

**RESPONSE TO HOUSE CONCURRENT
RESOLUTION NO. 92 OF THE
2012 REGULAR SESSION
OF THE LOUISIANA LEGISLATURE**

LOUISIANA BOARD OF REGENTS



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EXECUTIVE SUMMARY

House Concurrent Resolution No. 92 of the 2012 Regular Session of the Louisiana Legislature urges and requests the Board of Regents (BOR) to study the compensation for postsecondary system presidents and other system officers and board members' base salary and personal emoluments, included but not limited to, car and housing allowances. The Board of Regents was asked to identify peer systems and compensation of system executives based upon the most recent data available from higher education associations. In preparing this resolution response, BOR identified system peers within the Southern Regional Education Board (SREB) and Colleges and Universities Professional Association (CUPA) to analyze compensation data for system officials. BOR found that the compensation levels at the Louisiana systems are generally below the average among peer systems within SREB and CUPA.

INTRODUCTION AND BACKGROUND

Louisiana's public college and universities are organized into four postsecondary systems. The systems are Louisiana State University System, Southern University System, University of Louisiana System and the Louisiana Community and Technical College System. The methodology used to study Louisiana system administrator compensation among their SREB and CUPA peers was to rank Louisiana's four-year systems with the SREB states and two-year systems within CUPA.

FINDINGS

System President and Officer data and rankings:

SYSTEM AVERAGE WITHIN SREB					
	Chief Officer	Chief Academic Officer	Chief Finance Officer	Chief Information Officer	Public Information Officer
AVERAGE	\$ 468,363.46	\$ 238,113.80	\$ 223,398.84	\$ 178,608.28	\$ 175,021.48 *

*Represents total compensation and non-state funding sources were not disclosed.

Louisiana State University System

<u>TITLE</u>	<u>SALARY</u>	<u>% AVG</u>
President	\$425,000**	91%
Academic Officer	\$235,472	99%
Financial Officer	\$165,000	74%
Chief Information Officer	N/A	N/A
Chief Public Information Officer	N/A	N/A

**An additional \$175,000 is supplemented from the LSU Foundation.

Southern University System

<u>TITLE</u>	<u>SALARY</u>	<u>% AVG</u>
President	\$426,500	91%
Academic Officer	N/A	N/A
Financial Officer	\$170,000	76%
Chief Information Officer	\$135,000	76%
Chief Public Information Officer	N/A	N/A

University of Louisiana System

<u>TITLE</u>	<u>SALARY</u>	<u>% AVG</u>
President	\$427,500	91%
Academic Officer	\$185,000	78%
Financial Officer	\$160,000	72%
Chief Information Officer	N/A	N/A
Chief Public Information Officer	\$72,000	41%

SYSTEM AVERAGE WITHIN CUPA					
	Chief Officer	Chief Academic Officer	Chief Finance Officer	Chief Information Officer	Public Information Officer
AVERAGE	\$330,461.67	\$ 202,524.33	\$ 183,500.00	\$ 144,076.33	\$ 125,256.33

Louisiana Community & Technical College System

<u>TITLE</u>	<u>SALARY</u>	<u>% AVG</u>
President	\$319,799	97%
Academic Officer	\$197,000	97%
Financial Officer	\$162,175	88%
Chief Information Officer	\$135,000	83%
Chief Public Information Officer	\$104,000	94%

SUMMARY AND CONCLUSION

The Board of Regents finds that among Louisiana post-secondary higher education systems, executive salaries are generally lower than the average among peer systems within the SREB and CUPA. The Board of Regents will monitor system level executive compensation on an annual basis and advise system officials on rankings among peer institutions.

Regular Session, 2012
HOUSE CONCURRENT RESOLUTION NO. 92
BY REPRESENTATIVE CHAMPAGNE

A CONCURRENT RESOLUTION

To urge and request the Board of Regents to study executive compensation at the university system offices and boards and to report its findings to the legislature at least sixty days prior to the 2013 Regular Session of the Legislature of Louisiana.

WHEREAS, the Legislature of Louisiana is currently faced with the challenge of closing a projected \$895 million shortfall and balancing a \$25.6 billion budget, is regularly faced with such challenges, and is forced to look at postsecondary education as a place to find savings; and

WHEREAS, in 2011-2012, the state of Louisiana's public postsecondary education budget was \$3.012 billion; and

WHEREAS, the Southern Regional Education Board's *Fact Book on Higher Education* for 2011 reports that the average annual salary for a CEO/single institution in Southern states is \$299,796 as compared to \$284,753 for all 50 states and D.C.; and

WHEREAS, the need for transparency with respect to the expenditure of public funds is self-evident; and

WHEREAS, Article VIII, Section 5 of the Constitution of Louisiana gives the Board of Regents the power to "formulate and make timely revision of a master plan for postsecondary education" which shall "include a formula for equitable distribution of funds to the institutions of postsecondary education"; and

WHEREAS, Article VIII, Section 12 of the Constitution of Louisiana requires appropriation of postsecondary education funds to the management boards and administration of those funds by those boards, so the legislature cannot be assured of equitable distribution to the institutions without accurate information on administrative costs of the system; and

WHEREAS, House Bill Number 173 as proposed in the 2011 Regular Session of the Legislature requested that the Board of Regents make information pertaining to the salaries of system presidents available to the management boards of systems in the state of Louisiana and set caps on those salaries.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request that the Board of Regents conduct a study of compensation for postsecondary system presidents and other system officers and board members, recognizing that such compensation encompasses not only base salaries but also personal emoluments, including but not limited to car or housing allowances.

BE IT FURTHER RESOLVED, the Board of Regents shall identify peer systems and the computation of system executives based upon the most recent data available from the Southern Regional Education Board, or if not available from the Southern Regional Education Board, then from such reliable source or sources as the Board of Regents selects.

BE IT FURTHER RESOLVED, that the legislature requests the Board of Regents to report its findings to the legislature at least sixty days prior to the convening of the 2013 Regular Session of the Legislature of Louisiana.

BE IT FURTHER RESOLVED, that a copy of this Resolution be transmitted to the commissioner of higher education and the chairman of the Board of Regents.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE