

# UTAH COLLEGE OF APPLIED TECHNOLOGY

## AGENDA ITEM

### UCAT BOARD OF TRUSTEES

17 September 2015

ITEM: III.V

TOPIC: Trustee Jensen Request for Additional Information

#### BACKGROUND

In the June 11, 2015 meeting, Trustee Michael Jensen requested that the minutes of the March 26, 2015 meeting be modified, or additional information be provided, relative to the salary adjustment approved for former BATC Campus President Richard Maughan.

The current (draft) minutes for this portion of the March 26, 2015 meeting are as follows:

*President Brems explained that the UCAT Board of Trustees authorized an evaluation of BATC Campus President Richard Maughan during the 2014-15 school year. That evaluation was conducted in consultation with the BATC Board of Directors. Overall, President Maughan's evaluation was extremely positive.*

*President Brems also indicated that five years ago when the system had substantial budget cuts, President Maughan had taken a decrease in salary. Once the economy improved, he would not accept a raise until all [BATC] employees had their pay restored to what it was before the budget cuts. That goal has now been accomplished.*

*It is recommended that President Maughan have his salary increased and capped at \$181,120.00, and that it be retroactive to July 1, 2014.*

From the tape recording of the June 11, 2015, Trustee Jensen stated the following as he provided a second to the motion to approve the March 26, 2015 minutes:

*"A second, with a correction, or in addition to the March 26, 2015 minutes to outline the completion of the salary analysis for the performance evaluation for Richard Maughan even though not discussed with me but properly documented."*



To provide the requested additional information to address Trustee Jensen's second, the following is provided which will become part of the September 17, 2015 meeting minutes:

During the period of FY 2002 through FY 2010, the process for setting campus president compensation was primarily accomplished through the individual campus boards of directors. In addition to salary, four campus boards of directors provided vehicle allowances to their campus presidents. Six boards provided mobile phone allowances and one board provided an annual annuity payment. Beginning with FY 2011, a change in state law required the compensation for UCAT campus presidents to be set by the UCAT president, with the approval of the UCAT Board of Trustees.

In the spring of 2010, President Brems and UCAT Board of Trustees leadership collected campus president compensation information from campuses prior to setting FY 2011 campus president compensation. At that time, and in consultation with the UCAT Audit Committee, a decision was made to not reduce any compensation provided up to that point through salary, allowances and annuities, but to set a goal to eliminate allowances and annuities as soon as practical. That process was completed on June 11, 2014 when the Board voted unanimously to add the value of all remaining allowances and annuities to the salaries of affected campus presidents.

In the case of the increase provided to former Campus President Maughan on March 26, 2015 the adjustment was made with the intent of addressing the reduction of salary that he voluntarily incurred during the period of FY 2009 through FY 2015. The motion passed unanimously as indicated in the minutes.

A salary analysis (excluding his vehicle allowance) between 2009 and 2015 shows that he earned \$24,266 less during that period than if he had not taken a voluntary salary cut. The difference in salary between FY 2014 and FY 2015 was \$24,376. He was paid \$110 more in salary than if he had not been subject to the voluntary salary cut between FY 2009 and FY 2014.

The table below indicates the actual salary paid to former President Maughan each year starting with FY 2009 through FY 2015 and what his salary would have been during those years if he had not taken a voluntary salary cut in FY 2009 to mitigate budget reductions (the table does not show his \$12,000 per year annual vehicle allowance.)

Year	Actual	w/o	
		Reduction	Difference
2009	144,086	146,280	2,194
2010	141,892	146,280	4,388
2011	141,892	146,280	4,388
2012	141,892	146,280	4,388
2013	143,311	147,743	4,432
2014	144,744	149,220	4,476
2015	169,120	169,120	0
<b>Total</b>	<b>1,026,937</b>	<b>1,051,203</b>	<b>24,266</b>

**Actual FY 2015 - FY 2014 = 24,376**

## **RECOMMENDATIONS**

Information Only

