

**ILLINOIS  
STATE SENATE  
99<sup>TH</sup> GENERAL ASSEMBLY**



**SENATE DEMOCRATIC  
CAUCUS INVESTIGATIVE  
REPORT ON EXECUTIVE  
COMPENSATION AT ILLINOIS  
HIGHER EDUCATION  
INSTITUTIONS**



## Contents

Executive Summary.....	3
Introduction .....	5
Administrative Growth in Public Education .....	6
Rising Tuition and Fees .....	6
Total Spending on Higher Education.....	8
Spending on Faculty vs Administration.....	9
Administrative Contracts, Severance Agreements, and Transparency: A College of DuPage Case Study .	12
College of DuPage .....	12
Appointment Agreements .....	12
Board of Trustees and the Open Meetings Act.....	13
Dr. Breuder’s appointment agreements, 2008-2015.....	13
Ongoing problems at the College of DuPage.....	15
Higher Education Compensation Data in Illinois .....	16
Compensation .....	16
Base Salary .....	16
Retirement/ Deferred Compensation/ Annuities .....	16
Bonuses.....	17
Perks.....	18
Housing .....	18
Vehicles.....	18
Technology.....	18
Club Memberships .....	19
Furniture .....	19
Severance agreements and length of contracts .....	20
Severance Agreements .....	20
Length of Employment Contracts .....	21
Total Compensation.....	22
Conclusion and Recommendations .....	28
APPENDIX A.....	30
APPENDIX B.....	33



## Executive Summary

In February 2015, Senator Bill Cunningham and the Illinois Senate Democratic Caucus requested compensation data and employment contracts for selected administrative positions from all 9 public universities and 46 community colleges in Illinois for 2005-2015. The Senate's review of this information uncovered:

- Annual compensation totaling \$887,244 for one administrator at a public university
- Annuities at community colleges in the amount of \$30,000 a year
- Deferred compensation plans in the amount of \$75,000 a year
- University- and community college-provided vehicles
- Car and driver service
- Memberships to multiple country clubs and social organizations
- Appointment contracts of over 5 years in length that led to six-figure severance agreements

While tuition at Illinois' public institutions has skyrocketed, so has executive compensation. This report finds that tuition increases have coincided with a dramatic increase in administrative costs, including the size of administrative departments and compensation packages for executives.

Furthermore, the process of creating and altering executive compensation packages is one that should be open and transparent to the public, but as events at the College of DuPage show, this process can be subverted.

The Illinois Senate Democratic Caucus recommends legislation and policy changes that would increase accountability for administrators, increase transparency in Board of Trustee proceedings regarding executive compensation agreements, and address accountability for spending.

To address accountability for spending:

- The Auditor General should take over auditing for all community colleges;
- Limits on length of employment contracts;
- Limit severance pay to one year's salary;
- Performance-based bonuses must be approved by the board. Performance reviews must be made publically available 48 hours prior to the board's final decision;
- Contracts will not be allowed to include country club memberships or similar social organizations; and
- Performance bonus payments, sick time payouts, and vacation time payouts cannot be pensionable.



To increase transparency in Board of Trustee proceedings regarding executive compensation agreements:

- The board must comply with all OMA and FOIA provisions in the course of a contract formation, renewal, extension, or termination for employment contracts;
- The final contracts, including all annuities, bonuses, housing, vehicles, technology, club memberships, and retirement enhancements, have to be made public 30 days before the board votes; and
- Board minutes, board packets, and annual performance reviews must be available on the internet.

To increase accountability for administrators:

- Annual performance reviews of administrators;
- Pay raises and bonuses in contracts have to be tied to performance reviews of the administrator and the status of the university or college;
- The Illinois Board of Higher Education sets clear standards for performance bonuses for administrators; and
- If any pay raise in the contract would exceed a certain percentage of current base pay, then the Board has to affirm that pay raise by a vote of the Board before it can take effect.



## Introduction

Higher education has long been an integral part of the American dream. The benefits of higher education have been proven time and time again: more education leads to higher earnings, higher employment rates, and increased economic mobility.<sup>1</sup> In order to afford this opportunity, students have turned to student loans. The student debt crisis in America has been touted as the next great sub-prime crisis.<sup>2</sup> Student debt is the second largest form of consumer debt behind mortgages.<sup>3</sup> In the last decade, the cost of higher education at public institutions has skyrocketed. In-state tuition nationwide at public institutions rose 67 percent from 2000 to 2011, after adjusting for inflation.<sup>4</sup> This raises a serious question: why are costs climbing this quickly?

This report focuses on the very top of the administrations of public universities and community colleges in Illinois. At the same time tuition and student debt are rising at a breakneck pace, the administrative systems of public institutions have expanded into sprawling behemoths, with some of those at the very top enjoying lavish perks, including expense accounts, club memberships, vehicles, and golden parachute severance payments. Despite the state's transparency laws, many of these agreements are done in secret, denying the public the right to weigh in on the appropriateness of such generous packages, while students suffocate under non-dischargeable debt.

Part I looks at the administrative bloat occurring nationwide and in Illinois. Part II looks at the executive compensation contracts and the laws to which the board of trustees of public institutions are held, through the lens of the recent controversy of Dr. Robert Breuder at the College of DuPage. Part III provides an overview of compensation data collected from the public institutions of higher education in Illinois. Part IV concludes with legislative recommendations for addressing the issues.

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<sup>1</sup> The Economics of Higher Education- Executive Summary, U.S. Department of Treasury, December 2012.

[http://www.treasury.gov/connect/blog/Documents/20121212\\_HigherEducation\\_ExecSumm\\_vFINAL.pdf](http://www.treasury.gov/connect/blog/Documents/20121212_HigherEducation_ExecSumm_vFINAL.pdf)

<sup>2</sup> <http://www.zerohedge.com/news/2013-10-01/next-subprime-crisis-expands-student-loan-defaults-hit-146-billion-highest-default-r>

<sup>3</sup> How the \$1.2 Trillion College Debt Crisis is Crippling Students, Parents, and the Economy, Forbes, Aug. 7, 2013 <http://www.forbes.com/sites/specialfeatures/2013/08/07/how-the-college-debt-is-crippling-students-parents-and-the-economy/>

<sup>4</sup> The Economics of Higher Education- Executive Summary, U.S. Department of Treasury, December 2012.

[http://www.treasury.gov/connect/blog/Documents/20121212\\_HigherEducation\\_ExecSumm\\_vFINAL.pdf](http://www.treasury.gov/connect/blog/Documents/20121212_HigherEducation_ExecSumm_vFINAL.pdf)



## Administrative Growth in Public Education

This section reviews the nationwide trend in higher education of an expanding administrative employment sector. While tuition and fees have increased at unprecedented rates, faculty numbers have not. Instead, increases in the number of administrators have been the trend.

The disproportionate increase in the number of employees hired by colleges and universities to manage or administer people, programs and regulations has continued unabated in recent years, increasing 50% faster than the number of instructors between 2001 and 2011, according to data collected by the U.S. Department of Education.<sup>5</sup> The numbers have slowed only slightly since the beginning of the great recession, during which time colleges and universities have contended that a shortage of federal and state resources has led to sharply raising tuition and fees.

