

# President Compensation and Contract Provisions Review

**Kenny Daugherty**, President  
**Barry Hasenkopf**, Chief Operating Officer

**May 13, 2025**

# Agenda

- Executive Summary
- Methodology
- Compensation Benchmarking
- Contract Provision Review

# Executive Summary

## Executive Summary

Florida A&M University (FAMU) has engaged Myers McRae Executive Search and Consulting to assist with understanding the competitive compensation market for the President.

The objective is to assist the Board of Trustees in formulating a compensation package that is sufficiently competitive to attract top-tier candidates while remaining reasonable to withstand scrutiny from public stakeholders.

This report delineates the methodology, findings, and considerations for discussion.

Data sources considered and used in this report include the following:

- CUPA-HR salary surveys
- Publicly available information, such as The Chronicle for Higher Education, the Florida Board of Governors, the National Center for Education Statistics, and IPEDS
- Mercer – iMercer.com Trusted Salary Benchmarking Surveys and Reports
- The contract provisions and compensation of the previous and interim FAMU Presidents are considered

An effective compensation strategy for university presidents is crucial for attracting and retaining top talent while ensuring fiscal responsibility.

## Executive Summary

### Market Trends Observed Through Our Analysis:

- Florida Universities are compensating above HBCUs and comparative R2 institutions
- Non-traditional Higher Ed candidates are being considered for their leadership and focused skillsets, bringing new demands on salary and incentives
- R2 institutions seeking to move to R1 status should expect to compensate for the additional experience and leadership skills to do so

Compensation Element	Florida Peer Group Comparison		
	25 <sup>th</sup> %ile	50 <sup>th</sup> %ile	75 <sup>th</sup> %ile
<b>Base Salary</b>	\$ 442,432.13	\$ 503,065.00	\$ 712,000.00
<b>Total Compensation (Base + Bonus)</b>	\$ 503,683.00	\$ 800,000.00	\$ 969,375.00
<b>Total Remuneration</b>	\$ 557,834.88	<b>\$ 899,644.00</b>	<b>\$ 1,090,561.00</b>

- 50% of the peer institutions in FL pay less than this range.
- 25% of FL peer institutions pay more than this range.
- This range is higher than all other peer R2s and HBCUs.

## Executive Summary

### Competitive Advantage:

Offering a premium salary positions FAMU as a top-tier institution and attracts the most qualified and experienced candidates in a competitive market.

### Leadership Quality:

Higher compensation can secure leaders with proven track records of success, potentially bringing transformative vision and strategies to FAMU.

### Aspirational Signaling:

Paying at this level signals FAMU's ambition to compete with the highest-performing institutions in Florida and beyond.

### Investment in Growth:

A top-tier leader can drive significant institutional advancement, potentially yielding returns that far outweigh the initial compensation investment.

### Stakeholder Confidence:

A competitive salary demonstrates to donors, alumni, and partners that FAMU is committed to securing the best leadership possible.

# Methodology

## Methodology

### Elements of Compensation

The following elements of compensation are included when reviewing the President’s compensation:

Total Remuneration Package	Total Compensation	Element	Strategic Role	FAMU Previous President
		Base Salary	<ul style="list-style-type: none"> <li>Secure primary skills and required experience</li> </ul>	<ul style="list-style-type: none"> <li>Base salary</li> </ul>
	Annual Incentives	<ul style="list-style-type: none"> <li>Reward meeting annual objectives as set forth by the BOT</li> </ul>	<ul style="list-style-type: none"> <li>Discretionary board approved award based on achievement of mutually agreed upon goals</li> </ul>	
	Benefits	<ul style="list-style-type: none"> <li>Provide insurance and retirement</li> </ul>	<ul style="list-style-type: none"> <li>Standard FAMU executive service benefits</li> <li>Supplemental retirement contribution</li> <li>Insurance, Long and Short-term Disability</li> </ul>	
	Perquisites	<ul style="list-style-type: none"> <li>Additional incentive to attract top talent to align with the institution’s culture and strategic initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Housing allowance</li> <li>Auto allowance</li> <li>Club dues</li> <li>Spousal Travel</li> </ul>	

