

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: FY 2005 Budgets – Compensation of Institutional Executives
Date: June 10, 2004

Recommended Actions:

1. Receive the information attached to this memorandum relative to the competitive position of salaries for Regent institution heads and the Board's executive director.
2. Take action deemed appropriate relative to these salaries for FY 2005, so such actions can be integrated into the institutional budgets.

Executive Summary:

Salary determinations following performance evaluations

The Board has, in recent years, concluded performance evaluations of the three university presidents, the two special school superintendents, and the Board's executive director in late spring and early summer. At the conclusion of that process, a determination had been made as to any adjustments in compensation for those six individuals, each of whom has his or her salary set directly by the Board. This action generally coincided with consideration of the coming fiscal year budget for each institution, allowing any compensation changes to be factored into institutional planning.

Performance evaluation process concludes in June

The 2003-04 performance evaluation process is planned to be completed this month, and the FY 2005 budgets are anticipated to be approved by the Board in June also. The question, then, of whether to seek compensation changes for the executives is appropriately before the Board at this time as well.

Comparison salary data

Information has been gathered, at the request of Board leadership, from a number of sources to provide some insight into the relative position of salaries for Regent executives compared with the national marketplace for each. It is important to note that data sources are incomplete as of this writing, and that comparisons, even with available information, can be complicated by compensation factors used at many other institutions that are not always apparent, such as provision of housing or automobiles, enhanced pension or annuity contributions, or other perquisites paid by non-public sources or foundations. The information enclosed is only directional, not definitive, in nature.

This type of data is similar to that used to compare faculty salaries across the nation. Such data are one relevant factor in attraction and retention of top-quality personnel in these key leadership positions. There is an

identified marketplace for each of these six positions that is national in scope, and across which there is individual movement from time to time.

FY 2004 Salaries	President Skorton	\$287,513**
	President Geoffroy	\$287,513*
	President Koob	\$226,519*
	Superintendent Prickett	\$110,000 (appointed 6/15/03)*
	Superintendent Thurman	\$100,786*
	Executive Director Nichols	\$126,141

*Campus housing provided

**Campus housing will be provided in FY 2005 when renovations are complete.

FY 2004 salaries of the three presidents and Superintendent Thurman were increased by 2% over the FY 2003 salaries.

Salaries of heads of SUI, ISU and Executive Director below national mean

The data, while not complete, tend to suggest that the salaries of Presidents at the University of Iowa and Iowa State University, and the salary of the Board's executive director, would fall somewhere below the mean of peer institution positions across the nation, and depending on the comparison chosen, closer to the bottom of the group than the midpoint.

Salary of head of UNI appears closer to the national mean

The data, again while far from complete, further suggest that the current salary for the President of the University of Northern Iowa appears closer to the mean relative to comparable positions.

Salaries of superintendents are difficult to compare nationally

The information on the special schools is perhaps the least complete and least reliable. There is some indication they may be relatively competitive.

Survey data

Data on FY 2004 University Presidents' salaries are drawn from the Chronicle of Higher Education November 2003 salary survey. The UNI data was drawn from a survey by institutional staff. Information on the special schools is based on late 1990's survey data and other anecdotal information. Data on salaries relative to the Board's executive director are drawn from the State Higher Education Executive Officers Association 2004 survey.

SUI – 7th of 11 peers

The salary of the University of Iowa President was ranked 7th of 11 peers. University of Michigan was at the top of this group, and University of Texas at the bottom. A graphic illustration is included as Attachment A.

ISU – 7th of 11 peers

The salary of the Iowa State University President was ranked 7th of 11 in the peer group, with University of Minnesota at the top and Michigan State University at the bottom of the group. A graphic illustration is included as Attachment B.

UNI – 5th of 8 peers

The Chronicle survey did not include UNI and its peer group. The University collected the survey data appearing in Attachment C. The salary of the President is ranked 5th of the 8 institutions reporting.

Data on salaries of special school groups

Data are much more difficult to come by relative to special school superintendent positions around the nation, in part due to lack of good data collection and publication sources, and in part due to the fact that many of these institutions are privately incorporated and make less information generally available.

Based on unpublished information, it appears typical for many of the schools to offer housing and automobile allowances, and for the institutions to offer ranges of \$70,000 - \$110,000 per annum. Private institutions, largely on the eastern seaboard, pay higher salaries than the range quoted that applies to most Midwest, western, and southern schools. Published data (from 1998) is included as Attachment D, and is reasonably consistent with the pattern described.