### Rising Tuition and Fees

Colleges and universities across the country have been raising tuition at a rate four times faster than the overall inflation rate<sup>6</sup>. Adjusting for inflation, tuition at public universities has tripled since 1980 and at private universities it has more than doubled.<sup>7</sup> From 1978 to 2008, the cost of living doubled, and medical costs ballooned roughly six-fold, but college tuition and fees saw a nearly ten-fold increase<sup>8</sup>. Even after adjusting for financial aid, the amount families have to pay for college has skyrocketed 439 percent since 1982.<sup>9</sup>

Tuition and fees at public universities in Illinois has spiked almost 84% over the past decade, with the average tuition increasing nearly \$4,100. During that same time period, fees rose almost 200% at Governors State University. For fiscal year 2015, fees jumped 13% compared to fiscal year 2014 to \$4,257 at Northern Illinois University – almost half the cost of in-state tuition. In-state tuition and fees across the University of Illinois system are nearly double the national average for 4 year public universities and 29% higher than the average cost of 4 year public universities in the Midwest<sup>10</sup>. In the 2013-2014 school year, in-state tuition and fees in the University of Illinois system were \$15,070 at the Urbana-Champaign campus, \$14,150 at the Chicago campus, and \$11,610 in Springfield<sup>11</sup>. The national average of in-state tuition and fees at 4-year public institutions is \$8,893 for the 2013-2014

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<sup>5</sup>[http://nces.ed.gov/datalab/tableslibrary/searchresults.aspx?type=search&keywords=&datasource=IPEDS&releaseyear=0&ipedes=0&showlike=no&type\\_get=get](http://nces.ed.gov/datalab/tableslibrary/searchresults.aspx?type=search&keywords=&datasource=IPEDS&releaseyear=0&ipedes=0&showlike=no&type_get=get)

<sup>6</sup> <http://trends.collegeboard.org/sites/default/files/college-pricing-2013-full-report.pdf>

<sup>7</sup> [http://www.washingtonmonthly.com/magazine/septemberoctober\\_2011/features/administrators\\_ate\\_my\\_tuition031641.php?page=all](http://www.washingtonmonthly.com/magazine/septemberoctober_2011/features/administrators_ate_my_tuition031641.php?page=all)

<sup>8</sup> <https://satyagraha.wordpress.com/2009/07/14/college-tuition-hyperinflation/>

<sup>9</sup> [http://www.innovativeadvisors.net/files/Is\\_college\\_still\\_worth\\_the\\_price.doc](http://www.innovativeadvisors.net/files/Is_college_still_worth_the_price.doc)

<sup>10</sup> Data from the College Board and self-reported U of I data. See table 1.

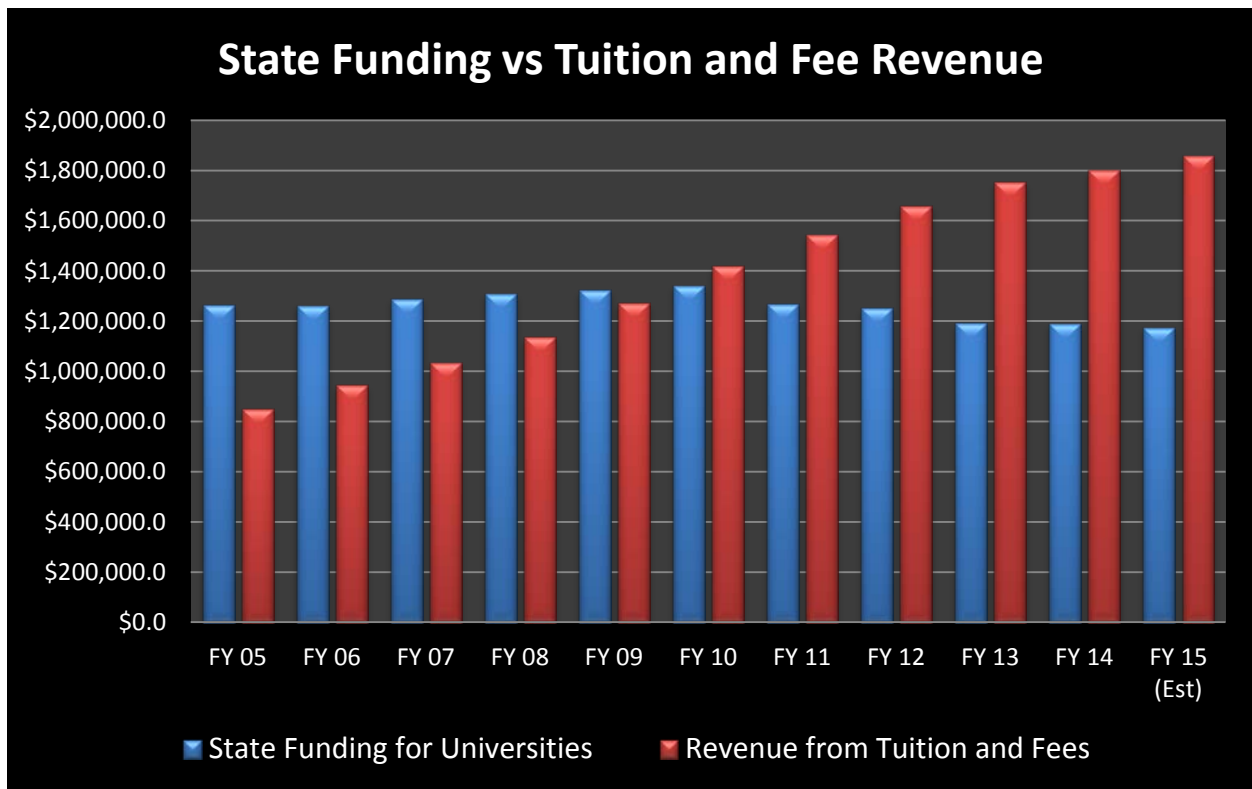
<sup>11</sup> Self-Reported U of I data. See Table 2.



school year, making the in-state cost of attending U of I Urbana-Champaign \$6,314, or 72%, more expensive as compared to the national average<sup>12</sup>

While state operating support for public universities has declined by 7% over the last decade, the corresponding increase in tuition and fee revenue has not only offset state budget cuts, but sustained annual public university revenue growth rate in excess of 5%. Much of this revenue growth has been used to support an increasingly larger bureaucracy and excessive administrative salaries. This is also evidenced by ever increasing state tax contributions required to cover the pension and health care expenses of this administrative growth.

Chart 1



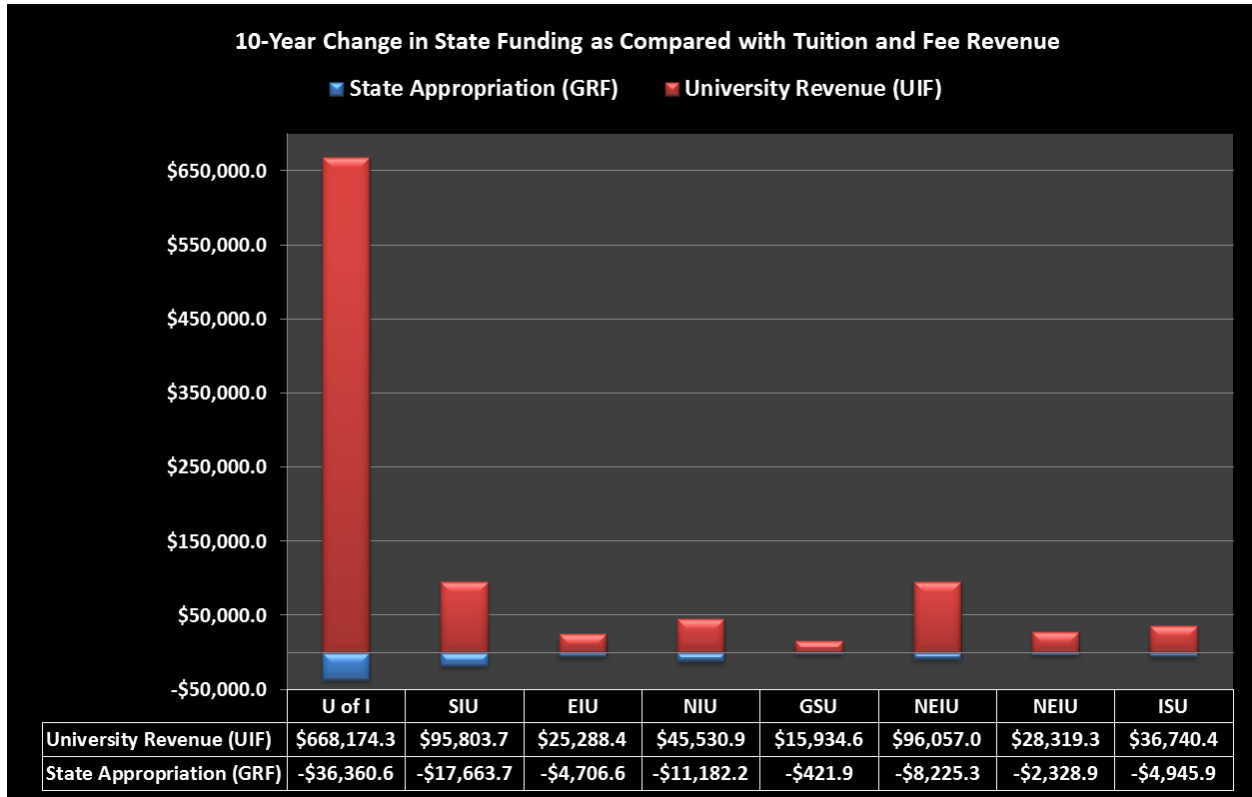
Source: Illinois public university data analyzed by Senate Democratic Caucus Staff

<sup>12</sup> <http://trends.collegeboard.org/college-pricing/figures-tables/tuition-and-fees-sector-and-state-over-time> The Source for this data is the College Board, Annual Survey of Colleges. Costs are based on tuition and fees only, excluding room and board and costs for books.