## Methodology

### Overview

The following elements of compensation are included when reviewing the President’s compensation:

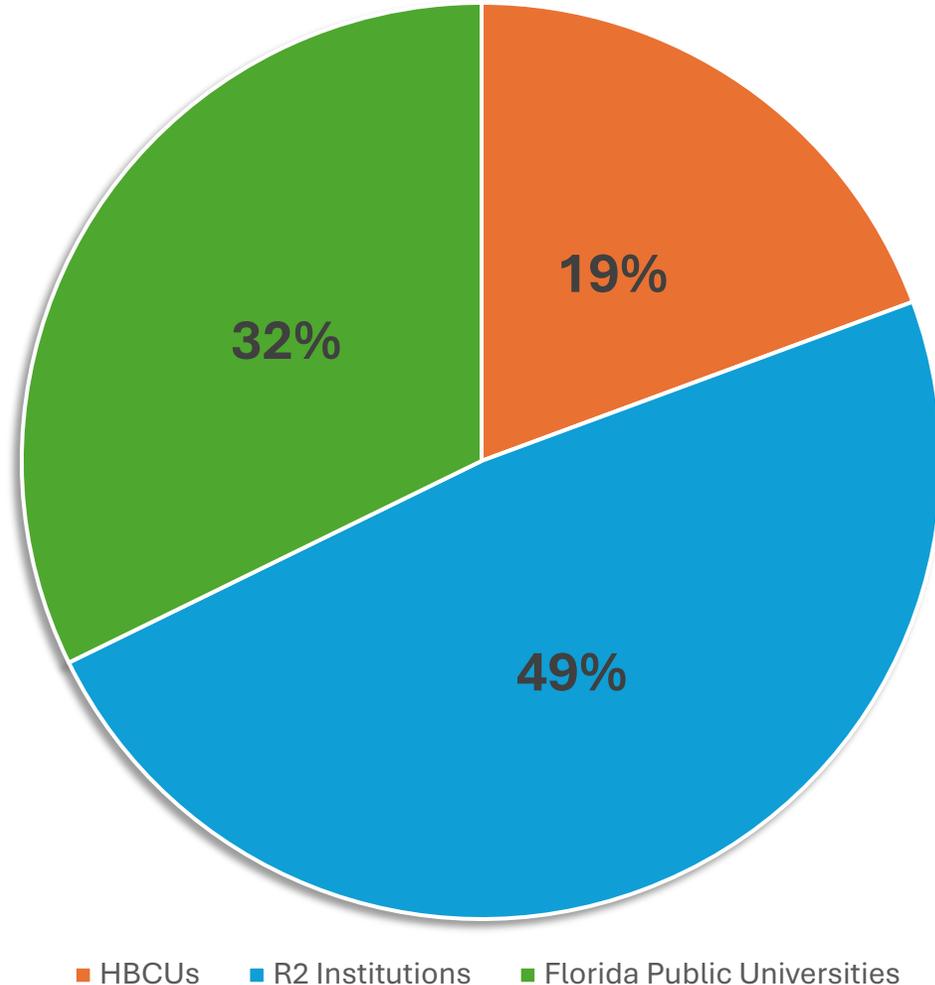
	Description
<b>Data Sources</b>	<p>Myers McRae gathered compensation data from the following:</p> <ul style="list-style-type: none"> <li>• CUPA-HR salary surveys</li> <li>• Publicly available information, such as The Chronicle for Higher Education, the Florida Board of Governors, the National Center for Education Statistics, and IPEDS</li> <li>• Mercer – iMercer.com Trusted Salary Benchmarking Surveys and Reports</li> <li>• Market Trends and availability of qualified candidates: Inside Higher Ed: “The Leadership Skills Presidents Need Right Now: The Key”, HigherEdJobs: “The Future of the College Presidency”</li> <li>• The contract provisions and compensation of the previous FAMU President is utilized as a reference point</li> </ul>
<b>Compensation Elements</b>	<p>Myers McRae collected market data for the following compensation elements:</p> <ul style="list-style-type: none"> <li>• Base Salary</li> <li>• Total Compensation (TC = Base Salary + Bonus)</li> <li>• Total Remuneration (TR = TC + Benefits)</li> </ul>
<b>Benefits and Total Remuneration</b>	<p>Myers McRae reviewed compensation components (salary, benefits, bonuses, and all other forms of remuneration) paid to the current president, presidents of peer institutions, as well as other relevant factors (such as market trends, the available qualified pool, and relevant competition for potential FAMU candidates).</p>