Executive Director comparisons

Relative to the Board's executive director, data are more plentiful, but comparisons are also somewhat complex. Every state system is organized somewhat differently—i.e., governance boards or coordinating boards. However, there are peer positions of some kind in each state. The data illustrate that under any configuration of the information, the Iowa salary is below the mid-point. On a national basis Iowa's executive director salary was just above the 25th percentile, approximately \$25,000 below the median, and approximately \$50,000 below the mean. Those differences were even greater when only other 'governing board' states are considered. Other, arguably more meaningful, comparisons with comparable states are also included with the summary data in the Attachment E.

Approved: Marcia R. Brunson Approved: Thomas A. Evans, Jr.
Marcia R. Brunson Thomas A. Evans, Jr.

Approved: Gregory S. Nichols
Gregory S. Nichols

**UNIVERSITY OF IOWA PEER INSTITUTIONS
COMPARISON AND RANKING OF PRESIDENTIAL SALARIES**

FY 2004

**Salary survey information as published in the
Chronicle of Higher Education
November 14, 2003**

Institution	FY04 State Salary	FY04 State Salary Rank	FY04 Salary from Private Sources	FY04 Total Salary	FY04 Total Salary Rank
U of Michigan	475,000	1	-	475,000	1
U of Minnesota	340,000	2	-	340,000	2
Ohio State University	325,008	3	-	325,008	3
UCLA	315,000	4	-	315,000	4
U of Wisconsin	248,350	10	55,000	303,350	5
U of Illinois	300,000	5	-	300,000	6
U of Iowa	287,513	6	-	287,513	7
U of Arizona	285,000	7	-	285,000	8
Indiana University	261,375	8	-	261,375	9
U of N. Carolina-C.H.	255,625	9	-	255,625	10
U of Texas	65,945	11	187,279	253,224	11

Attachment A

SUI PEER GROUP NOTES	Car	House	Other Compensation State	Other Compensation Private
U of Michigan	provided by U	provided by U	\$100,000 annual bonus if she completes her five-year contract in 2007; \$75,000 in deferred comp.; \$27,500 in supplemental retirement pay	--
U of Minnesota	provided by U	provided by U	\$50,000 in deferred comp.	--
Ohio State U	2 cars provided by U	provided by foundation	\$100,000 annual retention bonus, half of which she will only receive if she completes her five-year contract in 2007; \$81,252 performance bonus; \$6,000 car allowance	--
UCLA	\$8,916	provided by U	\$108,400 house maintenance; \$38,700 expense account	--
U of Wisconsin	provided by U	provided by U	--	One club membership
U of Illinois	--	\$24,000	--	--
U of Iowa	provided by U	provided by U	--	--
U of Arizona	\$8,394 from U	\$46,993 from U	\$163,007 in deferred comp.	--
Indiana University	provided by U	provided by U	--	--
U of N. Carolina	provided by U	provided by U	\$550 bonus	--
U of Texas	\$8,400 from private sources	\$78,000 from private sources	--	\$93,000 in deferred comp.; \$5,313 for club memberships

**IOWA STATE UNIVERSITY PEER INSTITUTIONS
COMPARISON AND RANKING OF PRESIDENTIAL SALARIES
FY 2004**

**Salary survey information as published in the
Chronicle of Higher Education
November 14, 2003**

Institution	FY04 State Salary	FY04 State Salary Rank	FY04 Salary from Private Sources	FY04 Total Salary	FY04 Total Salary Rank
U of Minnesota	340,000	1	-	340,000	1
Purdue	280,437	7	54,998	335,435	2
Ohio State University	325,008	2	-	325,008	3
Texas A & M	65,945	11	246,055	312,000	4
U of Wisconsin	248,350	8	55,000	303,350	5
U of Illinois	300,000	3	-	300,000	6
Iowa State University	287,513	4	-	287,513	7
U of Arizona	285,000	5	-	285,000	8
U of CA (Davis)	280,700	6	-	280,700	9
North Carolina State	248,225	9	-	248,225	10
Michigan State	216,000	10	-	216,000	11

