



**2015 HBCU Forum:
Helping to Build Stronger Institutions
for the Next Generation**



**Executive Compensation:
Rewarding Superior Performance**

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PRESENTED BY:



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STRUCTURE OF OUR CONVERSATION TODAY



INTRODUCTORY
COMMENTS

5 TOPICS

DEEPER DIVE
1 OR 2 TOPICS



MOODY'S

- “Revenue pressure on all fronts intensifies need to grapple with traditional cost structure.”
- Critical factors contributing to the negative outlook:
 - ➔ Price sensitivity continues to suppress net tuition revenue growth;
 - ➔ All non-tuition revenue sources are also strained; diversity no longer offers a safe haven;
 - ➔ Rising student loan burden and defaults taint perception of value of a college degree;
 - ➔ Increased public scrutiny drives escalated risk of more regulation and accreditation sanctions; and
 - ➔ **Prospects for long-term sustainability depend upon strong leadership through better governance and management.**



WHERE ALL THE STUDENTS ARE SMART,
ALL THE FACULTY ARE GREAT TEACHERS, &
ALL THE PRESIDENTS ARE ABOVE AVERAGE!



INTRODUCTORY COMMENTS UNTIL THE PRESIDENT IS NOT!



TOPIC 1: FIRST TIME PRESIDENTS

3 YEAR GOALS



UNDERSTANDING

PLANNING

EXECUTING

EVERY BOARD THAT HAS A PRESIDENT WHO CAN QUICKLY ASSESS THE LANDSCAPE, COME UP WITH A VIABLE PLAN, AND EXECUTE IS GOING TO WANT TO LOCK THEM IN PLACE BEFORE THE END OF THE SECOND YEAR!



