

Presidential Compensation Philosophy

BACKGROUND

Determining the President's compensation is one of the core fiduciary duties of the Board. At its December 17, 2015 meeting, the Executive & Audit Committee discussed best practices for setting presidential compensation and reviewed a draft presidential compensation philosophy that was based on these best practices. The draft compensation philosophy identified guiding principles for setting compensation and designated the Committee to review the President's compensation and make recommendations to the Board regarding changes.

REVISED PRESIDENTIAL PHILOSOPHY

A draft resolution and presidential compensation philosophy are provided in Attachment 1. A number of edits were made to the draft philosophy in response to the Committee's December discussion. These edits are shown in red text and strikethrough. The proposed edits provide for consistent terminology throughout, eliminate duplicative language, and provide more clarity in how the Board determines compensation.

RECOMMENDATION

Staff propose that the Executive & Audit Committee recommend to the Board that the Board adopt the Resolution establishing the presidential compensation philosophy as provided in Attachment 1.



Oregon State University Presidential Compensation Philosophy

I. Goal

It is the goal of the Board to attract, motivate, and retain the most highly qualified individual to serve as President, whose knowledge and experience can advance the University's mission and strategic goals. In order to meet this goal, the Board will provide a competitive **compensation salary** through comparison to similar positions in talent markets that is fair, equitable, and financially sustainable.

II. Guiding Principles

Legal authority for setting Presidential compensation is vested with the Board. Prior to Board consideration, the Executive & Audit Committee will review the elements of proposed compensation and benefits for the President and make recommendations for action to the Board.

In setting Presidential compensation, the Board will:

1. Review Presidential compensation information for comparison peer institutions of higher learning **to and** determine where the President fits within the group. The comparison will take into account the type of institution, enrollment, operating budget, classification as a research university, and such other comparators as from time to time are deemed appropriate;
2. Consider the length of service and performance;
3. Ensure that compensation and benefits are being determined and paid in a manner that is in compliance with applicable law; **and**
4. Maintain a record of the basis for its decision.; **and**
5. **Set the President's compensation consistent with these guiding principles.**

Proposals that include supplemental compensation provided by an affiliated foundation must be approved by the Board. Upon approval, the Board will make a written request to the foundation board for its consideration.

~~The Board will keep the President's compensation within a range of comparability with that of peer institutions.~~

Document History

- Adopted by the Board of Trustees _____