SUMMARY

The report from Sibson Consulting on Executive Compensation and Governance includes current peer data on total compensation for the USM chancellor and presidents. In addition, to ensure that executive salaries continue to be competitive, the report recommends that the data on base salaries be updated annually for USM peers and that an assessment of total remuneration for peers be done on a periodic basis. Since the assessment of total remuneration of peers is an intensive task, the committee will determine the frequency of this assessment.

ALTERNATIVE(S): The Committee could choose not to conduct further assessment of base salaries and/or total remuneration of peers for USM executives.

FISCAL IMPACT: The fiscal impact to conduct aging of base salaries for current peers could be done by USM staff or by a consultant. USM would likely use a consultant to conduct an update of peer data to update total remuneration. The estimate for consultant costs to update base salaries ranges from $20,000 - $30,000. The cost for an update of total remuneration would likely range from $70,000 - $80,000.

CHANCELLOR’S RECOMMENDATION: The Chancellor recommends that the Committee approve the assessment of base salaries for peers of USM executives on an annual basis and direct the USM to conduct an assessment of total remuneration of peers every three years.