As shown in Chart 2, the University of Illinois, for example, has seen a \$36 million, or -5.2%, decline in state funding from Fiscal Year 2005 to Fiscal Year 2015, while revenues from tuition and fees has increased \$668 million, or 155.5%.

Chart 2



Source: Illinois public university data analyzed by Senate Democratic Caucus Staff

### Total Spending on Higher Education

Between 1975 and 2005, total spending by higher educational institutions in the United States, stated in constant dollars, tripled, to more than \$325 billion per year.<sup>13</sup> For fiscal year 2014, Illinois spent just under \$4.1 billion on higher education, which ranked 4<sup>th</sup> in the United States behind only California, Texas and New York. That’s an increase of nearly \$500 million as compared to higher education spending in fiscal year 2013.<sup>14</sup>

<sup>13</sup>[http://www.washingtonmonthly.com/magazine/septemberoctober\\_2011/features/administrators\\_ate\\_my\\_tuition031641.php?page=all](http://www.washingtonmonthly.com/magazine/septemberoctober_2011/features/administrators_ate_my_tuition031641.php?page=all)

<sup>14</sup> <http://www.nasbo.org/sites/default/files/State%20Expenditure%20Report%20%28Fiscal%202012-2014%29S.pdf>





**Table 3. Total State Support for Higher Education**

These totals include state tax appropriations and other state funds allocated to higher education, Federal education stabilization funds used to restore the level of state support for public higher education, and excludes government services funds used for modernization, renovation, or repair.

Ranking	State	FY 13	FY 14
1	California	9,577,505,000	10,535,904,000
2	Texas	6,341,327,744	6,617,330,169
3	New York	4,992,730,621	5,192,935,373
4	Illinois <sup>c</sup>	3,566,692,200	4,082,978,500
5	Florida	3,338,709,070	3,927,204,407
6	North Carolina	3,751,478,952	3,630,334,843
7	Georgia	2,624,294,318	2,787,682,234
8	Ohio	2,050,123,177	2,096,295,591
9	New Jersey	1,888,439,000	1,990,469,000
10	Virginia	1,712,075,324	1,771,251,361
11	Pennsylvania	1,792,655,000	1,770,967,000
12	Maryland	1,599,092,118	1,742,661,563
13	Indiana	1,555,282,625	1,701,417,328
14	Michigan	1,608,824,500	1,669,524,700
15	Tennessee	1,455,168,883	1,587,786,604
16	Washington	1,372,858,000	1,570,807,000
17	Alabama	1,406,898,493	1,440,862,304
18	Minnesota	1,285,247,000	1,394,503,000
19	Kentucky	1,187,656,103	1,180,322,100
20	Louisiana	1,174,061,988	1,119,337,996
21	Wisconsin	1,163,226,571	1,114,018,800
22	Massachusetts	985,123,807	1,091,894,342
23	Oklahoma	1,032,204,863	1,042,049,007
24	Connecticut	957,255,150	1,010,125,722
25	Mississippi	924,952,654	973,846,876
26	Missouri	942,816,225	967,122,534
27	South Carolina	910,383,821	905,324,455
28	Arizona	843,251,300	873,005,600
29	New Mexico	831,998,223	871,115,913
30	Arkansas	866,653,625	851,971,705
31	Iowa	787,419,692	823,333,019
32	Utah	748,759,000	798,346,200
33	Kansas	795,346,375	771,121,325
34	Nebraska	659,571,367	688,173,035
35	Colorado	640,628,978	679,462,447
36	Oregon	580,701,607	631,121,950
37	Hawaii	513,516,613	517,818,637
38	West Virginia	546,188,678	515,656,320
39	Nevada	472,368,017	487,184,042
40	North Dakota	343,805,783	409,693,640
41	Alaska	369,797,900	383,128,100
42	Idaho	360,070,800	374,642,100
43	Wyoming	383,533,411	352,419,041
44	Maine	265,872,234	271,053,573
45	Delaware	216,492,700	227,606,200
46	Montana	202,187,817	226,961,354
47	South Dakota	196,229,662	198,267,076
48	Rhode Island	160,539,277	169,813,064
49	New Hampshire	85,622,352	109,000,000
50	Vermont	89,340,755	92,315,902

<sup>c</sup>Illinois' total includes payments to SURS

Source: Higher Education data from IPEDS analyzed by Senate Democrats

### Spending on Faculty vs Administration

But as colleges and universities have had more money to spend, spending for instructional resources – that is, paying faculty – has not kept pace with the dramatic increase in spending on administrative and staff resources. A comprehensive study published by the Delta Cost Project in 2010 reported that between 1998 and 2008, America’s higher education institutions shifted resources into increased spending on administration, reducing the share of instructional spending as compared to spending for academic support (libraries and computing), institutional support (administration), and student



services.<sup>15</sup> Spending on administration and staff support increased by almost 36 percent between 1998 and 2008, while instructional spending increased only 22 percent.<sup>16</sup>

Over the same period, the faculty-to-student ratio has remained fairly constant, at approximately sixteen students per instructor.

For fiscal year 2011, the nine Illinois public universities employed 15,797 faculty; 10,746 full-time and 5,051 part-time. The University of Illinois employed the most full-time faculty at 4,301, followed by Southern Illinois University at 2,217 and Illinois State University at 954.<sup>17</sup> Northern Illinois had the least full-time faculty per student at approximately twenty-two students per full-time instructor, followed by Illinois State University at nineteen students per full-time instructor. The average for all State universities in Illinois was approximately seventeen students for every full-time instructor.

Those trends debunk the common myth that spending on faculty is responsible for continuing cost escalation. In public institutions, instructional spending declined the most during the 2003–2008 period.<sup>18</sup>

While the faculty-to-student ratio has remained fairly constant, the administrator-to-student ratio has changed dramatically over the past several decades. In 1975, colleges and universities employed one administrator for every eighty-four students and one professional staffer—admissions and communications officers, information technology specialists—for every fifty students.<sup>19</sup> By 2005, the administrator-to-student ratio had dropped to one administrator for every sixty-eight students while the ratio of professional staffers had dropped to one for every twenty-one students.<sup>20</sup>

For fiscal year 2011, the nine Illinois public universities employed over 4,000 administrators. The University of Illinois employed 2,549 administrators, the most among Illinois' public universities, followed by Southern Illinois University at 312 and Chicago State University at 308.<sup>21</sup>

Chicago State University had the highest administrator to student ratio at eighteen students for every one administrator –almost identical to their faculty to student ratio of sixteen students for every one administrator – followed by the University of Illinois at thirty students for every one administrator. The average for the nine universities was approximately forty-five students for every one administrator.

At public universities in Illinois, there was a 31.1% increase in full time administrative staff from 2004 to 2010. During the same period, there was a 1.8% increase in full time faculty, and a 2.3%

<sup>15</sup> <http://www.deltacostproject.org/sites/default/files/products/Trends-in-College-Spending-98-08.pdf>

<sup>16</sup> <http://www.deltacostproject.org/sites/default/files/products/Trends-in-College-Spending-98-08.pdf>

<sup>17</sup> Office of the Auditor General, Illinois Public Universities Management Audit, May 2013.

