THE CITY UNIVERSITY OF NEW YORK

Adoption of a Salary Plan for Titles
Within the Executive Compensation Plan

WHEREAS, Executive Compensation Plan (ECP) resolutions in 1987, 1994, and 2000 state “that periodically . . . but no less frequently than every five years, the Board of Trustees shall review national peer data to compare and reassess its Executive Compensation (Salary) Plan” (Board Minutes 10/26/87, 6/27/94, and 2/22/2000); and

WHEREAS, On June 26, 2006, the Board of Trustees approved a Revised Salary Plan which was based on a review of market data and best practices in higher education conducted by the firm of William M. Mercer, Inc.; and

WHEREAS, The Salary Plan Report adopted by the Board of Trustees on June 26, 2006, similarly requires a periodic assessment of the Salary Plan “no less frequently than every five years”; and

WHEREAS, In accordance with this mandate, the University engaged the services of William M. Mercer, Inc. in 2003, 2006, 2010 and 2012 to update the market analyses previously performed; and

WHEREAS, Chapter 263 of the Laws of 1987 authorizes the Board of Trustees to establish and implement a Salary Plan for executive staff following consultation with the Governor’s Office of Employee Relations and the Division of the Budget, and further requires the Board of Trustees to file a proposed Salary Plan Report with the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee and the Director of the Budget at least 60 days prior to the effective date of the Plan; now therefore be it

RESOLVED, That the attached Salary Plan Report for the Executive Compensation Plan dated June 25, 2012 is approved effective September 1, 2012; and be it further

RESOLVED, That the Chancellor is authorized to take all necessary actions to effect the implementation of the Salary Plan pursuant to Chapter 263 of the Laws of 1987 with the understanding that the Chancellor is granted the authority to make appropriate adjustments to the plan resulting from consultation with the New York State Division of the Budget, and/or the New York State Office of Employee Relations; and be it further

RESOLVED, That the Chancellor is authorized to issue revised “Terms and Conditions of Employment for Staff Serving in the Executive Compensation Plan,” which provides guidance for implementation of the Salary Plan.

EXPLANATION: The Board recognizes that competitive, market driven compensation for the Chancellor, the Presidents and other senior executives is necessary and critical to the success of The City University of New York and central to the Board’s mandate to continue to improve standards and promote accountability. The primary objective of the proposed Salary Plan is to
provide a total compensation program that addresses the need to be competitive with the national market and to acknowledge the complexity of specific institutions while promoting and recognizing individual excellent performance. In order to maintain its competitiveness, the Board has directed that the Salary Plan be reassessed “no less frequently than every five years.” Since the Salary Plan was last updated in June 2006, this review is now necessary.

The proposed revisions to the Salary Plan are based in large part on a market analysis conducted by William M. Mercer, Inc. in 2010 and updated in 2012. The attached Salary Plan Report provides recommendations for salary ranges for each title within the Executive Compensation Plan. The plan proposes six salary structures for all campus executives that mirror the tiered structure of Presidential compensation. A new tier has been created specifically for the CUNY-wide and Professional Schools, which includes the CUNY Law School, the School of Journalism, the School of Professional Studies, the School of Public Health, and the Macaulay Honors College. A sixth structure has been designed to accommodate system positions.

The salary ranges for all titles are such that the salaries of all incumbents are absorbed within the proposed ranges. No automatic salary improvements result from the implementation of this new Salary Plan. Movement of ECP staff through the ranges (toward the maximum) will continue to be based on annual assessments of individual performance. Future modifications of individual salaries within the appropriate ECP range will be at the discretion of the Board of Trustees upon the recommendation of the Chancellor. The proposed plan generally provides the Chancellor and the Board with greater flexibility in modifying the terms and conditions of employment for members of the ECP. Under the proposed plan, there is an opportunity to offer a deferred compensation plan to members of the ECP in appropriate circumstances.

The “Terms and Conditions of Employment for Staff in the Executive Compensation Plan,” which codifies appropriate terms and conditions of employment for executive staff, will be revised to conform to changes in the Salary Plan.