

# FCBC Report on Senior Executive Compensation at OSU

Prepared by FCBC 2015-2016.

Finalized by FCBC 2016-2017

In academic year (AY) 2015-16, the Faculty Compensation and Benefits Committee, a committee of the OSU Senate populated largely by tenure-track faculty and executives from the Office of Human Resources (OHR), examined compensation of senior executives at OSU in the context of compensation at comparable institutions. This report documents our findings. This is the third of three related FCBC reports, including the annual report comparing salaries of tenure-track faculty with our aspirational peers, and the 2016 FCBC report on recent growth of the number of senior administrators. Both of these reports are available on the OSU Senate website. As the present report is the last of the three reports that were initiated by the 2015-16 FCBC, the present report synthesizes findings from all three.

FCBC recognizes that it is impossible to obtain a full accounting of all the relevant market and federal forces and internal OSU constraints that determine administrative compensation, and that it is difficult to obtain compensation figures for administrative positions at other institutions that are directly comparable to those at OSU. We also recognize that salaries in private industry are important benchmarks for some positions. Nevertheless, the committee believes that the data presented herein are sufficient to get an accurate overview of the present situation.

In the present report, data for other institutions are taken from the annual survey conducted by the College and University Professional Association for Human Resources (CUPA-HR, or CUPA). The present report focuses on only two administrative categories from CUPA: “Top Executive and Senior Institutional Officers” (codes 100000 through 145000) and “Academic Deans” (codes 153010 through 155010). In the figures below, executive salaries at OSU are compared graphically with average salaries from four groups of comparable institutions: all AAU (Association of American Universities) institutions, public AAU institutions; CIC (Committee on Institutional Cooperation) institutions; and the peer group (Big 10 et al.) established by the OSU Board of Trustees. Salary data cover a five-year period from the beginning of AY 2010-2011 to the beginning of AY 2014-2015.

## Results

Figure 1 shows AY 2014-15 salaries of 17 top executive positions at OSU together with average salaries for the four comparison groups. We see that seven positions at OSU have salaries above \$400 K. The total salary for these seven positions is about \$1.2 M higher than for the same positions at the average institution in the Board of Trustees comparison group. This does not include bonuses, discussed below. For perspective, we note that \$1.2 M is 0.44% of the salary of the entire 2700-member tenure-track faculty. Questions that occur to faculty include: Was it a conscious decision to invest significantly in executive compensation in an era where faculty salaries are almost flat? Are the performance objectives of these positions tied to academic excellence? And, has OSU gotten what it aspired to achieve with these hires?

Figure 2 shows AY 2014-15 salaries of deans. Salaries of deans at OSU ranged from 50% higher to 50% lower than the average BoT school. The average salary of deans at OSU was 2.6% higher than the BoT average.

For historical perspective, Figure 3 shows salaries for seven key executive positions averaged over the four academic years from AY 2011-15. OSU's salaries have been much higher than those of our peer institutions over these years. Figure 4 shows four-year averaged data for 16 dean positions. Dean salaries at OSU have been comparable to peer institutions over the past several years.

### **Bonuses for Top Administrators**

Figures 5 and 6 show data on bonuses for ten executive and three dean positions at OSU for years 2011 through 2015. Comparable information on bonuses for comparison groups is not available from CUPA. Bonuses vary widely from position to position and year to year. There is no clear trend. However, the scale of bonuses can be noted. In the most recent year, calendar year 2015, the ten executive positions in Fig. 5 received bonuses amounting to \$1.5M. This amounts to 0.55% of the salary of the entire tenure-track faculty, exclusive of benefits.

