



## THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION REPORT ON INFORMATION REGARDING STAFF COMPENSATION

In compliance with *Texas Government Code Sec. 659.026*. INFORMATION REGARDING STAFF COMPENSATION, the following information is made available:

- I. the number of full-time equivalent employees employed by the agency;

	Fiscal Year 2019
Full-time equivalent employees	626.8

Source: Quarterly FTE reports filed with the Texas State Auditor’s Office and based on four-quarter average.

- II. the amount of legislative appropriations to the agency for each fiscal year of the current state fiscal biennium;

	Fiscal Year 2020	Fiscal Year 2021
Total Appropriation All Funds	\$10,076,703	\$9,422,643

Source: 86<sup>th</sup> Legislative Session, *General Appropriations Act*, Article III. The amounts shown include direct appropriations from all funds.

- III. the agency’s methodology, including any employment market analysis, for determine the compensation of executive staff employed by the agency, along with the name and position of the person who selected the methodology;

The U. T. System Board of Regents has adopted *Regents’ Rules and Regulations*, Rule 20203, relating to compensation for key executives. Key executives are defined as the Chancellor, General Counsel to the Board, Chief Audit Executive, Executive Vice Chancellors, presidents of each of the U. T. System academic and health institutions, and Vice Chancellors. Rule 20203 states that the elements of compensation for key employees “may include and are limited to base salary; short and long-term incentive pay; supplemental retirement plans, such as deferred compensation plans; one-time merit pay; special provisions necessary to recruit an individual to a key executive position, such as salary supplement for a limited time or one-time relocation payment as necessary and prudent to recruit the top talent for the position; and perquisites such as memberships, parking privileges, and provision of or allowance for cell phone and/or other mobile communication devices as determined necessary for business purposes and as covered in individual agreements.”

Rule 20203, Section 2 outlines procedures for the Office of the Board of Regents to oversee and conduct a comprehensive survey and analysis to obtain current and reliable market data on total compensation of key executives in comparable positions at peer institutions. Market data

is adjusted using cost of living information related to a respondent's geographic region. The survey is conducted every three years. In non-survey years, the Office of the Board of Regents is to obtain information concerning general changes in executive compensation in the marketplace, and the comprehensive survey is to be adjusted accordingly.

In August 2019, a Higher Education Leadership Compensation Survey was prepared by Korn Ferry related to key executives and presented to the U. T. System Board of Regents. The Office of the Board of Regents selected Korn Ferry through a competitive process to prepare the compensation analysis. The updated report indicated that U. T. System continues to maintain a competitive position relative to market medians for health and academic peer organizations (comparable public and private higher education systems and institutions).

Source: Korn Ferry; U. T. System Regents' *Rules and Regulations*

IV. whether executive staff are eligible for a salary supplement;

The Chancellor is the only individual receiving a salary supplement meeting the requirements of the *General Appropriations Act (GAA)*, Article IX, Section 3.02. The Chancellor is eligible for a salary supplement per the *GAA*, Article III, Special Provisions, Section 5, Paragraph 3. It is not the current policy of the U. T. System to accept gifts, grants, donations, or other consideration specifically designated by a donor for salary supplements.

V. the market average for compensation of similar executive staff in the private and public sectors;

An analysis was performed by Korn Ferry in 2019 of peer institutions and this analysis found the following for compensation as it relates to the study period:

- a. Total direct compensation for the Vice Chancellor for Governmental Relations and Vice Chancellor for External Relations was at or above the 90<sup>th</sup> percentile of peers.
- b. Total direct compensation for the Chancellor, Executive Vice Chancellor for Academic Affairs, Executive Vice Chancellor for Business Affairs, Vice Chancellor and General Counsel, Vice Chancellor for Institutional Research and Analysis, and Chief Audit Executive was found to be between the 83<sup>rd</sup> and 89<sup>th</sup> percentile of peers.
- c. There was insufficient comparative data for the Executive Vice Chancellor for Health Affairs, Vice Chancellor for Health Affairs and Chief Medical Officer, Vice Chancellor for Academic and Health Affairs, and General Counsel to the Board of Regents.

Source: Korn Ferry

- VI. the average compensation paid to employees employed by the agency who are not executive staff; and

	<b>Fiscal Year 2019</b>
Average compensation paid to staff	\$95,520

Source: Calculated from accounting records based on compensation of those Classified and Administrative and Professional staff as of August 31, 2019, who are not considered executive staff.

- VII. the percentage increase in compensation of executive staff for each fiscal year of the five preceding fiscal years and the percentage increase in legislative appropriations to the agency each fiscal year of the five preceding fiscal years.

Executive Staff	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Chancellor	-7.2%	137.5%	0.0%	-15.8%	-43.8%
Executive Vice Chancellor – Academic Affairs	2.0%	6.6%	11.9%	0.0%	3.0%
Executive Vice Chancellor – Health Affairs	12.5%	27.0%	-15.0%	0.0%	2.4%
Executive Vice Chancellor – Business Affairs	4.0%	22.2%	-24.2%	0.0%	4.1%
Vice Chancellor – External Relations	7.4%	11.4%	-19.6%	0.0%	1.8%
Vice Chancellor and General Counsel	23.8%	16.0%	-13.8%	0.0%	2.6%
Vice Chancellor – Governmental Relations	1.2%	13.8%	-18.6%	0.0%	1.5%
Vice Chancellor – Federal Relations	1.8%	8.8%	-14.0%	0.0%	1.6%
Vice Chancellor – Strategic Initiatives	12.8%	7.9%	-3.8%	0.0%	1.6%
Vice Chancellor – Academic & Health Affairs	n/a	21.2%	-14.0%	0.0%	2.8%
Vice Chancellor for Health Affairs and Chief Medical Officer	n/a	n/a	n/a	n/a	1.8%
General Counsel to the Board of Regents	2.5%	3.4%	0.0%	-14.6%	2.8%
Chief Audit Executive	4.8%	-9.1%	0.0%	0.0%	2.7%

Note: With the exception of FY 2019 for the Chancellor position, percentage of salary increases are based on salaries for positions on September 1<sup>st</sup> of each year. Because the Chancellor was not employed on September 1, 2018, the percent change in salary for the Chancellor position is calculated based on the salary as of his first day of employment (September 17, 2018). The Vice Chancellor for Federal Relations position was eliminated during FY 2019.

Legislative Appropriations	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Percent Increase in Total Appropriation All Funds	-50.5%	13.2%	0.0%	5.0%	-6.0%

Source: Legislative Appropriations from each biennium's *General Appropriations Act* and includes direct appropriations from all funds net of legislatively mandated reductions.