


*Compensation Structure
ICOC Meeting
June 2, 2006*



Agenda Item #9Ai
6/02/2006 ICOC Meeting

Compensation Structure Background

- Health and Safety Code 125290.45 authorizes the Independent Citizens' Oversight Committee (ICOC) to "...set compensation for the chairperson, vice chairperson, and president and other officers, and for the scientific, medical, technical, and administrative staff of the institute within the range of compensation levels for executive officers and scientific, medical, technical, and administrative staff of medical schools within the University of California system and the nonprofit academic and research institutions described in paragraph (2) of subdivision (a) of Section 125290.20."
- CIRM contracted with an outside consultant, Dee DiPietro, to create and implement a salary survey to solicit data that could be used to develop the proposed compensation structure.
- Survey compiled data from the UC medical schools and California nonprofit academic and research institutions.

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Compensation Structure Background

- The proposed salary structure is based on typical structures for California education and government organizations for non-represented positions.
- The structure provides for slotting of multiple positions - by the categories of Scientific, Business and Administrative - within the ten levels.
- It is an open range salary program. Employees are hired into one level based on the type of job they are selected for and at a salary level within that range determined by the skills, knowledge, and abilities they possess. Employees can then progress through the salary range based on merit.
- The proposed levels for positions correlate with their place on the CIRM organizational chart. Therefore, direct reports to the President, Chair, and Vice Chair of the ICOC are at the higher levels.

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Compensation Structure

- We have gathered more salary data from additional sources since the March 30 Governance Subcommittee meeting, as requested.
- The data does not include incentive pay only base salaries.
- Most organizations surveyed provide incentive pay above the established base pay.
- Additional perks such as car allowances, housing allowances, severance pay and relocation allowances are often offered.
- 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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Compensation Structure

- The March 30 Governance Subcommittee members requested additional salary data from the organizations listed below for the top tier positions. The additional data sources gathered are the following:
 - State Controller's Office
 - Governor's Office
 - CalPers
 - University of California
 - 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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Compensation Structure

- We have reviewed and analyzed the additional data.
 - The data on the spreadsheet attachment 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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Compensation Structure

- Based on the new data and feedback from the May 19 Governance Subcommittee meeting, we have revised the salary levels with the following actions:
 - Created a new salary level to better address differences between the original salary levels 6-9.
 - Reduced the minimum salary for all top tier positions, except the General Counsel, by 5-13%.
 - Reduced the salary range spread of 60% to 50% for all positions which is the percent increase from the level's minimum salary to the level's maximum salary.

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Compensation Structure

- We have received the Governance Subcommittee's approval of the salary structure and approval process on May 19.
- We are requesting the ICOC's approval of CIRM's salary structure and approval process.
- 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.

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Compensation Structure and Approval Process

- Decisions to hire new staff are given to the President of CIRM except in the following situations:
 - Any initial salary offer at 80% or higher than the minimum salary for levels 6-10 will need prior Governance Subcommittee approval.
 - Any initial salary offer that exceeds the maximum salary for any level will need prior ICOC approval.

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Proposed Salary Structure

Salary Level	Proposed Salary Range
10	\$275,000-\$412,500
9	\$180,000-\$270,000/\$150,000-\$225,000
8	\$140,000-\$210,000
7	\$130,000-\$195,000

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Proposed Salary Structure

Salary Level	Proposed Salary Range
6	\$100,000-\$150,000
5	\$80,000-\$120,000/\$90,000-\$135,000
4	\$80,000-\$120,000
3	\$60,000-\$90,000

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Proposed Salary Structure

Salary Level	Proposed Salary Range
2	\$50,000-\$75,000
1	\$40,000-\$60,000

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Next Steps

- We will be presenting 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.

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Next Steps

- The Governance Subcommittee also requested that we look at options for recruitment incentives that might be needed to attract qualified candidates.

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Questions/Comments?