COMPETITIVE BASE

RENEWAL AWARD

EXIT ARRANGEMENTS

TOPIC 1: FIRST TIME PRESIDENTS

THREE WISHES OF A NEW PRESIDENT





AFFORDABLE

EXTERNALLY
COMPETITIVE

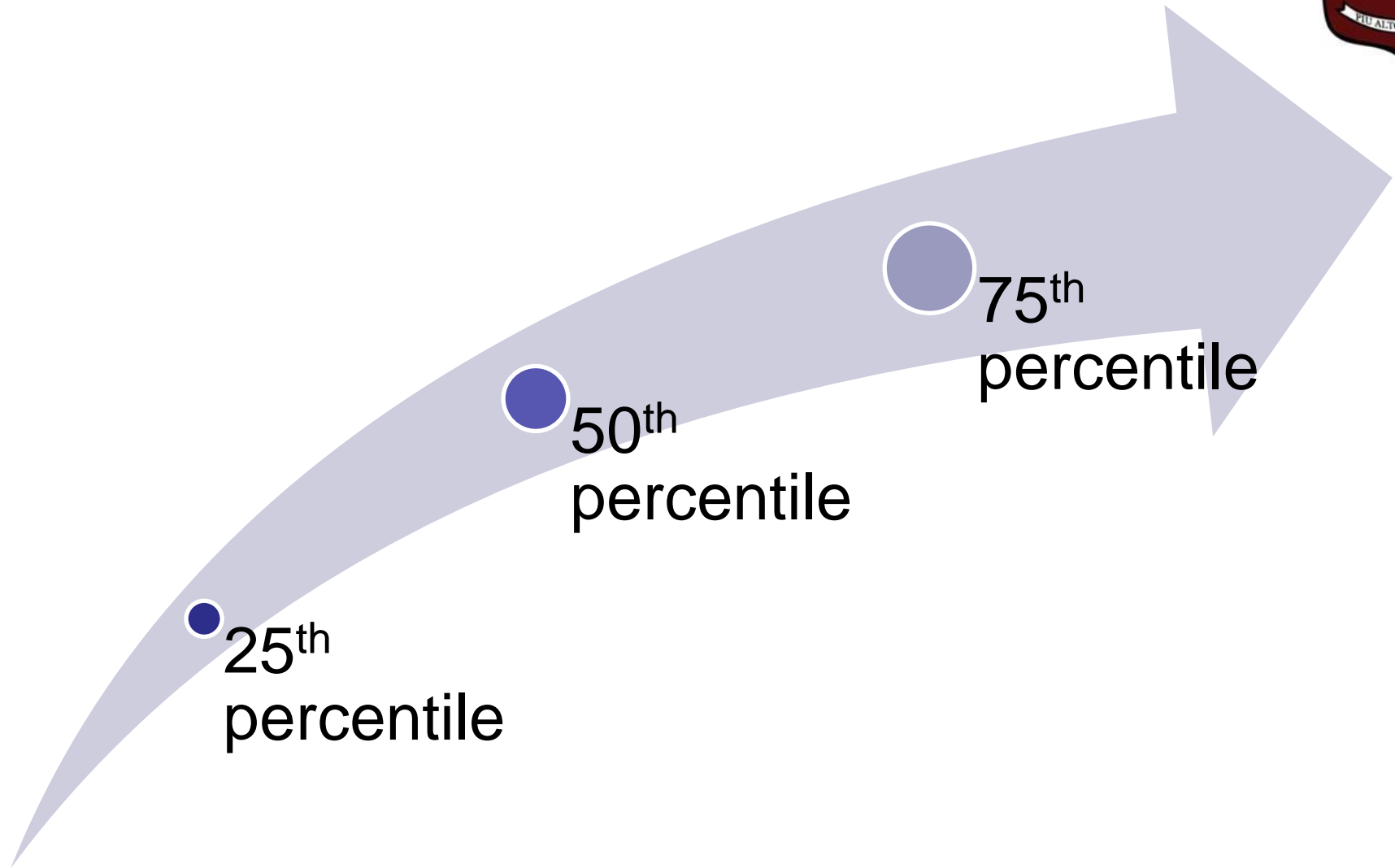
FAIR
COMPENSATION

INTERNALLY
EQUITABLE

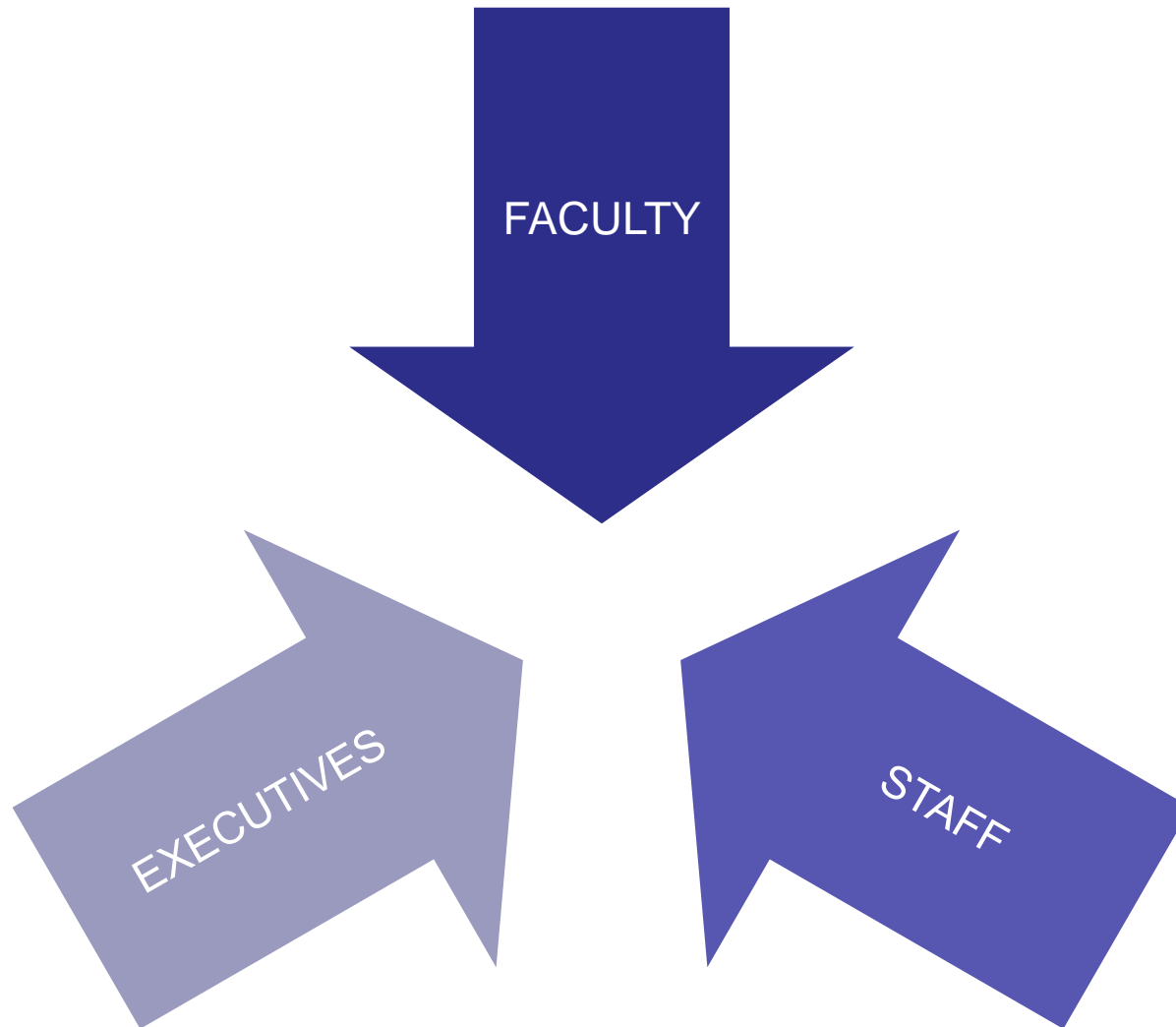
JUST &
LIVABLE

TOPIC 2: FAIR COMPENSATION

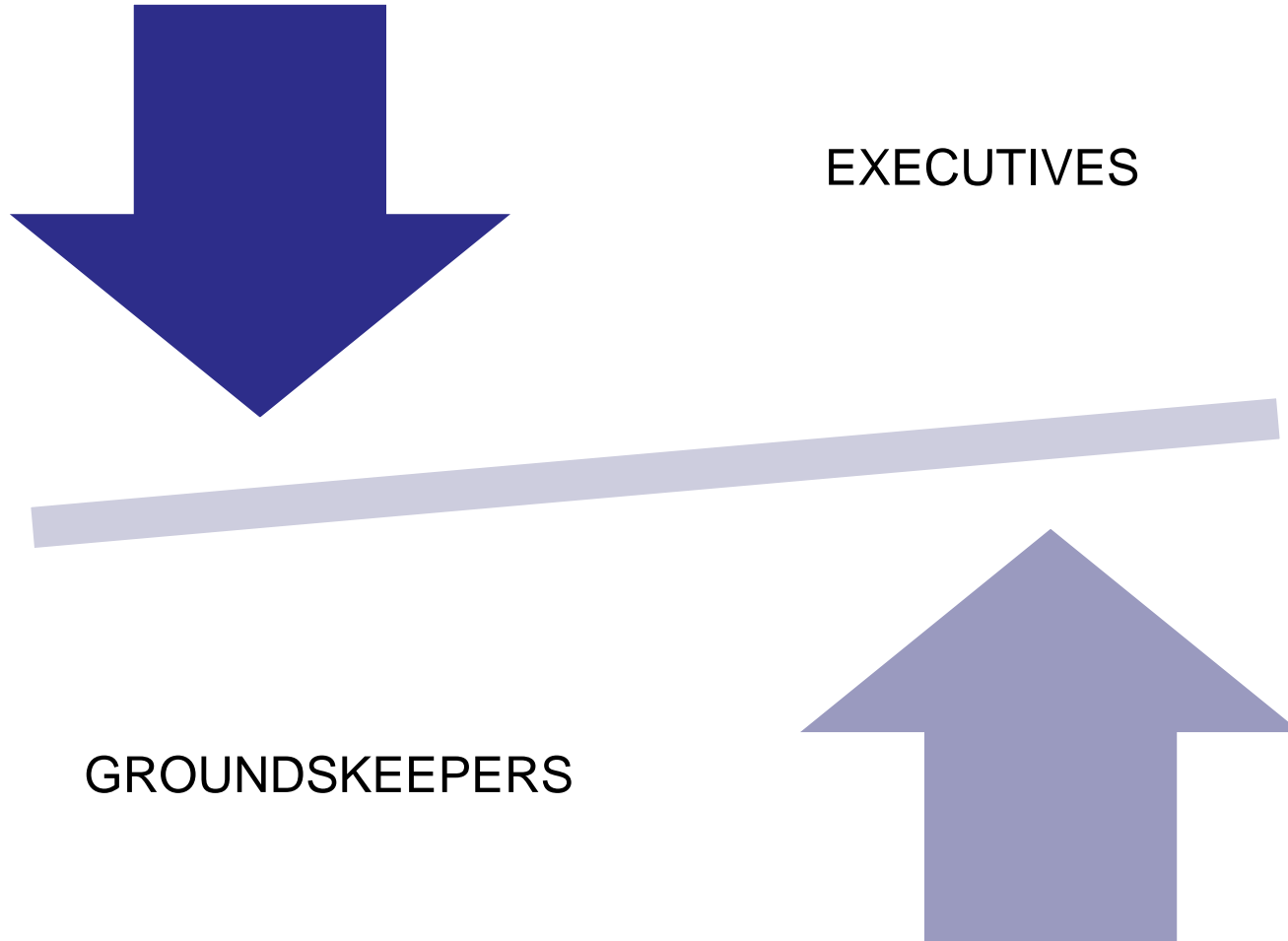
