

## 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 through comparison to similar positions in talent markets that is fair, equitable and financially sustainable. Under the Presidential Compensation Philosophy, the board reviews the board chair's proposal to the Executive Audit and Governance Committee, which then makes a recommendation to the full board 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

At the October 20, 2023 meeting of the board, trustees expressed strong support for the president's progress on her goals and overall performance during her first year of service. In addition, feedback from a subset of the president's direct reports and a number of university partners, including the OSU Foundation, Faculty Senate leadership, and college leadership remarked on the president's successful engagement with the university as well as the state of Oregon. Tremendous optimism for the future of Oregon State under President Murthy's leadership was expressed by all respondents.

### COMPENSATION PROPOSAL

Given the October 2023 assessment of the president and FY2023 merit raises approved for OSU unclassified employees, it is timely to review the president's compensation.

President Murthy's total compensation for FY2023 is \$705,000 composed of a base salary of \$650,000 and a supplemental retirement plan contribution of \$55,000. The OSU Foundation contributes \$227,000 towards the base salary and \$55,000 towards the supplemental retirement plan contribution. The president's current compensation reflects the terms of the contract negotiated at the time of hire in 2022.

In 2023, the university approved merit increases for unclassified staff up to a maximum of 6%. The program was structured as 2% for fully satisfactory service plus merit for up to a total of no more than 6%. The university funded centrally this merit raise program at 3%, and the average merit increase was 3% for any given unit across the university.

A review of presidential compensation information for comparison peer institutions showed base salaries ranging from \$227,088 to \$1,019,887. Considering salary comparators, President Murthy's performance evaluation and length of service, a merit increase of 4% is recommended by the board chair for discussion. This increase would provide a total annual compensation of \$733,200, if the adjustment is effective January 1, 2024 (base salary \$676,000 and a supplemental retirement plan contribution of \$57,200). The OSU Foundation would be asked to contribute a base salary supplement of \$236,080 and supplemental retirement plan contribution \$57,200.

**NEXT STEPS**

The Executive, Audit and Governance Committee will review the chair's FY2024 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.