## Methodology

### Three Peer Groups Were Considered:

- Historically Black Colleges and Universities (HBCUs)
- Carnegie classified R2 institutions (doctoral universities with high research activity) that met specific classifications: Professions-focused Undergraduate/Graduate-Doctorate Medium and Mixed Undergraduate/Graduate-Master's Large/Medium
- Florida public universities

Peer Group Mix



# Compensation Benchmarking



## Compensation Benchmarking

### Peer Group Compensation Details - Comparable HBCUs:

- For Historically Black Colleges and Universities (HBCUs), the total compensation range is lower than recommended to attract the talent that FAMU is seeking.
- The total compensation minimum is \$340,673, and the maximum is \$605,000.
- The average total compensation for HBCU presidents is \$446,094, with a median of \$444,424.
- This data suggests that HBCU presidential compensation packages significantly lag those of the Florida public institutions.

Year	School	Total Salary	Enrollment	State
2023	Delaware State University	\$501,125.00	4,630	DE
2023	Jackson State University	\$455,000.00	4,769	MS
2023	Morgan State University	\$605,000.00	8,293	MD
2023	North Carolina A&T State University	\$433,848.00	11,925	NC
2023	Prairie View A&M University	\$340,672.50	8,527	TX
2025	South Carolina State University	\$340,919.00	2,757	SC

*Source: State Public Records, CUPA-HR, The Chronicle for Higher Education*

## Compensation Benchmarking

### Peer Group Compensation Details - Comparable R2 Institutions:

- R2 institutions (Research-focused) show a total compensation range that is slightly more than that of HBCUs and recommend that FAMU design a more attractive package.
- The total compensation minimum is \$390,000, and the maximum is \$1,102,646.
- The average total compensation for R2 institution presidents is \$617,021, with a median of \$536,225.

Year	School	Total Salary	Enrollment	State
2023	Ball State University	\$800,000.00	13,770	IN
2023	California State Polytechnic University-Pomona	\$918,734.00	23,711	CA
2023	California State University-Fresno	\$476,015.00	21,070	CA
2023	California State University-Los Angeles	\$556,213.00	21,478	CA
2023	California State University-Sacramento	\$536,225.00	27,867	CA
2023	Central Michigan University	\$415,000.00	9,916	MI
2023	Illinois State University	\$500,000.00	18,414	IL
2023	Indiana University of Pennsylvania-Main Campus	\$900,000.00	6,893	PA
2023	Lamar University	\$491,000.00	7,945	TX
2023	Rutgers University-Newark	\$1,102,646.00	7,187	NJ
2023	Tennessee Technological University	\$400,000.00	8,495	TN
2023	Texas A&M University-Kingsville	\$390,000.00	4,622	TX
2023	The University of Texas Rio Grande Valley	\$710,607.00	27,026	TX
2023	University of Massachusetts-Dartmouth	\$486,875.00	5,289	MA
2023	University of Michigan-Dearborn	\$572,000.00	5,882	MI