Attachment B

ISU PEER GROUP NOTES	Car	House	Other Compensation State	Other Compensation Private
U of Minnesota	provided by U	provided by U	\$50,000 in deferred comp.	--
Purdue	provided by U	provided by U	\$70,000 in deferred comp.	--
Ohio State University	2 cars provided by U	provided by foundation	\$100,000 annual retention bonus, half of which she will only receive if she completes her five-year contract in 2007; \$81,252 performance bonus; \$6,000 car allowance	--
Texas A & M		provided by U	\$4,020 for three club memberships	\$100,000 in deferred comp.
U of Wisconsin	provided by U	provided by U	--	One club membership
U of Illinois	--	\$24,000	--	--
Iowa State University	provided by foundation	provided by U	--	--
U of Arizona	\$8,394 from U	\$46,993 from U	\$163,007 in deferred comp.	--
U of CA (Davis)	\$8,916	provided by U	\$83,900 house maintenance; \$30,600 expense account	--
North Carolina State	provided by foundation	provided by U	\$550 bonus	--
Michigan State	provided by U	provided by U	\$69,100 in deferred comp.	--

**UNIVERSITY OF NORTHERN IOWA PEER INSTITUTIONS
COMPARISON AND RANKING OF PRESIDENTIAL SALARIES
FY 2004**

Survey data collected by UNI

Institution	FY04 State Salary	FY04 State Salary Rank	FY04 Salary from Private Sources	FY04 Total Salary	FY04 Total Salary Rank
Ohio University	276,420	1	-	276,420	1
U of North Texas	253,094	2	-	253,094	2
Northern Arizona	240,000	3	-	240,000	3
Central Michigan U	229,320	4	-	229,320	4
U of Northern Iowa	226,519	5	-	226,519	5
California St - Fresno	224,332	6	-	224,332	6
Illinois St University	203,332	7	-	203,332	7
U of Wisconsin-E'Claire	171,600	8	-	171,600	8
N Carolina-G'boro	n/a				
U of MN-Duluth	n/a				
Indiana St. University	n/a				

UNI PEER GROUP NOTES	Car	House	Other Compensation State	Other Compensation Private
Ohio University	Provided by private sources (\$7,200 allowance)	Provided by state	\$75,000 entertainment allowance; \$5,000 for five club memberships	

Breakdown between state and private sources not available

U of North Texas	\$12,000 supplemental annuity; \$8,400 auto allowance; \$40,000 housing allowance
Northern Arizona	\$55,387 housing, auto allowance

Superintendents' Compensation Package
June, 1998

School	# students	Salary if * see memo	Retirement % State pays	Vacation	Sick Lv. incl. utilities, maid	Housing	Auto	Entertainm'l.	Total Compensation
Alabama	650	128,000	66.67%	12	12	20,000	Yes	Yes	148,000 + perks
NY - White Plains	175	100,000	100%	24	15	25,000	Yes	Yes	125,000 + perks
Iowa	225	82,745	66.67%	24	18	30,000	Yes	Yes	112,745 + perks
Florida	680	92,400	100%	24	6	18,000	No	No	110,400
Ohio	150	84,371	85%	20	10	25,000	Yes	No	109,371 + perks
NY - Buffalo	125	106,500	50%	20	12	0	Yes	Yes	106,500 + perks
Penn. - Western	215	98,000	85%	20	12	8,400	No	Yes	106,500 + perks
NY - Rome	110	87,248	60%	20	8	18,000	No	No	105,248
Kentucky	225	91,163	66.67%			12,000	No	No	103,163
New Mexico	270	77,000	60%	20	12	22,900	No	No	99,900
CA - Riverside	510	78,960	72%	22 AL		18,000	No	No	96,960
NY - Lexington	400	96,000	100%	20	11	0	No	No	96,000
Louisiana	378	80,759	66.67%	21	18	12,000	Yes	No	92,759 + perks
Texas	490	74,000	50%	12	12	18,000	No	No	92,000
Penn. - Philadelphia	175	90,000	100%	21		0	No	No	90,000
Delaware	161	88,125	80%	20	12	0	No	No	88,125
Kansas	175	75,720	60%	21	18	11,500	No	No	87,220
Colorado	265	85,365	100%	27	10	0	No	No	85,365
Michigan	137	85,080	100%	13+	12	0	No	No	85,080
Washington	155	84,287	60%	12-22	12	0	No	No	84,287
Idaho	109	72,000	66.67%	24	12	12,000	No	No	84,000
Tennessee	200	71,700	75%	12	12	12,000			83,700
Maryland	490	83,482	85%	30	18	0	No	Yes	83,482
CA - Fremont	528	78,960	72%	22	12	0	No	No	78,960
Minnesota	148	77,400	100%			0	No	No	77,400
Indiana	317	75,920	100%	21	12	0	No	No	75,920
Utah	7	69,627	100%	19	12	0	No	No	69,627
Illinois	284	69,336	50%		12	0	No	No	69,336
No. Carolina - East	320	66,512	60%	13	12	0	No	No	66,512

