## Presidential Compensation Adjustment

## BACKGROUND

Under ORS 352.096, the Board of Trustees is to prescribe the President's compensation and terms and conditions of employment. Under the Presidential Compensation Philosophy adopted in January 2016, the Board set a goal to provide competitive compensation for the President after comparing the President's compensation with presidential compensation at peer institutions of higher learning and considering the length of service and performance of the President. Under the Presidential Compensation Philosophy, the Board also reviews each compensation proposal to ensure that compensation and benefits are determined and paid in a manner in compliance with applicable law and maintains a record of the basis for its decision.

## COMPENSATION REVIEW

## Peer Institution Comparison

To support the Board's review of the President's compensation, Attachment 1 provides compensation data for university presidents from three comparator groups: a set of national comparator institutions, peer institutions Oregon State used for planning and benchmarking in Strategic Plan 3.0 (SP3.0), and Pac-12 Conference institutions. Compensation data reported by institutions are provided by the Chronicle of Higher Education.

FY2017 compensation data are not yet available, so total compensation for FY2017 is calculated using FY2016 total compensation ${ }^{1}$ and applying the $2.3 \%$ aging factor used by the College \& University Professional Association (CUPA).

## Length of Service and Performance

President Ray has one of the longest tenures of service in his position among peer comparator universities, having served 14 years compared to the average of seven years of service at national comparator institutions and Pac-12 institutions and an average of five and a half years of service at SP3.0 peer institutions.

The President's outstanding service to the university was highlighted in the annual performance assessment completed by the Board in October 2017. All trustees are pleased with the President's meaningful and substantial progress toward his goals over the past year and his fair and honest assessment of his progress. Trustees, the President's direct reports, and university partners felt that the President's knowledge, experience, and strong vision are assets to the university and encouraged the President to "keep doing what he's doing."

## COMPENSATION PROPOSAL

Given the October 2017 assessment of the President and January 2018 merit raises approved for other OSU unclassified employees, it is timely to review the President's compensation.

President Ray's total annual compensation is $\$ 741,876$, composed of a base salary from OSU of $\$ 325,776$ and a base salary supplement of $\$ 251,508$ and supplemental retirement plan

[^0]contribution of $\$ 164,592$, both funded by the OSU Foundation. The President's current compensation reflects a 6\% increase that was approved by the Board and the OSU Foundation Board effective January 1, 2017. President Ray donated this increase to benefit scholarships and student programs established in conjunction with his late wife, Beth.

In December 2017, the university approved merit increases for faculty up to a maximum of 6\%. A merit increase of $6 \%$ for President Ray for FY2018 would provide a total annual compensation of $\$ 764,136$, if the adjustment is effective January 1,2018 (base salary $\$ 335,550$; base salary supplement $\$ 259,056$; supplemental retirement contribution $\$ 169,530$ ).

## NEXT STEPS

The Executive \& Audit Committee will review the FY2018 proposal for the President's compensation and may recommend an adjustment in compensation to the Board. Adjustments in compensation provided by the OSU Foundation would be subject to approval by the OSU Foundation Board.

