




Executive Office of the President

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June 5, 2013

Dr. Joe G. N. "Skip" Garcia


Dear Skip:

I am extremely pleased to offer you the opportunity to become the Senior Vice President for Health Sciences at the University of Arizona (UA) as well as to assume the duties as Interim Director of the UA Cancer Center. As the Senior Vice President for Health Sciences and Interim Director of the UA Cancer Center, you will be a key member of the university's senior executive team and a valued member of my Cabinet, which has responsibility for the entire university enterprise. You will work collaboratively across the university's campuses, varied programs, and within the university's leadership structure. You will work in close partnership with the Provost, the CEO of the University of Arizona Health Network and others, and have direct reports including the Deans of the Colleges of Medicine (Tucson and Phoenix), Nursing, Pharmacy and Public Health.

As a key member of the university's senior executive team, you will be responsible for providing innovative and inspiring leadership in the strategic integration of undergraduate and graduate education, research, service and clinical activities among all the University of Arizona health sciences colleges, centers and clinical affiliates. In addition, you will bring vision and strategic implementation for central areas of research in order to build UA's competitiveness nationally and internationally in biomedical research.

In this role you will also be responsible for strategic, tactical and fiscal management for the health science programs to ensure maximum effectiveness of resources – financial, facility and personnel. Working in partnership with the Chief Academic Officer and Provost, you will hold the delegated academic responsibility for the University's five health sciences colleges including hiring and dismissal authority over the five deans. You will offer strong leadership to the College of Medicine-Phoenix, the College of Medicine-Tucson, the College of Nursing, the College of Pharmacy, the Mel and Enid Zuckerman College of Public Health, the UA Cancer Center and the deans, in collaboration with the CEO of the University of Arizona Health Network, the University Provost, the Senior Vice President for Research and other members of UA leadership. These close working relationships ensure the successful integration of the organizational missions of patient care, education, research, and community health, and foster teamwork, innovation, and collegiality that serve the University of Arizona.

Given the importance of the relationship between the Senior Vice President for Health Sciences at the University of Arizona (UA) and the CEO of the University of Arizona Health Network (UAHN), Michael Waldrum MD, you will receive, under separate correspondence, confirmation of the willingness of Dr. Waldrum and UAHN to work in an integrative and collaborative fashion to further the goals and mission of both the UA Health Network and the UA Health

Sciences. This will include a year of comprehensive review and assessment in key areas such as clinical program productivity, contribution margin and enterprise support in order to identify best opportunities for growth and to rationalize enterprise support allocations. It is my expectation that the SVPHS and CEO will create parameters to investment (i.e., increase in funds flow) and engage in joint planning and (on-going) evaluation of enterprise finance & budget for both operations and capital and clinical workforce evaluation, planning and development and shared administrative service opportunities (e.g., HR, IT).

I am also pleased to offer you a tenured faculty appointment as Professor of Medicine in the College of Medicine-Tucson. (Subject to normal UA review of tenure for appointments of senior faculty.) You will hold an endowed chair with commensurate privileges and benefits. We will be creating this new endowed chair within twelve months of your appointment, funded at the \$1 Million level.

Your appointment as Senior Vice President for Health Sciences falls under the Conditions of Administrative Service, Chapter 5 of the University Handbook for Appointed Personnel, and Section 6-101 of the Arizona Board of Regents (ABOR) Policy Manual. This is a year-to-year appointment. Your appointment as Professor of Medicine in the College of Medicine-Tucson falls under the Conditions of Faculty Service, Chapter 3 of the University Handbook for Appointed Personnel, and Section 6-201 of the ABOR Policy Manual. This is a tenured appointment subject to normal UA review of tenure for senior faculty. Within the parameters of your assigned responsibilities, you will have the privileges and responsibilities set forth in your Notice of Appointment. Your performance of your assigned duties and responsibilities will be subject to evaluation by me as president. In addition to annual performance reviews, my practice is to conduct more comprehensive assessments of executive leaders no less than every five years. Performance will be considered in decisions relating to compensation, retention, promotion, suspension, termination, or a decision not to renew an appointment.

If you accept this offer, your duties will begin no later than September 1, 2013 with a base annualized fiscal salary of \$810,000, with final compensation negotiated annually upon achievement of agreed upon performance-based goals. While I am unable to offer you a multi-year contract due to ABOR policy, I will commit to maintaining your base salary at least at this level for the first five years of your employment with the University of Arizona as either the Senior Vice President for Health Sciences or Professor of Medicine in the College of Medicine-Tucson. I will also set aside a \$50,000 salary adjustment pool each year for the next four years that may be utilized if all performance-based goals have been met. In addition to this salary, you will be provided the items set forth in the attached Addendum.

