented in lieu of a merit base building increase.
- A completed Performance Review must be on file within the last twelve months to receive a merit increase.
- An employee must be on CIRM payroll at least six months prior to the date of the merit increase or by December 31 of each year unless an exception is made by the President or Chief Operating Finance & Administrative Officer.
- A merit increase shall not put an employee above the salary range without prior approval by the ICOC.
- ~~A COLA should be linked to a salary range adjustment but circumstances may exist to do one without the other.~~

Cost of Living Adjustment

- A COLA (Cost of Living Adjustment) based on the Consumer Price Index-California (San Francisco Oakland San Jose) annually for salary levels 1-9 may be offered annually and will be effective as of July 1 of each fiscal year.
- A COLA should be linked to a salary range adjustment but circumstances may exist to do one without the other.

Performance Awards

- Performance Awards shall be funded annually from a 1% appropriation of staff salaries as of July 1 of each fiscal year for salary levels 1-6.
- Performance Awards are only for staff placed in salary levels 1-6.
- Performance Awards will~~shall~~ be used to recognize exceptional staff contribution on a team or a project over a period of time that is significantly above and beyond ones regular duties and responsibilities.
- Criteria for the Performance Award will~~shall~~ be approved by the President or Chief Operating/Scientific Officer~~Finance and Administrative Officer~~.

- Performance Award funding that is not used in a plan year will not rollover into the next fiscal year.
- A Performance Award is a one time non-base building pay increase.

Spot Awards

- Spot Awards should recognize staff at salary levels 1-6 only for contributions on a team or project or specific assignment/task.
- The Spot Award program shall be funded through the Performance Award allocation and should be equal to 10% of the Performance Award Program fund annually.
- The maximum Spot Award per occurrence should be \$50 and a limit of 2 per employee per fiscal year.
- Criteria for the Spot Awards will be approved by the President or Chief Operating/Scientific Officer ~~Finance & Administrative Officer~~.
- Spot Award funding that is not used in a fiscal year will not rollover into the next fiscal year.

Professional Development

- Professional Development for all staff is budgeted at 21% of staff salaries annually.
- The funding will be for professional conferences, classes, and/or trainings.
- Guidelines for appropriate professional development will be approved by the President or Chief Operating/Scientific ~~Finance & Administrative~~ Officer of CIRM.
- The funding allocated for professional development may not rollover into the next fiscal year.

Salary Range Adjustment

- The salary ranges may be adjusted annually with the start of the fiscal year based on the California Consumer Price Index and consistent with the increase in the Per Diem policy.
- A salary range adjustment should address local labor market trends as well as recruitment and retention issues.
- This is not an automatic increase for staff unless he/she falls below the new minimum of the salary range. However, a salary range adjustment should be linked to a COLA.

Promotion, Merit, Equity and COLA Adjustments

- An employee's total salary increase(s) in any fiscal year shall not exceed 15% of base pay unless approved by the President, ~~or Chief Finance & Administrative Officer~~.
- Increases include all base building monetary increases such as merit, COLA, promotional, and equity increases.
- The President may approve compensation changes for employees within the salary ranges for all levels.
- An employee shall not be paid outside the salary range unless approved by the ICOC.

- All increases must be approved in writing by the President or Chief Operating/Scientific Officer, ~~Chief Finance & Administrative Officer~~.

APPROVED BY THE ICOC BOARD AT THE APRIL 10, 2007 MEETING.