AFFORDABLE VS EXTERNALLY COMPETITIVE

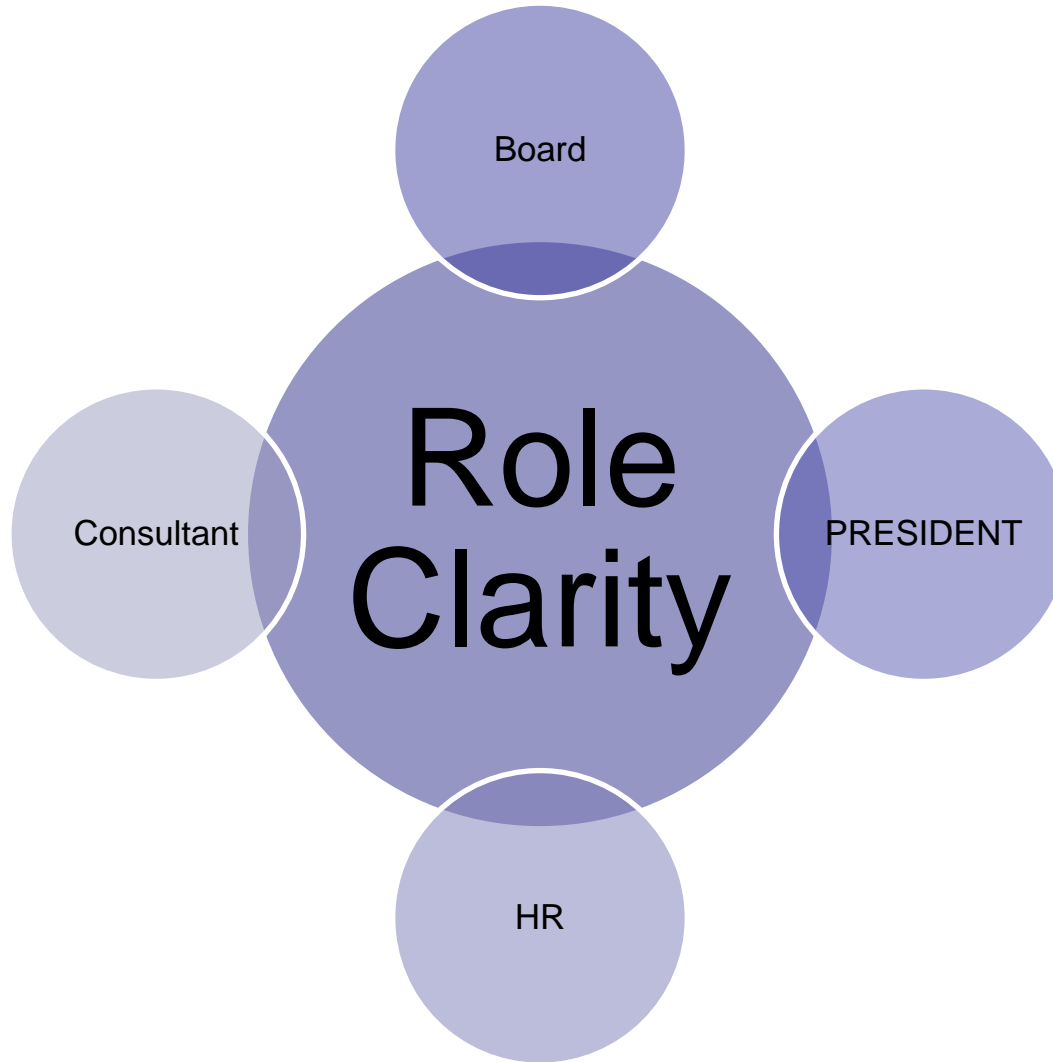


TOPIC 2: FAIR COMPENSATION INTERNALLY EQUITABLE ACROSS GROUPS



TOPIC 2: FAIR COMPENSATION BALANCING COMPETITIVENESS WITH JUST & LIVABLE





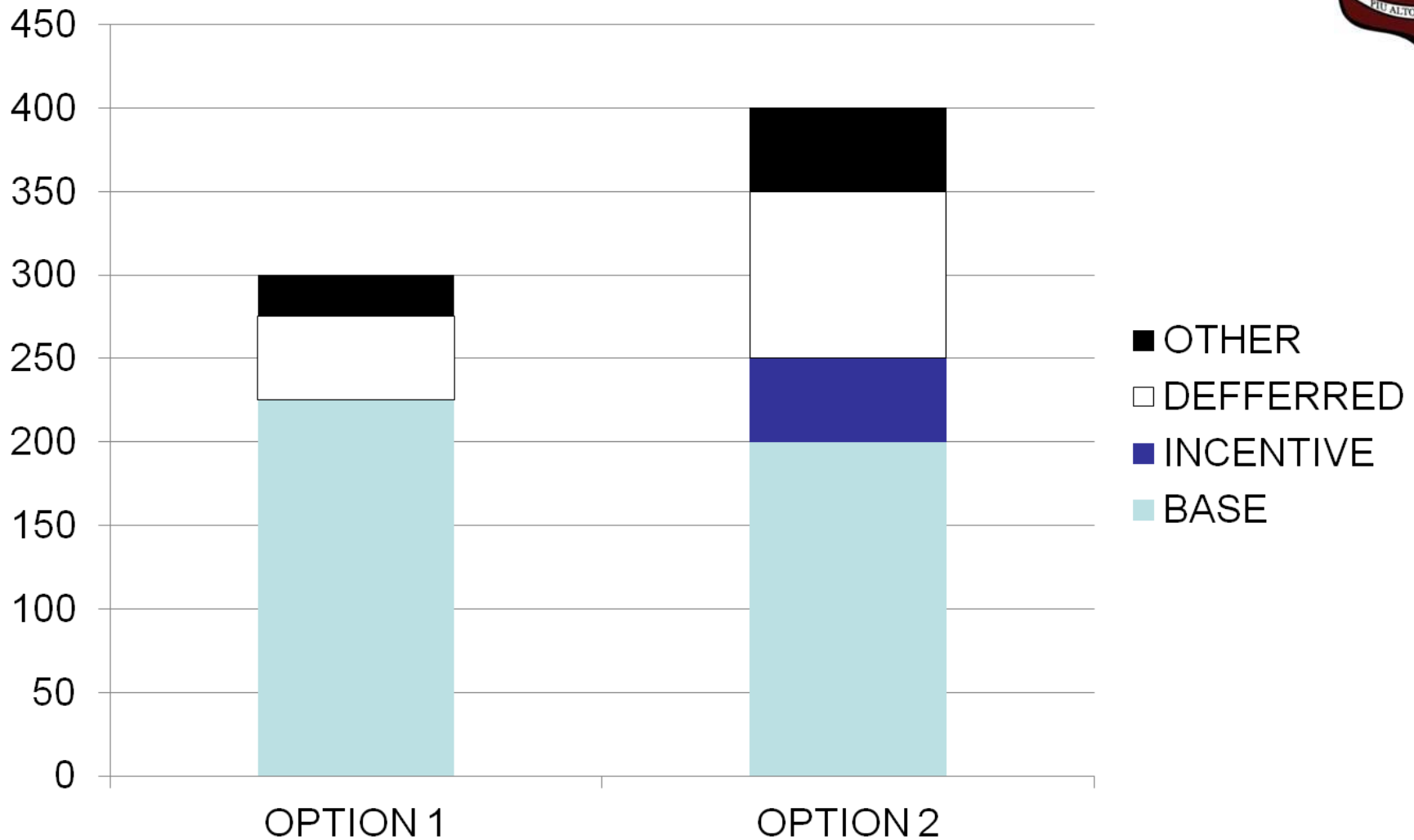
TOPIC 3: EXECUTIVE COMPENSATION PROCESS

ANNUAL CALENDAR



TOPIC 4: COMPENSATION MIX

