

**Office of the Chancellor
Pennsylvania's State System of Higher Education
Procedures and Standards for University Operations**

**Procedure/Standard Number 2018-36
Executive Compensation for Recruitment and Retention of Presidents**

Approved by: 
Chancellor

Date: 7/10/2023

History: The System's executive compensation package includes many forms of compensation that are common throughout U.S. public higher education. In order to ensure successful universities, the System is committed to offering nationally competitive presidential salaries and benefits.

Revised: 7/10/2023

Additional History:
Original version approved in 2018

Related Policies, Procedures or Standards:

[Board of Governors Policy 1984-14-A: Terms and Conditions of Employment of Senior Policy Executives](#)

[Board of Governors Policy 2002-03-A: Evaluating Presidents](#)

Key Words/Categories: Personnel; Presidential Compensation

Additional References: College and University Professional Association for Human Resources (CUPA-HR) Annual Administrators in Higher Education Salary Survey; Carnegie Classification of Institutions of Higher Education

A. Introduction

Ensuring the recruitment and retention of highly qualified, high performing, and stable long-term presidents is essential to the long-term success of the System and its universities. Therefore, through the authority delegated to the chancellor by the Board of Governors, this procedure/standard establishes a strategy for providing and maintaining competitive salaries for the recruitment and retention of **System high-performing** presidents.

B. Definitions

1. **Salary Range:** A broad range of compensation (Pay Band E6) for all presidential positions in the system. This salary range will be divided into quartiles and will be

reviewed—and potentially adjusted—annually based on the aggregate median salary data for presidents in the CUPA-HR peer group.

2. **Peer Group:** A CUPA-HR peer group, developed specifically for the State System, comprised of a large number of peer institutions that, in the aggregate, approximate the average range of student enrollments at and variety of Carnegie classification of PASSHE universities.

C. Procedure/Standard

1. Pay Range Management

1.1 Universities will be grouped into three sub-categories:

- a) Smaller universities – up to 5,000 student FTE, baccalaureate and master’s-level Carnegie classification; presidents compensated within the 1st and 2nd quartiles
- b) Medium universities – 5,000-9,000 student FTE, master’s- and doctoral-level Carnegie classification; presidents compensated within the 2nd and 3rd quartiles
- c) Larger universities – more than 9,000 student FTE, master’s- and doctoral-level Carnegie classification; presidents compensated within the 3rd and 4th quartiles

1.2 Annually, the assigned sub-category of each State System university will be reviewed to determine if significant changes have occurred to student enrollment, Carnegie classifications, or other complexity factors to warrant a change in the respective category.

1.3 Annually, the universities within the CUPA-HR custom peer group will be reviewed and evaluated to determine if any significant changes have occurred that may warrant their replacement in the peer group.

1.4 Annually, aggregate salary data from the custom CUPA-HR peer group will be analyzed and will be a reference point for the potential adjustment of the presidential salary range (Pay Band E6).

2. Newly hired presidents

2.1 Salaries for newly hired presidents will be initially determined within their respective quartiles, commensurate with the experience and skillset they bring to the position upon hire. Further consideration may be appropriate when establishing starting salaries in circumstances including but not limited to those listed below:

- a) Presidents with responsibility for integrated universities with multiple campuses covering a wide geographic area;

- b) Presidents of universities located in a geographic region with a higher cost-of-labor;
- c) Presidents with previous presidential (full, interim, or acting) experience;
- d) Presidents of an R1 or R2 university or those with advanced/complex academic programs;
- e) When the current labor market conditions indicate that demand for qualified presidential candidates is far exceeding the immediate available supply.

3. Ongoing President Pay Management

- 3.1 Merit Increase - Annual performance evaluations will be conducted according to existing policy and—similar to the Management Compensation Program—merit increases may be provided at the discretion of the Chancellor in consultation with the Executive Committee of the Board of Governors. The amount of each annual merit increase will be based on the president’s performance during the preceding performance period.
- 3.2 Market Equity Adjustment – The presidential role exists as part of a national marketplace, and compensation aimed at attracting and retaining talent must be cognizant of national comparators. Additional pay adjustments may be provided to ensure that the State System maintains externally competitive pay to support retention of presidents, as follows:
 - a) When deemed necessary and appropriate to maintain placement in designated pay range quartiles, such as following a shift in the pay range resulting from the annual peer group benchmark process.
 - b) When individual university presidents are moved to a higher sub-category within the president pay range based upon significant changes in student enrollment and/or Carnegie classification.
 - c) When presidents gain responsibilities that significantly increase the complexity of their roles.

D. Implementation

- 1. The salary of an ongoing president will not be reduced to reflect reassignment to a different sub-category resulting from a significant decrease in student enrollment, and/or a change in Carnegie classification.
- 2. Effective immediately