

CIRM RELOCATION ALLOWANCE POLICY

Under Health & Safety Code section 125290.45(b), the ICOC has the authority to set compensation for CIRM employees within the range of compensation levels for similar positions at the institutions from which members of the board are appointed. This provision was intended to give the ICOC the flexibility to recruit candidates on a competitive basis with other scientific and medical research institutions in California. Because of California's high cost of living, recruiting candidates from out-of-state can be challenging. For this reason, the University of California, as well as other universities and nonprofit research institutions in California, offer various forms of compensation, including a relocation allowance, to address this cost of living differential. In order to compete with other scientific and medical research institutions in California for the highest quality candidates, CIRM would like to have the ability to offer a relocation allowance under limited circumstances to out-of-state candidates. CIRM therefore requests that the Governance Subcommittee approve the following policy, which is modeled closely upon the University of California's relocation allowance policy, for consideration by the ICOC:

The President of CIRM, as part of his authority to recruit staff, shall have the authority to offer a "relocation allowance" under limited circumstances. A relocation allowance shall be included in an employee's base salary for purposes of determining whether ICOC or Governance Subcommittee approval is required. If ICOC or Governance Subcommittee approval is required, the President shall present to the ICOC or Governance Subcommittee information regarding the impact of the proposed salary, including any relocation allowance, on CIRM's administrative budget, and the salary and relocation allowance shall be approved in open session. Relocation allowances are not intended to offset the actual costs of moving from one location to another.

Eligibility for a relocation allowance is limited to individuals who, at the time of recruitment, live outside of the State of California, and who are being recruited to fill a position at CIRM salary level 6 through 10.

The total value of a relocation allowance shall not exceed 25% of the employee's annualized base salary, or \$75,000, whichever is less.

If the relocation allowance is 10% or less of the employee's annualized base salary and no more than \$25,000, it shall be payable no later than the end of the third pay period following the employee's start date at CIRM.

If the relocation allowance is between 10.01% and 25%, it shall be paid on an annual basis, over a four-year period, with 40% paid at the end of the first year, 30% at the end of the second year, 20% at the end of the third year, and 10% at the end of the fourth year.

If the employee leaves CIRM before completing a full year of employment, he or she shall repay the relocation allowance he or she has received in full.

Relocation allowances shall be included in the individual's gross income but shall not be considered salary for the purposes of the employee's participation in the California Public Employees' Retirement System.

All relocation allowances approved pursuant to this policy must be reported to the ICOC and the public at the next ICOC meeting following the appointment of the employee.