

Office of the Governor

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May 13, 2013

The Honorable Rick Scott Governor, State of Florida Plaza Level, The Capitol Tallahassee, FL 32399-0001

Dear Governor Scott:

Enclosed is Chief Inspector General Report Number 2013-12 detailing the findings from our review of the twenty-eight (28) Florida State College Presidents' Compensation. The Colleges were afforded an opportunity to review the draft report and submit comments. Included in the report are responses from the Chancellor of the Florida College System, Randy Hanna, and twenty-six (26) colleges. Several colleges responded that they have already amended their President's contract to ensure statutory compliance while others advised they were working toward accomplishing compliance. By copy herein, we are referring all responses to Chancellor Hanna so that he can continue to provide guidance to each college as they amend contracts or address deficiencies as noted in the report.

I am available to discuss this report with you at your convenience.

R**es**pectfully,

Melinda M. Miguel

Chief Inspector General

cc: Dr. Tony Bennett, Commissioner of Education Randy Hanna, Chancellor

EXECUTIVE OFFICE OF THE GOVERNOR



OFFICE OF THE CHIEF INSPECTOR GENERAL



Review of Florida State College Presidents' Compensation

REPORT NUMBER 2013-12 MAY 13, 2013

EXECUTIVE SUMMARY

In a letter dated October 10, 2012, Florida Governor Rick Scott requested the Chief Inspector General (CIG)¹ to review obligations for salary, benefits, payouts, other perquisites² and allowances, contract duration, and any other terms or guarantees³ for the twenty-eight (28) state college presidents within the Florida College System. Specifically, he asked that the CIG review the risks presented to the taxpayers through existing employment contracts with the state college presidents. Our scope⁴ included a review of the compensation and benefits set forth in any and all contracts and amendments to those contracts between the state colleges and the state college presidents that were in effect as of October 9, 2012.

To achieve the objectives of this review, we researched and reviewed applicable statutes, rules and relevant documents; compared the state college presidents' contracts to the information reported by the twenty-eight (28) state colleges on the state fiscal year (FY) 2012-2013⁵ Presidential Compensation Package Survey (Division⁶ survey);⁷ requested additional information from the state colleges as needed; and, contacted key staff within the Division and/or state colleges.

Based on our review, we found and recommend the following:

Compensation

We noted the total compensation reported for the twenty-eight (28) state college presidents in FY 2012-2013 ranged from \$143,866 to \$630,157 for a reported total of \$9,811,292 paid from state appropriated funds, student fees, auxiliary funds, direct support organizations' funds, grants and other non-state college funds. We noted that the state college presidents' reported compensation included some or all of the following: salary, annuities, deferred compensation, vehicle provisions, housing

¹ Pursuant to Section 14.32(2)(k), Florida Statutes, (F.S.), the Chief Inspector General shall conduct special investigations and management reviews at the request of the Governor.

² A perquisite is defined as a privilege, gain, or profit incidental to regular salary or wages.

³ Governor Scott's letter also requested a review of "all expenses and related authorizations by the Florida State College of Jacksonville (FSCJ) Foundation over the last five years...". The review of FSCJ Foundation expenses and related authorizations will be addressed in a separate report.

⁴ The scope did not include a review of any reimbursements of expenses, discretionary spending accounts, or other payments to the state college presidents for any reason other than direct compensation or benefits.

⁵ Many of the state college presidents have employment contracts which run on the state fiscal year, while others correspond with their president's employment anniversary date. The Division requests the state colleges annualize the president's compensation package to a state fiscal year for the Division survey.

⁶ Florida Department of Education, Division of Florida Colleges (Division)

⁷ Beginning in FY 2011-2012, the state colleges respond annually to this Division survey.

⁸ Valencia College did not report a payment of a contractual bonus for 2009, 2010, and 2011 in response to the Division survey of presidential compensation. A lump sum bonus payment of \$190,000 was made to the president in July 2012. This lump sum payment means that Valencia's president was the highest paid college president in 2012-2013.

allowances, major medical insurance premiums, leave, incentives, and other compensation/benefits including annual physical exams, cell phones, internet access, relocation expenses, and memberships/dues. We also noted that some college presidents receive post-employment perquisites including but not limited to the transfer of ownership of the vehicle provided by the colleges to the president, computer equipment, one year sabbatical with full pay and benefits, or health insurance for life after employment with the college ends.

We noted one statute limiting the amount that can be paid for the presidents' salaries from state appropriated funds. We also noted that each of the twenty-eight (28) state colleges reported compliance with this statute to the Division as required. However, we found that: 1) there were no standardized parameters for boards of trustees to use to determine the reasonableness of the total compensation for the state college presidents or the factors upon which the total compensation is based; and, 2) the forms and amounts of compensation varied across colleges.

Therefore, we recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' total compensation is determined, document the factors upon which compensation is based and standardize this methodology across state colleges.

We also noted instances where the total value of the presidents' compensation was not readily transparent in that many of the contract terms did not contain assigned values. Some contract terms contained benefits payable to the presidents for life or benefits not yet earned making it difficult to ascertain the full financial obligation on the colleges from these contracts.

Therefore, we recommend that the boards of trustees ensure that the employment contracts stipulate the form and value of each form of compensation received by a president to ensure that the short-term and long-term liabilities of the colleges are properly recorded and are fully transparent. We also recommend that the Division establish guidance for the state colleges to ensure each form of compensation and the total value of the presidents' compensation are consistently and accurately reported on the Division survey, and communicate the reporting expectations to the state colleges.

Leave

We noted one governing statute that limits the amount of sick leave that a state college president can earn.

We noted that the number of hours and type of leave that could be earned by the state college presidents varied by college and thirteen (13) of the twenty-eight (28) college presidents could earn "other leave" in addition to annual and sick leave. More specifically, we noted the following:

The total amount of leave that could be earned by the college presidents each

year ranged from twenty-eight (28) days to seventy-six (76) days. The number of days that could be earned for leave was in addition to paid holidays;

- Ten (10) of the twenty-eight (28) current contracts with the college presidents or college policies allow the president to be paid for unused leave days at the end of each contract year at the president's discretion. These leave payouts range from five (5) to forty-two (42) days payable at the rate of their current annual salary;
- One (1) college has a policy in effect that allows the president and other senior managers to earn compensatory leave or overtime pay; and,
- One (1) college has a policy that allows for each employee designated as senior management including the president to be credited with 120 hours of sick leave on July 1 of each fiscal year. This allotment of 15 days of sick leave exceeds the 12 day limitation established in statute.

We recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' leave benefits are determined, document the factors upon which this is based and standardize this methodology across state colleges. We also recommend that the applicable college amend their policy to comply with the statutory limits outlined in Section 1012.865(2)(a), Florida Statutes, (F.S.).

Severance Pay

We noted one governing statute that limited the number of weeks of severance pay that can be paid to the state college presidents upon separation from employment.

The twenty-eight (28) state college presidents' contracts were reviewed for compliance with Section 215.425, F.S., and we noted that the contract language for severance pay varied across colleges. For example, some of the state colleges have presidential contracts that contain severance pay language if the president separates from the college "without cause"; some contracts address severance pay if the president separates from the college "for cause"; some contracts were silent about the conditions when severance pay was paid; and, some contracts, as written, were contrary to statute because the amount exceeded the limits outlined in statute.

We also noted the following:

- Eleven (11) college presidents' contracts contain severance pay language if the
 president separates from the college "without cause" contrary to Section
 215.425(4)(a), F.S. However, two (2) of these contracts had not been signed or
 amended since the statute took effect;
- One (1) college contains "for cause/misconduct" severance pay language contrary to statute;

- Six (6) colleges provide their presidents with post-employment perquisites that when combined with the severance pay could exceed the allowable severance pay in Section 215.425(4) F.S.; and,
- Four (4) colleges did not include any severance language in their president's employment contract when the president separates from the college "without cause" and additional severance language is necessary to ensure compliance with statutes.

We recommend the boards of trustees, for those colleges with contracts that do not comply with statute, amend the presidents' employment contracts to be consistent with the statutory requirements. We also recommend that the boards of trustees ensure that future employment agreements contain provisions for severance pay requirements consistent with Section 215.425(4), F.S.

We recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' severance benefits are determined, document the factors upon which this is based and standardize this methodology across state colleges.

Other

During our review, we noted that eleven (11) college presidents have a "rolling contract" that automatically renews each year, thereby extending the contract for its initial term without requiring a signed extension or amendment by the board of trustees. This practice has the potential to allow colleges not to amend their contracts in a timely manner to comport with changes to statutes.

We also noted that only eight (8) of the twenty-eight (28) colleges tied the presidents' contracts to performance.

We recommend that the boards of trustees adopt a practice to ensure that the contracts with the state college presidents are reviewed periodically and affirmatively approved at specific and reasonable intervals to ensure compliance with any recent law changes. We also recommend that each of the twenty-eight (28) college boards of trustees tie the presidents' continued employment and compensation to specific performance goals and expectations that are outlined in the employment contract and the annual performance evaluation. We recommend the college boards of trustees provide copies of any amended contracts to the Division.

Finally, we recommend that the Division ascertain whether any of these recommendations should be codified in statutes and, if so, seek legislative action in consultation with the Department of Education and the Executive Office of the Governor.

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INTRODUCTION

In a letter dated October 10, 2012, Florida Governor Rick Scott requested the Chief Inspector General (CIG)⁹ to review obligations for salary, benefits, payouts, other perquisites¹⁰ and allowances, contract duration, and any other terms or guarantees for the state college presidents within the Florida College System. Specifically, he asked that the CIG review the risks presented to the taxpayers through existing employment contracts with the state college presidents.¹¹

BACKGROUND

THE FLORIDA COLLEGE SYSTEM

The mission of the Florida College System is to provide access to high-quality, affordable academic and career education programs that maximize student learning and success, develop a globally competitive workforce, and respond rapidly to diverse state and community needs. The state colleges are locally based and governed entities with statutory and funding ties to state government.¹²

The state colleges are under the general direction and control of the Florida Department of Education (DOE), Division of Florida Colleges (Division), and are governed by State law and State Board of Education rules. However, state colleges strive to maintain sufficient local authority and flexibility while preserving appropriate legal accountability to the state.¹³

Section 1001.60(2)(a), Florida Statutes (F.S.), states:

The programs and services offered by Florida College System institutions in providing associate and baccalaureate degrees shall be delivered in a cost-effective manner that demonstrates substantial savings to the student and to the state over the cost of providing the degree at a state university.

According to the Division, the Florida College System is comprised of twenty-eight (28) colleges, 68 campuses and 178 sites. The state colleges grant two- and four-year academic degrees as provided by law and sixty-five (65) percent of the state's high school graduates pursuing their postsecondary education begin at a state college. In

⁹ Pursuant to Section 14.32(2)(k), Florida Statutes, (F.S.), the Chief Inspector General shall conduct special investigations and management reviews at the request of the Governor.

¹⁰ A perquisite is defined as a privilege, gain, or profit incidental to regular salary or wages.

¹¹ Governor Scott's letter also requested a review of "all expenses and related authorizations by the Florida State College of Jacksonville (FSCJ) Foundation over the last five years..." The review of FSCJ Foundation expenses and related authorizations will be addressed in a separate report.

¹² Section 1004.65(3), F.S.

¹³ Section 1004.65(3), F.S.

Fall 2012, 855,541 students were enrolled in a state college course. Thirty-seven (37) percent of those students were full-time and fifty-five (55) percent were minority enrollments.

State colleges' primary sources of funding in FY 2012-2013 are approximately \$871 million in state general revenue, \$886 million in student fees¹⁴ (estimated as of Fall 2012), and \$181 million in lottery funding. Other college operating funds include grants and other local college funds.

In accordance with Section 1001.60(3), F.S., state colleges are each required to have a local board of trustees. Section 1001.61, F.S., states these trustees are appointed by the Governor and confirmed by the Senate: Trustees receive no compensation but may receive reimbursement for expenses as allowed under Section 112.061, F.S.¹⁵ The boards of trustees govern the state colleges and are responsible for their operation. Each year the Florida Legislature specifies a standard fee (tuition) amount per credit hour to be charged. The boards of trustees are authorized to set fees at their college within a range of ten (10) percent below to fifteen (15) percent above this standard amount.

Additionally, the boards of trustees have defined powers and duties pursuant to Section 1001.64, F.S., to establish the personnel program for all employees of the institution, including the president. This includes establishing compensation, recruitment, selection, standards for performance, conduct, benefits, hours of work, leave policies, disciplinary actions, and separation or termination from employment. The boards of trustees are authorized to appoint, suspend, or remove the state college president. The boards of trustees also conduct an annual evaluation of the president and address the achievement of established long-term goals and objectives.

The state college presidents serve as the executive officer and corporate secretary of the boards of trustees and are responsible to the boards of trustees for the operation and administration of the state colleges. The state college presidents have defined powers and duties pursuant to Section 1001.65, F.S. These powers and duties include recommending the adoption of rules to the board of trustees to implement provisions of law governing the operation and administration of the state college; preparing a budget request and an operating budget for approval by the board of trustees; governing admissions; approving, executing, and administering contracts for and on behalf of the board of trustees; recommending to the board of trustees a schedule of tuition and fees to be charged by the state college; and organizing the state college to efficiently and effectively achieve the goals of the state college.

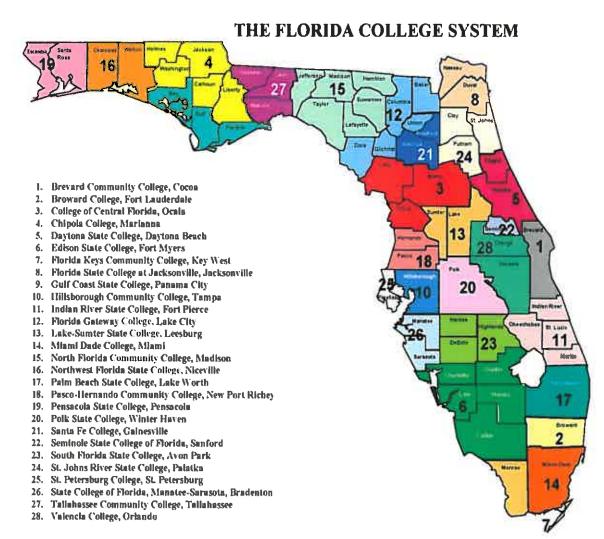
Exhibit 1 shows the areas covered by each of the twenty-eight (28) state colleges.

¹⁴ Student fees include tuition, out-of-state fees, and technology fees.

¹⁵ Section 112.061, F.S., is entitled "Per diem and travel expenses of public officers, employees, and authorized persons."

