



TO: Members of the Governance ICOC

FROM: Rafael Aguirre-Sacasa, General Counsel; Denise D'Angel, Director, Human Resources

DATE: June 27, 2024

RE: Adoption of New Compensation Policy and updated Positional Salaries

Introduction: Compensation Policy

As part of Human Resources' ("HR") regular duties, we have reviewed CIRM's current compensation practices and are proposing the adoption of a new CIRM Compensation Policy, attached hereto as **Exhibit A** (the "Policy"). For your reference, we have attached the current Compensation Policy for CIRM which the ICOC approved on December 17, 2015 (the "2015 Policy") – see **Exhibit B**.

The Policy seeks to update CIRM's compensation practices to align better with market realities and economic guidance from the State. Note: In this version of the Policy, we are requesting that the Chair, Vice-Chair and President and CEO be eligible for cost-of-living increases if approved by the ICOC; in the past, these positions were not eligible for cost-of-living increases.

Requested Action: Recommend final adoption of the CIRM Compensation Policy.

Introduction: Position Salaries

In addition, HR reviewed CIRM's current position salaries and noted certain inconsistencies that we propose to remedy with minor adjustments as set forth in **Exhibit C**.

In addition to remedying certain inconsistencies, the position salary ranges presented herein would memorialize the cost-of-living increases approved by the ICOC in 2023 and, if approved, those cost-of-living adjustments being considered by the ICOC on June 27, 2024.

As a point of reference, Morgan HR, a consultant, performed a market analysis of CIRM's then existing position salaries in 2022 and proposed updates to the same. The revised position salaries were approved by the ICOC on June 28, 2022, (levels 1-8) and September 29, 2022 (levels 9 & 10). While Morgan HR's analysis was comprehensive in many respects, it lacked consideration for employee development opportunities such as career advancement, and the issue of salary compaction, which refers to the compression of salary differentials between employees at different levels and department within CIRM.

In response, the HR department reviewed CIRM's existing salary structure and have proposed limited updates to certain position salaries based on long-term internal equity considerations, with a focus on upward mobility and removing any compaction issues. One objective is to strategically establish and sustain a sound salary structure that cultivates prosperity and



sustainability of CIRM. Another objective is to enhance a fair and solid salary structure for each position, minimizing the necessity for regular adjustments throughout the years. Any modifications to the salary ranges would involve the cost-of-living increases.

Proposed Adjustments to CIRM's Position Compensation Salaries for 2023 – 2024 fiscal year.

1. Each position includes a 3% cost-of-living increase, except for the Chair, Vice-Chair, and President and CEO positions.
 - Proposal: that the Chair, Vice-Chair, and President and CEO be considered for cost-of-living increases, consistent with other CIRM employees.
2. Various positions were adjusted to avoid compaction issues.
 - Adjusted certain salaries to create more distinction between level of positions by expanding salary ranges.
 - Adjusted certain salaries across position levels to facilitate upward mobility, accompanied by corresponding salary increase.
3. Added certain positions for upward mobility advancement.
 - Methods for determining salaries include conducting industry search in the Bay Area region, analyzing internal data on position roles and complexity, level, and category (e.g., science, technical, administrative) among other factors.

In conclusion, we believe the compensation structure in this memo ensures fairness, career progression and sustainability within CIRM.

Requested Action: Recommend final adoption of revised Position Compensation Salaries



Exhibit A – Draft 2024 Compensation Policy



CIRM COMPENSATION POLICY
(Effective Date _____ 2024)

1. Introduction

This Compensation Policy (the “Policy”) describes compensation, hours of work, and related components for employees of the California Institute for Regenerative Medicine (CIRM).

2. Individual Salary Ranges

An employee’s salary must be within the Board-approved salary range that is assigned to the job title based on the associated position's duties and responsibilities. CIRM will use salaries from the University of California and those nonprofit academic and research institutions described in paragraph (2) of subdivision (a) of Section 125290.20 as a comparable to establish positional salary ranges. When not available, a salary survey method may be used to establish positional salary ranges.

A salary range adjustment should address local labor market trends as well as recruitment and retention issues. At least once every three years, CIRM will conduct a salary survey, and make any appropriate adjustments to each positional salary range.

