



## 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 2015
Full-time equivalent employees	721.9

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 2016	Fiscal Year 2017
Total Appropriation All Funds	\$10,232,063	\$10,231,463

Source: 84th Legislative Session, *General Appropriations Act*, Article III. The amounts shown include direct appropriations from all funds and are primarily trusted funds. No funds were appropriated for the direct support of U.T. System Administration.

- 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 that includes both public and private 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 November 2013, a summary of Key Executive Compensation was prepared by Buck Consultants and presented to the U. T. System Board of Regents. Market data from the survey indicated that U. T. System maintains a competitive market position relative to the market for cash compensation, however, somewhat less emphasis on security-related programs like retirement plans, health and welfare benefits, deferred compensation arrangements and other practices. The Office of the Board of Regents selected Buck Consultants through a competitive process to prepare the compensation analysis.

Source: Buck Consultants and 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 U. T. System Administration 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 Buck Consultants of peer institutions and this analysis found the following for compensation as it relates to the study period:

- a. Total cash compensation for the Chancellor, Vice Chancellor and General Counsel, Vice Chancellor External Relations, and Chief Audit Executive was found to be at or above the 90<sup>th</sup> percentile of peers
- b. Total cash compensation for the Executive Vice Chancellor for Business Affairs and the Vice Chancellor and Chief Governmental Relations Officer positions were between the 75<sup>th</sup> and 90<sup>th</sup> percentile.
- c. Total cash compensation for the Executive Vice Chancellor for Academic Affairs was at the 75<sup>th</sup> percentile.
- d. Total cash compensation for the Vice Chancellor for Research and innovation was at the 50<sup>th</sup> percentile.
- e. There were insufficient comparative data for the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Strategic Initiatives and the General Counsel to the Board

of Regents.

Source: Buck Consultants

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

Average compensation paid to staff	<b>Fiscal Year 2015</b> \$78,201
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Source: Texas State Auditor’s Workforce Summary Document using self-reported information from the U. T. System Office of Employee Services.

- 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 2011	FY 2012	FY 2013	FY 2014	FY 2015
Chancellor	0.0%	0.0%	0.0%	15.0%	-7.2%
Executive Vice Chancellor – Academic Affairs	8.5%	0.0%	-12.2%	7.3%	2.0%
Executive Vice Chancellor – Health Affairs	5.0%	0.0%	2.5%	8.4%	12.5%
Executive Vice Chancellor – Business Affairs	10.2%	0.0%	5.0%	4.0%	4.0%
Vice Chancellor – External Relations	2.0%	0.0%	8.4%	25.5%	7.4%
Vice Chancellor and General Counsel	6.0%	4.9%	2.4%	-30.8%	23.8%
Vice Chancellor – Governmental Relations	7.7%	0.0%	0.0%	7.1%	1.2%
Vice Chancellor – Federal Relations	2.0%	0.0%	14.7%	5.5%	1.8%
Vice Chancellor – Strategic Initiatives	-15.3%	12.5%	3.7%	-5.4%	12.8%
Vice Chancellor – Health Affairs	24.4%	25.0%	-2.0%	9.1%	2.6%
Vice Chancellor – Research & Innovation Health Affairs	N/A	N/A	N/A	10.8%	10.1%
General Counsel to the Board of Regents	12.4%	0.0%	16.7%	15.2%	2.5%
Chief Audit Executive	2.0%	0.0%	0.0%	41.8%	4.8%

Note: With the exception of FY 2014, percentage of salary increases are based on salaries for positions on September 1<sup>st</sup> of each year including budgeted amounts when vacant. For 2014, the percentage considers merit awarded by the

Board of Regents effective 9/12/13. For 2014 and 2015, incentive compensation payments awarded by the Regents during the year are included.

<b>Legislative Appropriations</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Percent Increase of Total Appropriation All Funds	-2.6%	-3.4%	0.0%	101.4%	-50.5%

Source: *General Appropriations Act* from Legislative Appropriations from each biennium and includes direct appropriations from all funds net of legislatively mandated reductions. The all funds appropriations reported include trusted funds and other funds not used directly in support of UT System Administration.