<sup>18</sup> <http://www.deltacostproject.org/sites/default/files/products/Trends-in-College-Spending-98-08.pdf>

<sup>19</sup> [http://www.washingtonmonthly.com/magazine/septemberoctober\\_2011/features/administrators\\_ate\\_my\\_tuiti\\_on031641.php?page=all](http://www.washingtonmonthly.com/magazine/septemberoctober_2011/features/administrators_ate_my_tuiti_on031641.php?page=all)

<sup>20</sup> [http://www.washingtonmonthly.com/magazine/septemberoctober\\_2011/features/administrators\\_ate\\_my\\_tuiti\\_on031641.php?page=all](http://www.washingtonmonthly.com/magazine/septemberoctober_2011/features/administrators_ate_my_tuiti_on031641.php?page=all)

<sup>21</sup> Office of the Auditor General, Illinois Public Universities Management Audit, May 2013.



increase in part time and full time students<sup>22</sup>. At community colleges in Illinois, there was a 13.5% increase in full time equivalency administrative staff from 2005 to 2013. During the same period, there was a 6.8% increase in FTE instructional faculty, and a 3.9% increase in FTE student enrollment.<sup>23</sup>

To summarize, while tuition and fees have risen exponentially, the corresponding increases in staff is not reflected in increased numbers of faculty, but in increases in the numbers of administrators, both nation-wide and in Illinois. To analyze how administrative pay may end up costing a school, the next section looks at the recent events at the College of DuPage.

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<sup>22</sup>Fall 2010 data obtained from [2011 Data and Characteristics of the Illinois Public Community College System](http://www.ibhe.org/Data%20Bank/DataBook/2011/DATABOOK2011.pdf), Tables I-1 and III-5, from the Illinois Community College Board; available at: <http://www.ibhe.org/Data%20Bank/DataBook/2011/DATABOOK2011.pdf>. Fall 2004 data obtained from [2005 Data and Characteristics of the Illinois Public Community College System](http://www.ibhe.org/Data%20Bank/DataBook/2005/DataBook05.pdf), Tables I-2 and VII-10, from the Illinois Community College Board; available at <http://www.ibhe.org/Data%20Bank/DataBook/2005/DataBook05.pdf>.

<sup>23</sup> Fall 2013 data obtained from [2014 Data and Characteristics of the Illinois Public Community College System](http://www.iccb.org/reports.general.html), Tables II-2, II-1, and I-11, from the Illinois Community College Board; available at: <http://www.iccb.org/reports.general.html>. Fall 2005 data obtained from [2006 Data and Characteristics of the Illinois Public Community College System](http://www.lcc.edu/wp-content/uploads/2014/10/ICCB-DATABOOK-2006.pdf), from the Illinois Community College Board; available at: <http://www.lcc.edu/wp-content/uploads/2014/10/ICCB-DATABOOK-2006.pdf>.



## **Administrative Contracts, Severance Agreements, and Transparency: A College of DuPage Case Study**

The issue of excessive executive compensation at public institutions in Illinois has been raised by the very public backlash to the College of DuPage's golden parachute severance agreement with its President, Dr. Robert Breuder. In order to understand how best to improve the transparency and fairness of the public higher education administrative system, we must understand the content of these agreements, how they are made, and the laws that govern the process. This section will review the laws a board of trustees is subject to and the nature of the appointment agreements that govern the executive's compensation, while using the College of DuPage as an example of how this process can go wrong.

### **College of DuPage**

The College of DuPage has been the subject of headlines recently, specifically with regards to the lack of transparency of spending at the school. President Breuder and the College of DuPage board have been embroiled in scandals relating to lavish spending, awarding procurement contracts to board members, and fraudulent contracts.<sup>24</sup> Above all scandals, the uproar over Dr. Breuder's golden parachute as reported in January 2015 shone a spotlight on the types of agreements the very top of the higher education heap.

### **Appointment Agreements**

Within Illinois, appointment agreements that bind the president or chancellor exist at all public universities, and at most community colleges. The contract is an agreement between the board of trustees of that university or community college district, and the president or chancellor. Typically, the responsibilities of the administrator are outlined in the agreement, along with the length of the employment contract, and any provisions regarding the termination of the appointment. The compensation package is also outlined, including base pay, health insurance, and benefit time; as well as perks, such as housing, vehicles, technology, club memberships, retirement funds, incentive pay, and other compensation. After approval by the board, the appointment contract is signed by the appointee and the President or Chair of the board of trustees of that university or community college district. Contracts for these positions are typically renewed every few years, usually with an increase in base pay or other benefits. For example, Dr. Stuart Fagan, President of Governors State University from 2000 until 2007, entered into four agreements: the initial agreement in 2000, an amended agreement in 2002 that extended the term of appointment and changed his salary, an amended agreement in 2005 to extend the term, and a final amended agreement in 2006 that set his departure date for 2007.

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<sup>24</sup> <http://www.chicagotribune.com/news/ct-college-of-dupage-investigation-met-20150330-story.html>;  
<http://www.chicagotribune.com/news/ct-college-of-dupage-no-bid-contract-20150327-story.html#page=1>;  
<http://www.chicagotribune.com/news/ct-college-of-dupage-wdcb-radio-engineer-20150219-story.html#page=1>



## Board of Trustees and the Open Meetings Act

The board of trustees of a university or community college is a public body under the Open Meetings Act (OMA), which entitles the public to access information regarding its decision-making process.<sup>25</sup> Under OMA, meetings of the public body must be open to the public.<sup>26</sup> There are specific circumstances where a public body may close part of the meeting to the public.<sup>27</sup> According to Section 2(c), a public body may have a closed session in several different situations, including if the topic of discussion is “the appointment, employment, compensation, discipline, performance, or dismissal of a specific employee or legal counsel for the public body.”<sup>28</sup> In order to close a meeting, a public body must first meet in an open meeting, and vote to close the meeting by a majority vote of the quorum present.<sup>29</sup> The body must also cite the 2(c) exemption that allows the meeting to go into a closed session.<sup>30</sup> However, final action cannot be taken in a closed meeting<sup>31</sup>. Courts have interpreted this to mean that the board’s vote on a particular matter is the final action that must take place in open session.<sup>32</sup> Furthermore, agendas must be publically available 48 hours in advance, and the agenda must set forth the subject matter of any final action that will take place at the meeting.<sup>33</sup>

### Dr. Breuder’s appointment agreements, 2008-2015

#### Initial contract

Dr. Breuder was appointed president of the College of DuPage on November 18, 2008 for a term that started January 1, 2009.<sup>34</sup> The minutes of the special board meeting held to appoint Dr. Breuder indicated that the measure was voted on, and approved 5-0. The employment agreement

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<sup>25</sup> [http://foia.ilattorneygeneral.net/pdf/faq\\_oma\\_government.pdf](http://foia.ilattorneygeneral.net/pdf/faq_oma_government.pdf) “ ‘Public body’ includes all legislative, executive, administrative or advisory bodies of the State, counties, townships, cities, villages, incorporated towns, school districts and all other municipal corporations, boards, bureaus, committees or commissions of this State, and any subsidiary bodies of any of the foregoing including but not limited to committees and subcommittees which are supported in whole or in part by tax revenue, or which expend tax revenue, except the General Assembly and committees or commissions thereof.” 5 ILCS 120/1.02.

<sup>26</sup> 5 ILCS 120/2

<sup>27</sup> 5 ILCS 120/2

<sup>28</sup> 5 ILCS 120/2(c)(1)

<sup>29</sup> 5 ILCS 120/2a

<sup>30</sup> 5 ILCS 120/2a

<sup>31</sup> 5 ILCS 120/2(e)

<sup>32</sup> *Grissom v. Board of Ed. Of Buckley-Loda Community School Dist. No. 8, Ford and Iroquois County*, 55 Ill. App. 667, 675 (4<sup>th</sup> Ct. App., 1977). If the roll call is taken in open session, this is a final action. *Id.* at 675. The decision to terminate employment has been held by courts to be a final action requiring a board vote in open session. *Id.* at 675. However, courts have not spoken on the extension of an employment contract, nor of a change in the terms of an employment contract.

<sup>33</sup> 5 ILCS 120/2.02(c); “Any agenda required under this Section shall set forth the general subject matter of any resolution or ordinance that will be the subject of final action at the meeting.” 5 ILCS 120/2.02(c)

<sup>34</sup> Listed on the agenda as “Appointment of College President”.

