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Commissioner of
Higher Education



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P. O. Box 3677

Baton Rouge, LA 70821-3677

Phone (225) 342-4253, FAX (225) 342-9318

www.regents.la.gov

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January 9, 2017

To: The Honorable Eric LaFleur, Chair
Joint Legislative Committee on the Budget

The Honorable Nancy Landry
Chairwoman, House Education Committee

The Honorable Dan "Blade" Morrish
Chair, Senate Education Committee

From: Joseph C. Rallo, Ph.D.
Commissioner of Higher Education

House Concurrent Resolution 123 of the 2016 Regular Legislative Session urges and requests the Board of Regents to study the compensation of public postsecondary education system presidents and other system officers and board members and to report its findings to the legislature at least sixty days prior to the 2017 Regular Session of the Legislature of Louisiana.

Attached is the Board of Regents report in response to HCR 123 of 2016. If you have any questions, please do not hesitate to contact me concerning this response or any other matters relating to higher education.

Attachment

c: Speaker Taylor Barras
Senate President John Alario
Representative Bob Hensgens
Alfred W. Speer, Clerk of the House of Representatives
Glenn Koepp, Secretary of the Senate
Poynter Library (DRPLibrary@legis.la.gov)

**RESPONSE TO HOUSE
CONCURRENT RESOLUTION
NO. 123 OF THE 2016 REGULAR
SESSION OF THE LOUISIANA
LEGISLATURE**



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Joseph C. Rallo, Ph.D.
Commissioner of Higher Education

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EXECUTIVE SUMMARY

House Concurrent Resolution No. 123 of the 2016 Regular Session of the Louisiana Legislature urges and requests the Board of Regents (BOR) to study the compensation of public postsecondary education system presidents, other system officers and board members and report its findings to the legislature at least sixty days prior to the 2017 Regular Session. The BOR was asked to identify peer systems and compensation of system executives inclusive of base salaries and other personal emoluments based upon the most recent data available from higher education associations or other reliable sources as the BOR selects. 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 for system officials and board members. BOR found that the compensation levels at Louisiana public postsecondary systems are generally at or below the average among peer systems within the SREB and CUPA with few exceptions.

INTRODUCTION AND BACKGROUND

Louisiana's public colleges and universities are organized into four postsecondary systems. The systems include the Louisiana State University System, Southern University System, University of Louisiana System and the Louisiana Community and Technical College System. The methodology used to study compensation levels involved comparing compensation among each Louisiana system to the average compensation levels of four-year peer systems within the SREB and two-year peer systems within CUPA. (NOTE: SREB does not gather the data necessary to analyze the Louisiana Community and Technical College System.) All compensation amounts in this response include any additional personal emoluments, including but not limited to housing and car allowances.

FINDINGS

Four-Year System President and Officer data and rankings:

SYSTEM COMPENSATION WITHIN SREB PEERS (4 Year)					
	Chief Officer	Chief Academic Officer	Chief Finance Officer	Chief Information Officer	Public Information Officer
Average	\$ 713,184	\$ 298,555	\$ 286,525	\$ 254,936	\$ 226,357
Minimum	\$ 410,000	\$ 165,000	\$ 150,000	\$ -	\$ 75,000
Median	\$ 560,484	\$ 311,080	\$ 260,994	\$ 257,952	\$ 186,936
Max	\$ 1,908,000	\$ 470,000	\$ 471,724	\$ 385,534	\$ 639,742

Note: The minimum compensation level of zero within the Chief Information Officer (CIO) category means a surveyed system had no applicable position.

Louisiana State University System (LSU System):

<u>Position</u>	<u>Compensation</u>	<u>% of SREB Average</u>
Chief Officer	\$ 636,000	89%
Chief Academic Officer	\$ 362,000	121%
Chief Finance Officer	\$ 337,000	118%
Chief Information Officer	\$ 260,000	102%
Public Information Officer	\$ 186,936	83%
Total	\$ 1,781,936	100%

Southern University System (SU System):

<u>Position</u>	<u>Compensation</u>	<u>% of SREB Average</u>
Chief Officer	\$ 452,000	63%
Chief Academic Officer	\$ 205,000	69%
Chief Finance Officer	\$ 170,000	59%
Chief Information Officer	\$ 150,000	59%
Public Information Officer	\$ 75,000	33%
Total	\$ 1,052,000	59%

University of Louisiana System (UL System):

<u>Position</u>	<u>Compensation</u>	<u>% of SREB Average</u>
Chief Officer	\$ 427,500	60%
Chief Academic Officer	\$ 165,000	55%
Chief Finance Officer	\$ 150,000	52%
Chief Information Officer	N/A*	0%
Public Information Officer	\$ 80,000	35%
Total	\$ 822,500	46%

*The UL System does not have a position applicable to a CIO. Due to the small size of their office, they are able to contract with an institution that provides information services for \$18.9k annually.