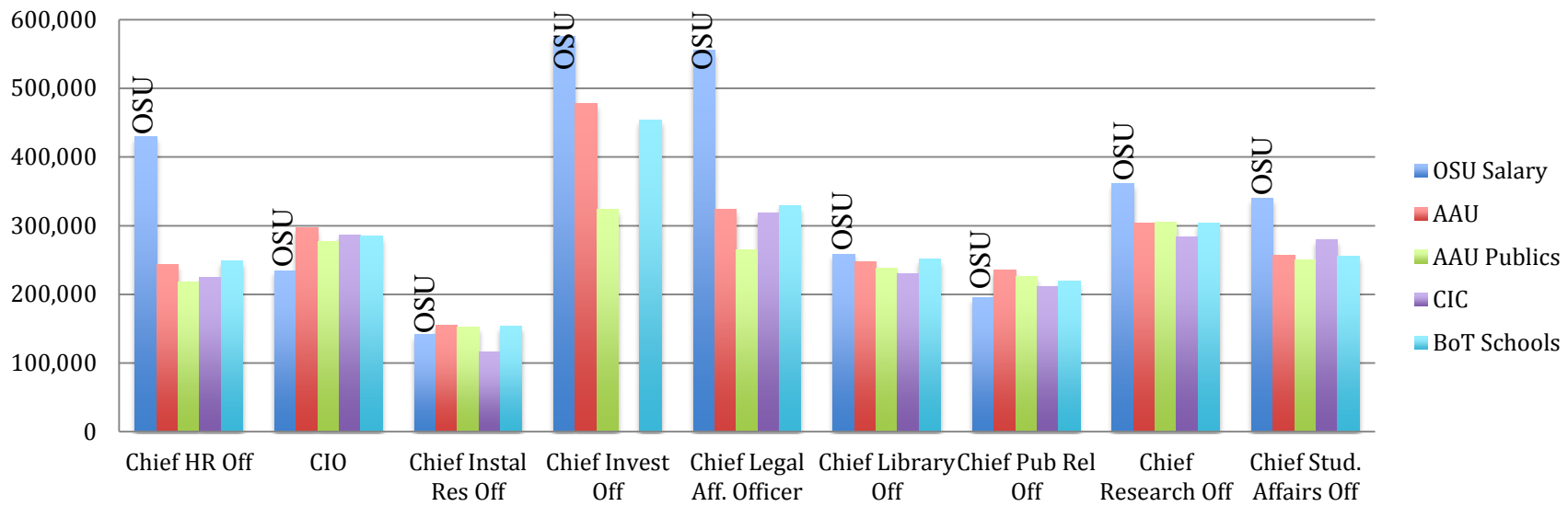
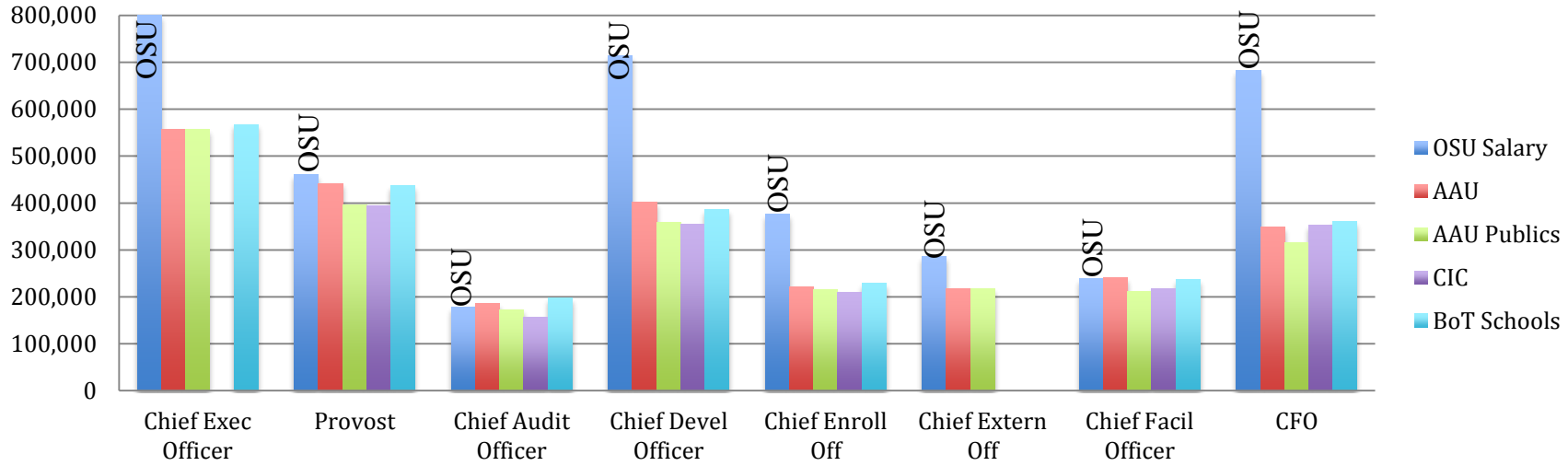
Figure 6 shows that, as a general rule, deans do not receive bonuses, the exception being the Dean of Medicine, who appears to receive a bonus payment regularly. Bonus payments, therefore, appear to be primarily a benefit enjoyed by the upper-level administrators.