¹⁶ Rule 6A-14.041, Florida Administrative Code (F.A.C.), states that for personnel contracts, the contract forms for college personnel shall be prescribed by the board of trustees.

Exhibit 1: Florida College System



OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this review were to:

- analyze the contractual compensation terms for the twenty-eight (28) state college presidents;
- determine if the contractual compensation terms were compliant with Sections 215.425¹⁷ and 1012.885, ¹⁸ F.S.;
- review the obligations for salary, benefits, payouts, other perquisites and allowances, contract duration and any other terms or guarantees; and,
- review the risks presented to taxpayers through existing employment contracts with state college presidents within the Florida College System.

The scope included review of the compensation and benefits set forth in any and all contracts and amendments to those contracts between the state colleges and the state college presidents that were in effect as of October 9, 2012. The scope did not include a review of any reimbursements of expenses, discretionary spending accounts, or other payments to the state college presidents for any reason other than direct compensation or benefits.

To achieve the objectives of this review, CIG reviewers performed the following activities:

- · researched and reviewed applicable statutes and rules;
- reviewed related reports published by the Florida Auditor General regarding compensation of state college presidents;¹⁹
- compared the state college presidents' contracts to the information reported by the twenty-eight (28) state colleges on the state fiscal year (FY) 2012-2013²⁰

¹⁶ Section 1012.885, F.S., is entitled "Remuneration of community college presidents; limitations."

¹⁷ Section 215.425, F.S., is entitled "Extra compensation claims prohibited."

¹⁹ We reviewed the findings within reports issued by the Auditor General (AG) relating to presidential compensation within the state colleges. The AG conducts operational audits of the state colleges in accordance with Section 11.45, F.S. The AG published four reports between November 2011 and October 2012 that contained the following findings relating to state college presidents' compensation: The AG found for three state colleges that the president's employment agreement included a provision allowing for severance pay that exceeds the limits established by Florida Statutes. The AG also determined one state college did not document the reasonableness of the president's compensation. At another state college, sick leave was transferred to vacation leave, effectively circumventing the statutory limitation for payment of unused sick leave upon termination. The AG made recommendations to each of the applicable state colleges to remedy the noted deficiencies. The presidential contracts were subsequently amended by each of the state colleges. However, the severance provision within one of these contracts remained noncompliant with statutes at the time of this review.

²⁰ Many of the state college presidents have employment contracts which run on the state fiscal year, while others correspond with their president's employment anniversary date. The Division requests the state colleges annualize the president's compensation package to a state fiscal year for the Division survey.

Presidential Compensation Package Survey (Division survey);²¹

- · requested additional information from the state colleges as needed; and,
- contacted key staff within the Division and/or state colleges.

This review was conducted in accordance with the *Principles and Standards for Offices of Inspector General*, as published by the Association of Inspectors General.

OBSERVATIONS

Total Reported Annual Compensation by State College

We reviewed the compensation terms in all contracts (and amendments to those contracts) between the twenty-eight (28) state colleges and the state college presidents that were in effect as of October 9, 2012.²² We also compared the terms of the contracts to the data reported annually by the state colleges in the Division survey and, where gaps existed, we gathered additional information as needed.

In FY 2012-2013, the total reported annual compensation (including benefits and other forms of compensation) for the presidents of the twenty-eight (28) state colleges is \$9,811,292 paid from state appropriated funds, student fees, auxiliary funds, direct support organizations' funds, grants and other non-state college funds. The total reported annual compensation ranges from \$143,866 annually for the president at North Florida Community College to \$630,157 annually for the president at Miami Dade College.²³

The full-time enrollees for Fall 2012 ranged from 900 for Florida Keys Community College to 58,285 for Miami Dade College. The operating budgets for FY 2012-2013 ranged from \$8,070,019 for North Florida Community College to \$323,605,841 for Miami Dade College. The presidents' total annual compensation (highest to lowest) is listed in Exhibit 2. Exhibit 2 also includes the number of full-time enrollees, the estimated operating budgets, and the president's base salary for each of the twenty-eight (28) state colleges.

²¹ Beginning in FY 2011-2012, the state colleges respond annually to this Division survey.

We reviewed thirty-one (31) state college presidents' contracts in total; including an interim president (Florida State College at Jacksonville), a president appointed after the conclusion of fieldwork (State College of Florida, Manatee-Sarasota), and a consulting contract with a former president (Florida State College at Jacksonville).

²³ Valencia College did not report a payment of a contractual bonus for 2009, 2010, and 2011 in response to the Division survey of presidential compensation. A lump sum bonus payment of \$190,000 was made to the president in July 2012. This lump sum payment means that Valencia's president was the highest paid college president in 2012-2013.

Exhibit 2: Total Reported Annual Compensation (Highest to Lowest) Compared to

Full-Time Enrollees, Estimated Operating Budget, and Base Salary

	State College	Full-Time Enrollees (Fall 2012)	2012-2013 Estimated Operating Budget	2012-2013 Base Salary	President's Total Compensation
1.		58,285	\$323,605,841	\$367,731	\$630,157
2.	Florida State College at Jacksonville (former president)	22,714	\$128,771,738	\$328,243	\$504,596
3.	Valencia College	30,478	\$149,248,162	\$293,045	\$478,558 ²⁴
4.	Palm Beach State College	20,279	\$101,436,959	\$229,419	\$455,714
5.	Broward College	30,745	\$147,324,353	\$373,000	\$454,900
6.	Brevard Community College	12,455	\$70,984,311	\$293,845	\$453,797
7.	St. Petersburg College	21,368	\$120,279,466	\$330,000	\$449,031
8.	Seminole State College of Florida	15,210	\$74,288,771	\$246,264	\$434,028
9.	Santa Fe College	11,951	\$64,763,416	\$260,000	\$409,739
10	Indian River State College	13,827	\$73,954,138	\$249,300	\$394,804
11	Tallahassee Community College	11,463	\$57,218,866	\$272,615	\$369,109
12	.Daytona State College	12,593	\$86,662,546	\$274,300	\$364,009
13	State College of Florida, Manatee-Sarasota (former president)	7,936	\$41,476,286	\$284,166	\$363,168
14.	St. Johns River State College	4,912	\$27,566,939	\$302,690	\$359,000

²⁴ Valencia College did not report a payment of a contractual bonus for 2009, 2010, and 2011 in response to the Division survey of presidential compensation. A lump sum bonus payment of \$190,000 was made to the president in July 2012. This lump sum payment means that Valencia's president was the highest paid college president in 2012-2013.

State College	Full-Time Enrollees (Fall 2012)	2012-2013 Estimated Operating Budget	2012-2013 Base Salary	President's Total Compensation
15. Edison State College	10,672	\$51,450,532	\$275,000	\$332,028
16. Hillsborough Community College	20,855	\$101,021,432	\$234,600	\$315,133
17.Pasco-Hernando Community College	7,235	\$35,203,383	\$214,469	\$309,726
18.Pensacola State College	9,419	\$53,645,585	\$204,793	\$298,091
19. Polk State College	8,096	\$47,140,303	\$236,159	\$297,555
20.Lake-Sumter State College	3,050	\$17,744,921	\$203,344	\$287,521
21. Florida Gateway College	2,204	\$16,825,305	\$225,208	\$287,414
22. Northwest Florida State College	5,272	\$30,820,695	\$201,985	\$276,138
23. South Florida State College	2,368	\$19,199,632	\$234,782	\$256,811
24.Gulf Coast State College	4,399	\$30,635,879	\$231,318	\$255,330
25. College of Central Florida	6,299	\$35,535,024	\$200,000	\$230,100
26. Chipola College	1,642	\$14,449,261	\$164,046	\$202,477
27. Florida Keys Community College	900	\$8,494,972	\$180,000	\$198,492
28. North Florida Community College	907	\$8,070,019	\$125,000	\$143,866
Total	357,534	\$1,937,818,735	\$7,035,322	\$9,811,292
Average	12,769	\$69,207,812	\$251,262	\$350,403

Appendix A charts the total contractual compensation packages for the presidents of the twenty-eight (28) state colleges.²⁵ Each form of compensation is discussed below.

Breakdown of the Presidents' Compensation

In FY 2012-2013, the reported annualized base salaries (minus any benefits or other forms of compensation) for the presidents of the twenty-eight (28) state colleges range from \$125,000 for the president at North Florida Community College to \$373,000 for the president at Broward College with an average annual salary in the amount of \$251,262.

In addition to a base salary, the presidents' compensation may include annuities, deferred compensation, a vehicle provision and/or housing allowance,²⁶ major medical insurance premiums, contributions to the Florida Retirement System (or a replacement system), and other compensation/benefits. Exhibit 3 illustrates the lowest, highest, total, and average value by form of compensation reported for the associated state college presidents.

Exhibit 3: Presidents' Reported Compensation (Lowest and Highest) by Form of

Compensation

Form of Compensation	Lowest	Highest	Count ²⁷	Total	Average
2012-2013 Base Salary	\$125,000 North Florida Community College	\$373,000 Broward College	28	\$7,035,322	\$251,262
Annuities	\$20,000 Hillsborough Community College	\$63,392 Tallahassee Community College	7	\$223,230	\$31,890
Deferred Compensation	\$16,405 Chipola College	\$98,500 Palm Beach State College	13	\$679,818	\$52,294

²⁵ Appendix A also includes the compensation data for an interim president (Florida State College at Jacksonville), a president appointed after the conclusion of fieldwork (State College of Florida, Manatee-Sarasota), and a consulting contract with a former president (Florida State College at Jacksonville).

²⁶ The payment periods and methods of vehicle provision and/or housing allowance vary by state college.

The payment periods and methods of vehicle provision and/or housing allowance vary by state college. Count represents the number of state college presidents with the applicable form of compensation in their employment contract. For example, all 28 state college presidents have a base salary, while only 7 have an annuity.

Form of Compensation	Lowest	Highest	Count ²⁷	Total	Average
Vehicle Provision	\$1,301 ²⁸ Florida State College at Jacksonville (former president)	\$15,685 Pasco- Hernando Community College	22	\$181,445	\$8,248
Housing Allowance	\$12,000 Valencia College	\$48,000 Miami Dade College	4	\$110,000	\$27,500
Major Medical Insurance Premium	\$1,332 Gulf Coast State College	\$20,727 State College of Florida, Manatee- Sarasota (former president)	26	\$242,324	\$9,320
FRS/ Replacement Employer Contribution	\$6,050 North Florida Community College	\$122,500 ²⁹ Seminole State College of Florida	27	\$717,189	\$26,563
Other Compensation/ Benefits	\$705 South Florida State College	\$124,051 Miami Dade College	23	\$621,962	\$27,042
Total Compensation	\$143,866 North Florida Community College	\$630,157 Miami Dade College	28	\$9,811,292	\$350,403

Summary of Annuities for State College Presidents

Seven (7) of the twenty-eight (28) state college presidents receive contributions toward an annuity. Reported annualized annuity payments range from a \$20,000 contribution for the president at Hillsborough Community College to a \$63,392 contribution for the

²⁸ \$1,301 represents the reported value of personal miles driven by the former president in a college leased vehicle for Florida State College at Jacksonville. The cost of a leased automobile was not included in the value reported to the Division.

This total includes amounts paid into the President's 457(b), 403(b), and 401(a) as expressed in the President's contract: The Board agrees to pay into the President's 457(b), 403(b), and 401(a) accounts an amount no less than the maximum allowed by law in lieu of further contributions on the President's behalf to the Florida Retirement System.

president at Tallahassee Community College. Reported annual annuity payments total \$223,230. Exhibit 4 displays the reported annual annuity contributions.

Exhibit 4: State Colleges' Reported Annual Annuity Contributions (Highest to Lowest)

State College	Annuities
1. Tallahassee Community College	\$63,392
2. Florida State College at Jacksonville (former president)	\$50,000
3. Florida Gateway College	\$22,854
4. Northwest Florida State College	\$22,500
5. Pensacola State College	\$22,500
6. Pasco-Hemando Community College	\$21,984
7. Hillsborough Community College	\$20,000
Total	\$223,230

Source: Division of Florida Colleges, Florida Department of Education

Summary of Deferred Compensation for State College Presidents

Thirteen (13) of the twenty-eight (28) state college presidents reported that they receive deferred compensation contributions. In FY 2012-2013, the reported annual deferred compensation contributions range from \$16,405 for the president of Chipola College to \$98,500 for the president of Palm Beach State College. Annual deferred compensation contributions total \$679,818 for FY 2012-2013. Exhibit 5 displays the reported annual deferred compensation contributions for FY 2012-2013.

Exhibit 5: State Colleges' Reported Annual Deferred Compensation Contributions (Highest to Lowest)

State College	Deferred Compensation
Palm Beach State College	\$98,500
2. St. Petersburg College	\$85,500
3. Valencia College	\$81,725
4. Brevard Community College	\$81,154
5. Santa Fe College	\$73,250
6. Daytona State College	\$57,231
7. Miami Dade College	\$50,000
8. Lake-Sumter State College	\$39,784
9. St. Johns River State College	\$30,269
10. Broward College	\$27,000

11.Florida State College at Jacksonville (former president)		\$22,500
12. State College of Florida, Manatee-Sarasota (former president)		\$16,500
13. Chipola College		\$16,405
	Total	\$679,818

Summary of Vehicle Provisions for State College Presidents

Twenty-two (22) of the twenty-eight (28) state college presidents reported that they receive a vehicle allowance or the benefit of using a college-provided vehicle. Personal use of a college-provided vehicle is an additional benefit. Of the twenty-two state (22) colleges with a reported vehicle provision: twelve (12) set a limit for personal mileage (ranging from 10,000 to 25,000 miles annually); two (2) mention the allowance of personal mileage, but do not specify a limit; and eight (8) do not mention personal mileage in the contract. Some state colleges additionally provide for vehicle fuel, maintenance, and insurance costs. For FY 2012-2013, the reported annualized vehicle provisions range from \$1,301 for the former president of Florida State College at Jacksonville³⁰ to \$15,685 for the president of Pasco-Hernando Community College. Annual vehicle provisions total \$181,445 for FY 2012-2013.

NOTE: This is not a true comparison of the actual benefit in every instance because some state colleges only reported the personal usage claimed by the president while others reported the actual total expense incurred by the state college.³¹

Exhibit 6 shows the twenty-two (22) state colleges that reported a vehicle provision for the president.

