

BOARD OF HIGHER EDUCATION
REQUEST FOR BOARD ACTION

NO.: BHE 08-06

BOARD DATE: January 11, 2008

PRESIDENTIAL COMPENSATION MARKET ASSESSMENT—2007 UPDATE

MOVED: The Board of Higher Education hereby accepts the 2007 Update on Presidential Compensation, dated January 2008, as prepared by Sibson Consulting.

Authority: Massachusetts General Laws, Chapter 15A, Section 9
Contact: Peter H. Tsaffaras, Director of Employee Relations and Benefit Administration

**Massachusetts Community Colleges
Massachusetts State Colleges**

**PRESIDENTIAL COMPENSATION
2007 Update**

January 2008

Introduction

Sibson Consulting is pleased to present these findings from our update of the market assessment for presidential compensation for the Community Colleges and State Colleges of Massachusetts.

Methodology

This study use the same methodology used in the 2005 study. The base salary comparisons are based on data from the 2007 Administrative Compensation Survey sponsored by the College and University Professional Association for Human Resources (CUPA-HR).

The criteria selected for these comparisons are:

- Public institutions located in Northeastern states
- Community Colleges or State Colleges (Bachelors, and small and medium Masters institutions)
- 2006-07 operating budget within selected ranges

To ensure that the data reflects institutions of similar size to the Massachusetts colleges, we chose the following operating budget ranges:

- Community Colleges - \$19m to \$54m and \$55m to \$100m
- State Colleges - \$19m to \$59m and \$60m to \$120m

The operating budget ranges for Community Colleges are consistent with the ranges chosen in 2005, while the ranges for four-year State Colleges were expanded to \$120m in order to recognize that two of the Massachusetts State Colleges have a budget size greater than \$100m.

Market Assessment

BASE SALARY RANGE FOR PRESIDENTS OF COLLEGES IN THE NORTHEAST*

2006-07 Operating Budget	N	Community Colleges Market Range*		
		25 th Percentile	50 th Percentile	75 th Percentile
\$19 to \$54m	10	\$152,102	\$156,687	\$166,770
\$55 to \$100m	6	\$166,999	\$199,943	\$219,591

2006-07 Operating Budget	N	State Colleges Market Range*		
		25 th Percentile	50 th Percentile	75 th Percentile
\$19 to \$59m	6	\$182,104	\$212,442	\$235,448
\$60 to \$120m	5	\$235,749	\$240,943	\$251,200

When compared to the 2005 results, this update indicates that presidential median salaries have increased by 12% to 14% for community colleges and 21% to 22% for state colleges.

* Data reflects the distribution of base salaries (not including housing allowances) for CEOs of single institutions in Connecticut, Delaware, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island. Data have been aged from October 2006 to December 2008. State Colleges include Bachelor's institutions, as well as small and medium Master's institutions. "N" reflects the number of reporting institutions.

Using the Market Data

- Market data for salaries provides a reference point for making pay decisions, but is just one of many considerations. Other essential factors in determining appropriate pay include: the qualifications, experience and performance of the individual, as well the complexity, size, and specialized focus of the institution (for example, multi-site vs. single site; mature vs. growing/changing institution).
 - Presidential compensation guidelines are documented in the Amended Report from the Board of Higher Education Executive Committee dated December 15, 2005, and outline considerations for making decisions regarding presidential pay.
 - The Guidelines, approved in April 2005, state that presidential compensation should be based on the professional experience of the president, institutional size, complexity, and particular challenges, and a written performance evaluation conducted by the campus Board of Trustees. The evaluation should document the president's accomplishment of previously approved goals and objectives, including the institutions performance as measured by the Board of Higher Education performance measurement system.
 - In addition, the specialized nature of the College of Art & Design and the Maritime Academy may require a separate analysis to reflect their unique peer institutions.