### **Conclusion**

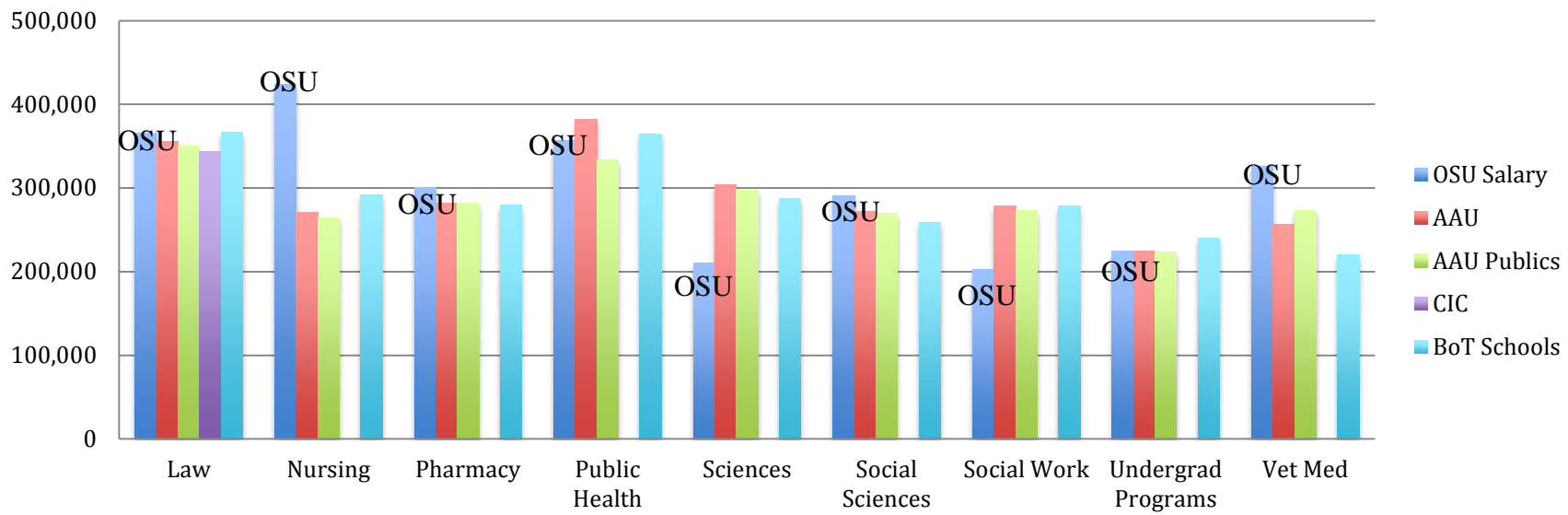
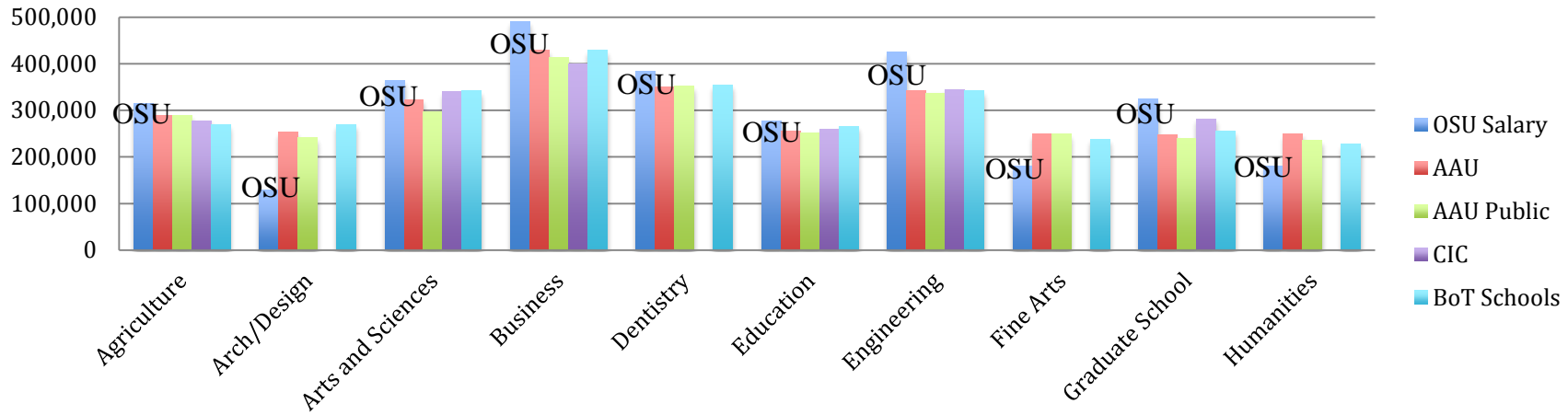
We are deeply concerned that the number of tenure-track faculty has decreased in the past few years, despite the Board of Trustees scorecard that has as a goal an increase in number of tenure track faculty to a level that is 8 to 10% higher than we had at the beginning of AY 2013, and despite the availability of funds for faculty hires from the leasing of parking. Moreover, salary increases for tenure-track faculty have lagged behind those of our aspirational peers, as seen in FCBC's annual report. Over the same time, the number of senior administrators has grown significantly. It seems there have been resources available for hiring, but they have been largely allocated toward priorities other than the tenure-track faculty, upon whose accomplishments rests the academic reputation of the institution.

We recommend that, until the number of tenure track faculty reaches the level specified in the Board of Trustees scorecard, replenishment of the tenure-track faculty be given higher priority than discovery themes hires.

