

SUMMARY MINUTES

FAMU Presidential Search Committee Compensation Subcommittee Via Telephone Conference Call February 22, 2013

Chairman Spurgeon McWilliams convened the subcommittee at 3:33 p.m. via telephone conference call. Subcommittee members present were: Chairman Spurgeon McWilliams, Governor Manoj Chopra and Trustee Marissa West. A quorum was established.

The chair welcomed other members of the FAMU Board of Trustees; they included Trustee Cleve Warren and Trustee Torey Alston as well as members of the public to the call.

Chairman McWilliams reminded the members of the committee's charge to review the compensation packages for State University System (SUS) presidents and begin to prepare the compensation components for FAMU's next president. He informed the subcommittee that since their last meeting, Governor Elizabeth Webster stepped down from her position because she assumed additional responsibilities at her job. Governor Manoj Chopra agreed to serve as her replacement and he welcomed him to the subcommittee. Further Trustee McWilliams noted, "Trustee Karl White asked him to assume the role of chair for this subcommittee and he agreed."

A motion for the approval of the September 10, 2011 minutes was moved, properly seconded and it carried.

Next, Chairman McWilliams recognized Attorney Roz Fuse-Hall to provide an update on the president's compensation information that he asked her to gather and distribute to the subcommittee members.

Attorney Fuse-Hall began with the overview of the State University System of Florida Presidential Compensation Survey (See Attachment 1). The survey was completed by the Office of the Board of Governors in 2010. She noted that this information is being used because it is consistent with the information available from the *Chronicle of Higher Education* for all public and private institutions in the country. The state has a maximum state funded salary for presidents of

\$200,000 (changed in 2011 from \$225,000). All other aspects of a president's salary must be paid from non-state sources. At FAMU, the University Foundation provides this supplement.

Further, she presented the compensation components and amounts for FAMU public and private peer institutions of similar size, academic programs, and degree offerings, which are a mix of HBCUs and non HBCUs. The FAMU peer list (See Attachment 2) is noted in the University Work Plan and was approved by the Board of Governors.

Also, Attorney Fuse-Hall met with Dr. Thomas Haynes, Vice President for University Advancement, and Ms. Juanita Johnson, the Business Manager with the FAMU Foundation Inc. to review the components of the supplemental funds which the Foundation had provided to the outgoing president. These components are standard within presidential contracts. "We also consulted with the Executive Search Firm and they agreed that these components are reasonable." The search firm suggested other areas for the subcommittee to consider; those were noted as "additional items" on the scenario sheet. Lastly, the components of the president's compensation were presented in three scenarios (See Attachment 3).

Scenario A depicted the picture of the Presidential Compensation package of Dr. James H. Ammons at the time of his resignation. Scenario B depicted the picture closest to the average of the peer institutions. Scenario C depicted the picture of the upper end of the compensation scale for SUS presidents. After discussing this matter with Dr. Haynes and Ms. Johnson, these scenarios are viable budget recommendations that they could make to the Board of Directors of the Foundation. Also, these amounts were merely averages within a range of annual salaries of \$325,000 - \$400,000 and were presented for discussion purposes only.

Chairman McWilliams thanked Atty. Fuse-Hall for the overview. He asked the subcommittee if there are other components of the compensation package that need to be considered; to discuss the various component items and give their reaction to this information.

Governor Chopra asked if the annuity is included. Chairman McWilliams stated that it should be included as it has been in the past. Trustee Cleve Warren asked if the 12% annuity is in the low, middle or high range and how is it calculated? Also, he inquired if they could recommend a cap on the moving expenses? Chairman McWilliams asked Attorney Fuse-Hall to research these questions. Chairman McWilliams stated that the club membership and spousal travel were calculated on

an increase because of the economy. He also asked Attorney Fuse-Hall to explain the change in severance pay and faculty rights. Attorney Fuse-Hall stated that new legislation went into effect in 2011 that only pays 20 weeks of the base state salary. Further, if the next president comes out of academia, he/she may be considered for faculty tenure which must be approved by the academic department in accordance with its process and procedures.

Trustee Warren expressed a concern about granting tenure. "What if the person doesn't work out?" Governor Manoj Chopra stated that "if we hire a non-traditional person, this issue may not come up." Trustee Warren also asked that the performance and retention bonus columns under Scenario A be revised to insert notes in the comment section explaining the \$0s. Attorney Fuse-Hall was directed to make that revision.

Chairman McWilliams noted that the successful candidate will negotiate compensation as a part of the employment contract with the Board of Trustees.

The subcommittee agreed to recommend Scenario B to the Presidential Search Committee for consideration.

There being no further business, the meeting adjourned at 4:05 p.m.

Respectfully submitted,

Patricia Woodard

Patricia Woodard

Administrative Assistant