3. Initial Hire Salary

All Initial Hire Salary offers should be aligned with the minimum salary range for the position; provided however, that an Initial Hire Salary offer may be greater than the minimum salary range for the position based on the experience, skills, and/or education of the prospective candidate.

4. Cost-of-Living (COLA) Adjustments

Cost-of-living adjustments (COLA) are calculated based on the Consumer Price Index-California (San Francisco/Oakland/San Jose). The proposed COLA for any fiscal year will be submitted for Board approval and will become effective at the start of that fiscal year.

Any approved COLA adjustments will automatically increase all positional salary ranges and employee salaries by the amount of the approved COLA.

Subject to ICOC approval, the Chair, Vice Chair and President and CEO shall be eligible to receive any General Increases approved for CIRM employees.

5. Merit Salary Increases

Any employee who holds a permanent, limited-term, or temporary position is eligible to be considered for a Merit Salary Increase.



An employee is eligible for a Merit Salary Increase if:

1. The employee has been employed by CIRM for at least six months.
2. The employee's manager has completed a performance appraisal for that employee;
and
3. The employee's performance is deemed to have met expectations for the role.

Partial Year Employment

Provided they meet the eligibility requirements set forth herein, an employee who has been employed by CIRM for six months or longer but less than a year, shall be eligible to receive a prorated Merit Salary Increase based on the length of the employee's employment.

Example: For example, if the Board approves a 3% Merit Salary Increase, an employee with 6 months of service will receive 1.5% of their current salary (6/12 months = 50%; 3% Merit Increase x 50% = 1.5%)

All Merit Salary Increase awarded will be at the set percentage approved by the Board.

A Merit Salary Increase cannot place an employee over the Board-approved maximum salary range for their respective positional salary range.

In addition to an employee's Merit Salary Increase, with the approval of the Chair, the President and CEO has the discretion to give a one-time non-base adjusting increase not to exceed 5% of salary for extraordinary performance.

6. Promotional Increases

An employee promoted to a new position will receive a salary increase of at least 8% or the minimum salary of the new positional range, whichever is greater. All promotions must be approved by the President and CEO and the Director of Human Resources, or by the Chair and Vice Chair for members of the internal CIRM Board Governance team.

7. Salary Decreases

An employee may receive a salary decrease upon a demotion (voluntary or involuntary). The decrease shall be the greater of 5% or the maximum of the class to which the employee is being demoted and may also include a change in title and/or responsibilities.

8. Salary Alignment Adjustments

A Salary Alignment Adjustment may be granted to address salary disparities between employees with comparable responsibilities and experience, or to address salary compression between supervisors and their direct reports. This adjustment requires a joint



review and approval by the President and CEO, the Chair of the Board, and the Director of Human Resources.

9. Temporary Out-of-Class Salary

Employees performing services equivalent to those in a higher class for more than 15 consecutive workdays (except for employees on the CIRM Leadership Team) shall receive the rate of pay of the higher class for the duration of the assignment. Such assignments must be pre-approved in writing and cannot exceed 12 months.

The pay differential shall not be considered part of an employee's salary for the purpose of merit salary adjustments or other salary transactions related to subsequent appointments and separations.

10. Hours of Work

For compensation purposes, the workweek for a full-time exempt employee is generally considered to be 40 hours, although greater emphasis is placed on meeting the responsibilities assigned to the position rather than working a specified number of hours. During the workweek, an exempt employee is expected to work their regular schedule and to be available as business requires. To establish an appointment percentage for a part-time exempt employee (as defined by California law), the number of hours the employee will generally be expected to work on a weekly basis as part of their regular schedule will be divided by 40 hours.

An exempt employee is paid an established salary that meets or exceeds California minimum for exempt status and does not receive overtime compensation or compensatory time off. An exempt employee may only receive additional compensation beyond the established salary for their position as provided by this policy.

11. Access to and Publication of Salary Range Information

CIRM will provide employees with the salary range for their position and will publish salary ranges for each position as part of the job posting process.

12. Implementation of the Policy

The Director of Human Resources, at the direction of the President and CEO and the Board, shall be responsible for implementing the Compensation Policy. The Director of Human Resources may develop procedures or other supplementary information to support the implementation of the Compensation Policy. Such procedures and/or supporting documentation do not require approval by the Board.

13. Revisions to the Policy



All revisions to the Policy shall be approved by the Board.

14. Exceptions to Policy

The President and CEO and the ICOC Board Chair must both approve any exceptions to this Policy.