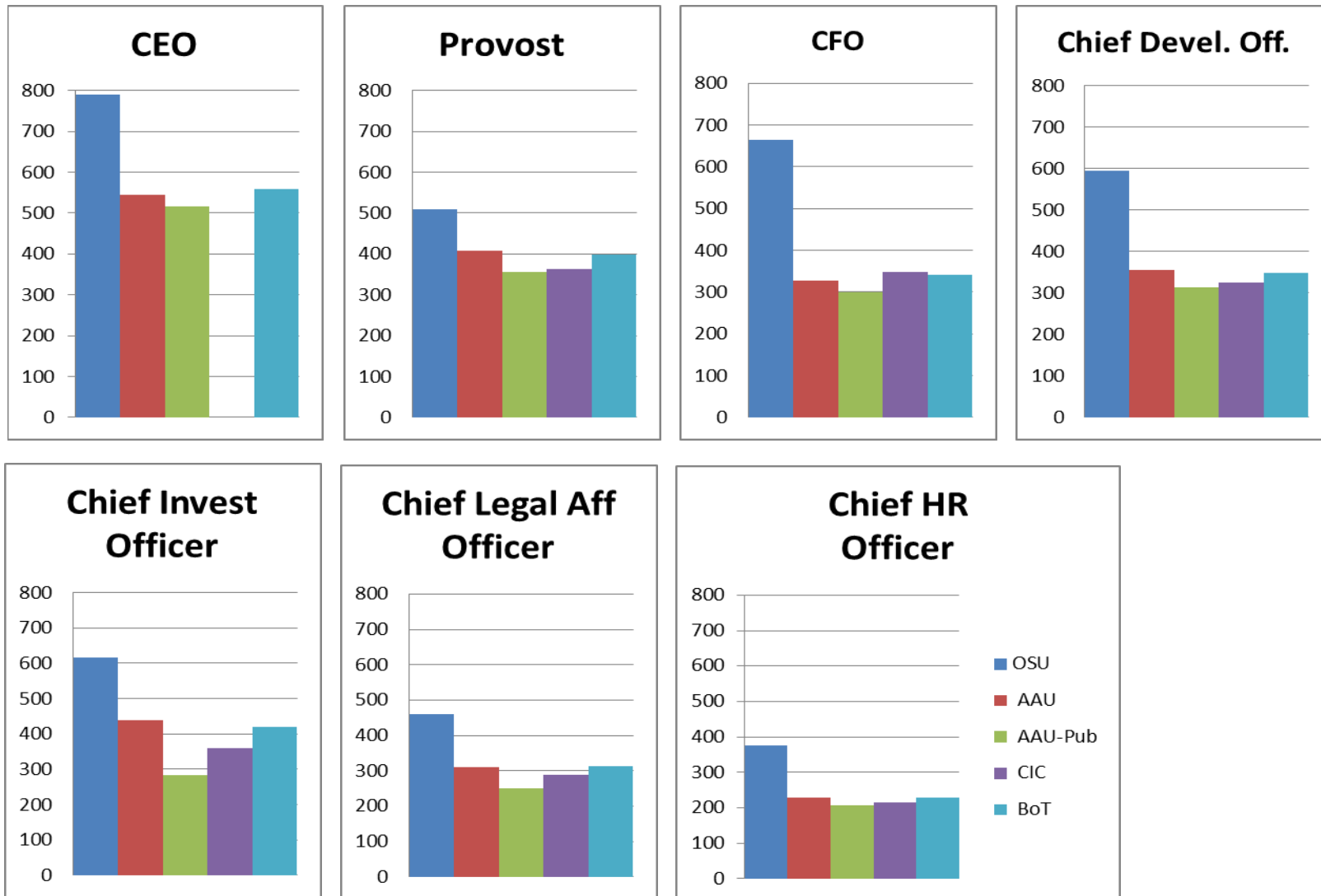
**Figure 1: Executive Salary Comparisons, AY 2014-15.**