## Compensation Benchmarking

### Peer Group Compensation Details - Comparable Florida Public Universities:

Compensation Element	Florida Peer Group Comparison		
	25 <sup>th</sup> %ile	50 <sup>th</sup> %ile	75 <sup>th</sup> %ile
<b>Base Salary</b>	\$ 442,432.13	\$ 503,065.00	\$ 712,000.00
<b>Total Compensation (Base + Bonus)</b>	\$ 503,683.00	\$ 800,000.00	\$ 969,375.00
<b>Total Remuneration</b>	\$ 557,834.88	<b>\$ 899,644.00</b>	<b>\$ 1,090,561.00</b>

Year	School	Total Salary	Base Salary	Bonus	Base + Bonus	Total Other	Annuity	Housing	Car
2024	Florida Atlantic University	\$ 1,123,153.00	\$ 503,065.00	\$501,500.00	\$ 1,004,565.00	\$754.00	\$117,834.00	\$0.00	\$0.00
2024	Florida Gulf Coast University	\$ 500,453.00	\$ 398,468.00	\$50,000.00	\$ 448,468.00	\$1,985.00	\$0.00	\$50,000.00	\$0.00
2024	Florida International University	\$ 899,644.00	\$ 650,000.00	\$150,000.00	\$ 800,000.00	\$87,644.00	\$0.00	\$0.00	\$12,000.00
2024	Florida State University	\$ 1,021,117.00	\$ 810,425.00	\$50,000.00	\$ 860,425.00	\$150,192.00	\$0.00	\$0.00	\$10,500.00
2024	New College of Florida	\$ 1,299,463.00	\$ 699,000.00	\$200,000.00	\$ 899,000.00	\$282,850.00	\$21,613.00	\$84,000.00	\$12,000.00
2024	University of Central Florida	\$ 999,800.00	\$ 725,000.00	\$258,750.00	\$ 983,750.00	\$4,050.00	\$0.00	\$0.00	\$12,000.00
2024	University of Florida	\$ 1,661,051.00	\$ 1,300,000.00	\$0.00	\$ 1,300,000.00	\$361,051.00	\$0.00	\$0.00	\$0.00
2024	University of North Florida	\$ 524,000.00	\$ 500,000.00	\$0.00	\$ 500,000.00	\$0.00	\$0.00	\$0.00	\$24,000.00
2024	University of South Florida	\$ 1,057,969.00	\$ 655,000.00	\$300,000.00	\$ 955,000.00	\$6,969.00		\$84,000.00	\$12,000.00
2024	University of West Florida	\$ 625,393.00	\$ 433,153.00	\$74,213.00	\$ 507,366.00	\$1,958.00	\$77,923.00	\$24,092.00	\$14,054.00
2024	Florida Polytechnic University	\$ 838,900.00	\$ 490,000.00	\$147,000.00	\$ 637,000.00	\$30,000.00	\$73,500.00	\$84,000.00	\$14,400.00
2023	FAMU - Previous President	\$ 591,669.76	\$ 451,711.26	\$81,308.26	\$ 533,019.52	\$2,250.24		\$42,000.00	\$14,400.00
2025	FAMU - Interim President	\$ 518,392.64	\$ 400,000.00	\$60,000.00	\$ 460,000.00	\$1,992.64		\$42,000.00	\$14,400.00

# Contract Provision Review

## Contract Provision Review

Provision	Market Practice and Commentary
<b>Term</b>	<ul style="list-style-type: none"> <li>Initial contract term is typically 1-3 years</li> <li>Subsequent contracts can be 3-5 years</li> <li>Florida law favors annual contract renewals</li> </ul>
<b>Duties</b>	<ul style="list-style-type: none"> <li>Titles used for comparison included: President and/or Chief Executive Officer</li> <li>FAMU &amp; BOG regulations, including FAMU regulations 1.021</li> </ul>
<b>Base Salary</b>	<ul style="list-style-type: none"> <li>Set based upon compensation philosophy of institution, market data, experience of candidate, and other forms of compensation</li> </ul>
<b>Base Salary Adjustments</b>	<ul style="list-style-type: none"> <li>Typically determined and adjusted annually by the Board, considering performance</li> <li>FAMU could consider predictable increases to reflect estimated market increases</li> </ul>
<b>Sign-on Bonus</b>	<ul style="list-style-type: none"> <li>Sign-on bonuses are not typically used in Higher Education</li> </ul>
<b>Performance Review</b>	<ul style="list-style-type: none"> <li>Board of Trustees should review annually, on or before the fiscal year end.</li> </ul>

