



Item: VI. C.

Monday, June 19, 2023

SUBJECT: Presidential Executive Compensation Analysis and Approval of the Range of Compensation

PROPOSED BOARD ACTION

Review the executive compensation analysis and approve the proposed compensation range to be used in negotiating an employment agreement with the final presidential candidate.

BACKGROUND INFORMATION

Pursuant to the Florida Board of Governors Regulation that governs SUS presidential searches, a university presidential search committee must establish a range of potential compensation for a new president based on an executive compensation analysis that encompasses components such as salary, benefits, bonuses, and all other forms of remuneration, and that takes into consideration compensation paid to the current president, presidents of peer institutions, as well as other relevant factors. The search committee's proposed range must be submitted to the board of trustees for approval and use by the board or its designee in negotiating the employment contract with the final candidate.

In accordance with these requirements, the FAU Presidential Search Committee met on June 14, 2023, and, based on the executive compensation analysis provided, unanimously approved a recommended range of compensation for this Board's review and approval.

IMPLEMENTATION PLAN/DATE

The compensation range will be used in negotiating the employment contract with the final candidate selected by the FAU Board.

FISCAL IMPLICATIONS

Florida law caps the amount of salary, bonuses, and cash-equivalent compensation that may be paid to state university presidents from public funds. Consistent with the practice

of every other SUS university, the FAU Board has previously requested that the FAU Foundation provide all sums beyond the amount permitted to be paid from public funds. The FAU Foundation's 2023-2024 operating budget anticipates a similar request for the new president in the coming year.

Supporting Documentation: Presidential Executive Compensation Analysis

Presented by: David Kian, Vice President & General Counsel



Presidential Salary Comparison



Peer and Aspirant Institutions

Peers

Arizona State University
University of Utah
Temple University
University of Cincinnati-Main Campus
Wayne State University
University of Houston
George Mason University
Georgia State University

Aspirants

Florida State University
University of Florida
Pennsylvania State University
Purdue University
Rutgers the State University of NJ New Brunswick



State of Florida Universities

State University System

University of Florida

University of South Florida

Florida State University

University of Central Florida

Florida International University

Florida Polytechnic University

University of West Florida

Florida Gulf Coast University

Florida Agricultural and Mechanical University

University of North Florida

New College of Florida



Presidential Compensation Comparison

		UF		USF		FSU		UCF		FIU		FAU (Former)
		2023-2028		2022-2025		2021-2026		2020-2025		2022-2025		2021-2022
1. Annual Base Salary	\$	1,000,000	\$	655,000	\$	700,000	\$	600,000	\$	650,000	\$	600,000
2. Annual Incentive Bonus Opportunity	\$	150,000	\$	300,000	\$	150,000	\$	300,000	\$	175,000	\$	120,000
3. Housing Allowance	\$	Provided	\$	84,000	\$	Provided	\$	Provided	\$	Provided	\$	Provided
4. Car Allowance	\$	-	\$	12,000	\$	12,000	\$	12,600	\$	12,500	\$	Provided
5. Annual Supplemental Deferred Compensation or Retirement Supplement	\$	150,000	\$	131,000	\$	175,000	\$	120,000	\$	130,000	\$	126,250
6. Annualized Value of Retention Bonus	\$	200,000	\$	-	\$	100,000	\$	-	\$	-	\$	-
Total (1 thru 6)	\$	1,500,000	\$	1,182,000	\$	1,137,000	\$	1,032,600	\$	967,500	\$	846.250



Presidential Compensation Comparison

	UF		USF		FSU		FAU-High		UCF		FIU		FAU-Low		FAU (Former)	
	2023-2028		2022-2025		2021-2026		2023-2028		2020-2025		2022-2025		2023-2028		2021-2022	
1. Annual Base Salary	\$	1,000,000	\$	655,000	\$	700,000	\$	650,000	\$	600,000	\$	650,000	\$	620,000	\$	600,000
2. Annual Incentive Bonus Opportunity	\$	150,000	\$	300,000	\$	150,000	\$	162,500	\$	300,000	\$	175,000	\$	124,000	\$	120,000
3. Housing Allowance	\$	Provided	\$	84,000	\$	Provided	\$	Provided	\$	Provided	\$	Provided	\$	Provided	\$	Provided
4. Car Allowance	\$	-	\$	12,000	\$	12,000	\$	12,600	\$	12,600	\$	12,500	\$	12,000	\$	Provided
5. Annual Supplemental Deferred Compensation or Retirement Supplement	\$	150,000	\$	131,000	\$	175,000	\$	138,875	\$	120,000	\$	130,000	\$	126,250	\$	126,250
6. Annualized Value of Retention Bonus	\$	200,000	\$	-	\$	100,000	\$	80,000	\$	-	\$	-	\$	40,000	\$	-
Total (1 thru 6)	\$	1,500,000	\$	1,182,000	\$	1,137,000	\$	1,043,975	\$	1,032,600	\$	967,500	\$	922,250	\$	846,250



Presidential Compensation Comparison

		FAU-High		FAU-Low
		2023-2028		2023-2028
1. Annual Base Salary	\$	650,000	\$	620,000
2. Annual Incentive Bonus Opportunity	\$	162,500	\$	124,000
3. Housing Allowance	\$	Provided	\$	Provided
4. Car Allowance	\$	12,600	\$	12,000
5. Annual Supplemental Deferred Compensation or Retirement Supplement	\$	138,875	\$	126,250
6. Annualized Value of Retention Bonus	\$	80,000	\$	40,000
Total (1 thru 6)	\$	1,043,975	\$	922,250



Sources and methodology

Data Sources

- The Chronicle of Higher Education Annual Chief Executive Compensation Survey
- Florida Has A Right To Know State University System Salary Database
- Florida Board of Governors

Methodology

- In accordance with Florida Board of Governors Regulation 1.002, the Office of Operations, Compliance, and Systems for the Division of Human Resources at Florida International University compiled a report, which R. William Funk & Associates reviewed and deemed appropriate, of the annual base salary, incentive bonus opportunities, housing and car allowances, and other major compensation components for the presidents of the five public universities in Florida with the following characteristics:
 - Doctoral degree-granting
 - Fully accredited college of medicine
 - Enrollment of at least 25,000 students
 - Annual sponsored research awards of at least \$65,000,000
 - Membership in a Power 5 or Group of 5 athletics conference for all sports
- These data were verified and updated by Florida Atlantic University utilizing the sources above, and the recommended range was reviewed and deemed appropriate by AGB Search