SHEEO 2004 Salary Survey

Attachment E

Summary of Data
Top Three Salaries¹

CEO Salary									
	ALL SHEEOS			COORDINATING BOARDS			GOVERNING BOARDS		
	2004	2003	+/-	2004	2003	+/-	2004	2003	+/-
Maximum	\$442,008	\$442,008	0%	\$283,000	\$283,000	0%	\$442,008	\$442,008	0%
75th percentile	\$220,480	\$220,480	0%	\$150,650	\$150,650	0%	\$252,500	\$252,500	0%
Average (Mean)	\$174,467	\$172,458	1%	\$140,290	\$139,035	1%	\$212,746	\$209,893	1%
Median	\$150,000	\$150,000	0%	\$126,971	\$130,971	-3%	\$210,000	\$205,920	2%
25th percentile	\$123,105	\$121,900	1%	\$109,655	\$108,802	1%	\$168,300	\$165,000	2%
Minimum	\$66,779	\$65,470	2%	\$66,779	\$65,470	2%	\$105,000	\$105,000	0%

Second Highest Salary									
	ALL SHEEOS			COORDINATING BOARDS			GOVERNING BOARDS		
	2004	2003	+/-	2004	2003	+/-	2004	2003	+/-
Maximum	\$260,016	\$240,864	8%	\$160,000	\$142,858	12%	\$260,016	\$240,864	8%
75th percentile	\$142,858	\$135,097	6%	\$120,225	\$120,918	-1%	\$182,918	\$177,284	3%
Average (Mean)	\$126,465	\$125,743	1%	\$101,912	\$103,153	-1%	\$153,963	\$150,141	3%
Median	\$120,000	\$118,100	2%	\$102,155	\$102,468	0%	\$137,577	\$132,510	4%
25th percentile	\$96,156	\$99,394	-3%	\$86,594	\$87,316	-1%	\$124,516	\$116,414	7%
Minimum	\$44,928	\$44,928	0%	\$44,928	\$44,928	0%	\$87,500	\$89,700	-2%

Third Highest Salary									
<i>Note: Salary must be at least \$7000 less than second highest to be included</i>									
	ALL SHEEOS			COORDINATING BOARDS			GOVERNING BOARDS		
	2004	2003	+/-	2004	2003	+/-	2004	2003	+/-
Maximum	\$227,016	\$227,016	0%	\$129,850	\$120,474	8%	\$227,016	\$227,016	0%
75th percentile	\$122,038	\$122,038	0%	\$107,100	\$104,200	3%	\$150,550	\$146,187	3%
Average (Mean)	\$107,968	\$105,719	2%	\$88,895	\$87,895	1%	\$127,040	\$125,028	2%
Median	\$105,288	\$95,467	10%	\$90,000	\$88,596	2%	\$115,000	\$123,780	-7%
25th percentile	\$83,347	\$83,403	0%	\$74,268	\$73,596	1%	\$105,000	\$91,080	15%
Minimum	\$44,521	\$37,674	18%	\$44,521	\$37,674	18%	\$54,080	\$54,080	0%

¹ To minimize misleading comparisons between years, FY2003 figures are used for both FY2003 and FY2004 for those agencies that did not report data for FY2004. Agencies that did not report data for both FY2003 and FY2004 were dropped from the survey.

SELECT STATE HIGHER EDUCATION EXECUTIVE OFFICERS COMPENSATION
States comparable to Iowa in size and structure AND dissimilar states in Midwest area

Source: SHEEO 2004 Survey State-by-State

Governing Board states with somewhat similar structures

Iowa (22 staff, governance)	\$126,141
Arizona (30 staff, governance)	\$172,500 plus 18% cash pension contribution
Idaho (21 staff, governance)	\$105,000
Kansas (54 staff, governance)	\$137,000 plus automobile
North Dakota (21 staff, governance)	\$168,000 plus automobile
Rhode Island (23 staff, governance)	\$135,000 plus automobile
South Dakota (59 staff, governance)	\$180,000 plus automobile
Utah (29 staff, governance)	\$170,000 plus automobile and housing

Similar size state, different structure

Connecticut	\$140,000
Washington	\$129,000
South Carolina	\$125,000 plus automobile
Oklahoma	\$250,000 plus automobile and housing

Nearby states, different structure

Missouri	\$110,000
Nebraska	\$121,500
Illinois	\$225,000 plus automobile
Indiana	\$140,000
Wisconsin	\$305,000 plus automobile and housing