

To make the University of Nebraska an attractive destination for the most talented administrators in higher education, members of the Board of Regents have indicated a willingness to pay the price.

At a June 28 board meeting and a July 9 gathering of the Presidential Search Advisory Committee, search consultants aiding NU in its hunt to replace President Emeritus Hank Bounds have said it could cost between \$800,000 and \$1.2 million in total compensation to lure the best people to the job.

According to an annual survey of administrator salary, benefits and perks published by The Chronicle of Higher Education on Sunday, the target range of total compensation could place NU's next president among the highest paid university leaders in the U.S.

The Chronicle publishes the annual database of executive pay using information collected through direct requests to public university or college systems in the U.S. This year's survey reflects pay in the 2018 calendar year, unlike previous surveys, which were based upon fiscal years.

Based upon the latest data, paying \$1.2 million in salary, benefits and other perks to NU's next president could make them the 10th highest paid university leader in the U.S., slotting him or her just behind Michael Drake of Ohio State University, the third-largest university system in the country.

Drake earned a base salary of \$856,000 in 2018 and was paid \$212,000 in bonuses and had \$100,000 in other income, according to the Chronicle.

If regents elect to pay the next system president on the lower end of their target range, a total compensation of about \$800,000, that person would become the 42nd-highest paid administrator in the country, falling in line behind Randy Dunn, president of the University of Southern Illinois system.

Dunn's base salary was \$583,000 last year, according to information collected by the Chronicle.

Either end of the target range would mark a large leap for NU. Bounds, who earned a base salary of \$540,000 last year in addition to other compensation largely provided through the University of Nebraska Foundation, was the 97th highest paid university president on the Chronicle's list.

It would also place two NU administrators within the top 50. Dr. Jeff Gold, chancellor of both the University of Nebraska Medical Center and the University of Nebraska at Omaha, ranked 35th with a reported total compensation of \$849,775.

In 2012, the Chronicle ranked then-NU President J.B. Milliken 34th in total compensation with \$651,908, the total of his base salary, a deferred compensation package equal to 11.5% of his annual pay, a \$12,000 retirement supplement, \$24,000 in housing allowance and a \$22,000 expense account.

Bounds also earned a deferred compensation package totaling 11.5% of his base pay, \$20,000 annually from the NU Foundation, plus the use of a home, vehicle and a country club membership.

Regent Bob Phares of North Platte, a member of the 23-person search committee looking for Bounds' replacement, told the committee that NU's governing board is prepared to make a similar offer to the next president.

"I think our board is prepared that our base salary is probably going to have to be a little higher than it has been," he said, "but we would also be in the situation of looking at a deferred compensation program or a housing program."

Phares said the board would solicit input on what kind of compensation package to offer both from AGB Search, the consulting firm it hired to recruit candidates, and the committee it formed to recommend

semifinalists for interviews.

Regents Chairman Tim Clare of Lincoln said no salary package has been determined this early in the search, however, only that the board is striving to hire the best person it can to lead the state's only public university system.

"I don't want to sound like we're being flippant with money," Clare said. "It's imperative we illustrate good stewardship of taxpayer dollars from the state.

"But I think if we want to be competitive, to provide the best education for our students and have the best university for our state, you've got to spend money to attract good talent," Clare added.

Both Clare and Phares said regents recognize the limited financial resources of NU when it comes to state funding, but indicated additional resources from the NU Foundation are available to sweeten the pot somewhat.

"Don't walk out of this meeting today thinking we have an unlimited amount of compensation to work with, because it ain't there," Phares told the search committee. "But we do have resources above and beyond our budget we can work with in order to hopefully put an attractive package together."

"I have every bit of confidence they will provide what they can to help us attract a good president," Clare said in a phone interview last week.

Dorothy Endacott, vice president for marketing communications at the NU Foundation, said in an email that the responsibility for establishing a total compensation package for the next NU president falls upon the Board of Regents.

"Whenever the regents, president, chancellors or other university leaders present specific funding requests to the foundation, we try to find donors who are interested in supporting that particular request," Endacott wrote.

The NU Foundation did not indicate how readily donors are willing to give money tagged for deferred compensation packages or salary supplements rather than new facilities or scholarships, however.

The talk of higher administrator salaries may rub some the wrong way, according to Jack Gould, issues chair of Common Cause Nebraska.

"You'll see the university lobby down at the Capitol and talk about the poverty and need for more money," Gould said, "but whenever they are paying off a coach or finding a president, they seem to find the money."

Still, Gould said, there is an understanding that the university needs to pay a top administrator "what they are worth." Whether that entails public or private funds, Gould added the university needs to be forthright about everything in the contract.

"Whatever the package is, let the public know and let them decide on the propriety of what they are doing," he added.

Dan Bauman, the data reporter for the Chronicle who compiled the list of administrator pay, said no trends emerged in the 2018 data regarding public university and college presidents and chancellors receiving substantially more of their pay in private foundation dollars rather than state funds.

There is some recent anecdotal evidence in a few cases, however, in California and the University of Louisville.

He said the annual list is designed to show how university boards are spending their money when it comes to hiring leaders to run multifaceted organizations involved in education, health care, athletics and donor relations.

"Compensation can be very helpful in understanding not only in who is being hired, but also lets us know the

priorities of the board," Bauman said.

"Some compensation is tied to performance, other times it is severance that can give us a really important window into when a board feels it has made a mistake and has to take a course of action they feel is worth the amount of money they have to spend for an amicable separation."

In two of those cases — William McRaven at the University of Texas, who earned \$2.5 million in 2018, and Beverly Davenport at the University of Tennessee at Knoxville, who earned \$821,000 — the majority of their compensation was in the form of severance packages.

Those positions were filled by a pair of former NU administrators: Milliken at Texas, and former UNL Executive Vice Chancellor Donde Plowman at Tennessee.

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