Exhibit 6: State Colleges Reported Annual Vehicle Provisions (Highest to Lowest)

State College	Vehicle Provision
1. Pasco-Hernando Community College	\$15,685
2. Broward College	\$14,400
3. Valencia College	\$14,400

³⁰ Contract language for the former president of the Florida State College at Jacksonville regarding the automobile provision states that the president shall be provided with a leased automobile with gasoline, insurance and maintenance included, for conducting College business. It is understood and agreed that the president shall be entitled to use the automobile for both College and non-College purposes, pursuant to the provisions of District Board of Trustees Rule 6Hx7-2.3. The cost of this leased automobile was not included in the value reported. The contract language also allowed for personal/non-college miles as a percentage of total miles, rather than a set personal mileage limit.

³¹ Expenses reported by the state college may include lease payments, salary supplement, and/or fuel and maintenance costs.

State College	Vehicle Provision
4. Edison State College	\$12,000
5. Polk State College	\$12,000
6. Tallahassee Community College	\$12,000
7. Miami Dade College	\$11,451
8. Brevard Community College	\$10,800
9. Hillsborough Community College	\$10,000
10. Northwest Florida State College	\$10,000
11.Gulf Coast State College	\$7,908
12. Florida Gateway College	\$7,118
13. North Florida Community College	\$7,000
14. Chipola College	\$6,663
15. Seminole State College of Florida	\$6,050
16. College of Central Florida	\$4,500
17. State College of Florida, Manatee-Sarasota (former president)	\$4,500
18. Indian River State College	\$4,201
19. Pensacola State College	\$3,668
20. Lake-Sumter State College	\$3,300
21. Santa Fe College	\$2,500
22. Florida State College at Jacksonville (former president)	\$1,301
Total	\$181,445

Summary of Housing Allowances for State College Presidents

Four (4) of the twenty-eight (28) state college presidents reported that they receive a housing allowance. In FY 2012-2013, reported housing allowances range from \$12,000 for the president of Valencia College to \$48,000 for the president of Miami Dade College, totaling \$110,000. Also, the Palm Beach State College president receives an annual stipend of \$95,966 in lieu of a vehicle provision and a housing allowance. This figure is reported under "Other Comp/Benefits" on Exhibit 10 and not on Exhibits 6 or 7, which display the reported vehicle provisions and housing allowances for FY 2012-2013.

Exhibit 7: State Colleges' Reported Annual Housing Allowance (Highest to Lowest)

State	College	Housing Allowance
1. Miami Dade College		\$48,000
2. Florida State College at	Jacksonville (former president)	\$25,000
3. Hillsborough Community	College	\$25,000
4. Valencia College		\$12,000
-124 - 24 - 10	Total	\$110,000

Source: Division of Florida Colleges, Florida Department of Education

Summary of Major Medical Insurance Premiums for State College Presidents

Twenty-six (26) of the twenty-eight (28) state college presidents reported that they receive compensation associated with major medical insurance premiums. In FY 2012-2013, the reported annual major medical insurance premiums paid for the presidents range from \$1,332 for the president of Gulf Coast State College to \$20,727 for the former president of State College of Manatee-Sarasota. The annualized figures total \$242,324 for FY 2012-2013. Exhibit 8 displays the reported annual major medical insurance premiums paid by each state college.

Exhibit 8: State Colleges' Reported Annual Major Medical Insurance Premiums (Highest to Lowest)³²

State College	Major Medical Insurance Premium
State College of Florida, Manatee-Sarasota (former president)	\$20,727
2. Florida State College at Jacksonville (former president)	\$19,126
3. Broward College	\$17,000
4. Brevard Community College	\$15,516
5. Polk State College	\$13,500
6. Lake-Sumter State College	\$12,792
7. Northwest Florida State College	\$12,472
8. Florida Gateway College	\$12,170
9. Santa Fe College	\$11,424
10. Indian River State College	\$9,717
11. Hillsborough Community College	\$9,103

³² Two (2) of the twenty-eight (28) state colleges did not report a value for annualized major medical insurance premiums on the Division survey – 1) College of Central Florida; and, 2) Miami Dade College.

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State College	Major Medical Insurance Premium
12. Seminole State College of Florida	\$8,169
13. Valencia College	\$7,236
14. Florida Keys Community College	\$7,152
15.St. Petersburg College	\$7,029
16. South Florida State College	\$6,533
17. Edison State College	\$6,528
18.St. Johns River State College	\$6,096
19. Pensacola State College	\$6,084
20. North Florida Community College	\$5,816
21. Pasco-Hernando Community College	\$5,556
22. Palm Beach State College	\$5,520
23. Daytona State College	\$5,358
24. Tallahassee Community College	\$5,340
25. Chipola College	\$5,028
26. Gulf Coast State College	\$1,332
То	tal \$242,324

Summary of Florida Retirement System or FRS Replacement Plan Employer Contributions for State College Presidents

Twenty-seven (27) of the twenty-eight (28) state college presidents reported that they receive a form of compensation associated with a contribution made by the state college to the Florida Retirement System (FRS) or an FRS replacement plan. In FY 2012-2013, the reported annual FRS or replacement plan employer contributions range from \$6,050 for the president at North Florida Community College to \$122,500 for the president at Seminole State College of Florida. The annualized figures total \$717,189 for FY 2012-2013. Exhibit 9 displays the reported annual FRS or replacement plan employer contributions by state college.

Exhibit 9: State Colleges' Reported Annual Florida Retirement System or FRS Replacement Plan Employer Contribution (Highest to Lowest)³³

The property of the second sec	FRS/Replacement
	Employer
State College	Contribution

³³ One (1) of the twenty-eight (28) state colleges did not report a value for annualized FRS or replacement plan employer contributions on the Division survey (Lake-Sumter State College).

State College	FRS/Replacement Employer Contribution
1. Seminole State College of Florida	\$122,500 ³⁴
2. Valencia College	\$51,000
3. Santa Fe College	\$50,500
4. Indian River State College	\$49,500
5. Edison State College	\$38,500
6. Florida State College at Jacksonville (former president)	\$34,793
7. Miami Dade College	\$28,924
8. Northwest Florida State College	\$28,185
9. Palm Beach State College	\$26,309
10. Daytona State College	\$25,620
11. Brevard Community College	\$23,625
12. Broward College	\$23,500
13.St. Petersburg College	\$22,540
14. State College of Florida, Manatee-Sarasota (former president)	\$19,847
15.St. Johns River State College	\$15,435
16. Pasco-Hemando Community College	\$14,897
17. Polk State College	\$14,878
18. Tallahassee Community College	\$14,830
19. South Florida State College	\$14,791
20. Hillsborough Community College	\$14,780
21.Pensacola State College	\$14,270
22. Florida Gateway College	\$14,188
23. Gulf Coast State College	\$13,452
24. College of Central Florida	\$12,600
25. Florida Keys Community College	\$11,340
26. Chipola College	\$10,335
27. North Florida Community College	\$6,050
Total	\$717,189

³⁴ This total includes amounts paid into the President's 457(b), 403(b), and 401(a) as expressed in the President's contract: The Board agrees to pay into the President's 457(b), 403(b), and 401(a) accounts an amount no less than the maximum allowed by law in lieu of further contributions on the President's behalf to the Florida Retirement System.

State College	FRS/Replacement Employer Contribution
Average	\$26,563

Summary of Other Compensation and Benefits for State College Presidents

Twenty-three (23) of the twenty-eight (28) state colleges reported Other Compensation/Benefits on the Division survey which include, but are not limited to, a hospitality/college allowance,³⁵ senior management benefits,³⁶ cell phone service, home computer equipment. bonus/incentive The reported and Compensation/Benefits range from \$705 annually for the president of South Florida State College (for life insurance) to \$124,051 annually for the president of Miami Dade salary supplement). College (for life insurance, leave. and Compensation/Benefits reported for FY 2012-2013 total \$621,962. Exhibit 10 displays the state colleges with annual Other Compensation/Benefits reported for state college presidents.

Exhibit 10: State Colleges' Annual Reported Value of Other Compensation/

Benefits (Highest to Lowest)37

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	State College	Other Compl Benefits	Other Comp/Benefits Explanation
1.	Miami Dade College	\$124,051	Salary supplement; life insurance; professional staff accrued leave payout.
2.	Palm Beach State College	\$95,966	Stipend in lieu of car/housing allowance.
3.	Indian River State College	\$82,086	EOB [excess of base] compensation.
4.	Seminole State College of Florida	\$51,045	Dependent medical, vision, health (\$5,851); life insurance (tax value of \$9,080); medical deductibles and co-pay (estimated \$6,746); additional salary (\$21,367); internet access from home (\$1,001); performance goals from \$0 to \$15,000 (prior year was \$7,000).

³⁵ Hospitality/college allowance may include promotion and public relations and hospitality of the business guests of the college.

³⁶ Sepice management benefits include the College.

Senior management benefits include benefit days and insurance premiums the colleges pay for all senior management employees.

37 Five (5) of the twenty sight (29) and a senior management employees.

³⁷ Five (5) of the twenty-eight (28) state colleges did not report a value for annualized Other Compensation/Benefits on the Division survey – 1) Broward College; 2) Chipola College; 3) Edison State College; 4) Florida Keys Community College; and, 5) North Florida Community College.

	Other Comp/	
State College	Benefits	Other Comp/Benefits Explanation
5. Pensacola State College	\$46,775	Spouse health insurance (\$5,892); paid compensation for 15 days of annual leave in lieu of using the leave (\$11,770); membership dues (\$2,500); special pay plan (\$26,613).
6. Pasco-Hernando Community College	\$37,135	Dependent medical insurance (\$5,760); 3 times salary for life and ADD [accidental death and dismemberment] insurance (\$1,192); LTC [long-term care insurance] policy for employee and dependents (\$6,677); LTD [long-term disability insurance] (\$12,631); cell phone (\$850); annual performance bonus (\$10,000); annual physical reimbursement (\$25.00).
7. Brevard Community College	\$28,857	Development allowance (\$10,800); fuel/maintenance allowance (\$11,412); cell phone allowance (\$4,800); life insurance (\$1,274); long-term disability insurance (\$372); vision care (\$199).
8. Lake-Sumter State College	\$28,301	Maximum performance incentive (\$24,401); long term disability plan (\$3,000); medical reimbursement.
Florida State College at Jacksonville (former president)	\$23,633	Benefit days accrued at 1.5 per month payable at separation; 403(b) employee contribution paid by employer.
10. Polk State College	\$21,018	Life insurance policy.
11. Valencia College	\$19,152	Dependent health care allowance (\$6,652); life insurance allowance (\$12,500).
		NOTE: Personal and family cell phone services, wireless data card; Metro West golf club membership; Florida Citrus Sports membership; Bright House, home office internet; Home office supplies in the amount of \$15,479 were not included on the Division survey.
12. State College of Florida, Manatee-Sarasota (former president)	\$17,427	Business expenses; technology expenses (cell phone, internet, computer, printer); wellness equipment.

State College	Other Comp/ Benefits	Other Comp/Benefits Explanation
13. College of Central Florida	\$13,000	Up to \$12,000 to pay for president to relocate to Marion County; up to \$1,000 to pay for annual comprehensive medical exam.
14. Santa Fe College	\$12,065	Life insurance at 2.5 time base salary (\$1,053); dental/vision insurance (\$605); high speed internet access (\$600); LT [long-term] disability premium reimbursement (\$8,506.69); professional fees maximum reimbursement (\$1,300).
15. Florida Gateway College	\$5,877	Life [insurance] (\$315); dental [insurance] (\$658); ADD [accidental death and dismemberment insurance] (\$44); internet access (\$860); fuel for vehicle (\$2,200); annual physical (\$1,800).
16.St. Johns River State College	\$4,510	Dental, life, vision, disability and EAP [employee assistance program] [insurance].
17.St. Petersburg College	\$3,962	Dental [insurance] (\$379.00); life insurance (base & supplemental) (\$1,800.00); cell phone allowance (\$1,800.00).
18. Hillsborough Community College	\$1,650	Annual physical exam.
19. Daytona State College	\$1,500	Cell phone.
20.Gulf Coast State College	\$1,320	Life insurance premium.
21.Northwest Florida State College	\$996	Cell phone.
22.Tallahassee Community College	\$931	Life insurance premium.
23. South Florida State College	\$705	Life insurance.
Total	\$621,962	

Summary of Leave Earned Annually by the Twenty-Eight State College Presidents

Based on the employment contracts and college policies and procedures, all twentyeight (28) state college presidents may accrue annual and sick leave during their time of employment. This accrued leave may be included in payouts after employment ends. In some instances, a portion of earned leave may be paid out while employed, as detailed in the Summary of Contractual Terms Regarding Leave Payout section of this report. Thirteen (13) of the twenty-eight (28) state college presidents earn "other leave." Also, the number of hours and type of "other leave" vary by college. The number of leave days that can be earned by the state college presidents range from twenty-eight (28) leave days up to seventy-six (76) leave days. Exhibit 11 displays the reported total leave days earned annually by the state college presidents.

EXI	Exhibit 11: President Leave Amounts Earned Annually (Highest to Lowest)					
	Florida College	Annual Leave (AL)	Maximum AL Carryover	Sick Leave	Other Leave	Total Leave Days per Year
1.	Valencia College	24 days	65 days	12 days	40 days ³⁸	76
2.	Seminole State College of Florida	24 days	60 days	12 days	30 days ³⁹	66
3.	Brevard Community College	30 days	no limit	12 days	20 days ⁴⁰	62
4.	Florida Gateway College	30 days	60 days	12 days	15 days ⁴¹	57
5.	Tallahassee Community College	30 days	60 days	15 days ⁴²	12 days ⁴³	57
6.	Florida Keys Community College	44 days	35 days	12 days	-	56
7.	St. Johns River State College	30 days	60 days	12 days	12 days ⁴⁴	54
8.	St. Petersburg College	30 days	44 days	12 days	12 days ⁴⁵	54

³⁸ Valencia College - 28 days of study leave (compensable); 12 days of professional leave (noncompensable) (both leave types are non-cumulative).

Seminole State College of Florida – 20 days of personal leave; 10 days of consulting leave.

⁴⁰ Brevard Community College – 20 days of professional development leave.

⁴¹ Florida Gateway College – 15 days of personal and/or professional leave.

⁴² Section 1012.865(2)(a), F.S., states that each full-time employee shall earn one day of sick leave with compensation for each calendar month or major fraction of a calendar month of service, not to exceed 12 days for each fiscal year.

⁴³ Tallahassee Community College – 12 days of professional leave.

⁴⁴ St. Johns River State College – 12 days of professional leave.
45 St. Petersburg College – 12 days of professional leave.