## Contract Provision Review

Provision	Market Practice and Commentary
<b>Annual Incentives</b>	<ul style="list-style-type: none"> <li>Performance objectives are typically mutually agreed upon by the Board of Trustees and the President.</li> </ul>
<b>Long-term Incentives</b>	<ul style="list-style-type: none"> <li>Typically used to align performance with strategic initiatives, which require multiple years to accomplish.</li> <li>Estimated less than 30% have a formal LTIP, but more Boards are establishing as more non-traditional candidates are being considered. LTIP's more easily align with strategic planning and specific institutional objectives.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Typically, eligible for the same plans as all employees.</li> </ul>
<b>Executive Physical</b>	<ul style="list-style-type: none"> <li>Rarely done within Higher Education institutions.</li> </ul>

## Contract Provision Review

### Long-term Incentive Plan Design Principles

Design Principle	Considerations
<b>Plan Type</b>	<ul style="list-style-type: none"> <li>Multi-year cash performance plan.</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>Usually starts with President and then cascades to cabinet. Also prevalent in athletics and advancement.</li> <li>Typically include positions that can truly impact the institution's long-term performance.</li> </ul>
<b>Target Awards</b>	<ul style="list-style-type: none"> <li>Target level payouts must reflect overall reasonableness of total remuneration.</li> <li>Award level should reflect effort to achieve and effort to administer.</li> </ul>
<b>Performance Measures</b>	<ul style="list-style-type: none"> <li>Financial, enrollment, strategic, development, reputation, etc.</li> <li>Best practice limits to 3-5 metrics.</li> </ul>
<b>Leverage</b>	<ul style="list-style-type: none"> <li>Provide a threshold return before incentive payments are made; in tax-exempt organizations, usually 75% - 80% of target.</li> <li>Provide maximum payout, usually 120% - 150% of target.</li> </ul>
<b>Performance / Vesting Period</b>	<ul style="list-style-type: none"> <li>Frequency / duration—IRC Section 4960 excise tax is forcing institutions to think about rolling versus end-to-end performance periods.</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>US tax treatment and requirements, including IRC Sections 409A, and 457(f).</li> </ul>

## Contract Provision Review

Provision	Market Practice and Commentary
<p><b>Supplemental Executive Retirement Plans (SERPs)</b></p>	<ul style="list-style-type: none"> <li>• Supplemental retirement plans (in addition to the qualified plan provided to all employees) are provided to approximately one-third of Presidents across the higher education sector.</li> <li>• Plan types include:–457(b) plan: IRS limit for 2025 is \$23,500 (employee and employer contributions), typically used for additional employee deferrals–457(f) plan: Unlimited contributions, must include substantial risk of forfeiture (i.e., vesting)–A combination of 457(b), 457(f), and/or cash payments–Insurance products</li> <li>• Rolling vesting is more common to avoid significant spikes in compensation and its continual retentive impact.</li> <li>• Supplemental employer-paid retirement changes should be considered within the context of total remuneration.</li> </ul>
<p><b>Voluntary Deferred Compensation</b></p>	<ul style="list-style-type: none"> <li>• ~60% of higher education organizations provide additional opportunity for the President to defer compensation beyond the qualified plan.</li> </ul>