[http://www.cod.edu/about/board\\_of\\_trustees/pdf/agendas/20081118SplBdMtgAge.pdf](http://www.cod.edu/about/board_of_trustees/pdf/agendas/20081118SplBdMtgAge.pdf)



was made publically available after the vote.<sup>35</sup> The initial contract was in effect until June 30, 2012. His base salary was \$249,000, provided for unspecified annual raises, with a \$700 a month automobile allowance, and a \$1,500 a month housing allowance. President Breuder's contract was extended, amended, or renewed 8 times over 7 years.<sup>36</sup>

#### Contract addendums, 2009- 2011

The first contract addendum was reflected on the agenda and in the minutes of board meetings held on the day the addendum was signed by the chairperson of the Board of Trustees.<sup>37</sup> This contract extension, coming only five months after he signed his initial contract, extended Dr. Breuder's employment to 2015 and provided him with \$6,000 a month in deferred compensation, which was applied retroactively. The contract renewals for the 2010 Amendment, the Second Addendum, and the Third Addendum all took place on days when the Board met, however, no item on the agenda or entry in the minutes that corresponded to dates that these agreements were signed indicated final action was to be taken on a contract amendment for the President. In each of these meetings, a closed session occurred that cited the 2(c)(1) 'employment' exemption as the reason for the closed session.<sup>38</sup>

#### 'Section F' letter extensions, 2012- 2014

From 2012 on, Dr. Breuder's contract was extended via so-called 'Section F' letters. These letters, drafted by Dr. Breuder and sent to the Board, utilized a provision in the employment contract that states that unless the Board gives the President notice of their intent not to extend the contract, the agreement will automatically extend a year, so long as Dr. Breuder sends a letter notifying the board of this provision. This provision was included in President Breuder's initial agreement, but was only in effect after April 1, 2010. Dr. Breuder sent three Section F letters annually 2012-2014. The previous addendums extended Dr. Breuder's contract until June 30<sup>th</sup>, 2016.<sup>39</sup> Therefore, each subsequent 'Section F' letter added a year after that time period, resulting in a contract that ultimately was in effect until June 30, 2019, more than five years beyond the date of letter that effectuated that change.<sup>40</sup> Board minutes from these time periods do not indicate any Board deliberation regarding the appointment of President Breuder.

By the end of the eight contract renewals, Dr. Breuder was making \$292,738 a year in base pay, a \$20,978 a year housing allowance, almost \$10,000 a year vehicle allowance, and over \$100,000 a year in additional compensation, including deferred compensation. According to the Illinois Community

<sup>35</sup> [http://www.cod.edu/about/board\\_of\\_trustees/pdf/minutes/20081118SplBdMtgMin.pdf](http://www.cod.edu/about/board_of_trustees/pdf/minutes/20081118SplBdMtgMin.pdf); Minutes of the Special Board meeting, November 18, 2009.

<sup>36</sup> First Addendum: April 16, 2009. 2010 Amendment: June 22, 2010. Second Addendum: January 24, 2011. Third Addendum: July 12, 2011. "Section F Letters": January 11, 2012, January 14, 2013, and January 16, 2014. Fourth Addendum: January 28<sup>th</sup>, 2015 (CHECK). A resolution to name the Homeland Security Building after Mr. Breuder was passed on May 7, 2013.

<sup>37</sup> Roll call vote on Addendum 1 on 4/16/2009.

<sup>38</sup> Agendas for June 22, 2010, January 24, 2011, and July 11, 2011.

<sup>39</sup> Third Addendum

<sup>40</sup> Letter dated January 16, 2014.



College Board, Dr. Breuder's total compensation for 2014, including base pay, benefits, deferred compensation, etc. was \$495,092.<sup>41</sup>

### Severance Agreement

On January 22, 2015, the COD Board voted 6-1 to approve a severance package for President Breuder that provides more than \$750,000 when he retires on March 31, 2016.<sup>42</sup> Board members defended the amount, claiming that because Dr. Breuder's contract lasted into 2019, Dr. Breuder could have claimed that full amount owed, and the severance amount was a good compromise. However, the board did not make public the details of the agreement until after the vote. Amidst publicity of the agreement, fueled by several Chicago Tribune articles, the Board re-voted on the agreement on January 28, 2015. The Board only cited "procedural" reasons for the re-vote.<sup>43</sup> The second vote resulted in approval of the severance agreement, 6-1.<sup>44</sup>

### **Ongoing problems at the College of DuPage**

In the months since the severance agreement approval, DuPage County State's Attorney's Office and federal authorities have begun investigations into spending by President Breuder and the Board.<sup>45</sup> According to the Chicago Tribune, administrators spent over \$190,000 on food and beverages (including alcohol) over the last three years at the upscale campus restaurant, Waterleaf.<sup>46</sup> In the April 7, 2015 elections, three COD Board members were replaced, with the winning candidates having run on a platform opposing the current board's management and waste.<sup>47</sup> Along with Trustee Katharine Hamilton, who voted against President Breuder's severance package, these members are expected to take action regarding President Breuder's continued appointment, set to end in 2016. However, President Breuder's current contract requires five votes out of seven from the Board to oust him for cause.<sup>48</sup> On April 28, President Breuder announced he was going on medical leave, prior to a vote by the new board to place him on administrative leave.<sup>49</sup>

The ongoing and chronic habits of the College of DuPage to not only provide lavish compensation and a high-rolling lifestyle to its administrators, but to obfuscate the decision-making process as well, points to a general problem with transparency and compliance with established law.

The next section looks at the compensation contracts from all chief executives at public higher education institutions in Illinois.

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<sup>41</sup> <http://iccbdsrv.iccb.org/salarysearch/home.cfm>

<sup>42</sup> [http://www.cod.edu/about/board\\_of\\_trustees/pdf/minutes/2015jan22min.pdf](http://www.cod.edu/about/board_of_trustees/pdf/minutes/2015jan22min.pdf)

<sup>43</sup> College of DuPage revote on president's buyout follows years of secrecy, Stacy St. Clair and Jodi S. Cohen, January 28, 2015.

<sup>44</sup> [http://www.cod.edu/about/board\\_of\\_trustees/pdf/minutes/2015jan28min\\_spcl.pdf](http://www.cod.edu/about/board_of_trustees/pdf/minutes/2015jan28min_spcl.pdf)

<sup>45</sup> <http://www.chicagotribune.com/news/ct-college-of-dupage-investigation-met-20150330-story.html>

<sup>46</sup> <http://www.chicagotribune.com/news/ct-college-of-dupage-investigation-met-20150330-story.html>

<sup>47</sup> Chicago Tribune, April 9, 2015, Section 1, pg. 9, "Clean Slate wants President Out"

<sup>48</sup> Chicago Tribune, April 9, 2015, Section 1, pg. 9, "Clean Slate wants President Out"

<sup>49</sup> <http://www.chicagotribune.com/news/watchdog/cod/ct-college-of-dupage-board-met-20150428-story.html#page=1>



## Higher Education Compensation Data in Illinois

In light of the scandal at College of DuPage, along with a similar incident at Illinois State University as described below, members of the public became increasingly concerned regarding the transparency of executive compensation agreements, as well as the equity of these agreements. In February 2015, Senator Bill Cunningham and the Illinois Senate Democratic Caucus requested compensation data and employment contracts for selected administrative positions from all 9 public universities and 46 community colleges in Illinois for 2005-2015. Below is a summary of the compensation data collected for the chief executives of the public institutions.

### Compensation

#### Base Salary

##### *Public Universities*

The low, median, and high values were taken from all data submitted by Illinois's public universities, from 2005-2015.

- Low: \$188,649 (Louis Hencken, Eastern Illinois University, 2007)
- Median: \$290,000 (William Perry, Eastern Illinois University, 2015; Fernando Trevino, Chancellor, SIUC, 2007; Samuel Goldman, Southern Illinois University, Chancellor, SIUC, 2010)
- High: \$651,000 (Michael Hogan, University of Illinois, 2012)

##### *Community Colleges*

The low, median, and high values were taken from all data submitted by Illinois's community colleges, from 2005-2015.

- Low: \$105,241 (Michael Dreith at Frontier Community College in 2006);
- Median: \$174,319 (Michael Dreith at John A. Logan College, 2015, \$173,638; Richard Underbakke at Black Hawk College, 2010, \$175,000);
- High: \$300,000 (Wayne D. Watson, Chancellor, City Colleges of Chicago, 2009) \$292,738 (Robert Breuder, College of DuPage, 2015) \$279,661 (Dale Chapman, Lewis & Clark Community College, 2015) \$279,236 (Kenneth Ender, Harper College, 2015)

#### Retirement/ Deferred Compensation/ Annuities

##### *Public Universities*





Many universities cover the SURS contribution towards the state retirement plan. Additionally, the University may also make contributions to a separate retirement fund, such as a 457(f) deferred compensation plan, or a 403(b) plan. For example, current NIU president Dr. Baker receives SURS contributions, as well as contributions to a 457(f) plan in the amount of 5% of his base salary of \$450,000, or \$22,500 annually. Deferred compensation plays a large role in the compensation of many administrators. The current Chancellor of UIC, Paula Allen-Mears, received \$450,000 in deferred compensation in fiscal year 2014. This amount was a retention incentive, earned at a rate of \$75,000 a year and only payable upon completion of five years as Chancellor. SIU President Glen Poshard (2014), current NEIU President Sharon Hahs, and GSU president Stuart Fagan (2007) all received around \$30,000 a year to go towards an annuity.