This appointment entitles you to all customary employee benefits including retirement plans, medical insurance, and availability of life insurance, dental insurance and long-term health care insurance. As a benefits-eligible employee, you will be eligible to participate in university and State sponsored benefits. You will receive a packet describing the benefits programs at the University of Arizona and are encouraged to view the web-based Benefits Orientation available on the Human Resources website at www.hr.arizona.edu before you make your benefits elections. In addition, you should attend a "New to the U" orientation program to learn more about the university's culture, policies and resources.

State law requires all employees who are employed at least 20 weeks per fiscal year and who are working at least 20 hours per week to enroll in one of the university's approved retirement plans. During the first 30 days of employment, appointed personnel have a one-time opportunity to enroll in either the Arizona State Retirement System (ASRS) or the Optional Retirement Plan (ORP). Employer and employee contributions begin immediately for ORP participants and after six months for those who elect to participate in the ASRS plan. An election in either plan is irrevocable for the duration of an employee's continuous employment in the Arizona University System. Individuals with an active contract (monies on deposit) in a university qualified defined contribution plan are eligible for immediate vesting. Given that you have an active retirement account through the Illinois State Universities Retirement System we are able to offer you immediate vesting. Upon acceptance of this offer and in accordance with Arizona Board of Regents policy, we will contact your current employer to verify that you have an active defined contribution retirement account.

You must actively complete the enrollment process regardless of which retirement plan you elect. To enroll in your retirement plan and complete the related forms, visit the Human Resources website at <http://www.hr.arizona.edu> and select the "Benefits" link.

The Immigration Reform and Control Act (IRCA) of 1986 requires that you produce documents that authorize you to work in the United States. The Legal Arizona Worker's Act requires the university to use these documents to check your legal status using E-Verify, the federal on-line verification system. To comply with these requirements, on or before your first day of employment, you must complete Section 1 of the I-9 form and present to your department original documentation to establish (1) true identity and (2) eligibility to be employed in the United States. Please contact Cynthia Quijada in the Executive Office of the President at (520) 621-5215 or via email at cynthian@email.arizona.edu regarding these procedures.

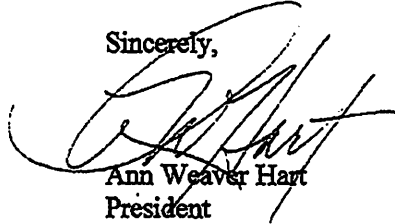
This employment offer is contingent upon the successful outcome of pre-employment screening checks required under university policy and Arizona Board of Regents Policy 6-709. Attached is a release form giving the university authorization to proceed with the background screening, which I ask you to sign and return to Cynthia Quijada at your earliest convenience. Continued employment with the university is dependent upon availability of funds, satisfactory performance appraisals and compliance with University of Arizona rules, regulations and bylaws, and other contractual obligations.

I am required to call to your attention the fact that Arizona Board of Regents policy provides that misrepresentation of an individual's qualifications or credentials in securing employment at the university may be grounds for dismissal. This letter constitutes the full terms of my employment offer and supersedes all other commitments either written or verbal that may have been made to you.

I hope you will accept the exciting challenges offered by this position and our great university. You will join other distinguished colleagues in a beautiful and supportive setting making a permanent impact on higher education in Arizona and the nation. I speak for my senior executive team and campus leadership when I state that we look forward with great enthusiasm

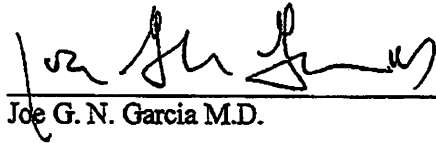
to our working together and sincerely hope these conditions are satisfactory to you. If so, please sign and return the enclosed copy of this letter at your earliest convenience. Please feel free to call me at (520) 621-5511 (office) or (520) 289-1116 (cell) or you can email me at klea4098@email.arizona.edu if you have any questions.

Sincerely,



Ann Weaver Hart
President

I accept this offer of employment:



Joe G. N. Garcia M.D.

6-8-13
Date

Attachment

ADDENDUM

1. **Oversight and Authority:** You will have oversight of the Health Sciences Colleges, Centers and Institutes, which includes full budgetary oversight. You will have authority to remove or replace leadership positions, as you deem necessary. This authority will include changing the reporting line for the UA Cancer Center Director to the Senior Vice President for Health Sciences if you wish to do so.