### Figure 2: Deans' Salary Comparisons, 2014-15

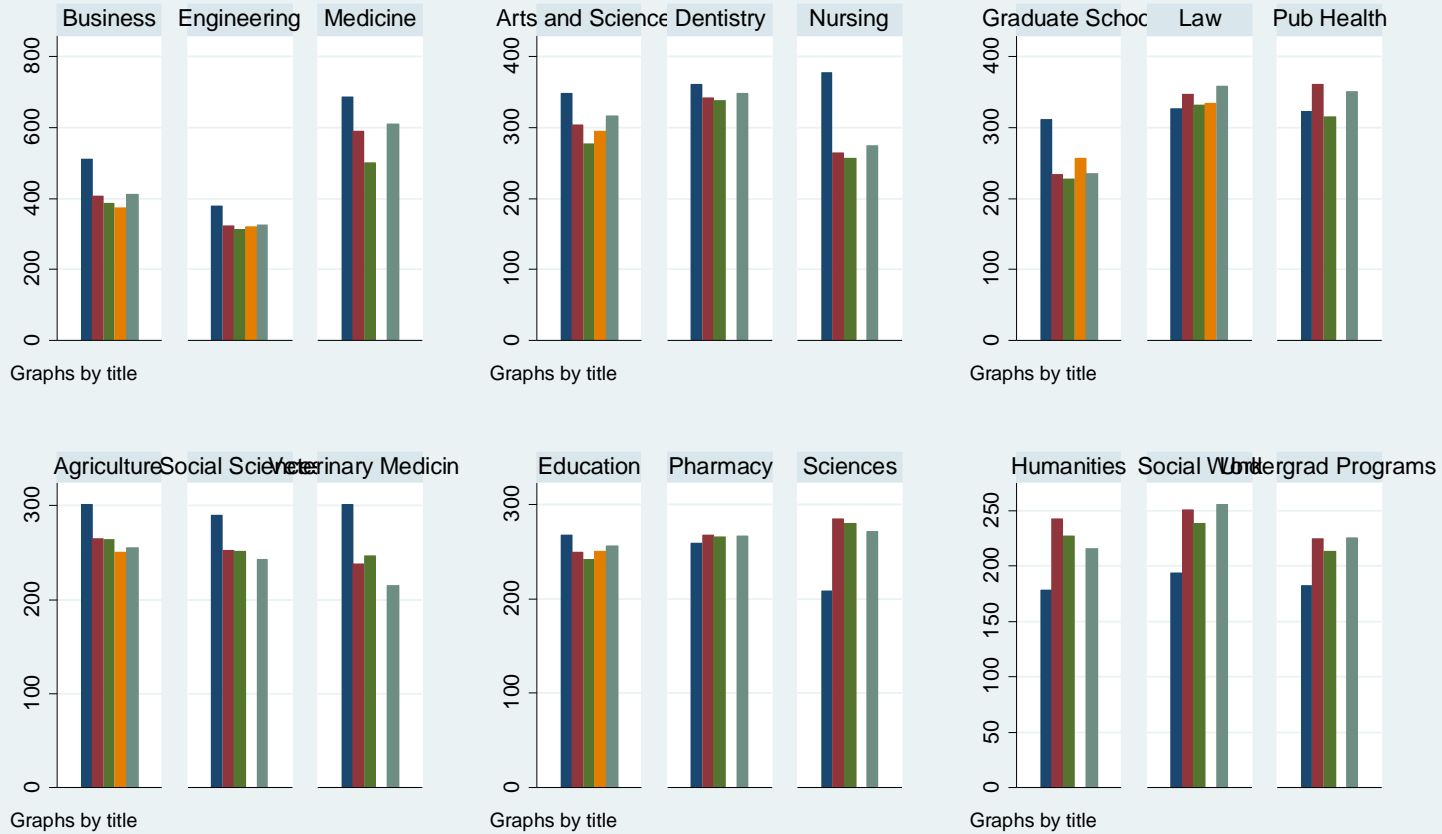


**Figure 3: Highest Executive Salaries Averaged Over 2011-2015. (\$000.)**  
 (Same scheme as in Figs. 1 and 2: OSU/AAU/AAU-Publics/CIC/BoT.)