WHAT MESSAGE ARE YOU INTENDING TO SEND?



TOPIC 5: ANALYSIS

GROUP A VS GROUP B: IPEDS CHARACTERISTICS



■ GROUP A

	Expenses	Endowment		Enrollment			Net Price	Student/
	2012-13	FYE 2013		2012-13			2012-13	Faculty Ratio
	Total	Total	Per FTE	UG	Grad	Total	Average	Fall 2013
Min	\$ 9,423,045	\$ 2,260,423	\$ 2,402	513	22	513	\$ 6,478	22
P25	\$ 17,432,648	\$ 4,643,114	\$ 4,792	786	56	826	\$ 16,418	14
Med	\$ 26,430,791	\$ 19,382,031	\$ 24,117	873	77	967	\$ 17,872	12.5
P75	\$ 37,535,244	\$ 53,957,195	\$ 55,914	1,164	112	1,238	\$ 20,306	11.25
Max	\$ 83,062,061	\$ 861,106,815	\$ 409,661	2,025	189	2,102	\$ 22,978	10

■ GROUP B

	Expenses	Endowment		Enrollment			Net Price	Student/
	2012-13	FYE 2013		2012-13			2012-13	Faculty Ratio
	Total	Total	Per FTE	UG	Grad	Total	Average	Fall 2013
Min	\$ 12,304,846	\$ 312,884	\$ 459	515	27	515	\$ 4,100	20
P25	\$ 19,859,618	\$ 9,624,110	\$ 6,909	897	51	897	\$ 13,960	15
Med	\$ 27,949,641	\$ 16,954,732	\$ 13,979	1,308	110	1,471	\$ 16,118	14
P75	\$ 47,598,109	\$ 46,689,391	\$ 26,319	1,910	302	1,981	\$ 19,460	12
Max	\$ 163,762,144	\$ 327,171,376	\$ 137,294	4,094	570	4,494	\$ 28,866	10