Florida College	Annual Leave (AL)	Maximum AL Carryover	Sick Leave	Other Leave	Total Leave Days per Year
9. Santa Fe College	30 days	60 days	12 days	12 days ⁴⁶	54
10. Miami Dade College	30 days	44 days ⁴⁷	12 days	10 days ⁴⁸	52
11.Palm Beach State College	24 days	66 days	12 days	15 days ⁴⁹	51
12. Florida State College at Jacksonville (former president)	36 days	no limit ⁵⁰	12 days	-	48
13.College of Central Florida	30 days	60 days	12 days	-	42
14.Daytona State College	30 days	60 days	12 days	-	42
15. Edison State College	30 days	60 days	12 days	-	42
16.Gulf Coast State College	30 days	44 days	12 days	-	42
17.Lake-Sumter State College	18 days	60 days	12 days	12 days ⁵¹	42
18. State College of Florida, Manatee-Sarasota (former president)	30 days	60 days	12 days	-	42
19.Northwest Florida State College	30 days	44 days	12 days	-	42
20. Pasco-Hernando Community College	30 days	no limit	12 days	-	42
21.Pensacola State College	30 days	44 days	12 days	-	42
22. South Florida State College	30 days	60 days	12 days	-	42
23. Broward College	24 days	500 hours	12 days	-	36

Santa Fe College – 12 days of consulting leave (non-cumulative).
 Miami Dade college policy states an employee's accrued vacation leave may not exceed a total of 330 hours (44 days) at the end of the calendar year. The president's contract states the president shall have the right to accumulate leave time without limitation.

Miami-Dade College – 10 days of annual PSAL [professional staff accrued leave] (paid out).

Palm Beach State College – 15 days of senior management leave.

⁵⁰ This no limit annual leave carryover provision resulted in an annual leave payout in excess of \$300,000, for 2052 hours.

51 Lake-Sumter State College – 12 days of senior management benefit leave.

Florida College	Annual Leave (AL)	Maximum AL Carryover	Sick Leave	Other Leave	Total Leave Days per Year
		[62.5 days]			
24. Chipola College	22 days	44 days	12 days	-	34
25. Indian River State College	12 days	60 days	12 days	10 days ⁵²	34
26.North Florida Community College	18 days	30 days	12 days	-	30
27. Polk State College	18 days	44 days	12 days	-	30
28. Hillsborough Community College	12 days	44 days	12 days	4 days ⁵³	28

The number of days that can be earned for leave is in addition to paid holidays or possible days off during school closures between sessions, e.g. spring break and winter break.

Summary of Contractual Terms Regarding Leave Payout

Ten (10) of the twenty-eight (28) state college presidents reported that they have the option to be paid out each year for unused leave days per their contract or college policy. This leave payout is additional compensation, often categorized as "special pay", that is in addition to the maximum amount of accrued leave that can be paid out upon termination from the college. Exhibit 12 lists the colleges and the applicable contract or policy language regarding the payout of leave.

Exhibit 12: Contractual Terms Regarding Leave Payout

State College	Leave Payout Language (contract and policy)				
1. Chipola College	The president shall have the option of carrying over any [emphasis added] accrued leave to the next year, or of cashing it in each year.				

⁵³ Hillsborough Community College – 4 days of personal leave.

⁵² Indian River State College – 10 days of professional enhancement leave.

	AND DESCRIPTION OF THE PARTY OF	
	State College	Leave Payout Language (contract and policy)
2.	Lake-Sumter State College	(Policy) The president may not carry over more than sixty (60) vacation days (or 450 hours) [emphasis added] to the following calendar year. A maximum payout of ten days (or 75 hours) [emphasis added] over the 60 days may be paid out in January or rolled over into the individual's qualified annuity plan.
3.	State College of Florida, Manatee- Sarasota (former president)	(c) Vacation leave of thirty (30) days annually [emphasis added] during each year of this contract; provided, however, that the president may elect to be paid for unused days of such vacation leave calculated at his base salary in lieu of using the days of vacation leave by notifying the Vice President, Business and Administrative Services, prior to December 31 of each year in which event vacation days paid in this manner shall be considered "special pay"; and, provided further, however, that terminal pay for accumulated vacation leave shall be subject to the limitations imposed by the Florida Statutes, Community College Regulations, and Manatee Community College Rules. ⁵⁴
4.	Miami Dade College	A policy allows that leave of up to two hundred twenty-five (225) hours may be granted to professional exempt contractual personnel. Leave shall accrue at the rate of seventy-five (75) hours each fiscal year, at the rate of 6.25 hours per month. An individual may accrue no more than two hundred and twenty-five (225) hours of PSAL. On an annual basis, the college may grant eligible employees the option of converting no more than seventy-five (75) hours [emphasis added] of pay into a cash payment. Employees separating from the institution will only receive payment for PSAL accrued at the time of departure, not to exceed seventy-five (75) hours through the terminal leave payment program.
5.	Northwest Florida State College	On July of each year, the president may choose to receive pay for up to five (5) days [emphasis added] of unused vacation leave.
6.	Pasco- Hernando Community	The President shall receive thirty (30) paid vacation days [emphasis added] each calendar year to be recorded the first day of the calendar year during the term of this contract. Unused days

⁵⁴ State College of Florida, Manatee-Sarasota policy states: Senior management personnel shall transfer up to a maximum of **fifteen (15) days** of vacation accrual for compensatory reimbursement into any college approved 401(a) plan and/or the 403(b) plan regardless of the maximum accrual threshold, providing the employee's available balance is equal to, or greater than the number of days desired to exchange. Elections for transfer of days into the approved 401(a) plan and/or 403(b) plan must be to Human Resources no later than December 1 of each year.

⁵⁵ Professional Staff Accrued Leave (PSAL) for Professional Exempt Contractual Personnel Manual of Procedures – Procedure 2501A.

State College	Leave Payout Language (contract and policy)	
College	may be rolled over to the next year with no limitations on accumulation or cashed out as desired by the President.	
7. Pensacola State College	The president may elect to take paid compensation for up to fifteen (15) days [emphasis added] of the leave calculated at his base salary in lieu of using the days for vacation by notifying the Board prior to being paid for the leave.	
8. St. Johns River State College	Annual Leave: President shall earn 30 days [emphasis added] of annual leave. Any [emphasis added] unused portion of the accrued leave days of annual leave so earned may be carried forward into subsequent years or shall be payable to the president on June 30 each year, at the election of the president. Professional Leave: The board authorizes twelve (12) days [emphasis added] of professional and/or study leave annually. The president may elect by June 1 of each year to be paid for the value of the professional leave at his current daily rate.	
9. Tallahassee Community College	During each calendar year the president may elect to receive a cash payment in lieu of taking paid annual leave (other than professional leave) for up to fifteen (15) days [emphasis added] per calendar year.	
10. Valencia College	Study leave shall be non-cumulative, and a maximum of twenty-eight (28) days [emphasis added] of unused study leave days are compensable during each contract year at the president's daily rate of pay.	

Source: State college president employment contracts and policies and procedures supplied by the state colleges

Summary of Overtime and Compensatory Leave

One (1) state college, Tallahassee Community College, has a policy in effect that allows the president and other senior managers to incur and accrue compensatory leave or overtime in addition to annual and sick leave.⁵⁶

Summary of Severance Pay Provisions

Chapter 215, F.S., sets provisions for bonus or severance pay. Section 215.425(4)(a), F.S., states:

On or after July 1, 2011, a unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay

⁵⁶ Tallahassee Community College District Board of Trustees Policy 07-06, Attendance and Leave, allows overtime or compensatory leave to be earned or paid for executive/administrative employees.

with an officer, agent, employee, or contractor must include the following provisions in the contract:

1. A requirement that severance pay provided <u>may not exceed an amount greater than 20 weeks of compensation</u>. [emphasis added] 2. A <u>prohibition of provision of severance pay when the officer, agent, employee, or contractor has been fired for misconduct, as defined in s. 443.036(30), by the unit of government. [emphasis added]</u>

Section 215.425(4)(d), F.S., states:

...the term "severance pay" means the actual or constructive compensation, including salary, benefits, or perquisites, for employment services yet to be rendered which is provided to an employee who has recently been or is about to be terminated. The term does not include compensation for: 1. Earned and accrued annual, sick, compensatory, or administrative leave; 2. Early retirement under provisions established in an actuarially funded pension plan subject to part VII of chapter 112; or 3. Any subsidy for the cost of a group insurance plan available to an employee upon normal or disability retirement that is by policy available to all employees of the unit of government pursuant to the unit's health insurance plan. This subparagraph may not be construed to limit the ability of a unit of government to reduce or eliminate such subsidies.

The twenty-eight (28) state college presidents' contracts were reviewed for compliance with the above statute and the contract language for severance pay varied across state colleges. For example, some of the state colleges have presidential contracts that contain severance pay language if the president separates from the college "without cause"; some contracts address severance pay if the president separates from the college "for cause,"; some contracts were silent about the severance pay conditions; and, some contracts, as written, were contrary to statute because the amount exceeded the 20 week limit outlined in statute. Exhibit 13 lists the nine (9) state colleges with contract terms that do not comply with Section 215.425, F.S.

Exhibit 13: Severance Pay Language – contracts signed/amended on or after 7/1/11

State College	"Without Cause" Severance Language (on or after 7/1/11)	
College of Central Florida	President shall receive severance compensation from appropriated state funds in the amount of the compensation provided in Section 6.1.1 of this agreement for a period of up to one (1) year , [emphasis added] pursuant to Section 1012.83(2), Florida Statutes. Severance compensation shall be limited to base salary and shall not include "additional compensation".	
Daytona State College	President shall be paid not less than twenty (20) weeks [emphasis added] of her base salary in accordance with F.S. 215.425(4)(a).	

	State College	"Without Cause" Severance Language (on or after 7/1/11)
	Edison State College	President shall be paid the remainder of his base salary at the time of termination for the balance of the term [emphasis added] of this agreement, provided that the board shall pay amount in excess of such salary for twenty weeks from nontax revenues and nonstate-appropriated funds, [emphasis added] the payment and receipt of which does not otherwise violate part III of chapter 112, F.S., [entitled Code of Ethics for Public Officers and Employees] all as provided for in Section 215.425(2)(a), F.S. [entitled Extra compensation claims prohibited; bonuses; severance pay].
4.	Hillsborough Community College	If president receives both a negative evaluation and a vote not to be retained by every member of the board, the president shall be dismissed and this agreement terminated. If this agreement is so terminated, the president shall be entitled to an amount equal to one year base salary [emphasis added] at the time of the dismissal.
5.	Palm Beach State College	President shall receive severance compensation in the amount of the base salary provided in paragraph 2 of this contract for a period of up to one year or for the unexpired balance of the term of office, whichever is less. [emphasis added]
6.	Pasco- Hemando Community College	Nothing in the employment agreement with the president shall be construed to require the board to pay from state appropriated funds, an amount exceeding one (1) year of salary upon the dismissal of the president. [emphasis added] Any compensation to the president payable from state appropriated funds shall not exceed the amount specified by the Florida legislature in law.
7.	Pensacola State College	President shall be entitled to receive the amount of base pay that he would have otherwise received if the contract had not terminated, but he shall not be entitled to receive any other additional compensation of benefits after the date of termination.
8.	Polk State College	President shall be guaranteed her salary and employee benefits package for the balance of the term of this contract or for 18 months, whichever is less. [emphasis added]
	Seminole State College of Florida	President shall receive as agreed liquidated damages the salary due on the balance of the contract [emphasis added] as compensation for termination without cause.

Source: State college president employment contracts and policies and procedures supplied by the state colleges

Two (2) of the presidents' contracts have "without cause" severance pay language that, as of July 1, 2011, were contrary to the statute because they could exceed the 20 week limit. However, these contracts have not been signed or amended since the statute

went into effect. Exhibit 14 lists these two (2) state colleges and the applicable contract language.

Exhibit 14: Severance Pay Language – Contracts Signed/Amended Prior to 7/1/11

Florida College	"Without Cause" Severance Language (prior to 7/1/11)
Gulf Coast State College	The president shall be paid his annual salary for the remainder of the term [emphasis added] of this contract.
2. State College of Florida, Manatee-Sarasota	The president shall receive, in lump sum form, the balance of the base salary due on this contract. [emphasis added]

Source: State college president employment contracts and policies and procedures supplied by the state colleges

The presidents' contracts at Chipola College, Indian River State College, Miami Dade College and St. Petersburg College were silent about severance pay if the president were to separate from the college "without cause."

The president's contract at Daytona State College contains language regarding severance pay when the president separates from the college "for cause/misconduct" that is contrary to Florida Statutes. The contract states "The Board shall not pay the President any severance pay in excess of six (6) weeks as set forth in F.S. 215.425(4)(a)." However, Section 215.425, F.S., prohibits severance pay when an employee is fired for misconduct, but allows for a maximum of six weeks' severance if the severance pay represents the settlement of an employment dispute.

Additional Perquisites

Chapter 215, F.S., sets provisions for bonus or severance pay.

Section 215.425(4)(a), F.S., states:

On or after July 1, 2011, a unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay with an officer, agent, employee, or contractor must include the following provisions in the contract:

1. A requirement that severance pay provided <u>may not exceed an amount greater than 20 weeks of compensation</u>. [emphasis added]

Section 215.425(4)(d), F.S., defines severance pay:

As used in this subsection, the term "severance pay" means the actual or constructive compensation, including salary, benefits, or <u>perquisites</u> [emphasis added], for employment services yet to be rendered which is

provided to an employee who has recently been or is about to be terminated. The term does not include compensation for:

- 1. Earned and accrued annual, sick, compensatory, or administrative leave;
- 2. Early retirement under provisions established in an actuarially funded pension plan subject to part VII of chapter 112; or
- 3. Any subsidy for the cost of a group insurance plan available to an employee upon normal or disability retirement that is by policy available to all employees of the unit of government pursuant to the unit's health insurance plan. This subparagraph may not be construed to limit the ability of a unit of government to reduce or eliminate such subsidies.

We noted six (6) state college presidents' contracts contain post-employment perquisite language. Exhibit 15 lists these examples.

