

September 28, 2011

MEMORANDUM

TO: State Board of Regents
FROM: William A. Sederburg
SUBJECT: Deferral of Action on Presidential Salaries

Issue

On September 16, 2011, the Board of Regents took two actions related to presidential compensation: First, to engage an independent consultant to provide the board no later than May 2012 with information on presidential compensation issues including recommendations to address competitive market forces, and second, salary adjustments for presidents. On September 26, 2011, Governor Gary R. Herbert sent a letter to the Board of Regents requesting that the Board "hold off on salary increases pending the results of the study" (copy of the full letter is attached). Given concerns raised by Governor Herbert and others, the Commissioner recommends that the Board accept the Governor's request and defer the salary adjustments approved on September 16, 2011 to after completion of a full study of presidential compensation.

Recommendation

The Commissioner recommends that the Board defer the presidential salary adjustments approved on September 16, 2011 until after completion of the previously authorized study.

William A. Sederburg
Commissioner of Higher Education

WAS/DB



STATE OF UTAH

OFFICE OF THE GOVERNOR
SALT LAKE CITY, UTAH
84114-2220

GARY R. HERBERT
GOVERNOR

GREG BELL
LIEUTENANT GOVERNOR

Mr. David Jordan
Chair
Utah State Board of Regents
60 South 400 West
Salt Lake City, Utah 84101

September 26, 2011

Dear David:

The Board of Regents has raised a significant issue about the competitive status of presidential pay in Utah. I recognize the importance of recruiting and retaining the "best and brightest" to lead our higher education institutions, and appreciate the Regents' efforts to ensure that Utah remains competitive.

As you know, the recent decision to raise presidential salaries has given rise to significant interest and questions. I believe it is important to address those questions in the context of a comprehensive analysis of our compensation system. I understand the Regents plan to undertake a compensation study that will examine how the Presidents' current salaries compare to similar institutions with which we compete for top leadership. As you conduct that analysis, I trust you will also be sensitive to our current economic climate and state budgetary constraints. Given the current environment, I request that the Board of Regents hold off on salary increases pending the results of the study.

As you know, education is a top priority of my administration. We all recognize the importance of higher education in expanding our economy and providing critical skills for individuals to provide for themselves and their families. Having the right people at the helm of our colleges and universities is critical to this effort, and having competitive salaries for these positions must be a key part of our higher education strategy. By working together we can build a comprehensive philosophy and approach that will save our state now and in the future. I look forward to working with you in constructing a competitive and sustainable system of compensation.

Please extend my thanks to all the members of the Board of Regents, the Commissioner, and the Presidents for their service to our state. You play a vital role in providing a high quality system of higher education for the people of Utah.

Sincerely,

A handwritten signature in black ink that reads "Gary R. Herbert". The signature is written in a cursive style with a long horizontal stroke at the end.

Gary R. Herbert
Governor