### *Community Colleges*

David Sam, current president at Elgin Community College earns full SURS contributions, plus \$12,500 a year to a 457(b) plan and \$17,500 a year to a 403(b) plan. At Harper, current president Mr. Ender gets \$25,000 a year in deferred compensation. Dr. Breuder at College of DuPage earns \$75,000 a year in deferred compensation.

Annuities are another form of compensation that exists at community colleges. Current president Girard W. Weber at College of Lake County earns \$22,000 a year; current president Joe Kanosky at Highland Community College earns \$15,144 per year. When Girard W. Weber was president at Kankakee Community College in 2010, he earned \$20,500 a year for his 403(b) plan. At Lincoln Land Community College, current president Charlotte Warren receives \$2,166 per pay period for her 403(b) fund, and Dana Grove, current president at Morton College, receives \$23,500.

### **Bonuses**

Several universities provide performance bonuses for its administrators. At the University of Illinois, President Easter earned \$180,000 in 2014 as performance compensation, and \$478,558 in base salary<sup>50</sup>. According to the U of I, this incentive pay structure is an alternative to higher base compensation.<sup>51</sup> Additionally, Easter was awarded a \$167,200 bonus for his service to the school in his final year as president.<sup>52</sup> In contrast, the previous president of the University of Illinois, Michael Hogan (2012), earned \$651,000 in base salary, with no additional performance compensation. UIC Chancellor Paula Allen-Mears received \$98,440 in performance-based compensation in 2015.

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<sup>50</sup> U. of I. president gets \$167,200 in final bonus, Chicago Tribune, Jodi S. Cohen, May 7, 2015.

<sup>51</sup> U. of I. trustees approve \$180,000 bonus for outgoing president, Chicago Tribune, Jodi S. Cohen, November 13, 2014.

<sup>52</sup> <http://www.news-gazette.com/news/local/2015-05-07/updated-trustees-honor-easter-approve-167000-bonus.html>



## Perks

### Housing

#### *Public Universities*

Varies from the use of the President's or Chancellors' Residence on campus (CSU, NIU, WIU, ISU, and Illinois) to an annual allowance for housing (average of \$28,000). The highest housing stipend is \$35,000 provided to current president Elaine Maimon at Governor's State University.

#### *Community Colleges*

Most Community Colleges do not provide for housing costs. The few exceptions include Waubensee, which provides its president Christine Sobek with \$18,000 a year for housing, Harper College, which provides Kenneth Ender with \$32,000 a year for housing expenses, Elgin Community College which provides David Sam with 10% of his base salary per year, or \$26,000, for housing, College of Lake County, which provides current president Girard Weber \$1800 a month, and the College of DuPage, which provides Robert Breuder \$20,978 a year for housing. Until recently, Black Hawk College provided a condo to the president.

### Vehicles

#### *Public Universities*

Many universities provide a vehicle to the president for both professional and personal use. Insurance, repairs, and fuel are included in many cases. Some receive stipends. The University of Illinois Board of Trustees has approved the use of a car and driver for all University-related business in each of the last two contracts approved for the President of the University of Illinois system. From July 2014 until May 2015, the previous University of Illinois President utilized a University provided car and driver 29 times. 21 times were for various meetings in Chicago, seven times were for trips between Chicago and Urbana, and once was for a trip from Urbana to Springfield.

#### *Community Colleges*

Carl Sandburg College provides \$20,200 a year to current president Lori Sundberg, and South Suburban College provided \$27,000 to George Dammer (started in 2004) in his initial contract in order to purchase a car.

### Technology



### *Public Universities*

Many universities provide an annual budget for technology, including cell phone use. The highest amount was a communication allowance provided to Rita Cheng, Chancellor of SIUC until 2014. She received \$2,040 a year.

### *Community Colleges*

Many Community Colleges provide cell phone plans or reimbursements. Kaskaskia College provides its president with a cell phone, computer, printer, and internet service at his private residence. Lincoln Land Community College provides its president with a laptop, fax machine, cell phone, and home internet. McHenry County College and Moraine Valley, Olney, and Parkland provide similar.

## **Club Memberships**

### *Public Universities*

Club memberships at country clubs, civic associations, and social organizations are sometimes covered by employment contracts either by explicit mention of the organization (such as the Mattoon and Charleston Country Clubs for current president Perry of EIU, and the Bloomington Country Club and University Club of Chicago for current president Dietz of ISU), or by a general provision providing for reimbursement of memberships (such as up to three clubs for current president Maimon of GSU).

### *Community Colleges*

Spoon River College provides 2 club memberships of the president's choosing, Lincoln Land Community College provides Charlotte Warren with membership at the Sangamo Club and Illini Country Club, Kankakee Community College provides a membership to Kankakee Country Club, and College of DuPage provides the president with a membership to Max McGraw Wildlife Foundation.

## **Furniture**

Also requested of public universities were records of furniture purchases by the university from 2010-2015. The records provided by the universities were broken out by department, and not by the individual or the location where the furniture was to be used. This prevented a specific analysis of this particular perk of administrative life. However, in the Senate's review of the provided records, it was discovered that:



- Western Illinois University's Dean of College of Arts and Sciences purchased \$77,789 worth of furniture in FY 2010.
- University of Illinois' Office of Dean of Students spent \$52,688 on furniture in FY 2012.
- Northeastern Illinois University's Alumni Office spent \$47,739 in FY 2012
- Southern Illinois University- Carbondale's Financial Aid Office spent \$25,815 in FY 2011.

## Severance agreements and length of contracts

As seen in the situation at the College of DuPage, the length of a contract can have significant impact on the amount of severance received. Below are some more notable severance agreements reached by institutions in Illinois, along with current contracts held by administrators that last long into the future, which may have an outsized impact should the administrator and the school separate before the contract is up.

### Severance Agreements

#### *Public Universities*

Severance agreements generally are used to end an employment agreement without litigation or arbitration. Severance agreements sometimes include provisions that prevent the Board and the former employee from speaking publically about the agreement, which can prevent a protracted public disagreement between the institution and the departing administrator.

The severance agreement that has garnered the most attention among Illinois' public universities is the severance agreement between ISU and former president Timothy Flanagan. President Flanagan received \$480,418 in severance after serving less than a year as president, in addition to his \$350,000 base salary, use of the presidential residence, car, and two country club memberships. His contract term was from August 15, 2013 until June 30, 2016. On March 22, 2014, President Flanagan resigned his position. Media reports pointed to an altercation with a grounds worker at the Presidential residence that resulted in the president being charged with disorderly conduct as the source of the separation. The Board denies this however, and stated that it was an "accumulation" of problems.

Within the employment contracts, provisions outlining compensation provided for termination without cause may be included. For example, at NEIU, President Hahs' contract stipulates that she will retain full employment at her current salary level if dismissed without adequate cause. At GSU, President Maimon can return to her tenured position she held prior to her appointment. At the University of Illinois, President Hogan left after a brief and contentious tenure. Rather than paying President Hogan severance, the board instead complied with a provision in his initial agreement



which entitled his return to a tenured faculty position, after a one year sabbatical at the faculty salary level. Michael Hogan is currently a Professor of History at the University of Illinois, Springfield.