Exhibit 15: Post-Employment Perquisite Contract Language

State College - Post-Employment Perquisite Contract Language

- Daytona State College Compensation: In consideration of the modification to the term of the agreement in section 7 of the original agreement, the president's severance/deferred compensation in the salary schedule and general provisions shall be increased from thirty (30) days to sixty days (60) days. [emphasis added]⁵⁷
- 2. Florida State College at Jacksonville (former president) Contingent upon execution by the president of a Release and Severance Agreement in a form satisfactory to the college releasing any and all claims that he may have against the college, the college shall pay the president severance pay an amount equal to twenty (20) weeks prorated salary payable in a lump sum within thirty (30) days of such termination. In addition, the college shall pay the amount due for continued COBRA coverage for the president and the president's dependents [emphasis added] under the college's medical and dental plans, should he elect such coverage, for the period during which he is entitled to receive continued annual salary installments under this subsection.
- 3. Miami Dade College During the term of this contract, the board shall provide to the president a leased automobile costing no more than eight hundred and fifty dollars (\$850.00) per month [emphasis added] and reasonable customary down payments. Also provided are full automobile insurance, repair and maintenance, and a gasoline credit card. [emphasis added] Upon the termination of this contract for reasons other than by the board for "cause" pursuant to Section 3 of the contract, the board shall buy out the lease and purchase the vehicle and thereafter transfer ownership [emphasis added] to the president free and clear of any encumbrances. Non-state funds shall be used for this purpose.

⁵⁷ Daytona State College's September 15th, 2011, board meeting minutes reflect a proposal to increase the president's deferred compensation from thirty (30) to sixty (60) days. The minutes state this was due to new state laws that went into effect July 1, 2011. The proposal was accepted and the deferred compensation days were increased to sixty (60) days a year.

State College - Post-Employment Perquisite Contract Language

The board shall provide the president a continuing contract [emphasis added] with a 10% reduction in base salary and salary supplement effective not earlier than twelve months after contract termination. This provision shall survive the expiration or earlier termination of this contract.

The board shall supply, install and maintain a computer, printer, and fax machine at the president's home [emphasis added] with the necessary peripherals, software and hook-ups with the college's systems and internet for the president's use during the term of this contract. The president may use said computer for college and personal use [emphasis added] and may receive training at the college's expense for such use. Upon the president's retirement or termination for reasons other than "cause," the equipment and related accessories shall be transferred to and become the property of the president [emphasis added] and thereafter shall be maintained at his expense.

The board shall provide the president lifetime health insurance [emphasis added] under the college health insurance program, and shall compensate the president for the full cost of a yearly comprehensive physical examination during his tenure as president.

At the termination of this contract, the board shall provide the president a one year sabbatical with full pay and benefits [emphasis added] in recognition of his many years of service to the college.

4. Santa Fe College - Upon termination of the president's employment as president under the agreement for any reason other than for cause as set forth in section 1(f), the board agrees that ownership of the vehicle [emphasis added] then being provided to the president shall be transferred to him [emphasis added] in fee without encumbrance.

Upon termination of the agreement by the president or termination for convenience by the board as set forth in sections 1(g) and 1 (h), respectively, the group health, dental, and vision insurance premium payments [emphasis added] shall continue at the level of those in place at the time of his separation from service for the remainder of his life. [emphasis added]

5. Seminole State College of Florida - Notwithstanding the provisions of paragraph 4(1) of this contract, upon the president's retirement or the termination of her employment by the college, the board agrees to immediately pay any remaining balance due on the lease [emphasis added] or any other encumbrance on the vehicle used by the president pursuant to this contract and provide her with full and complete and clear title [emphasis added] to the said vehicle.

State College - Post-Employment Perquisite Contract Language

The board agrees to provide and maintain for the president for her use during the term of this contract a fax machine and a personal computer with printer, [emphasis added] with the necessary peripherals, including, but not limited to, software and applicable hook-ups with the college's systems internet access. This equipment shall be located at her residence and at an alternate site designated by her for use in the performance of her duties as president. Upon the president's retirement or termination, this property shall be transferred to and become property of the president [emphasis added] and shall thereafter be maintained at her expense.

The board agrees to pay all insurance coverage of any kind, including deductibles and co-payments, provided for in the contract and this addendum until the president's death, [emphasis added] and any provision of the contract and this addendum dealing with same shall survive the termination of the contract.

6. Tallahassee Community College - The board may terminate the president's employment as the president at any time without "cause". In the event of such a termination of employment without cause, the president, at his option, may remain employed in a position other than president at the college through November 14, 2014. The president shall be paid at the same rate of pay and with the same benefits [emphasis added] (excluding any benefits provided hereunder that would be lost in the event of such a termination) as is in effect on the date of the termination. The right to terminate the president's employment as the president shall be contingent on execution of a release and waiver of claims in a form acceptable to the president and the board.

Source: State college president employment contracts and policies and procedures supplied by the state colleges

Summary of Longevity or Retention Incentives

Seven (7) of the twenty-eight (28) state colleges offer longevity or retention incentives in the presidents' contracts to encourage the president to remain at the college. These incentives are only payable if the president remains at the state college for an agreed period of time. As shown below, the additional incentives range from \$10,000 per year to \$63,333 per year. As these incentives are only payable upon the completion of the agreed upon period of time, five (5) of the seven (7) state colleges did not include these incentives in Total Compensation on the Division survey. Exhibit 16 lists longevity or retention incentives contained in the contracts.

Exhibit 16: Longevity or Retention Incentives Contract Language

State College - Longevity or Retention Incentives Contract Language

1. Indian River State College: The board desires to retain the president in employment at the college. In furtherance thereof, the board created a longevity and retention incentive. Payment of the incentive is contingent upon the board's acceptance of the presidents' favorable annual performance review. In addition, the annual amount is paid out in August, as an incentive, once the president has signed his contract for the following fiscal year. The board sets aside an amount equal to 10% of the president's then annual base salary. The college is the owner of the underlying security within this incentive agreement.

This college did not include the bonus on the Division survey.

2. Lake-Sumter State College: The board desires to retain the president in employment at the college. In furtherance thereof, the board agrees to create a deferred compensation plan which will be owned by the college, until hereafter provided. The board agrees to fund the plan annually through and including 2015-2016. The initial contribution was made in July 2010 for fiscal year 2010-2011 in the amount of \$37,500 and pursuant to contract the amount is to increase 3% per year thereafter. Therefore, the contribution made in July 2011 for fiscal year 2011-2012 was \$38,625 and thereafter shall be as follows: \$39,783.75 for fiscal year 2012-2013; \$40,977.26 for fiscal year 2013-2014; \$42,206.78 for fiscal year 2014-2015; and \$43,472.98 for fiscal year 2015-2016. The plan funds will be disbursed to the president only upon successful completion of five years' service to the college with a commencement date of July 2010.

This college reported the bonus as Deferred Compensation and included the amount in the president's Total Compensation on the Division survey.

3. Pasco-Hernando Community College: For each year, during the first five years of service in which the president receives a satisfactory evaluation by the board, the board shall declare for the president a longevity and performance bonus in the amount of \$10,000.00. [emphasis added] Each annual bonus shall be invested in the name of the board. At the conclusion of five years of satisfactory service, the board shall pay the accrued bonus deposits together with any interest accrued, to the president as a longevity and performance bonus.⁵⁸

This college reported the bonus as Other Compensation/Benefits and included the amount in the president's Total Compensation on the Division survey.

⁵⁸ This bonus language is in the president's contract entered into in November 2004. The president requested to extend the bonus in January 2010 and it appears to still be in effect.

State College - Longevity or Retention Incentives Contract Language

4. Santa Fe College: Incentive Compensation Fund. In order to provide an incentive for the president to remain in the employ of the board and refrain from exercising his right to terminate this agreement with notice as herein provided, on January 1, 2008, January 1, 2009, January 1, 2010, and January 1, 2011, the Board shall set aside an amount equal to 10% of the president's then annual base salary to a participant account established pursuant to the president's Incentive Compensation Plan ("Plan"), a copy of which is on file and incorporated in its entirety into this Agreement (such amounts were already set aside in the amount of 9% of the president's then annual base salary in accordance with earlier agreements for this purpose on January 1, 2004, January 1, 2005, January 1, 2006, and January 1, 2007). The terms of the Plan and the trust established pursuant to the Plan shall govern in all material respects the administration of benefits to be paid as incentive compensation and the responsibilities of both the board and the president with respect to benefits entitlement thereunder.

This college reported the bonus as a non-compensatory item on the Division survey, and the amount was not included in the president's Total Compensation.

5. Seminole State College: The board agrees to pay the president a retention incentive for continued employment to be calculated at 8% of the president's annual base salary each year from January 1, 2010 through December 31, 2013. The president shall only be entitled to this retention incentive if she stays in office through December 31, 2013. Said incentive shall be paid to the president in a lump sum on or before December 31, 2013.

This college reported the bonus as a non-compensatory item on the Division survey, and the amount was not included in the president's Total Compensation.

6. Tallahassee Community College: Incentive Compensation. Commencing with calendar year 2012, the president shall receive a credit in the amount of Thirty Thousand Dollars (\$30,000) for each year [emphasis added] (or portion of a year) that he shall remain as president until he reaches his normal retirement date subject to the conditions specified below. These credited amounts are referred to as his account. Upon becoming vested as specified below in Paragraph (a) the president shall be entitled to receive a benefit equal to the amount credited to his account as provided below.

This college did not include the bonus on the Division survey.

State College - Longevity or Retention Incentives Contract Language

7. Valencia College: Additional Compensation For Retention. In furtherance of the board's desire to retain the president in employment at the college, and upon the president's completion of three (3) years of employment under this provision and pursuant to this agreement, up to and including June 30, 2015, the president shall receive one hundred ninety thousand dollars (\$190,000.00) as retention pay compensation. [emphasis added] This retention pay compensation is considered to be compensation for services rendered, and not for services yet to be rendered. Except as provided in paragraph (8) herein, following president's completion of three (3) years of employment under this provision and pursuant to this agreement, the retention pay compensation shall be paid by the board to the president in lump sum or otherwise in a manner that is mutually agreeable to the board and president.

NOTE: Valencia College did not report a payment of a contractual bonus for 2009, 2010, and 2011 in response to the Division survey of presidential compensation. A lump sum bonus payment of \$190,000 was made to the president in July 2012. This lump sum payment means that Valencia's president was the highest paid college president in 2012-2013.

Source: State college president employment contracts and policies and procedures supplied by the state colleges

Summary of Contract Duration

Eleven (11) of the twenty-eight (28) state college presidents have a three-year employment contract with the state college. Eight (8) state college presidents have a contract with the state college for a four-year term. The remaining nine (9) presidents have contract terms of one, two, or five years. We noted eleven (11) instances where state college presidents have a "rolling contract" that automatically renews each year, thereby extending the contract for its initial term without requiring a signed extension or amendment.⁵⁹ The current contract durations for the twenty-eight (28) state college presidents are included in Appendix A.

Summary of Other Terms

Six (6) of the twenty-eight (28) state colleges tied a portion of the president's compensation to performance and two (2) state colleges included a non-performance penalty in the contract. Exhibit 17 lists performance compensation or non-performance penalty language contained in the applicable state college president's contract.

⁵⁹ College of Central Florida; Florida Gateway College; State College of Florida, Manatee-Sarasota; North Florida Community College; Palm Beach State College; Pasco-Hernando Community College; Polk State College; St. Johns River State College; Santa Fe College; Seminole State College of Florida; South Florida State College.

Exhibit 17: Performance Compensation or Non-Performance Penalty Contract Language

State College – Performance Compensation or Non-Performance Penalty Contract Language

- 1. Brevard Community College: On the condition the president exceeds the expectations of the board and earns an above average score on his annual performance evaluation (a 4.0 or higher on a 5 point scale based on the 3 highest trustee evaluation scores), the president shall accrue deferred retirement days as follows: A. If the president achieves a score of at least 4.0 but less than 4.5, the president shall earn 2.5 days per month for the year under evaluation. B. If the president achieves a score of 4.5 or higher, the president shall earn 3.0 days per month for the year under evaluation. Said days earned by the president shall be paid upon his separation of service by multiplying the total accumulated days by 100% of the then daily rate.
- 2. Broward College: During the employment period, the college president will be eligible to receive merit increases in the amount of the base salary paid hereunder in accordance with the following terms and conditions. The board and the college president shall identify mutually desirable targets and goals which shall be reviewed annually. The college president's achievement of these targets and goals shall be determined in the sole discretion of the board. The board in its sole discretion shall determine the amount of merit increases, if any, to be awarded to the college president hereunder.
- 3. Lake-Sumter State College: The president shall be eligible for performance incentives for achievements as measured by the fourteen (14) performance-based indicators attached to this contract. The total performance incentive payment will be a maximum of 12% of annual salary. Any performance incentive payment for results reported in the 2012-13 year shall be paid by August 31, 2013. Any performance incentive payment for subsequent years shall be paid by August 31 of the corresponding year. Total performance incentive payment will be in accordance with the schedule set forth in exhibit A which is attached hereto and incorporated herein once signed and dated by the president and the chairperson of the district board of trustees of Lake-Sumter Community College. Exhibit A indicators may be amended as determined by the board, provided the total performance incentive payment does not exceed the maximum, and the president is in agreement.
- 4. **Miami Dade College**: In the event prescribed services have not been completed on the final day of this contract's term, the board may withhold the last month's salary until such duties have been performed.
- Palm Beach State College: In the event prescribed services have not been completed on the final day of this contract term, the board may withhold the last month's salary until duties have been fully performed.

State College – Performance Compensation or Non-Performance Penalty Contract Language

- 6. **St. Johns River State College**: Once annually, the board may also provide the president with a performance bonus in an amount not to exceed ten percent (10%) of his base salary for achieving certain goals and objectives established jointly by the board and the president.
- 7. Seminole State College of Florida: An incentive of \$1,000 will be awarded for the achievement of each of the contract's [thirteen (13)] enumerated performance incentive accomplishments.
- 8. Valencia College: During the employment period; the board and the president shall identify mutually desirable targets and goals which shall be reviewed annually and agreed upon as annual performance expectations for the president. The quality of the president's achievement of these targets and goals shall be determined in the sole discretion of the board, with each board member rating the president's achievement of each target and goal from a low of one (1) to a high often (10). The individual ratings of the board shall be averaged and rounded up to the nearest whole number to produce the board rating. The following board ratings shall, in the absence of mutual written agreement otherwise, result in the following merit increases to the president's base salary, and other compensation and compensable benefits as deemed appropriate by board:

Board Rating, Evaluation Category, Merit Increase

1-4, Not Satisfactory (N), No Increase

5-7, Satisfactory (S), College Increase

8-10, Excellent (E), 8 - College Increase + 2.5%; 9 - College increase + 5%; 10 -

College Increase + to be determined by the board.

Source: State college president employment contracts and policies and procedures supplied by the state colleges

Reported Compensation Source

Section 1012.885(4), F.S., ⁶⁰ states "... for the 2012-2013 fiscal year, a Florida College System institution president may not receive more than \$200,000 in remuneration from appropriated state funds." ⁶¹ Also, any remuneration in excess of \$200,000 must be paid out of other funding sources, including student fees, direct support organizations (i.e. foundations), auxiliary services ⁶² and earned investment income.

