

*Compensation Structure  
Governance Subcommittee  
Meeting  
May 19, 2006*



# Compensation Structure

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- Attachment #3 & #4 is the original information provided for the March 30<sup>th</sup> Governance Subcommittee meeting.
- We have gathered more salary data since the March 30 Governance Subcommittee meeting, as requested.
- The new data does not include incentive pay only base salaries.
- Most organizations surveyed provide incentive pay above the established base pay as well as additional perks such as car allowances, housing allowances, severance pay and relocation allowances.
- Health and welfare benefits are not included in the salary data since they are not aggregated in salary surveys. Benefits are a recruitment and retention tool for organizations.

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- The following are the additional sources of data gathered for the top tier CIRM positions:
  - State Controller's Office
  - Governor's Office
  - CalPers
  - University of California university-wide
  - Mercer survey data nationwide for government & non-profits
  - Mercer survey data for California in any industry
  - Data from a nationwide foundation survey
  - Radford

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- We have reviewed and analyzed the additional data. See Attachment #2.
  - The data on Attachment #2 includes the full spectrum of organizational comparators from State of California entities to private biotechnology organizations.
  - CIRM's best comparators are a combination of all since although we are a State of California agency the proposition likens us more to private research and education institutions.
  - CIRM is located in one of the highest cost of living areas in the country.

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- Based on the new data and feedback from the March 30 Governance Subcommittee meeting, we have revised the salary levels for the top tier positions with the following actions:
  - Created a new salary level to better address differences between the original salary levels 7-9.
  - Reduced the minimum salary for all top tier positions, except the General Counsel, by 5-13%.
  - Retained the salary range spread of 60% which is the percent increase from the level's minimum salary to the level's maximum salary.
- We believe this will not affect our ability to recruit and retain the staff we want.

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- We are asking for the Governance Subcommittee's approval of our salary structure.
- As new positions are established by CIRM, they would be placed into the approved salary structure based on duties and responsibilities, reporting relationship and equity within the organization. Any proposed hire that would be inconsistent with the ICOC approved salary structure will be presented to the ICOC for prior approval.
- We will be presenting to you in a future meeting our proposal for the following:
  - A Performance Management program that measures performance and will be used as the basis for decisions about merit raises.
  - A recommendation for how to address Cost of Living issues.
  - A recommendation for a program to reward exceptional work contributions.

*Questions/Comments?*