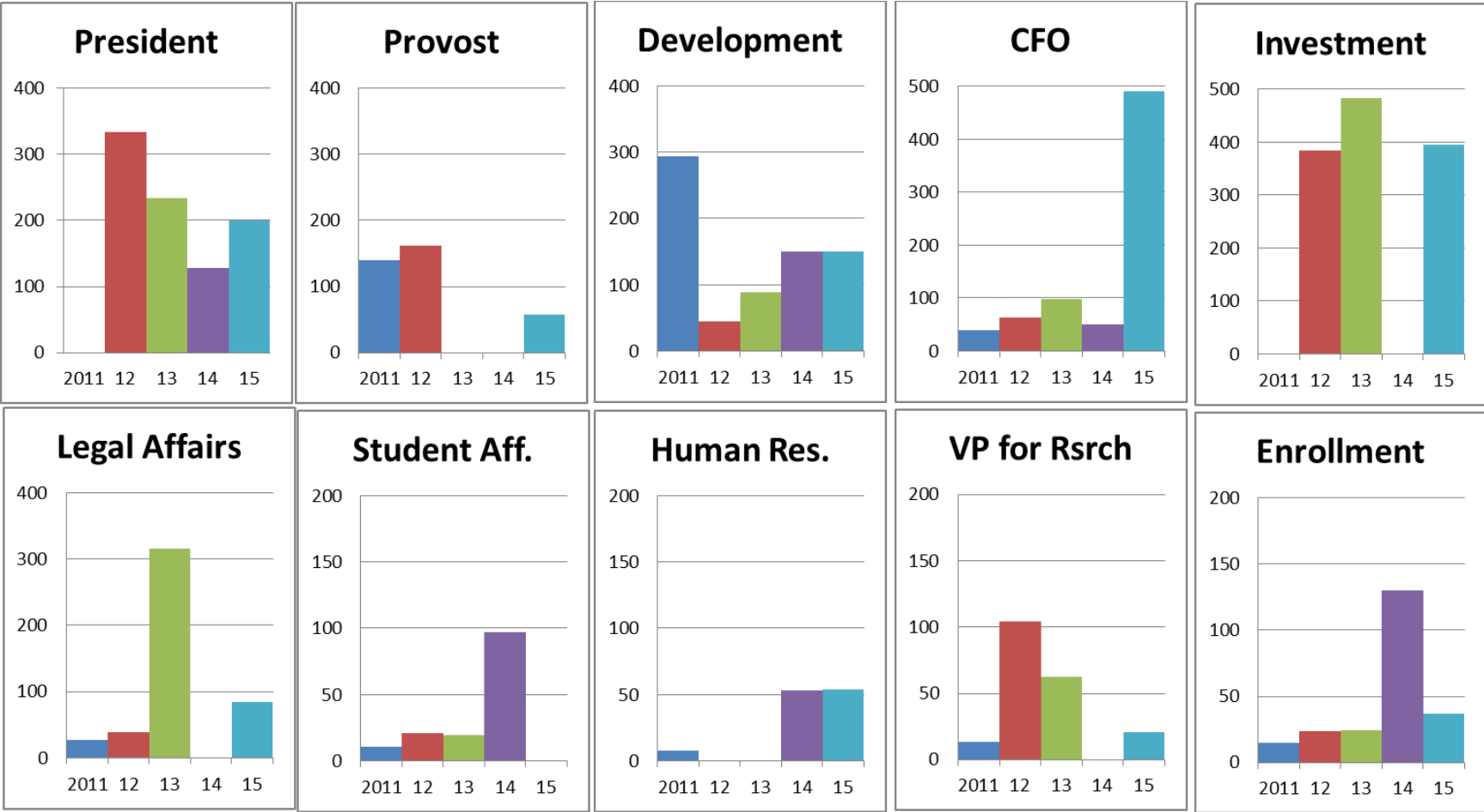
**Figure 4: Dean Salaries Averaged over AY 2011-2015.**  
 (Same scheme as in Figs. 1 and 2: OSU/AAU/AAU-Publics/CIC/BoT.)

## Deans Average Annual Salary AY2011-2015, \$000



AAU: American Association of Universities. AAUPUB: AAU public universities  
 CIC: Committee on Institutional Cooperation Benchmark: OSU comparison group

**Figure 5: OSU Executive Bonuses, AY 2011-2015.**



**Figure 6: OSU Dean Bonuses, AY 2011-2015.**