The Division survey shows the funding sources reported by the state colleges to compensate the state college presidents. Based on our review of the contracts and data

Section 1012.885(2), F.S., Limitation on Compensation — Notwithstanding any other law, resolution, or rule to the contrary, a Florida College System institution president may not receive more than \$225,000 in remuneration annually from appropriated state funds. Only compensation, as defined in s. 121.021(22), F.S., provided to a Florida College System institution president may be used in calculating benefits under Chapter 121.

⁶¹ State funds are the monies appropriated by the legislature each year.

⁶² Auxiliary services may include bookstore, cafeteria, and vending operations.

reported by the state colleges to the Division, all of the state colleges appear to fund state college presidents' salaries consistent with statutory requirements.

CIG CONCLUSIONS AND RECOMMENDATIONS

Compensation

We noted the total compensation reported for the twenty-eight (28) state college presidents in FY 2012-2013 ranged from \$143,866 to \$630,157 for a reported total of \$9,811,292 paid from state appropriated funds, student fees, auxiliary funds, direct support organizations' funds, grants and other non-state college funds. We noted that the state college presidents' reported compensation included some or all of the following: salary, annuities, deferred compensation, vehicle provisions, housing allowances, major medical insurance premiums, leave, incentives, and other compensation/benefits including annual physical exams, cell phones, internet access, relocation expenses, and memberships/dues.

We also noted that some college presidents receive post-employment perquisites including but not limited to the transfer of ownership of the vehicle provided by the colleges to the president, computer equipment, one year sabbatical with full pay and benefits, or health insurance for life after employment with the college ends.

We noted one statute limiting the amount that can be paid for the presidents' salaries from state appropriated funds. We also noted that each of the twenty-eight (28) state colleges reported compliance with this statute to the Division as required. However, we found that: 1) there were no standardized parameters for boards of trustees to use to determine the reasonableness of the total compensation for the state college presidents or the factors upon which the total compensation is based; and, 2) the forms and amounts of compensation varied across colleges.

Therefore, we recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' total compensation is determined, document the factors upon which compensation is based and standardize this methodology across state colleges.

We also noted instances where the total value of the presidents' compensation was not readily transparent in that many of the contract terms did not contain assigned values. Some contract terms contained benefits payable to the presidents for life or benefits not yet earned making it difficult to ascertain the full financial obligation on the colleges from these contracts.

Therefore, we recommend that the boards of trustees ensure that the employment contracts stipulate the form and value of each form of compensation received by a president to ensure that the short-term and long-term liabilities of the colleges are properly recorded and are fully transparent. We also recommend that the Division

⁶³ Valencia College did not report a payment of a contractual bonus for 2009, 2010, and 2011 in response to the Division survey of presidential compensation. A lump sum bonus payment of \$190,000 was made to the president in July 2012. This lump sum payment means that Valencia's president was the highest paid college president in 2012-2013.

establish guidance for the state colleges to ensure each form of compensation and the total value of the presidents' compensation are consistently and accurately reported on the Division survey, and communicate the reporting expectations to the state colleges.

Leave

We noted one governing statute that limits the amount of sick leave that a state college president can earn.

We noted that the number of hours and type of leave that could be earned by the state college presidents varied by college and thirteen (13) of the twenty-eight (28) college presidents could earn "other leave" in addition to annual and sick leave. More specifically, we noted the following:

- The total amount of leave that could be earned by the college presidents each year ranged from twenty-eight (28) days to seventy-six (76) days. The number of days that could be earned for leave was in addition to paid holidays or possible days off during school closures between sessions, e.g. spring break and winter break. The number of days for school closures was not required to be reported as compensation, benefits, or leave to the Division on the Division Survey;
- Ten (10) of the twenty-eight (28) current contracts with the college presidents or college policies allow the president to be paid for unused leave days at the end of each contract year at the president's discretion. These leave payouts range from five (5) to forty-two (42) days payable at the rate of their current annual salary;
- One (1) college has a policy in effect that allows the president and other senior managers to earn compensatory leave or overtime pay; and,
- One (1) college has a policy that allows for each employee designated as senior management including the president to be credited with 120 hours of sick leave on July 1 of each fiscal year. This allotment of 15 days of sick leave exceeds the 12 day limitation established in statute.

We recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' leave benefits are determined, document the factors upon which this is based and standardize this methodology across state colleges. We also recommend that the applicable college amend their policy to comply with the statutory limits outlined in Section 1012.865(2)(a), F.S.

Severance Pay

We noted one governing statute that limited the number of weeks of severance pay that can be paid to the state college presidents upon separation from employment.

The twenty-eight (28) state college presidents' contracts were reviewed for compliance with Section 215.425, F.S. and we noted that the contract language for severance pay varied across colleges. For example, some of the state colleges have presidential contracts that contain severance pay language if the president separates from the college "without cause"; some contracts address severance pay if the president separates from the college "for cause"; some contracts were silent about the conditions when severance pay was paid; and, some contracts, as written, were contrary to statute because the amount exceeded the 20 week limit outlined in statute.

We also noted the following:

- Eleven (11) college presidents' contracts contain severance pay language if the
 president separates from the college "without cause" contrary to Section
 215.425(4)(a), F.S. However, two (2) of these contracts had not been signed or
 amended since the statute took effect;
- One (1) college contains "for cause/misconduct" severance pay language contrary to statute;
- Six (6) colleges provide their presidents with post-employment perquisites that when combined with the severance pay could exceed the allowable severance pay in Section 215.425(4) F.S.; and,
- Four (4) colleges did not include any severance language in their president's employment contract when the president separates from the college "without cause" and additional severance language is necessary to ensure compliance with statutes.

We recommend the board of trustees for those colleges with contracts that do not comply with statute amend the presidents' employment contracts to be consistent with the statutory requirements. We also recommend that the boards of trustees ensure that future employment agreements contain provisions for severance pay requirements consistent with Section 215.425(4), F.S.

We recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' severance benefits are determined, document the factors upon which this is based and standardize this methodology across state colleges.

Other

During our review, we noted that eleven (11) college presidents have a "rolling contract" that automatically renews each year, thereby extending the contract for its initial term without requiring a signed extension or amendment by the board of trustees. This practice has the potential to allow colleges not to amend their contracts in a timely manner to comport with changes to statutes.

We also noted that only eight (8) of the twenty-eight (28) colleges tied the presidents' contracts to performance.

We recommend that each board of trustees adopt a practice to ensure that the contracts with the state college presidents are reviewed periodically and affirmatively approved at specific and reasonable intervals to ensure compliance with any recent law changes. We also recommend that each of the twenty-eight (28) college boards of trustees tie the presidents' continued employment and compensation to specific performance goals and expectations that are outlined in the employment contract and the annual performance evaluation. We recommend the college boards of trustees provide copies of any amended contracts to the Division.

Finally, we recommend that the Division ascertain whether any of these recommendations should be codified in statutes and, if so, seek legislative action in consultation with the Department of Education and the Executive Office of the Governor.

APPENDIX A

Appendix A

		: £ 2	Contract	d	2012-13	Annualithan	- - -	Deferred		Vehicle	Housing		Major Medical		FRS/Replacement	miteri	Como	Other	Comp	Total
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-	Bravard Community College	02/06/12	2/6/12 - 2/5/15	**	293,845			81,164	**	10,800	un			16,518	is-	23,626	**	28,857		453,787
7	Broward College	07/08/07	7/1/12 - 6/30/17	-	373,000	•		27,000	••	14,400	un.	,		17,000		23,500	**	,	19	454,800
6	College of Cermal Florida	01/01/112	1/1/12 - 12/31/14	44	200,000	49	*		-	4,500	44	,	60		64	12,600	69	13,000	40	230,100
4	Chipola College	01/01/99	7/1/12 - 3/31/14		184,048	107	-	16,405	-	28		,		5,02		10,335	••	-		202,477
un .	Daytona State College	08/03/11	8/3/11 - 8/2/14	•	274,300	••		12,72	*	1	w		80	6,358	•	25,620	10	1,500	44	364,009
υ	Edison State College	67/51/12	7/31/12 - 6/30/15	49	275,000				"	12,000				4,528		34,500			ın	332,028
	Florida State College et Jacksonville (former president)	08/01/97	7/1/12 - 6/30/18		328,243	8 50,000	8	22,500	••	1,301	% 49	25,000		18,128	•	34,780	•	23,625	40	504.596
.00	Florida State College at Jacksonville (fourper president) consulting agreement)	01/01/13	1/1/13-12/31/13	•	320,621	\$ 25,000	8	11,250	w	921	*	12,500		9,563	v»	17,397	645	11,817	44	408,798
e	Florida State College at Jackscenväle (enterin president)	01/25/13	1/21/13 - until released by Board	•	270.000				.	8.000	*	24,000	at)		*	•	•	1	*	300,000
	Florida Keys Community College	07/01/12	7/1/12 - 06/30/15	67	180,000	1/2			•		"			7,162		11,340	••		19 7	198,492
6	Guif Coast State College	06/01/07	7/1/10 - 7/30/14	49	231,318	**		,	44	7,908	8/2		-	1,332	**	13,452	6 7	1,320	60	255,330
9	Hisborough Continunity College	07/01/10	7/1/10 - 6/30/13	w	234,600	\$ 20,000	000	,	10	10,000	22	25,000		B,103	44	14,780		1,650		315,133
=======================================	Indian River State College	02/01/88	84112 - 84115	4	249,300				••	<u>8</u>	MP.	,	•	717,0	- 445	48,500	40	82,086	40	384,804
57	Florida Gateway College	07/01/97	7/1/12-8/30/15	-	225,208	1 22,054	22		**	7,116			40	12,170		14,188		5,877	un.	287,414
2	13 Lake-Sumber State College 07/01/02	07/01/02	7/1/12 - 8/30/18	us.	203,344	19	•	187,8E	-	3,300	••		49	12,732	•			28,301		287,521
7 >	State College of Florida, Manates-Serasola (former president)	07/01/08	57111-91118		284,188			18,500	40	4.500	и		40	20,727	dep.	19,847		17,427		363,168
3	State College of Florida, Manatee-Serasota*	03/14/13	3/18/13-3/18/15		235,000	\$ 25,000	9	14,271	*	1,663	R ••	20,000	••	5,712	•	30,000		14,600	*	346,446
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FLORIDA DEPARTMENT OF EDUCATION



STATE BOARD OF EDUCATION

GARY CHARTRAND, Chair

Members

ADA G. ARMAS, M.D.

SALLY BRADSHAW

JOHN A. COLON

BARBARA S. FEINGOLD

JOHN R. PADGET

KATHLEEN SHANAHAN

Dr. Tony Bennett Commissioner of Education



May 8, 2013

Ms. Melinda M. Miguel Chief Inspector General Executive Office of the Governor Room 2103 – The Capitol Tallahassee, Florida 32399-0001

Dear Ms. Miguel:

We have received a copy of the report of the Office of the Chief Inspector General's Review of Florida State College Presidents' Compensation. Thank you for the opportunity to respond.

Your report includes several recommendations to college boards of trustees and/or the Division of Florida Colleges regarding Florida College System presidents' compensation as well as the format of contractual terms, performance goals, expectations, and annual evaluations. The Division of Florida Colleges will work diligently with college boards of trustees, each college president, and their staff to implement your recommendations to the fullest extent possible.

Your report also identifies individual instances where a college president's contract terms do not conform to current law. In several cases, we have learned the college president's contract has been, or will soon be, modified to conform to the law as amended in 2011 and 2012.

Thank you again for the opportunity to respond and I look forward to continuing our work with each Florida College System institution in this endeavor.

Sincerely,

Randy Hanna

RECEIVED

MAY 9 2013

Governor's Office Chief Inspector General

RH/skh

RANDALL W. HANNA CHANCELLOR, THE FLORIDA COLLEGE SYSTEM

325 W. GAINES STREET • TALLAHASSEE, FL 32399-0400 • (850) 245-0407 • www.fldoe.org/fcs





President

James H. Richey, J.D.

Board of Trustees

Alan H. Landman, Chair Slephen G. Charpentier, Vice Chair Myra Igo Haley Dewey L. Harris Moses Harvin Sr.

District Administration

1519 Clearlake Road Cocoa, Florida 32922 321/632-1111 Fax: 321/433-7065

Cocoa Campus

1519 Clearlake Road Cocoa, Florida 32922 321/433-7060 Fax: 321/433-7064

Melbourne Campus

3865 N. Wickham Road Melbourne, Florida 32935 321/433-5502 Fax: 321/433-5618

Paim Bay Campus

250 Community College Pkwy. Palm Bay, Florida 32909 321/433-5150 Fax: 321/433-5305

Titusville Campus

1311 North U.S. 1 Titusville, Florida 32796 321/433-5078 Fax: 321/433-5113

Website

www.brevardcc.edu



Office of the President • 1519 Clearlake Road • Cocoa, Florida 32922 • 321/433-7000 • Fax: 321/433-7005

April 29, 2013

Melinda Miguel Chief Inspector General Office of the Governor 400 S. Monroe Street Tallahassee, FL 32399-0001

Re: Inspector General's Report

Dear Chief Inspector General Miguel:

I would like to thank you and Governor Rick Scott for the draft report that was recently sent to me titled "Review of Florida State College Presidents' Compensation."

I will study the findings in their entirety and in great detail, and will look to address any applicable changes that have been recommended as necessary in the future.

I deeply appreciate the work your office is doing to maintain the high standards of the Florida College System that guide me in my role as Chair of the District Board of Trustees of Brevard Community College.

Again, thank you for your efforts on this important matter.

Sincerely

Alan Landman, Chair District Board of Trustees Brevard Community College

RECEIVED

MAY 3 2013

Governor's Office
Chief Inspector General



Office of the General Counsel and Vice President for Public Policy and Government Affairs Willis Holcombe Center 111 East Las Olas Boulevard, Fort Lauderdale, FL 33301 Phone 954-201-7410 / Fax 954-201-7357

May 9, 2013

Via Email (Melinda.Miguel@eog.myflorida.com)

Melinda Miguel Chief Inspector General Florida Inspectors General Office of the Chief Inspector General Room 2103 – The Capitol Tallahassee, FL 32399

Re: Review of Florida State College Presidents' Compensation, Report Number 2013-12

Dear Ms. Miguel:

We have analyzed the Review of Florida State College Presidents' Compensation, Report Number 2013-12, and we found it to be thorough and timely. In addition, it will be very helpful in guiding the respective boards of trustees and colleges within the Florida College System. There is a clear focus on performance, compliance with the law, and accountability to Florida's tax payers. We share this focus, and are willing to make all changes necessary to epitomize such focus.