### *Community Colleges*

- Southeastern Illinois' current President Jonah Rice's contract includes a provision that provides a severance of one year's salary plus 6%. Prairie State provided one year's salary to its departing presidents.
- At Morton College, President Leslie Navarro was paid \$287,063 for early termination in 2012.
- Moraine Valley Community College: In the current president's contract, there is a provision which provides that upon retirement or termination (without cause), will receive severance payment (lump sum) valued by multiplying 1.2 for each year of service (or fraction) times the average monthly salary for each year of service.
- John Wood Community College paid Dr. Thomas Klincar \$174,787 in 2011. John Wood now limits buyouts to 50% of president's base salary, not to exceed one year's worth of salary, for the remained of contract term.
- At John A Logan, Robert Mees received over \$100,000 for 2 separate positions' severance agreements when he left in 2012.
- When Robert Breuder left Harper College in 2009, he received an early retirement benefit for 5 years of 30% of his base salary.
- At the College of Lake County, Richard W. Fonte received his prorated salary of \$146,250 in 2007. He was also made a special assistant to the Chair of the board.
- At Black Hawk College, Richard Underbakke received \$310,416 in 2011 in severance. Underbakke was paid \$75,000 in a lump sum on November 25, 2010, \$160,416 in 22 installment payments, and \$75,000 at the end of the installment payments.<sup>53</sup>

### **Length of Employment Contracts**

#### *Public Universities*

The employment contracts used by the public universities for presidents and chancellors in Illinois run for several years beyond their start date. For example, current ISU president Larry Dietz is under contract with ISU from 2014 until 2017. Current GSU president Elaine Maimon is under contract through 2018. In the event of separation or termination of employment, many severance agreements take into consideration the length of time the administrator, and the value of the length of the contract.

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<sup>53</sup> This agreement, provided by Black Hawk College, has a strict confidentiality clause.



### *Community Colleges*

Many current presidents and chancellors have contracts that extend 2-3 years beyond the date the agreement was entered into or renewed. Several executives, however, have contracts that extend beyond 4 years.

- Kenneth Ender, Harper College, expires 2019,
- Tom Choice, Kishwaukee College, expires 2019;
- Christine Sobek, Waubensee Community College, expires 2019
- Dale Chapman, Lewis & Clark Community College, expires 2019;
- Thomas Ramage, Parkland College, 2019;
- Dr. David Sam, Elgin Community College, expires 2020;
- Charlotte Warren, Lincoln Land Community College, expires 2022;
- Robert Widmer, Heartland Community College, expires 2023;

### **Total Compensation**

Combined with base salary, benefits such as retirement compensation, bonuses, housing stipends, vehicles, and club memberships, all of these categories together create the total compensation packages for administrators. Because of differing definitions of compensation categories between institutions, as well as at times incomplete data provided by the institutions, where available, outside data sources for comparisons were used. For a comparison of Illinois universities to their nationwide peer institutions, see Appendix A.

**Chief Executive Compensation at Illinois Public Universities, FY 2014<sup>54</sup>**

University	Title	Name	Base Pay <sup>55</sup>	Additional Compensation <sup>56</sup>	Bonuses <sup>57</sup>	Annuities <sup>58</sup>	Retirement Enhancements <sup>59</sup>	Other benefits <sup>60</sup>	Total Compensation
Chicago State University	President	Wayne D. Watson	\$199,570						\$199,570
Eastern Illinois University	President	William Perry	\$290,000					\$32,289	\$322,289
Governor's State University	President	Elaine Maimon	\$298,595	\$35,000			\$34,800		\$368,395
Illinois State University	President	Timothy James Flanagan	\$350,004	\$344,158					\$694,162

<sup>54</sup> 2014 compensation data from Illinois Board of Higher Education, available at: <http://www.ibhe.state.il.us/PA96266/search.aspx>

<sup>55</sup> Base Salary: Base salary information is reported for payments from all funding sources including state appropriations, university income funds, and non-appropriated grants and contracts.

<sup>56</sup> Additional Compensation: Compensation provided for overload courses or for work beyond an employee's contracted base salary; e.g., summer teaching or research assignments or courses taught beyond the contracted amount during the school year.

<sup>57</sup> Bonuses: Total dollar amount of bonuses paid, if applicable, to each covered employee.

<sup>58</sup> Annuities: Total cash value of employer-provided qualified and nonqualified annuities, if applicable, for each covered employee. Data reflect any contributions paid directly to a third-party financial instrument as well as payments made to an individual to invest in an annuity on his or her own.

<sup>59</sup> Retirement Enhancements: Total cash value of employer-provided retirement enhancements, if applicable, for each covered employee. Retirement enhancements include contributions made by the employer on behalf of the employee beyond the employer's regular contribution – e.g., report the value of contributions if a contract requires the institution to pay an individual's contribution to the State Universities Retirement System along with the employer's contribution.

<sup>60</sup> Other Benefits: Total cash value of other benefits provided by the employer. Includes only goods or services not used exclusively for employment purposes. Examples of "other benefits" include hardware provided to employees for use that the employee may keep upon termination of employment (cell phone, laptop computer, etc); reimbursement for service plan for cell phone if the university pays the entire plan, including personal use; a stipend for discretionary use during travel; and housing or car allowance.



University	Title	Name	Base Pay <sup>55</sup>	Additional Compensation <sup>56</sup>	Bonuses <sup>57</sup>	Annuities <sup>58</sup>	Retirement Enhancements <sup>59</sup>	Other benefits <sup>60</sup>	Total Compensation
Northeastern Illinois University	President	Sharon Hahs	\$293,600					\$36,531	\$330,131
Northern Illinois University	President	John Peters	\$388,656					\$298	\$388,954
Southern Illinois University, Carbondale	Chancellor	Rita Cheng	\$354,963			\$20,400		\$27,500	\$402,863
Southern Illinois University, Edwardsville	Chancellor	Julie Furst-Bowe	\$260,100	\$44			\$19,999	\$27,278	\$307,421
University of Illinois, Chicago	Chancellor	Paula Allen-Mears	\$437,244		\$450,000 <sup>61</sup>				\$887,244
University of Illinois, Springfield	Chancellor	Susan Koch	\$148,953	\$86,920				\$25,000	\$260,873
University of Illinois, Urbana-Champaign	Chancellor	Phyllis Wise	\$249,000	\$281,500				\$30,000	\$560,500
University of Illinois	President	Robert Easter	\$462,375		\$90,000				\$552,375

<sup>61</sup> This amount was a retention incentive, earned at a rate of \$75,000 a year and only payable upon completion of five years as Chancellor.





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<b>University</b>	<b>Title</b>	<b>Name</b>	<b>Base Pay<sup>55</sup></b>	<b>Additional Compensation<sup>56</sup></b>	<b>Bonuses<sup>57</sup></b>	<b>Annuities<sup>58</sup></b>	<b>Retirement Enhancements<sup>59</sup></b>	<b>Other benefits<sup>60</sup></b>	<b>Total Compensation</b>
Western Illinois University	President	Jack Thomas	\$265,224				\$26,522	\$2,748	\$294,494



**Chief Executive Compensation at Illinois Community Colleges, FY 2014**

According to the Illinois Community College Board database, the top ten earners in terms of total compensation at Community Colleges in Illinois for FY 2014 are<sup>62</sup>:

Community College	Title	Name	Base Pay	Benefits <sup>63</sup>	Annuities	Retirement Enhancements	Extra Duty Pay <sup>64</sup>	Total Comp (2014)
Lewis & Clark Community College	President	Dale T Chapman	279,661	97,598	46,000		117,144	540,403
College of DuPage	President	Robert Breuder	292,739	127,772		74,581		495,092
Illinois Central College	President	John S Erwin	241,143	88,316	23,000		39,050	391,509
Harper College	President	Kenneth Ender	260,969	65,983			50,000	376,952

<sup>62</sup> <http://iccbdsrv.iccb.org/salarysearch/home.cfm>

<sup>63</sup> 'Benefits' is a broad category defined as "Dollar amount of other employer-provided benefits received during the reporting fiscal year for the employee. Other benefits should include only the employer paid portion. Other benefits include any payment, reimbursement, or goods received that directly benefits the employee such as: Health/Dental/Vision Insurance, Life Insurance, SURS Retirement, Social Security, Medicare, Workers Compensation, Unemployment Insurance, Reduced Tuition, Housing, etc. College employees generally do not receive social security based on their work for the college."

<http://iccbdsrv.iccb.org/salarysearch/home.cfm>

<sup>64</sup> The IBCC database provides "Extra duty pay", a category of compensation not provided by the schools. "Extra Duty pay" is defined as "Dollar amount of employer-provided compensation for the reporting fiscal year received for work done in addition to an employee's base pay. Includes pay for overloads (i.e., teaching extra classes in a term, teaching summer when not part of the base contract, etc.) extra assignments (i.e. coaching, supervising co-curricular programs such as band, plays, clubs, etc.) and other assigned duties (i.e., extra substitute teaching for part-time faculty, etc.)."

