

COMMITTEE ON COMPENSATION

SEPTEMBER 2007

APPOINTMENT OF AND TOTAL COMPENSATION FOR SHERYL VACCA AS SENIOR VICE PRESIDENT – CHIEF COMPLIANCE AND AUDIT OFFICER

RECOMMENDATION

1. The Chairman of the Board intends to request at the September 18, 2007 meeting of The Regents that Sheryl Vacca be appointed Senior Vice President – Chief Compliance and Audit Officer, 100 percent, effective no later than October 10, 2007.
 2. The Chairman of the Board recommends that the Committee on Compensation recommend to The Regents that an annual salary of \$405,000 be approved, along with the additional compensation related items listed below.
 3. As exception to policy, reimbursement of actual reasonable costs associated with temporary accommodations not to exceed \$25,000 over a period of six months to assist with the transition of Ms. Vacca from her current location to Oakland.
 4. As exception to policy, reimbursement of up to three round-trip, coach-class airfares plus reasonable accommodation expenses to be used before October 10, 2007 for house hunting and to the Bay Area.
 5. As exception to policy, reimbursement of round-trip, coach-class airfares up to a maximum of \$6,000 during Ms. Vacca's first 12 months of employment, if needed, to complete the sale or other arrangements associated with the current residence and family obligations.
- (6) Per policy, relocation of household effects.
- (7) Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- (8) Per policy, an automobile allowance of \$8,916 per annum.
- (9) Per policy, participation in the Mortgage Origination Loan Program (MOP), available to be exercised within a period not to exceed 24 months from date of employment.

Additional compensation and related items include:

- Per policy, Administrative Fund for official entertainment and other purposes permitted by University policy.
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance.
- Per policy, continuation of her current speaking and teaching activities on behalf of two not-for-profits (Health Care Compliance Association (HCCA) and the Society of Corporate Compliance and Ethics (SCCE)) as well as her current board membership of HCCA and her advisory board membership of SCCE.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

BACKGROUND

The Senior Vice President - Chief Compliance and Audit Officer reports directly to The Regents and shall develop and maintain the University's Corporate Compliance and Audit Program, functioning as an independent and objective office that reviews and evaluates compliance and audit issues and concerns within the University. This position will monitor and report to the Board on itself, the administration, faculty, and employees on compliance with rules and regulations of regulatory agencies, University policies and procedures, and the University's Statement of Ethical Values and Standards of Ethical Conduct. This position is authorized to implement all necessary actions to ensure achievement of the objectives of an effective and accountable compliance and audit program. Ms. Vacca's work as Director with a respected auditing firm will serve her well in this position. She has lead engagements with life science and health care organizations related to the regulatory compliance continuous from development and implementation of comprehensive corporate compliance programs to individual focused areas of compliance program elements; i.e., auditing and monitoring programs, gap assessments in compliance efforts, implementing compliance risk assessments, and conducting compliance program effectiveness reviews. Clinical research and quality improvement areas have also been a focus of her engagements.

[Compensation form attached.]

COMPENSATION FOR SHERYL VACCA AS SENIOR VICE PRESIDENT – CHIEF COMPLIANCE AND AUDIT OFFICER
OFFICE OF THE PRESIDENT

Position Slotted in Grade 112 – Minimum \$290,800, Midpoint \$374,800, Maximum \$458,700

ITEM	RECEIVING		AMOUNT	EXCEPTION	APPROVAL
	YES	NO		TO POLICY	REQUIRED
SALARY AND OTHER CASH PAYMENTS					
· Annual Base Salary	X		\$405,000	NO	REGENTS
· Health Sciences Compensation Plan		X			
· Additional Salary (Stipend, add-ons, etc.)		X			
· Clinical Enterprise Management Recognition Plan- up to 20%		X			
· Any other bonuses/Incentives		X			
· Annual Incentive Plan (Treasurer's Office only)		X			
· Senior Management Supplemental Benefit Program - eligible to receive 5% as contribution to retirement plan for total annual amount at current base salary	X		\$20,250	NO	REGENTS
BENEFITS AND PERQUISITES					
· Standard Benefits Package (Health, UCRP, Vision, Dental, etc.)	X			NO	
· Automobile Allowance	X		\$8,916	NO	
· Leased Automobile		X			
· Senior Manager Life Insurance	X			NO	
· Executive Business Travel Insurance	X			NO	
· Exec. Salary Continuation for Disability	X			NO	

· Mortgage Origination Program (MOP) Loan	X		NO	REGENTS
· Supplemental Home Loan Program		X		
· University-provided Housing (President/Chancellors)		X		
· Educational Expenses		X		
· Other Perqs – please list below		X		
ONE-TIME PAYMENTS/REIMBURSEMENTS				
· Payment in Lieu of Sabbatical Pay		X		
· Relocation Allowance		X		
· Temporary Housing Allowance - 6 months as exception to policy	X	\$25,000	YES	REGENTS
· Payment in lieu of Vacation Pay		X		
· Reimbursement of up to three round-trip, coach- class airfares plus reasonable accommodation expenses between San Francisco and Orange County to be used before October 10, 2007	X		YES	REGENTS
· Moving Expenses/Movement of Household Goods – round-trip, coach-class airfares during first 12 months of employment	X	\$6,000	YES	REGENTS

COMPENSATION FOR SHERYL VACCA AS SENIOR VICE PRESIDENT
OFFICE OF THE PRESIDENT

Position Slotted in Grade 112 – Minimum \$290,800, Midpoint

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ITEM	RECEIVING		EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO		
FUTURE BENEFITS				

·	Post-retirement Employment Agreements	X	
·	Consultant/Independent Contractor Compensation Agreement	X	
·	Severance/Separation Agreement	X	
·	Sabbatical/Administrative Leave	X	
·	Special Health Benefits or Other Benefits	X	
OTHER			
·	Administrative Fund Allocation	X	NO
·	Corporate Board Service	X	
·	Other (Specify)	X	
TOTAL ANNUAL EMPLOYEE COMPENSATION		\$425,250	
(Including, if applicable, Salary, Perquisites, One-time Payments, Future Benefits, and Other)			

[Please note that all payments, reimbursements, special benefits, etc. should be listed on this form in order to be authorized by the President and The Regents. This information will be released to the Public.]

The only compensation permitted is what is listed on the summary page that accompanied the item.