Exhibit B – 2015 Compensation Policy



COMPENSATION PROGRAM FOR CIRM STAFF

Merit Pay Plan

- A merit 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 increase in any one fiscal year.
- A merit increase will 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 his designee.
- A merit increase shall not put an employee above the salary range without prior approval by the ICOC.

Cost of Living Adjustment

- A COLA (Cost of Living Adjustment) based on the Consumer Price Index-California (San Francisco Oakland San Jose) for salary levels 1-9 may be offered annually to employees in salary levels 1-9 and will be effective as of July 1 of each fiscal year.

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 1-9.
- Performance Awards will be used to recognize exceptional staff contribution on a team or a project over a period of time that is significantly above and beyond one's regular duties and responsibilities.
- Criteria for the Performance Award will be approved by the President or his designee
- Performance Award funding that is not used in a plan year will not rollover into the next fiscal year.
- A Performance Award is a onetime non-base building pay increase.



Salary Range Adjustment

- The salary ranges may be adjusted annually with the start of the fiscal year based on the Consumer Price Index-California (San Francisco Oakland San Jose).
- A salary range adjustment should address local labor market trends as well as recruitment and retention issues.
- This adjustment will not result in an automatic increase for an employee unless he/she falls below the new minimum of the salary range.

Guidelines for 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.
- 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 his designee.

APPROVED BY THE ICOC BOARD AT THE JANUARY 17, 2008 MEETING AND UPDATED AT THE JUNE 23, 2010 ICOC BOARD MEETING. FURTHER UPDATED BY THE ICOC BOARD ON DECEMBER 17, 2015.



Exhibit C - Position Salaries (to be effective as of 7/1/24)

Job Family	Job Title	Level	CIRM Min (25th)	Final 50th	CIRM Max for levels 9 - 10 (65th)	CIRM Max levels 1- 8 (75th)			CIRM Min (25th)	Final 50th	CIRM Max for levels 9 - 10 (65th)	
Executive	CEO	10	\$427,000	\$569,000	\$632,000	Without 3% COLA		\$439,810	\$586,070	\$650,960	With 3% COLA	
Executive	Chair	10	\$427,000	\$569,000	\$632,000	Without 3% COLA		\$439,810	\$586,070	\$650,960	With 3% COLA	
Executive	Vice-Chair	9	\$238,000	\$289,000	\$376,885	Without 3% COLA		\$245,140	\$297,670	\$388,192	With 3% COLA	
Legal	General Counsel	9	\$323,575	\$406,325	\$461,492							
Operations	VP	9	\$265,225	\$324,635	\$387,919							
Patient Access	VP	9	\$285,382	\$356,462	\$417,995							
Review	VP	9	\$265,225	\$324,635	\$376,620							
Scientific Programs	VP	9	\$285,382	\$356,462	\$417,995							
Therapeutics	VP	9	\$285,382	\$356,462	\$417,995							
Legal	Deputy General Counsel	8	\$214,240	\$277,956	\$307,661							
Board Governance	Senior Director	8	\$214,240	\$277,956	\$307,661							
Business Dev	Senior Director	8	\$213,241	\$236,581	\$253,555							
Core Programs (Therapeutics & Scientific, and Portfolio Dev & Review, Patient Access)	Senior Director	8	\$241,885	\$277,956	\$307,661							
Services	Senior Director	8	\$214,302	\$241,885	\$262,042							
Grants Mgmt & IT	Senior Director	8	\$201,062	\$227,033	\$247,190							
HR	Senior Director	8	\$190,550	\$232,131	\$255,344							
Marketing and Communications	Senior Director	8	\$190,550	\$232,131	\$255,344							
Legal	Associate General Counsel	7	\$198,388	\$222,789	\$239,763							
Board Governance	Director	7	\$168,683	\$194,145	\$214,302							
Business Dev	Director	7	\$207,936	\$230,215	\$246,129							
Core Programs (Therapeutics & Scientific, and Portfolio Dev & Review, Patient Access)	Director	7	\$229,154	\$260,981	\$282,199							
Services	Director	7	\$208,997	\$235,520	\$256,738							
Grants Mgmt	Director	7	\$175,100	\$205,815	\$224,911							
HR	Director	7	\$175,100	\$205,815	\$224,911							
IT	Director	7	\$195,206	\$219,606	\$238,703							
Marketing and Communications	Director	7	\$168,683	\$194,145	\$214,302							
Core Programs (Therapeutics & Scientific, and Portfolio Dev & Review, Patient Access)	Senior Research Fellow	7	\$229,154	\$260,981	\$282,199							
Board Governance	Associate Director	6	\$135,960	\$156,921	\$163,796							
Core Programs (Therapeutics, Scientific, Patient Access, Portfolio Dev and Review)	Associate Director	6	\$190,828	\$219,606	\$234,459							
Grants Mgmt	Associate Director	6	\$131,552	\$144,282	\$153,831							
HR	Associate Director	6	\$135,960	\$156,921	\$163,796							
IT	Associate Director	6	\$178,231	\$201,571	\$212,180							
Marketing and Communications	Associate Director	6	\$135,960	\$156,921	\$163,796							
Legal	Counsel	6	\$175,100	\$182,825	\$195,958							
Core Programs (Therapeutics & Scientific, and Portfolio Dev & Review, Patient Access)	Research Fellow	6	\$190,828	\$219,606	\$234,459							
Services	Officer	6	\$167,622	\$187,779	\$202,632							
Business Dev	Senior Officer, Strategy	6	\$173,555	\$183,968	\$200,526							
IT	Development Manager	6	\$187,141	\$211,650	\$222,789							
Services	Finance Officer	5	\$127,308	\$140,039	\$149,587							
HR	HR Manager	5	\$127,308	\$140,039	\$149,587							
IT	IT Business Analyst	5	\$128,369	\$143,222	\$153,831							
Core Programs (Therapeutics & Scientific, and Portfolio Dev & Review, Patient Access)	Program Manager	5	\$154,891	\$171,866	\$182,475							