TOPIC 5: ANALYSIS

GROUP A VS GROUP B: 990 SCHEDULE J COMPENSATION

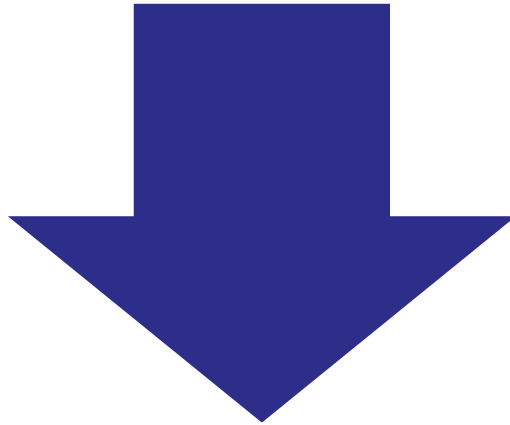


■ GROUP A

Base	Bonus	Other	Deferred	Nontax	Total	
\$ 137,311	\$ 15,300	\$ 1,032	\$ 7,500	\$ 3,707	\$ 150,512	Min
\$ 149,618			\$ 10,010	\$ 16,485	\$ 199,255	P25
\$ 221,044			\$ 15,275	\$ 31,954	\$ 266,612	Med
\$ 246,267			\$ 21,552	\$ 35,858	\$ 299,505	P75
\$ 454,589	\$ 250,000	\$ 48,000	\$ 96,225	\$ 58,482	\$ 756,296	Max

■ GROUP B

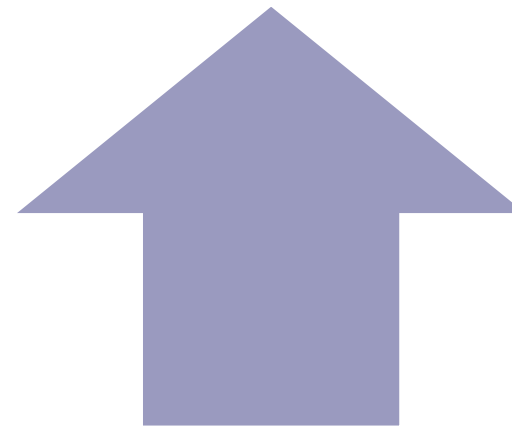
Base	Bonus	Other	Deferred	Nontax	Total	
\$ 150,000	\$ 15,000	\$ 4,800	\$ 2,500	\$ 2,472	\$ 152,271	Min
\$ 215,753			\$ 10,688	\$ 15,882	\$ 221,286	P25
\$ 236,569			\$ 16,213	\$ 24,289	\$ 301,435	Med
\$ 318,290			\$ 44,841	\$ 33,092	\$ 382,838	P75
\$ 472,917	\$ 20,000	\$ 239,974	\$ 350,000	\$ 62,270	\$ 768,016	Max



PRIVATE
NON-HBCU
BACCALAUREATE
GA



PRIVATE
HBCU
BACCALAUREATE
SOUTHEAST



PICK AN EXECUTIVE COMPENSATION TOPIC



TOPIC 1:
FIRST TIME
PRESIDENTS

TOPIC 2:
FAIR
COMPENSATION

TOPIC 3:
EXECUTIVE
COMPENSATION
PROCESS

TOPIC 4:
COMPENSATION
MIX

TOPIC 5:
ANALYSIS

OTHER?

LAST BUT NOT LEAST COMPENSATION MUST WORK FOR ALL STAKEHOLDERS



ABOUT THE SPEAKER

FRANK A. CASAGRANDE



- Frank is the President of Casagrande Consulting, LLC a Georgia based boutique of 10 professionals launched in 2009 and focused on providing human resource and strategic insight to institutions of higher education and other not-for-profits.
- He has more than 30 years of experience in consulting and education. Prior to launching the firm he was the Higher Education Practice Leader for Hay Group, a global management consulting firm, and a senior contributor to their not-for-profit executive compensation consulting practice.
- He is a frequent speaker on executive, faculty, & staff compensation including:
 - ➔ How to Avoid Random Acts of Compensation: Emerging Best Practices in Managing Compensation for Your Faculty and Staff, 2014 TIAA CREF HR Leadership Exchange,
 - ➔ How to Avoid Random Acts of Faculty Compensation, 2013 ACE New Chief Academic Officers Institute, and
 - ➔ Aligning Senior Leadership Rewards & Retention with Performance & Mission, 2013 Council of Independent Colleges Presidents Institute.
- He has Masters of Arts in Teaching from Montclair State University, a Bachelor of Science in Applied Mathematics from Union College, and is a recovering actuary.