The Health Sciences Centers include: UA Cancer Center, Southwest Environmental Health Sciences Center, Arizona Arthritis Center, Arizona Center on Aging, Arizona Center for Integrative Medicine, Arizona Emergency Medicine Research Center, Arizona Hispanic Center of Excellence, Arizona Respiratory Center, Steele Children's Research Center, UA Sarver Heart Center, Valley Fever Center for Excellence, Center for Applied NanoBioscience & Medicine, Arizona Poison and Drug Information Center, Center for Toxicology, UA Superfund Basic Research Program, U.S.-Mexico Binational Center for Environmental Sciences and Technology, Center for Health Outcomes & PharmacoEconomic Research, Medication Management Center, Canyon Ranch Center for Prevention and Health Promotion, and Arizona Center for Public Health Preparedness.

2. **Key Leaders Recruitment Support:** The university will provide you with a startup package of \$40 million over five years to support the recruitment of key Health Science leaders.

3. **Associate Vice President for Health Sciences Recruitment and Hiring Support:** The university will provide you with assistance in the recruitment and hiring of Mike Jonen to serve

as an Associate Vice President for Health Sciences. As president, I conditionally approve of this hire with a start date of August 12, 2013 provided that all university and ABOR policies are followed, including the satisfactory outcome of any pre-employment screening and background checks. If Mr. Jonen were not hired within one year of your acceptance of this offer, should he desire employment with the university, he would be subject to the university's competitive hire processes. My support for this hire includes you providing him with a salary of \$325,000 with funding from the Senior Vice President for Health Sciences Office budget; reimbursement of household moving expenses; a one-time local housing allowance; and travel reimbursement for a monthly trip to Chicago through June 2014 or when his family relocates to Tucson, whichever is earlier. You should be aware that all personnel decisions, including titles and salaries to be paid any employee, must comply with University policies and salary guidelines.

4. **Operational Support:** The university will provide you with annual ongoing operational support for the Office of the Senior Vice President for Health Sciences of \$4 million per year for the first three years, at which time I will reevaluate in light of university operational, budgetary and programmatic needs. The university will provide you with up to \$50,000, as needed, in office renovation funds within your first year.

5. **Indirect Cost Recovery Funds:** The current formula for recovery of Indirect Cost Recovery (ICR) monies allocates 25% of total ICR to the Health Science Colleges. For all ICR increases over and above the FY13 metric, you will be assigned an additional 25% of the ICR monies in addition to the colleges' customary 25% to be used at your discretion for reinvestment on research.

6. **Surcharge:** You will be provided a 5% surcharge on all increases in clinical funds flow agreements between College of Medicine-Tucson and College of Medicine-Phoenix and their medical partners for reinvestment in the enterprise.

7. **Cancer Center Support:** The university will provide the UA Cancer Center with up to \$45 million in support over 10 years.

8. **Research Support:** The university will provide you with adequate lab space and up to \$2 million to support your research endeavors. In addition, we commit to covering the expenses for moving your laboratory from Chicago to the University of Arizona within 18 months of your appointment. Adequate lab space will entail 1,500 square feet of wet lab space and 500 square feet of dry lab space. The university, via the funds provided to you as Senior Vice President for Health Sciences, is supportive of efforts to recruit members of the Institute for Personalized Respiratory Medicine within this same 18-month period.

9. **Relocation and Transition Support:** The university will also provide you with reimbursement up to \$25,000 for reasonable household moving expenses and relocation costs. Additionally, you will be provided a one-time payment of \$150,000 for transition expenses from non-university funds. You may contact Cynthia Quijada in the Executive Office of the President at (520) 621-5215 who can advise you on procedures to follow upon receipt of the estimates. You must repay moving reimbursement and transition funds to the university should you leave employment for any reason prior to January 1, 2015. Recognizing the time between this offer and your expected

start date, you will be reimbursed for up to three visits (including your spouse) prior to your start date to meet with your senior team along with UA senior leadership in order to plan your transition.

10. COBRA Support: The university will provide you with reimbursement for your costs of the first three months of COBRA coverage to ensure the continuation of health insurance benefits for you and your family.

11. Retirement Supplement: The university will provide you with an annual salary supplement of \$60,000 for 4 years. These dollars may be invested in a 403(b) and/or 457 plan (up to annual limits that are currently \$23,000 per plan), or any other retirement savings vehicle you may select.

12. Wildcat Basketball: You will be assigned FOUR season Wildcat basketball tickets for your use as long as you hold the position as Senior Vice President of Health Sciences.