Two-Year System President and Officer data and rankings:

SYSTEM COMPENSATION WITHIN CUPA PEERS (2 Year)					
	Chief Officer	Chief Academic Officer	Chief Finance Officer	Chief Information Officer	Public Information Officer
Average	\$ 406,550	\$ 143,000	\$ 183,283	\$ 171,636	\$ 114,969
Minimum	\$ 335,000	\$ 87,000	\$ 166,480	\$ 166,480	\$ 110,313
Median	\$ 345,000	\$ 132,000	\$ 170,707	\$ 168,427	\$ 114,660
Max	\$ 539,651	\$ 210,000	\$ 212,661	\$ 180,000	\$ 119,934

Louisiana Community & Technical College System (LCTCS):

<u>Position</u>	<u>Compensation</u>	<u>% of SREB Average</u>
Chief Officer	\$ 335,000	82%
Chief Academic Officer	\$ 132,000	92%
Chief Finance Officer	\$ 170,707	93%
Chief Information Officer	\$ 180,000	105%
Public Information Officer	\$ 114,660	100%
Total	\$ 932,367	91%

Board Member Compensation:

Four (4) of the fourteen (14) systems surveyed pay per diem ranging from \$15 to \$105 per day to all board members and reimburse expenses such as meals, travel and lodging. The LCTCS pays \$50 per diem per day to all board members when meetings are held and reimburses expenses such as meals, travel and lodging for all board members. The UL System is the only system surveyed that pays \$50 of per diem a day only to their student board member when meetings are held and reimburses expenses such as meals, travel and lodging to all board members. The LSU System and SU System do not pay per diem to their board members, but reimburse expenses such as meals, travel and lodging to all members. Nine (9) of the systems surveyed do not pay per diem to board members, but reimburse them for certain expenses such as travel, meals and lodging.

SUMMARY AND CONCLUSION

The BOR finds that among Louisiana public postsecondary higher education systems, the compensation of system presidents, other system officers and board members is generally at or below the average among peer systems within the SREB and CUPA with few exceptions.

2016 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 123

BY REPRESENTATIVE HENSGENS

A CONCURRENT RESOLUTION

To urge and request the Board of Regents to study the compensation of public postsecondary education system presidents and other system officers and board members and to report its findings to the legislature at least sixty days prior to the 2017 Regular Session of the Legislature of Louisiana.

WHEREAS, setting the state on a path of fiscal responsibility requires a thorough review of all areas of state operations and spending; and

WHEREAS, there are numerous areas within state government in which reforming the current policies and practices will produce savings or additional revenues for the state, including the area of public postsecondary education; and

WHEREAS, Article VIII, Section 5(D) of the Constitution of Louisiana provides for the powers, duties, and responsibilities of the Board of Regents, including the requirement that the board formulate and make timely revision of a master plan for postsecondary education; and

WHEREAS, the Board of Regents, through the development and implementation of the Master Plan for Postsecondary Education: 2011, adopted several broad goals, one of which is to achieve greater accountability, efficiency, and effectiveness in the postsecondary education system; and

WHEREAS, it is in the best interest of the state and its citizens to ensure that the long-term viability of the state's public postsecondary education system is sustained and that limited resources are used more effectively and efficiently; thus, all state expenditures relative to public postsecondary education merit a thorough examination, including the compensation of public postsecondary education system presidents and other system officers and board members.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request that the Board of Regents conduct a study of the compensation of public postsecondary education 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 that the legislature requests that the Board of Regents identify peer systems and the compensation 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 sources as the Board of Regents selects.

BE IT FURTHER RESOLVED that the legislature requests that the Board of Regents report its findings to the House Committee on Education, the Senate Committee on Education, and the Joint Legislative Committee on the Budget at least sixty days prior to the convening of the 2017 Regular Session of the Legislature of Louisiana.

BE IT FURTHER RESOLVED that copies 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