Attachment 1

| Presidential Compensation for National Comparator Institutions Ranked by FY2017 Total Compensation ${ }^{1,2,3}$ |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Name | Institution | Years in position through end of Dec $\mathbf{2 0 1 7}^{4}$ | Land-grant | Pac-12 | FY2016 Base Comp. | FY2016 Deferred Comp., Set Aside, \& Bonus Pay | FY2016 <br> Total Comp. ${ }^{5}$ | FY2017 <br> Total Comp. ${ }^{3}$ |
| 20. | Robert W. Bley-Vroman | University of Hawaii-Manoa | 3 | X |  | 278,928 | 0 | 278,928 | 285,343 |
| 19. | Kim A. Wilcox | UC-Riverside | 4 |  |  | 387,950 | 0 | 387,950 | 396,873 |
| 18. | Henry T. Yang | UC-Santa Barbara | 23 |  |  | 394,207 | 19,710 | 413,917 | 423,437 |
| 17. | Philip DiStefano | University of Colorado-Boulder | 8 |  | X | 431,261 | 0 | 431,261 | 441,180 |
| 16. | David L. Boren | University of Oklahoma-Norman | 23 |  |  | 442,203 | 0 | 442,203 | 452,374 |
| 15. | Kumble R. Subbaswamy | University of Massachusetts | 5 | X |  | 452,720 | 28,875 | 481,595 | 492,672 |
| 14. | Bernadette Gray-Little | University of Kansas | 8 |  |  | 511,341 | 25,000 | 536,341 | 548,677 |
| 13. | Ann Weaver Hart | University of Arizona | 5 | X | X | 489,647 | 105,000 | 594,647 | 608,324 |
| 12. | Kirk H. Schulz ${ }^{6}$ | Washington State University | 1 | X | X | 7,102 | 0 | 7,102 | 625,000 |
| 11. | John E. Thrasher | Florida State University | 3 |  |  | 455,429 | 158,224 | 613,653 | 627,767 |
| 10. | Anthony A. Frank | Colorado State University | 9 | X |  | 587,500 | 60,000 | 647,500 | 662,393 |
| 9. | Michael H. Schill | University of Oregon | 2 |  | X | 660,650 | 0 | 660,650 | 675,845 |
| 8. | M. Roy Wilson | Wayne State University | 4 |  |  | 511,910 | 150,000 | 661,910 | 677,134 |
| 7. | James R. Ramsey | University of Louisville | 15 |  |  | 673,908 | 0 | 673,908 | 689,408 |
| 6. | Satish Tripathi | SUNY (Buffalo) | 6 |  |  | 431,970 | 265,000 | 696,970 | 713,000 |
| 5. | Ed Ray | Oregon State University | 14 | X | X | 536,676 | 153,012 | 689,688 | 720,875 |
| 4. | Timothy D. Sands | Virginia Tech University | 3 | X |  | 514,583 | 205,000 | 719,583 | 736,133 |
| 3. | Steven Leath | Iowa State University | 5 | X |  | 525,000 | 237,500 | 762,500 | 780,038 |
|  | G.P. (Bud) Peterson | Georgia Institute of Technology | 8 |  |  | 661,480 | 416,666 | 1,078,146 | 1,102,943 |
| 1. | Michael K. Young | Texas A\&M University | 2 | X |  | 1,000,000 | 200,000 | 1,200,000 | 1,227,600 |
| -- | Richard Myers ${ }^{7}$ | Kansas State University | 1 | X |  | 129,000 | 0 | 129,000 | -- |
| -- | Harvey S. Perlman ${ }^{8}$ | University of Nebraska-Lincoln | 17 | X |  | 368,481 | 0 | 368,481 | -- |
| -- | Patrick T. Harker ${ }^{9}$ | University of Delaware | 10 | X |  | 355,841 | 324,484 | 680,325 | -- |
| ${ }^{1}$ College \& University Professional Association (CUPA) National Scope "cut" for OSU: Public Institution, Carnegie Classification: Very High Research Activity, Total Operating Budget: 50-150\% of OSU; Student FTE: 50-150\% of OSU <br> ${ }^{2}$ Source: Chronicle of Higher Education. <br> ${ }_{3}$ FY2017 Total Comp calculated using $2.3 \%$ annual aging tactor used by CUPA, unless otherwise noted. FY2017 comp tor Ed Ray is based on actual tor base comp and deterred comn. <br> 4 Years in Position assumes that existing contracts carry forward through December 2017, unless noted as an interim appointment of specific duration. <br> ${ }^{5}$ Total Comp includes base pay, deferred compensation, pay set-aside, and bonus pay. Severance pay, housing, transportation, and standard pension or retirement contributions are not included in the comparison due to inconsistent reporting of these elements among institutions. <br> ${ }^{6}$ Schulz: Partial-year (data provides 1 month salary reported in FY2016; reported data was footnoted to provide FY2017 actual comp, which is reflected in the column above; cu <br> ${ }^{7}$ Myers: Partial-year (data provides 3 months partial year salary; Apr 2016 start date; currently in position) <br> 8 Perlman: Partial-year (data provides 10 months partial year salary; resigned as of Apr 2016). <br> ${ }^{9}$ Harker: Partial-year data (contract ended Jun 2015; interim president Nancy Targett Jul 2015-May 2016; Dennis Assanis began Jun 2016) |  |  |  |  |  |  |  |  |  |

Presidential Compensation Among Peer Institutions For Planning and Benchmarking in Strategic Plan 3.0 Ranked by FY2017 Total Compensation ${ }^{1,2}$

| Name | Institution | Years in position ${ }^{3}$ | Land-grant | Pac-12 | FY2016 Base Comp. | FY2016 <br> Deferred <br> Comp., Set <br>  <br> Bonus | FY2016 Total Comp. | FY2017 <br> Total Comp. ${ }^{2}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 13. Kim A. Wilcox | UC-Riverside | 4 | X |  | 387,950 | 0 | 387,950 | 396,873 |
| 12. Linda P.B. Katehi | UC-Davis | 8 | X |  | 381,924 | 15,913 | 397,837 | 406,987 |
| 11. Rebecca M. Blank | University of Wisconsin-Madison | 4 | X |  | 499,950 | 0 | 499,950 | 511,449 |
| 10. Anthony A. Frank | Colorado State University | 8 | X |  | 471,103 | 50,000 | 521,103 | 533,088 |
| 9. Mitchell E. Daniels Jr. | Purdue University | 4 | X |  | 420,000 | 113,400 | 533,400 | 545,668 |
| 8. Jimmy G. Cheek | University of Tennessee-Knoxville | 8 | X |  | 447,492 | 158,098 | 605,590 | 619,519 |
| 7. Kirk H. Schulz ${ }^{5}$ | Washington State University | 1 | X | X | 7,102 | 0 | 7,102 | 625,000 |
| 6. Edward J. Ray | Oregon State University | 14 | X | X | 536,676 | 153,012 | 689,688 | 720,875 |
| 5. Steven Leath | Iowa State University | 5 | X |  | 525,000 | 237,500 | 762,500 | 780,038 |
| 4. W. Randolph Woodson | North Carolina State Univ-Raleigh | 7 | X |  | 590,000 | 200,750 | 790,750 | 808,937 |
| 3. W. Kent Fuchs | University of Florida | 2 | X |  | 863,295 | 160,000 | 1,023,295 | 1,046,831 |
| 2. Eric J. Barron | Pennsylvania State Univ-University Park | 3 | X |  | 800,000 | 224,000 | 1,024,000 | 1,047,552 |
| 1. Michael V. Drake | Ohio State University | 3 | X |  | 813,334 | 462,465 | 1,275,799 | 1,305,142 |
| -- Phyllis M. Wise ${ }^{6}$ | University of Illinois-Urbana-Champaign | 4 | X |  | 64,206 | 0 | 64,206 | -- |