## Contract Provision Review

Provision	Market Practice and Commentary
<b>Car / Car Allowance</b>	<ul style="list-style-type: none"> <li>Institutions typically provide the President a lease or expense reimbursement.</li> <li>Previous President was provided with a car benefit worth \$14.4k annually.</li> </ul>
<b>Disability</b>	<ul style="list-style-type: none"> <li>Short-term and long-term as provided to all employees.</li> <li>Allowance for participation in short and long-term disability is in the previous President's contract.</li> </ul>
<b>Life Insurance</b>	<ul style="list-style-type: none"> <li>Typically provided at 1-2X salary.</li> <li>Provided in the previous President's contract as is typically provided to other executive university employees</li> </ul>
<b>Housing</b>	<ul style="list-style-type: none"> <li>Allowances typically range from \$30,000 -\$100,000 per year and are significantly influenced by local housing markets.</li> <li>Previous President agreement provides housing allowance of \$42,000 annually.</li> </ul>

## Contract Provision Review

Provision	Market Practice and Commentary
<b>Social Club Memberships</b>	<ul style="list-style-type: none"> <li>• Institutions typically provide memberships that support institutional business</li> <li>• Previous President’s agreement provides reimbursement for private club memberships</li> </ul>
<b>Paid Leave</b>	<ul style="list-style-type: none"> <li>• Most often set the same as other senior administrators</li> <li>• Some Boards have required 1-2 weeks consecutive leave to both refresh the President and prevent excessive vacation accruals</li> <li>• Previous President’s agreement does not cover paid leave</li> </ul>
<b>Sabbatical Leave</b>	<ul style="list-style-type: none"> <li>• Previous President agreement does provide for an allowance for sabbatical leave</li> </ul>
<b>Tenure</b>	<ul style="list-style-type: none"> <li>• Less common in recent years, unless prior position with university had tenured status</li> <li>• Faculty pay should align with rank and discipline of the post-Presidential position</li> <li>• Previous President agreement does cover a post-presidential tenured appointment</li> </ul>

## Contract Provision Review

Provision	Market Practice and Commentary
<b>Termination: Voluntary</b>	<ul style="list-style-type: none"> <li>• Preferred practice would be a 12-month notice to provide FAMU with an opportunity to find a successor</li> <li>• Previous President agreement requires at least 90 days notice</li> </ul>
<b>Termination: Involuntary</b>	<ul style="list-style-type: none"> <li>• Typically determined by Board per statutes/by-laws. Notice periods vary, however, most often less than 60 days</li> <li>• Previous President agreement specifies a notice period of 60 days</li> </ul>
<b>Termination: Involuntary with Just Cause</b>	<ul style="list-style-type: none"> <li>• Terminated immediately without severance</li> <li>• Previous President agreement has no obligation for further payments to the incumbent</li> </ul>
<b>Termination: Death or Disability</b>	<ul style="list-style-type: none"> <li>• Previous President agreement does mention termination of contract under death</li> </ul>
<b>Severance</b>	<ul style="list-style-type: none"> <li>• Provided for Involuntary Termination without Cause or for Voluntary Termination with Good Reason</li> <li>• Typical Severance period is 12 months</li> <li>• Terminal contract would be lesser of 12 months or remaining term of contract</li> <li>• Previous President provides 20 weeks of base salary</li> </ul>

## Contract Provision Review

Provision	Market Practice and Commentary
<b>Tuitions Remission</b>	<ul style="list-style-type: none"> <li>• Typically provided similar to rest of executives.</li> <li>• May provide President enhanced benefit and should be considered additional compensation.</li> </ul>
<b>Expenses</b>	<ul style="list-style-type: none"> <li>• Reasonably provided and stipulate annual Chair review.</li> <li>• Partner travel permitted with legitimate University purpose.</li> <li>• Previous President agreement allows for reimbursements for reasonable expenses</li> </ul>
<b>Outside Activities</b>	<ul style="list-style-type: none"> <li>• For first term presidents, some boards limit to 2 outside Boards (excluding industry boards).</li> <li>• Previous President agreement allows for external board of trustee appointments</li> </ul>