<http://iccbdsrv.iccb.org/salarysearch/home.cfm>



<b>Community College</b>	<b>Title</b>	<b>Name</b>	<b>Base Pay</b>	<b>Benefits</b>	<b>Annuities</b>	<b>Retirement Enhancements</b>	<b>Extra Duty Pay</b>	<b>Total Comp (2014)</b>
Elgin Community College	President	David Sam	260,000	91,283	10,000			361,283
Lincoln Land Community College	President	Charlotte J Warren	231,420	44,636	49,992		34,048	360,096
Oakton Community College	President	Margaret B Lee	259,066	9,936			79,378	348,380
College of Lake County	President	Girard W Weber	241,118	60,765	21,150		0	323,033
Richland Community College	College President	Gayle M Saunders	214,724	44,759			36,000	295,483

For a list of the top earners nationwide at large community college systems, see Appendix B.



## Conclusion and Recommendations

Higher education students in the state of Illinois are suffering under outrageously large debt loads, all in search of the American dream: economic mobility, financial security, and leading a productive life. While these students are wondering if the dream is still possible for them, the administrators at the very top of these institutions are enjoying extensive perks and a lack of accountability.

Education remains the cornerstone of the future of Illinois. To ensure everyone within the system is working on behalf of student enrichment, rather than personal enrichment, the following policy shifts are recommended.

To address accountability for spending:

- The Auditor General should take over auditing for all community colleges;
- Limits on length of employment contracts;
- Limit severance pay to one year's salary;
- Performance-based bonuses must be approved by the board. Performance reviews must be made publically available 48 hours prior to the board's final decision;
- Contracts will not be allowed to include country club memberships or similar social organizations; and
- Performance bonus payments, sick time payouts, and vacation time payouts cannot be pensionable.

To increase transparency in Board of Trustee proceedings regarding executive compensation agreements:

- The board must comply with all OMA and FOIA provisions in the course of a contract formation, renewal, extension, or termination for employment contracts;
- The final contracts, including all annuities, bonuses, housing, vehicles, technology, club memberships, and retirement enhancements, have to be made public 30 days before the board votes; and
- Board minutes, board packets, and annual performance reviews must be available on the internet.

To increase accountability for administrators:

- Annual performance reviews of administrators;
- Pay raises and bonuses in contracts have to be tied to performance reviews of the administrator and the status of the university or college;



- 
- The Illinois Board of Higher Education sets clear standards for performance bonuses for administrators; and
  - If any pay raise in the contract would exceed a certain percentage of current base pay, then the Board has to affirm that pay raise by a vote of the Board before it can take effect.



## APPENDIX A

In order to compare compensation between Illinois public universities and other schools in the nation, this report relies upon the National Center for Education Statistics’ (NCES) Integrated Postsecondary Education Data Systems (IPDES) 2014 listing of peer institutions.<sup>65</sup> Peer institutions are universities of a similar enrollment size, research classification, and public, private, or for-profit status. Asterisks (\*) denote schools that mutually claimed peer status. Where available, compensation data from the Chronicles of Higher Education database of 2013 was used for both Illinois and non-Illinois institutions.<sup>66</sup> Otherwise, non-Illinois compensation data was pulled from news reports and state databases. Compensation data provided by universities in response to the February 2015 request was used for Illinois schools not included in the Chronicle of Higher Education database.

### Chicago State University

President Wayne D. Watson earned \$200,655 in base pay in 2015.

Wayne State College	Curt Frye (2014)	\$ 174,013 (base pay) <sup>67</sup>
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### Eastern Illinois University

President William Perry earned \$290,000 in base pay in 2015.

Salisbury University	Janet Dudley-Eshbach(2010)	\$279,800 (base pay) <sup>68</sup>
Saginaw Valley State University	Donald Bachand	\$250,000 (base pay) <sup>69</sup>

### Illinois State University

President C. Arvin Bowman earned \$420,000 in 2013 in total compensation.

<sup>65</sup> IPDES Data Center, <http://nces.ed.gov/ipeds/datacenter/>. IPDES allows institutions to self-select peer institutions. To further narrow the list of peer institutions, this report looked to the listing of mutually designated peer institutions, available at <http://chronicle.com/article/Peers-Interactive-Data/134262/>. If a school does not select peer institutions, National Center for Education Statistics (NCES) selects a comparison group based on the research classification of the institution and enrollment size.

<sup>66</sup> ^ denote use of data obtained from Compensation of Chief Executives of Public Colleges (2012-13) by Jonah Newman, Chronicles of Higher Education, Vol. 60 Issue 36, May 23, 2014.

<sup>67</sup> <http://www.nscs.edu/minutes/June%2025%202013%20Board%20Meeting%20Materials.pdf>

<sup>68</sup> <http://www.bizjournals.com/washington/datacenter/2010-maryland-salaries-search-and-report.html>

<sup>69</sup> [http://www.mlive.com/news/saginaw/index.ssf/2014/02/bachand\\_svsu\\_has\\_a\\_great\\_produ.html](http://www.mlive.com/news/saginaw/index.ssf/2014/02/bachand_svsu_has_a_great_produ.html)



University of California- Riverside	Jane C. Conoley (2013)	\$123,774 <sup>^</sup> (total compensation)
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### Northeastern Illinois University

President Sharon Hahs earned \$294,800 in base pay in 2015.

Indiana University- Northwest	William J. Lowe (2013)	\$221,700 (base pay) <sup>70</sup>
Texas A & M University- Corpus Christi	Flavius Killebrew	\$280,000 (base pay) <sup>71</sup>

### Southern Illinois University- Carbondale-

Chancellor Rita Cheng earned \$367,976<sup>^</sup> in total compensation on 2013.

East Carolina State	Steven C. Ballard (2013)	\$354,576 <sup>^</sup> (total compensation)
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### University of Illinois Chicago

According to the Chronicle of Higher Education, the total compensation for Paula Allen-Meares was \$540,644<sup>^</sup> in 2013. This included base pay, bonus pay, deferred compensation, and retirement pay.

Indiana University-Purdue University-Indianapolis*	Charles Bantz (2013)	\$356,089 <sup>^</sup> (total compensation)
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### University of Illinois at Springfield

Chancellor Susan Koch earned \$244,128 in base pay in 2015.

University of Wisconsin- Green Bay *	Gary L. Miller	\$230,000 (base pay) <sup>72</sup>
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### University of Illinois Urbana-Champaign

<sup>70</sup> <http://www.indystar.com/story/money/2013/10/23/public-employee-salary-database/3171481/>

<sup>71</sup> <http://salaries.texastribune.org/texas-am-university-corpus-christi/flavius-killebrew/72652/>

<sup>72</sup> <http://news.uwgb.edu/featured/go-green/06/02/gary-miller-named-sixth-chancellor/>



According to the Chronicle of Higher Education, the total compensation for Chancellor Phyllis Wise was \$641,392<sup>^</sup> in 2013. This included base pay, bonus pay, deferred compensation, and retirement pay.

University of North Carolina at Chapel Hill's	H. Holden Thorp	\$512,010 <sup>^</sup> (total compensation)
Pennsylvania State University at University Park	Rodney Erickson	\$618,220 <sup>^</sup> (total compensation)
UCLA	Gene D. Block	\$416,000 <sup>^</sup> (total compensation)





## APPENDIX B

### Community Colleges

Below are the highest paid community college system presidents nationwide by total compensation in 2012-13<sup>73</sup>:

Michael B. McCall	Kentucky Community and Technical College system	\$669,463 (total compensation)
Glenn DuBois	Virginia Community College System	\$501,023 (total compensation)
Bruce Leslie	Alamo Community College District (Texas)	\$445,313 (total compensation)
Daniel LaVista	Los Angeles Community College District	\$400,525 (total compensation)
Rufus Gasper	Maricopa County Community College District (Arizona)	\$393,026 (total compensation)

<sup>73</sup> Chronicle of Higher Education, Highest Paid Chief Executives at Public Community College Systems, 2012-13, August 18, 2014. This only includes community college systems that had at least three campuses and enrollment of 50,000 students or more in 2011-12. Total compensation includes base pay, bonus pay, severance pay, deferred compensation, and retirement pay.