${ }^{1}$ Source: Chronicle of Higher Education.
2 FY2017 Total Comp calculated using $2.3 \%$ annual aging factor used by CUPA. FY2017 total comp for Ed Ray uses base comp and deferred comp actuals and estimated retirement.
${ }^{3}$ Years in Position assumes that existing contracts carry forward through December 2017, unless noted as an interim appointment of specific duration.
${ }^{4}$ Total Comp includes base pay, deferred compensation, payset-aside, and bonus pay. Severance pay, housing, transportation, and standard pension or retirement contributions are not included in the comparison due to inconsistent reporting of these elements among institutions.
5 Schulz: Partial-year (data provides 1 month salary reported in FY2016; reported data was footnoted to provide FY2017 actual comp, which is reflected in the column above; currently in position).
${ }^{6}$ Wise: Partial-year (data provides 2 months of salary reported; contract ended Aug 2015).

| Presidential Compensation for Pac-12 Universities Ranked by FY2017 Total Compensation ${ }^{1,2}$ |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Name | Institution | Years in position ${ }^{3}$ | Land-grant | FY2016 Base Comp. | FY2016 Deferred Comp., Set Aside, \& Bonus Pay | FY2016 <br> Total Comp. ${ }^{4}$ | FY2017 <br> Total Comp. ${ }^{2}$ |
|  | . Philip DiStefano | University of Colorado-Boulder | 8 |  | 431,261 | 0 | 431,261 | 441,180 |
|  | . Gene D. Block | UC-Los Angeles | 10 |  | 446,851 | 0 | 446,851 | 457,129 |
|  | Nicholas B. Dirks | UC-Berkeley | 4 | X | 522,902 | 0 | 522,902 | 534,929 |
|  | Ann Weaver Hart | University of Arizona | 5 | X | 489,647 | 105,000 | 594,647 | 608,324 |
|  | Kirk H. Schulz ${ }^{5}$ | Washington State University | 1 | X | 7,102 | 0 | 7,102 | 625,000 |
|  | Michael H. Schill | University of Oregon | 2 |  | 660,650 | 0 | 660,650 | 675,845 |
|  | Ed Ray | Oregon State University | 14 | X | 536,676 | 153,012 | 689,688 | 720,875 |
|  | David W. Pershing | University of Utah | 5 |  | 438,007 | 455,357 | 893,364 | 913,911 |
|  | John L. Hennessy | Stanford University ${ }^{7}$ | 17 |  | 983,094 | 0 | 983,094 | 1,005,705 |
|  | Michael M. Crow | Arizona State University | 15 |  | 838,458 | 258,000 | 1,096,458 | 1,121,677 |
|  | C.L. Max Nikias | University Southern California ${ }^{7}$ | 7 |  | 1,170,277 | 1,500,000 | 2,670,277 | 2,731,693 |
|  | Ana Mari Cauce ${ }^{6}$ | University of Washington | 1 |  | 523,125 | 0 | 523,125 | -- |
|  | ${ }^{1}$ Source: Chronicle of H 2 <br> FY2017 Total Comp cal 3 Years in Position assu <br> ${ }^{4}$ Total Comp includes b contributions are not <br> 5 Schulz: Partial-year (d which is reflected in th <br> ${ }^{6}$ Cauce: Partial-year (da <br> 7 <br> Private universities re | Education. <br> d using 2.3\% annual aging factor use <br> hat existing contracts carry forward th ay, deferred compensation, pay set-a ed in the comparison due to inconsis ovides 1 month salary reported in FY2 umn above; currently in position). <br> vides 9 months salary; appointed pr <br> y calendar year; 2015 reported | FY2017 to <br> cember 2017 <br> bonus pay rting of the rted data <br> ct 2015; cur | al comp for , unless not Severance p se elements as footnoted <br> rentlyin pos | d Rayuses ba d as an inter $y$, housing, tr among institu to provide FY <br> ion). | se comp and defer $m$ appointment of ansportation, and s tions. <br> 2017 actual comp, | ed comp actua pecific duratio tandard pensi | or retirement |


[^0]:    ${ }^{1}$ Total compensation includes base pay, deferred compensation, pay set-aside, and bonus pay. Severance pay, housing, transportation, and standard pension or retirement contributions are not included in the comparison due to inconsistent reporting of these elements among institutions.