We have no comments specific to Broward College President J. David Armstrong, Jr.'s contract.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Gregory A. Haile, Esq.

m a.Mil

General Counsel and Vice President for

Public Policy and Government Affairs

Broward College

cc:

J. David Armstrong, Jr., Broward College President Randy Hanna, Division of Florida Colleges Chancellor



College of Central Florida

Office of the President

May 7, 2013

Ms. Melinda Miguel
Office of the Chief Inspector General
Suite 2103, The Capitol
Tallahassee, FL 32399

Dear Ms. Miguel:

The College of Central Florida appreciates the findings and recommendations contained in the report of the Office of the Chief Inspector General's Review of Florida College System Presidents' Compensation. On behalf of the District Board of Trustees, I am proud to state that the Board reviewed a variety of measures from the Florida College System institutions when considering the pay and benefits for our president, Dr. James D. Henningsen. We take our responsibility as a Board and steward of Florida taxpayer resources very seriously and also want to ensure that we hire and retain the best possible individual to lead our institution and support our community's economic and cultural growth.

The findings identify that the contract with Dr. Henningsen contains a severance clause that does meet state statute. We are in agreement with this finding and will make the necessary changes to his contract to ensure compliance. Thank you for the opportunity to provide input during this process.

Sincerely,

Chair, District Board of Trustees

RE:cr

cc: James D. Henningsen, Ed.D.



CHIPOLA COLLEGE

A Higher Degree of Success
3094 Indian Circle Marianna, Florida 32446-2053 850-526-2761
www.chipola.edu

May 2, 2013

VIA EMAIL (Melinda.miguel@eog.myflorida.com)

Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

Dear Ms. Miguel:

I reviewed the revised copy of the draft report of the Office of the Chief Inspector General's Review of Florida State College Presidents' Compensation. The report makes several recommendations for the drafting of a State College Presidents' contract. It also contains recommendations for language to be considered for future contracts. The report does not make any finding that the Chipola College President's contract is in violation or contrary to any of the existing statutory provisions on College Presidents' compensation.

The Chipola College District Board of Trustees will work with the Division of State Colleges to incorporate the recommendations into the next revision of the President's contract.

Sincerely,

'Jan Page, Chairman District Board of Trustees



May 6, 2013

Office of the President

Ms. Melinda Miguel Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

Via: e-mail to melinda.miguel@eog.myflorida.com

Re: Revised Copy of the Draft Report of Florida State College Presidents'

Compensation

Report Number 2013-12, April 24, 2013

Dear Ms. Miguel:

On behalf of the District Board of Trustees of Daytona State College, the following preliminary response is submitted in the above-referenced matter. The preliminary response includes the action taken by the Board of Trustees on April 18, 2013, based on the first draft of the report dated April 5, 2013. The Board of Trustees will also review this preliminary response and all matters incorporated herein at the Board of Trustees's retreat on May 10, 2013. I can assure you that the entire Board of Trustees will peruse the findings and recommendations. If any further action is warranted, the matter will placed on the Board agenda at its next meeting on May 30, 2013. The revised draft report dated April 24, 2013, does not set forth any specific order for responses, and therefore, the preliminary response does not provide any particular order.

- 1) Daytona State College is in compliance with Section 1012.865(2)(a). Daytona State College, in consultation with the Florida Department of Education (DOE) Division of Florida Colleges (Division), will establish the parameters and methodology for the President's compensation.
- 2) Daytona State College agrees that its employment contract is clear and properly recorded. The President's employment contract will also include assigned values as previously reported to the Division.
- 3) Daytona State College disagrees with the interpretation in the above-referenced report related to severance pay without cause and termination with cause in the President's employment contract. The findings were based on the implication that a future employment agreement could authorize payments in excess of the statutory limits. The employment contract specifically incorporates the pertinent statute in both provisions. Moreover, the language was approved in consultation with the State

Auditor General's Office. Notwithstanding the foregoing, the Board of Trustees, in consultation with the Division, amended the President's employment contract at its Board meeting on April 18, 2013, to resolve the two (2) disputed issues.

- 4) The President's employment contract is a fixed term and reviewed annually pursuant to Board policy 6.16(II)(D)(1).
- 5) The recommendation for the President's performance pay tied to specific goals and expectations will be deliberated at the Board's annual retreat on May 10, 2013, and at the Board meeting on May 30, 2013.

I trust this response will satisfy the recommendations set forth in the draft copy of your report. Please contact me if you have any questions related to our preliminary response.

Sincerely,

Dwight D. Lewis

Chairman

District Board of Trustees

Dwight D. Gewin

Daytona State College



RECEIVED

MAY 8 2013

May 7, 2013

Governor's Office Chief Inspector General

Ms. Melinda M. Miguel Chief Inspector General Office of the Chief Inspector General Room 2103 - The Capitol Tallahassee, FL 32399-0001

Dear Ms. Miguel,

I write to provide the response of Edison State College to the Inspector General's Revised Audit Report dated April 24, 2013. I first want to commend you and your staff for a very thorough report. In your report you recommend that Edison State College amend its contract with the President to delete a provision discussed at page twenty-four of the draft report. In response I wanted to advise that in accordance with your recommendation a revised contract with the College's president will be prepared and presented to the District Board of Trustees which will delete the provision.

I would also like to respectfully call to your attention to Section 215.425(2)(a), Florida Statutes, which limits the operation of Section 215.425, as follows:

(2) This section does not apply to:

(a) A bonus or severance pay that is paid wholly from nontax revenues and nonstate-appropriated funds, the payment and receipt of which does not otherwise violate part III of chapter 112, and which is paid to an officer, agent, employee, or contractor of a public hospital that is operated by a county or a special district. . . (emphasis added).

On behalf of the Board of Trustees I would like to thank you for your report and your consideration of the foregoing.

Yours Truly,

Marjorie Starnes-Bilotti

Chair, District Board of Trustees

orie Starnes - Relatti



May 8, 2013

Ms. Melinda Miguel Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

Dear Chief Inspector General Miguel:

Thank you for your letter dated April 24th along with the draft Florida State College Presidents' Compensation report. As the Florida Gateway College Board of Trustees Chair, I am currently reviewing the report and recommendations. The Board will plan a study session to analyze the report findings and work with legal counsel to address the following topics:

- Amend President's contract from "rolling" to annual.
- Legal review of president's contract language to ensure compliance with Florida Statutes and modify, as necessary.
- Board will develop specific performance goals and expectations in the President's annual contract tie with the annual evaluation of the President.
- The Board in connection with the Division will prepare the president's contract in compliance with proper parameters for leave and severance benefits,
- The President's compensation will be presented to the Board annually and will disclose the
 value of each form of compensation to ensure short-term and long-term liabilities of the College
 are properly recorded.

Following a complete review by the Board, I estimate having a prepared new annual contract by January 2014 for the 2014-15 year. The FGC Board and President are committed to reviewing the recommendations of your office and adopting necessary changes.

Sincerely,

Thomas M. Riherd, II
Board of Trustees Chair

Florida Gateway College

Thom M. Rihad I

Miguel, Melinda

From:

Antoinette McPherson- Martin [drmartin65@bellsouth.net]

Sent:

Tuesday, May 07, 2013 9:49 AM

To:

Miguel, Melinda

Subject:

Re: Revised Draft Report Regarding the State College Presidents' Compensation

Governor's Office

Office of the Chief Inspector General

May 7, 2013

Dear Ms. Miguel,

I have read your most recent draft report on State Colleges' presidential compensation packages. It accurately reflects Florida Keys Community College's current presidential compensation package with one exception. Regarding vacation days, our current president, Jonathon Gueverra receives 35 days; our previous president, Larry Tyree received 44 vacation days.

I appreciate the meticulous and comprehensive report. It was quite enlightening. I look forward to an ongoing collaborative effort to develop fiscally responsible, as well as equitable presidential packages within the state college system in order to provide our students with the most affordable, high quality education they deserve.

Antoinette Martin, Ph.D. Florida Keys Community College Chair, Board of Trustees

From: "Miguel, Melinda" < Melinda.Miguel@eoq.myflorida.com >

To: alandmanpa@qmail.com; squerin@usis.biz; jan.paqe@communitysouth.net; rewers3@cox.net; ddlewis@cfl.rr.com; marjstar@comcast.net; tom@riherd.net; cwmqwenyates@comcast.net; dbutler@coastalcoverage.com; nwatkins@robertwatkins.com; wernerbols@hotmail.com; tmorris826@aol.com; haferre@aol.com; mwilli145@qmail.com; <u>brianp81@cox.net</u>; <u>d-atalley@comcast.net</u>; <u>bphca@aol.com</u>; <u>emoore@mhw-law.com</u>; <u>mturner@straughnturner.com</u>; hud101@bellsouth.net; howats@ocps.net; tamela59c@gmail.com; Jnels2@aol.com; dgibbons@amscotfinancial.com; carlos@medallionhome.com; dcallen@callenconsulting.com; berticacm@aol.com; drmartin65@bellsouth.net Cc: Bill Law ceatonc@daytonastate.edu; Carol Probstfeld ceatonc@daytonastate.edu; Carol Probstc@scf.edu; Charles E. Meadows <emeadows@pensacolastate.edu>; Charles R. Mojock <mojockc@lssc.edu>; Charles W. Hall <<u>charles.hall@fgc.edu</u>>; Dennis P. Gallon <<u>gallond@palmbeachstate.edu</u>>; E. Ann McGee <<u>mcgeea@seminolestate.edu</u>>; A. James Kerley <<u>jkerley@qulfcoast.edu</u>>; Eduardo Padron <<u>epadron@mdc.edu</u>>; Edwin R. Massey <<u>emassey@irsc.edu</u>>; Eileen Holden <eholden@polk.edu>; Gene Prough cproughg@chipola.edu>; J. David Armstrong Jr. <darmstro@broward.edu>; Jackson Sasser < j.sasser@sfcollege.edu>; James D. Henningsen (Jim < henningj@cf.edu>; Jeff Allbritten < jeff.allbritten@edison.edu>; murdauqi@tcc.fl.edu; Jim Richey <richeyj@brevardcc.edu>; Joe H. Pickens <joepickens@sjrstate.edu>; John Grosskopf <grosskopfi@nfcc.edu>; Jonathan Gueverra <iponathan.gueverra@fkcc.edu>; Katherine Johnson in the first of the first Atwater < katwater@hccfl.edu>; Norman L. Stephens Jr. < norm.stephens@southflorida.edu>; Sanford C. Shugart Will Holcombe < wholcomb@fscj.edu >; "Blackburn, Mike" < mike.blackburn@fldoe.org >; "McDougal, Kim" < Kim.McDougal@LASPBS.STATE.FL.US>; Henry Coxe < HMC@bedellfirm.com>; "Finkbeiner, Chris" < Chris, Finkbeiner@eoq.myflorida.com >; randy.hanna@fldoe.org; charles.bennett@fldoe.org; scott.kittel@fldoe.org; john.holdnak@fldoe.org

Sent: Wed, April 24, 2013 4:19:32 PM

Subject: Revised Draft Report Regarding the State College Presidents' Compensation

Please see attached for the revised draft report and instructions.

Thank you,

Melinda M. Miguel

Case, Dawn

From:

Miguel, Melinda

Sent:

Monday, May 06, 2013 12:51 PM

To:

Case, Dawn

Subject:

FW: IG draft report number 2013-12

From: Holcombe, Willis N [mailto:wholcomb@fscj.edu]

Sent: Monday, May 06, 2013 11:30 AM

To: Miguel, Melinda

Cc: Gwendolyn 'Gwen' Yates; Randy Hanna (randy.hanna@fldoe.org)

Subject: IG draft report number 2013-12

Ms. Miguel,

Thank you for the opportunity to respond to the draft report on Florida State College Presidents' Compensation. I have discussed this response with Ms. Yates, Chair of the FSCJ Board of Trustees, and she is supportive of these comments. I found the report to be a very thorough and thoughtful investigation into the issue of presidential compensation. The recommendations, particularly the one to establish parameters for compensation, are very constructive for the system and will be very helpful to boards and presidents. The transparency that will result from the implementation of these recommendations will bolster public confidence in the local governance of the colleges in the Florida College System. I look forward to working with the Division of Florida Colleges on this issue. Willis Holcombe

Dr. Willis N. Holcombe

Interim College President
Florida State College at Jacksonville
501 W. State St.
Jacksonville, FL 32202
Office 904.632.3222
Fax 904.632.3393
wholcomb@fscj.edu



Hillsborough Community College

Office of the President Dr. Ken Atwater

39 Columbia Drive Tampa, FL 33606 813.253.7050 Fax 813.253,7183

May 6, 2013

Melinda M. Miguel Chief Inspector General Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

RE: REVIEW OF FLORIDA STATE COLLEGE PRESIDENT'S COMPENSATION

Ms. Miguel:

On behalf of the District Board of Trustees of Hillsborough Community College (HCC), we have reviewed the preliminary findings and recommendations outlined in the Inspector General's Review of Florida State College President's compensation. At our regular meeting on April 24, 2013, the HCC Board discussed amending the employment agreement with the HCC's President, Dr. Ken Atwater. The President's employment agreement as amended will be in compliance with the recommendations outlined in the compensation review and in particular, the severance pay provisions as set forth in Section 215.425,(4) (a), F.S.

The next HCC Board meeting on May 29, 2013, and will consider a new amendment to Dr. Atwater's employment agreement. Once approved, a copy of Amendment No. 2 will be provided to the Division as recommended in the report. Should the Division establish further parameters associated with state college president employment contracts, HCC will review the president's contract accordingly, as noted in the report.

Sincerely,

Nancy(H.) Watkins

Chair

District Board of Trustees

cc: District Board of Trustees

Dr. Ken Atwater Mr. Randy Hanna

Werner Bols, Chairperson Phoebe Raulerson, Vice Chairperson Edwin R. Massey, Ph.D., President Steve Tierney, Attorney



Susan Caron Jose Conrado Vicki Davis Mark Feurer Christa Luna Jane E. Rowley J. Brantley Schirard Jr.

Indian River State College District board of trustees

May 3, 2013

Transmitted VIA email

Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, Florida 32399

Dear Ms. Miguel,

We have received the revised copy of the draft report dated April 24, 2013 of the Chief Inspector General's Review of the Florida State College Presidents' Compensation. We found that all compensation reported for Indian River State College's President is accurately reported.

We are working with the College Attorney to address severance pay in accordance with Section 215.425(4)F.S. The Board will also work with the College Attorney to re-work the President's contract to provide a more comprehensive and clear description of the compensation package, including clarifying terms of the contract.

