

Office of the President

TO MEMBERS OF THE HEALTH SERVICES COMMITTEE:

ACTION ITEM

For the Meeting of March 16, 2022

APPROVAL OF APPOINTMENT OF AND COMPENSATION FOR CHERYL SADRO AS CHIEF FINANCIAL OFFICER, UC DAVIS HEALTH, DAVIS CAMPUS AS DISCUSSED IN CLOSED SESSION

EXECUTIVE SUMMARY

The President of the University recommends approval for the appointment of and compensation for Cheryl Sadro as Chief Financial Officer, UC Davis Health, Davis campus, at 100 percent time, with a proposed annual base salary of \$802,000, effective on her start date of April 1, 2022.

The previous career incumbent, Tim Maurice, is stepping down effective April 1, 2022. The campus concluded a national competitive recruitment for the Chief Financial Officer position, and Ms. Sadro was identified as the top candidate from a broad and diverse applicant pool.

The proposed base salary of \$802,000 is 2.3 percent above the 75th percentile (\$783,900) and 13.6 percent below the 90th percentile (\$928,200) of the position's Market Reference Zone (current MRZ approved in 2019) and 33.1 percent above the previous career incumbent's base salary (\$602,550).

The Chief Financial Officer, UC Davis Health, position is classified as a Level Two position in the Senior Management Group (SMG). Because the proposed base salary is above the 75th percentile of the Market Reference Zone for the position, approval by the Regents is required.

The position serves UC Health, and the compensation will be paid solely from sources other than State General Fund support to the University. Therefore, the Health Services Committee may review and approve this item with no further action needed by the full Board.

RECOMMENDATION

The Committee recommends to the Regents approval of the following items in connection with the appointment of and compensation for Cheryl Sadro as Chief Financial Officer, UC Davis Health, Davis campus:

March 16, 2022

- A. Per policy, appointment of Cheryl Sadro as Chief Financial Officer, UC Davis Health, Davis campus, at 100 percent time.
- B. Per policy, an annual base salary of \$802,000.
- C. Per policy and starting in the 2022-23 plan year, eligibility to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 15 percent of base salary (\$120,300) and maximum potential award of 25 percent of base salary (\$200,500), subject to all applicable plan requirements and Administrative Oversight Committee approval. The 2022-23 plan year starts on July 1, 2022 and ends on June 30, 2023, and the first possible short term incentive award will be determined following the close of the 2022-23 plan year. Any actual award will be determined based on performance against pre-established objectives and may be prorated in Ms. Sadro's first year of participation.
- D. Per policy, standard pension and health and welfare benefits and standard senior management benefits, including eligibility for senior management life insurance upon start date and eligibility for executive salary continuation for disability after five consecutive years of Senior Management Group service.
- E. Per policy, reimbursement of actual and reasonable moving and relocation expenses associated with relocating her primary residence, subject to the limitations under Regents Policy 7710: Senior Management Group Moving Reimbursement.
- F. Per policy, eligibility to participate in the UC Employee Housing Assistance Program, subject to all applicable program requirements.
- G. Ms. Sadro will comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- H. This action will be effective on Ms. Sadro's start date of April 1, 2022.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: Start Date - April 1, 2022

Annual Base Salary: \$802,000

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI): \$120,300 (at 15 percent target rate) with the first possible payment to occur after the end of the 2022-23 plan year

Target Cash Compensation:* \$922,300

Funding: Non-State-Funded (UC Davis Health Revenue)

Prior Career Incumbent Data

Title: Chief Financial Officer, UC Davis Health

Annual Base Salary: \$602,550

Clinical Enterprise Management Recognition Plan (CEMRP) - Short Term Incentive (STI):

\$90,382 (at 15 percent target rate)

Target Cash Compensation:* \$692,932

Funding: Non-State-Funded (UC Davis Health Revenue)

*Target Cash Compensation consists of base salary and, if applicable, short term incentive and/or stipend.

**COMPETITIVE ANALYSIS FOR CHIEF FINANCIAL OFFICER, UC DAVIS HEALTH
(MRZ: CHIEF FINANCIAL OFFICER – UC DAVIS MEDICAL CENTER)**

	MARKET REFERENCE ZONE FOR BASE SALARY						MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
Percentiles	25 th	50 th	60 th	75 th	90 th	Percentiles	25 th	50 th	60 th	75 th	90 th
Market Data	\$471.6k	\$637.8k	\$696.2k	\$783.9k	\$928.2k	Market Data	\$607.2k	\$720.5k	\$846.3k	\$1035.1k	\$1295.5k
% Difference from Market	70.1%	25.7%	15.2%	2.3%	-13.6%	% Difference from Market	51.9%	28.0%	9.0%	-10.9%	-28.8%

Survey Sources: Mercer Integrated Health Networks (IHN) Compensation Survey, Integrated Health Care Strategies National Healthcare Leadership Compensation Survey and Sullivan Cotter Manager and Executive Compensation

The compensation described above shall constitute the University’s total commitment until modified by the Regents, President, or Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.