

SUBJECT: Higher education administrator contracts and compensation

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 7 ayes — Rangel, Cuellar, F. Brown, Farabee, Goolsby, Morrison, E. Reyna
0 nays
2 absent — J. Jones, Wohlgemuth

SENATE VOTE: On final passage, March 11 — voice vote

WITNESSES: For — Charles Zucker, Texas Faculty Association
Against — None

DIGEST: SB 192 would allow higher education institutions to enter into employment contracts with administrators using state appropriations only if the governing board determined it would be beneficial to the institution. The bill would make contracts, documents pertaining to contracts, or settlements public information. The bill would prohibit a contract paid in whole or in part from state funds that provided:

- ! employment for more than three years;
- ! a severance package exceeding the discounted net present cash value of the contract on termination at a market interest rate agreed on in the contract;
- ! tenure by any method other than the institution's tenure policy; and
- ! development leave inconsistent with current law unless the administrator had served at least four years, under Education Code sec. 51.105.

An institution could pay development leave at full regular salary up to one year for a faculty member who had served as an administrator for at least four years. The bill would require an administrator who received development leave to return to the job for at least as long as the development leave period or repay the school for the costs of the leave.

SB 192 would prohibit an institution from paying a former administrator reassigned to a faculty position a salary that exceeded the salary for persons with similar qualifications working in similar jobs.

The bill would only apply to contracts entered into after September 1, 1999, the bill's effective date.

**SUPPORTERS
SAY:**

SB 192 would bring consistency and fairness to hiring and leave practices among the state's universities. It would prevent practices that do not serve the best interest of state's taxpayers or college students.

Widespread differences exist in the methods of compensation for upper level university administrators in this state. Even though the Texas Constitution prohibits granting extra compensation to a state employee after service has been rendered, some institutions of higher education have skirted this prohibition by awarding their administrators lucrative, long-term contracts that permit or require large cash settlements when the employee resigns or is asked to leave.

Other controversial contract issues also have been occurring. For example, some administrators have been awarded tenure without the same degree of scrutiny as faculty peers. Others have been guaranteed salaries substantially above their peers when they return to teaching after serving in administrative positions.

**OPPONENTS
SAY:**

SB 192 would make it difficult for state higher education institutions to compete with private and out-of-state schools for administrators. It would tie the hands of university officials searching for the best candidate for an administrative position. Institutions of higher education should be free to negotiate the best compensation packages to attract the best employees without state restrictions.