Grants Mgmt	Senior Grants Mgmt Officer	5	\$127,308	\$140,039	\$149,587	\$161,813
All CIRM Programs	Manager	5	\$127,308	\$140,039	\$149,587	\$161,813
Business Dev	Senior Science Officer	5	\$154,891	\$171,866	\$182,475	\$201,431
Executive	Senior Science Officer/Special Projects	5	\$154,891	\$171,866	\$182,475	\$201,431
(Therapeutics, Scientific, Portfolio Dev & Review, Patient Access)	Senior Science Officer 1	5	\$154,891	\$171,866	\$182,475	\$201,431
(Therapeutics & Scientific, and Portfolio	Senior Science Officer 2	5	\$168,554	\$196,267	\$208,997	\$217,485
IT	Senior Software Engineer	5	\$153,831	\$168,683	\$180,353	\$187,779
IT	Software Engineer	5	\$128,369	\$143,222	\$153,831	\$160,196
Grants Mgmt	Grants Officer	4	\$115,638	\$129,430	\$138,978	\$149,587
HR	Human Resources Specialist	4	\$95,914	\$104,689	\$116,975	\$131,016
All CIRM Programs	Project Manager	4	\$115,638	\$129,430	\$138,978	\$149,587
Core Programs (Therapeutics, Scientific, Portfolio Dev & Review)	Science Officer	4	\$133,673	\$150,648	\$161,257	\$167,622
Executive	Senior Executive Assistant	4	\$115,638	\$129,430	\$138,978	\$149,587
Marketing and Communications	Communications Team Coordinator	3	\$95,481	\$106,090	\$113,516	\$118,821
Executive	Executive Assistant	3	\$95,481	\$106,090	\$113,516	\$118,821
Finance and Business Services	Finance and Business Services Coordinator	3	\$79,568	\$84,872	\$90,177	\$115,532
Grants Mgmt	Grants Coordinator	3	\$79,568	\$84,872	\$90,177	\$115,532
HR	HR Generalist	3	\$79,568	\$84,872	\$90,177	\$115,532
Administrative Support	Administrative Assistant	2	\$76,385	\$82,750	\$92,298	\$102,907
HR	HR Assistant	2	\$76,385	\$82,750	\$92,298	\$102,907
Administrative Support	Contract Administrator	1	\$60,471	\$67,898	\$79,568	\$89,116
Administrative Support	Office Manager	1	\$60,471	\$67,898	\$79,568	\$89,116
All CIRM Programs	Program Assistant	1	\$53,560	\$55,702	\$57,845	\$59,987