We stand ready to work with the Division going forward to develop parameters and methodologies as it relates to the President's contract.

Sincerely,

Werner Bols Chairman

Cc: Dr. Randall Hanna, Chan

Verner Bolo

Dr. Randall Hanna, Chancellor, Division of Florida Colleges

Dr. Ed Massey, President, Indian River State College



May 7, 2013

Melinda M. Miguel Chief Inspector General Office of the Governor The Capitol Tallahassee, FL 32399-0001

Dear Inspector General,

Thank you for your comprehensive study and report on the Florida College System (FCS) Presidents' Compensation. As chair of Lake-Sumter State College District Board of Trustees, I was pleased to see that, as expected, our college complies with all statutes and rules regarding president's compensation. Further, we believe in transparency and have made every effort to ensure clarity in the terms, conditions and values provided in the contract.

Before addressing some of the specifics of your report, I would like to comment on the context of presidential compensation in the Florida College System. The FCS has been Identified by most experts as the best community college system in the country. We are proud of the accomplishments of the colleges in our system, such as the rankings in the Aspen Prize for the past two years, posting high marks on Southern Region Education Board comparisons of Southern colleges for retention, graduation and the like.

To remain at the top, we need the best leadership. Therefore, we must compete on the national level for talent. Even though our College is one of the smaller ones in the system, our Board has set a vision that we will be a leader in quality and student success. Therefore, it is important that we as the governing Board of the institution maintain the authority and flexibility to determine the compensation package that will allow us to both attract and retain the best leader we can find. The State provides the colleges with a budget allocation and it is up to the local Board to establish priorities and expenditure levels, while of course ensuring that the college complies with all applicable laws, statutes and rules.

With a system as diverse as ours in terms of size, geography, community demographics and businesses, which leads to varying mix of programs to meet those local needs, it is difficult to imagine that a "one size fits all" formula for presidential compensation would be very effective. If, for example, size were a limiting factor, colleges like ours would become training grounds for new presidents who would soon move on to the next opening at a larger school. Such a model would be destabilizing for our college and others like us.

Therefore, while we welcome dialogue with our sister institutions and the Division of Florida Colleges, I believe the goal should be to develop appropriate guidelines for Boards to utilize in determining presidential compensation rather than attempting to standardize methodology through some kind of formula. I do agree that for the purposes of compliance with statutes, transparency and credibility, colleges should provide accurate and complete annual reporting of compensation to presidents. In addition, the local Board should require that their college attorney review the president's contract each year and attest to compliance with any applicable new statutes or regulations.

On the issue of severance pay, I am not sure I understand the purpose of the recommendation of "establishing parameters, documenting factors and standardizing methodology." The statute is quite specific regarding the 20 week limitation and, of course, every college should comply. Therefore, I don't see the need for additional rules.

I would like to point out that the severance pay statute has, in my opinion, caused unintended consequences. Although contracts of up to four years in duration are authorized for presidents by statutes, the provision that a president of a College may be dismissed without cause and receive a maximum 20 week severance package essentially reduces the contract to a 20 week term. I believe this provision will affect recruitment from other states where a sitting president must decide to pick up and move to a Florida college for what is in effect a 20 week contract here- where he or she may be dismissed without cause and without recourse. This is not a selling point for Boards when hiring a President. Also, the 20 week severance limitation has led to increased pressures on Boards to add other security provisions to president's contracts such as retention incentives.

On the topic of having performance factors in the president's contract, as pointed out in your report, LSSC has such provisions and we believe that it is important for Boards to let presidents know how they will be evaluated and what factors are most important. Again, guidelines are welcome but local Boards must have the autonomy to lead their institutions by determining the goals and objectives for their presidents.

I thank you for your comprehensive report and for allowing Chairs to comment on this important issue.

Sincerely

Timothy Morris, Chairman

Board of Trustees

Case, Dawn

From:

Miguel, Melinda

Sent:

Tuesday, May 07, 2013 6:59 PM

To:

Case, Dawn

Subject:

Fw: Miami Dade College

Melinda M. Miguel Chief Inspector General Executive Office of the Governor 850.717.9264

---- Original Message -----

From: haferre@aol.com]

Sent: Tuesday, May 07, 2013 05:47 PM Eastern Standard Time

To: Miguel, Melinda

Subject: Miami Dade College

Inspector General Miguel:

Thank you for your message dated April 24th which included a revised copy of the draft report of the Office of the Chief Inspector General's Review of Florida State College Presidents' Compensation.

Under the leadership of Miami Dade College Board of Trustees Vice Chair Armando Bucelo, and in consultation with outside legal counsel, we have reviewed the report as it relates to the employment contract of the College President and today the Board approved all appropriate changes to ensure that the president's current and future contracts are in compliance with Section 215.425, F.S.

Please amend the final version of the report to note that the employment contract of Miami Dade College President Eduardo J. Padron is now in full compliance with Section 215.425, F.S.

Let me know if you have any questions or need anything further and I would be most happy to oblige.

Best regards,

Helen Aguirre Ferre Chair, Miami Dade College District Board of Trustees

Cc: Eduardo J. Padron, College President



100 College Boulevard • Niceville, FL 32578-1295 • (850) 678-5111 • www.nwfsc.edu

May 3, 2013

Office of the Chief Inspector General Attn: Melinda Miguel Suite 2103, The Capitol Tallahassee, FL 32399

Dear Chief Inspector General:

This is in response to the draft report of the Florida State College Presidents' Compensation. We do not wish to submit any supplemental information to this report. Dr. Handy's (President of Northwest Florida State College) contract was revised June 19, 2012. The revisions brought his contract in compliance with Florida Statutes 215.425.

Sincerely,

Brian Pennington Board Chairman

Northwest Florida State College

RECEIVED

MAY 8 2013

Governor's Office Chief Inspector General



DISTRICT BOARD OF TRUSTEES

4200 Congress Avenue Lake Worth, FL 33461-4796 561-868-3502 TEL 561-868-3504 FAX

RECEIVED

May 1, 2013

MAY 7 2013

Governor's Office
Chief Inspector General

Ms. Melinda M. Miguel, Chief Inspector General Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

Dear Ms. Miguel:

The following statement is sent to be included in the final report.

The College staff has reviewed the draft report with the title, "Review of Florida State College Presidents' Compensation," and no factual inaccuracies were identified for Palm Beach State College. The District Board of Trustees of Palm Beach State College will revise the language regarding Severance Pay in the President's contract to comply with Section 215.425, Florida Statutes.

Please contact me at (561) 868-3502 if additional information is needed.

Sincerely,

David H. Talley, Chairperson

cc: Members of the District Board of Trustees

Dr. Dennis P. Gallon, President

Mr. Randy Hanna, Chancellor of the Florida College System



April 25, 2013

Melinda M. Miguel Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

VIA EMAIL

Chief Inspector Miquel:

We have received a revised copy of the draft report of the Office of the Chief Inspector General's Review of the Florida College System Presidents' Compensation. In following the guidelines of your cover letter, we are choosing to submit the attached supplemental information within the 10 working day period.

While the employment contract of Dr. Katherine Johnson, President, Pasco-Hernando Community College (PHCC), has a rolling renewal clause, it is reviewed and renewed annually by the PHCC District Board of Trustees (DBOT) on the anniversary of her employment with the College, which is the month of January. At the time of the review of the survey by the Inspector General's office, the College provided the most current and accurate contract information. Since the changes in statutes related to severance pay took place in between her anniversary dates, on the very next renewal date for her employment contract (which was January 2013), the DBOT modified the severance terms to be consistent with the applicable statute.

Thus, attached is a scanned copy of the official memorandum from me as PHCC District Board of Trustee Chair regarding the recommended revision to her 2013-2014 employment contract reflecting compliance with Section 215.425, F.S. We have also attached a scanned copy of the Minutes of the January 15, 2013 Board meeting (see section 2.23 – President's Annual Evaluation) where our Board of Trustees unanimously approved this change, placing her 2013-2014 contract in full compliance.

With the submission of this supplemental information, we respectfully request to be removed from the list on page 24 of the report under Exhibit 13 that indicates PHCC is not in compliance. We also expect, as your cover letter indicates, that this official response be included in the final report.

Thank you.

the showing

Rao Musunuru, M.D. Chair

KMJ:rd

c: PHCC District Board of Trustees

Katherine Johnson, Ed.D., PHCC President

Randy Hanna, Chancellor, Division of Florida Colleges

Easl Campus 36727 Blanton Road Dade City, FL 33523-7599 (352) 567-6701 North Campus 11415 Ponce de Leon Blvd Brooksville, FL 34601-8698 (352) 796-6726 West Compus/District Office 10230 Ridge Road New Port Richey, FL 34654-5199 [727] 847-2727

Spring Hill Campus 450 Beverly Court **5pring** Hill, H. **34606** (**352**) 688-8798

District Board of Trustees



DISTRICT BOARD OF TRUSTEES



MEMORANDUM

The Numer

TO:

District Board of Trustees

FROM:

Rao Musunuru, M.D., Chair

DATE:

January 15, 2013

SUBJECT:

President's Contract Addendum, 2012-2013

On January 18, 2013, President Johnson will have completed her eighth year as President of Pasco-Hernando Community College. As reflected by the President's evaluation summary, the Board indicated that she has done an excellent job.

Dr. Johnson and I discussed her employment contract and she requested the following:

Addendum 1

IV. "Salary" The President's Compensation for the calendar year 2013 shall remain the same as in 2012.

Addendum 2

VI. Fringe Benefits; Section B, "Other Benefits," Paragraph 5 is amended to include at the end of the paragraph: In the year in which the President elects to retire, the President's base compensation for the final year of employment shall include the value of the automobile provided under the terms of this agreement, the title to which shall be transferred to the President on the last day of service to the College. The fair market value of the automobile on the date of transfer will be reported as compensation to the President under applicable provisions of the United States Internal Revenue Service Code and regulations.

Addendum 3

VII. "Termination of Contract" (per changes in the Florida Statutes) In the event of termination of the President during the term of this agreement, other than for cause, the President may be entitled to severance pay not to exceed an amount equal to 20 weeks of the President's regular pay and benefits, in addition to other amounts to which the President may be entitled as a matter of law. This addendum supersedes the January 2012 addendum on this subject.

I recommend approval of this request, effective January 15, 2013.

PASCO-HERNANDO COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES REGULAR MEETING TUESDAY, JANUARY 15, 2013- 7:00 P.M. NORTH CAMPUS BOARD ROOM A-123

MINUTES

1. GENERAL FUNCTIONS

1.1 Call to Order

The meeting was called to order by Chair Musunuru at 7:00 p.m.

1.2 Roll Call

Roll Call was taken and indicated the following members present: Dr. Rao Musunuru, Chair; Mr. John DiRienzo, Vice Chair; Ms. Judy Parker, Ms. Jeanne Gavish, Ms. Kathy Burke, Mr. Leonard Johnson, and Mr. Victor Young. Dr. Katherine Johnson, College President and Mr. Stephen Schroeder, General Counsel, were also present.

Absent: Mr. Morris Porton

Staff members present: Mr. Ken Burdzinski, Dr. Burt Harres, Dr. Tim Beard, Dr. Randy Stovall, Dr. Stan Giannet, Ms. Arla Altman, Ms. Donna Burdzinski, Mr. Bob Bade, Mr. Paul Wright, Dr. John Whitlock, Ms. Jayme Rothberg, Dr. Lisa Richardson, Mr. Imani Asukile, Dr. Geri Cochran, Mr. Brian Horn, Ms. Lucy Miller, Ms. Jan Scott, Mr. Ed Goolsby, Ms. Sonia Rodriguez, Mr. Jim Thigpen, Ms. Michelle Beermann, Ms. Glynis Williams and Ms. Rhonda Dodge.

1.3 Pledge of Allegiance and Moment of Silence

Chair Musunuru led in the pledge of allegiance, which was followed by a moment of silence.

1.4 Welcome to Guests

Dr. Johnson welcomed Gus Guadagnino, Chair, PHCC Foundation Board of Directors and newly elected Vice Chair of the Hernando County School Board; Michelle Beermann, the new Faculty Senate President and Assistant Professor, Mathematics; and Glynis Williams, the new Systems and Software Application Developer.

1.4.1 Recognition, Terry Sumner, Welding Instructor and PHCC Student, Cameron Tortarelli, Recipients Of Proclamations Presented By Dade City Commission

Dr. Stovall recognized Terry Sumner, Instructor, Welding and PHCC student, Cameron Tortarelli who were honored with proclamations given by the Dade City Commission for their roles in producing the welding sculptures that are on display in downtown Dade City.

1.4.2 Recognition, Marcia Gilbert, PHCC Foundation Financial Services

Manager and Past President of PHCC's Chapter of AFC (Association of
Florida Colleges) and Jennifer Curtis, Administrative Assistant I, Dean of
Workforce Development and Incoming President of AFC, AFC Chapter
Awards

Dr. Johnson informed the Board that the PHCC chapter of AFC (Association of Florida Colleges) was presented with several awards at the 63rd AFC Annual Convention held at Innisbrook. Dr. Johnson recognized Marcia Gilbert, PHCC Foundation Financial Services Manager and past president of AFC; and Jennifer Curtis, Administrative Assistant I, Dean of Workforce Development and incoming president of AFC.

1.4.3 Recognition, Cary Cox, Advisor/Financial Aid, Successfully Completed
The Association of Florida Colleges Certified College Professional
Program

Dr. Johnson recognized Cary Cox, Advisor/Financial Aid, as PHCC's inaugural representative who has successfully completed the Association of Florida Colleges Certified College Professional Program (CCP).

1.5 Hearing of Citizens and Petitions

Chair Musunuru inquired as to whether there were any hearing of citizens and petitions. Dr. Johnson advised that none had been brought to her attention.

- 1.6 Approval
 - 1.6.1 Minutes, Regular Meeting, November 20, 2012
 - 1.6.2 Acceptance, Consent Agenda Items
 - 1.6.3 <u>Acceptance, Hand-Out Agenda Items</u>

Vice Chair DiRienzo moved to approve Agenda Items 1.6.1-1.6.3. The motion was seconded by Mr. Johnson and unanimously approved.

- 1.7 Communications
 - 1.7.1 Note of Congratulations, Hal Ziecheck, COO, Morton Plant North Bay Hospital

Dr. Johnson brought attention to the note of congratulations from Hal Ziecheck, COO, Morton Plant North Bay Hospital, expressing his kudos for the 40th anniversary celebration he attended on the West Campus.

1.7.2 <u>Letter of Appreciation, Senator John Lega</u>

Dr. Johnson noted the letter of appreciation from Senator John Legg, thanking us for our attendance at the 2012 Pasco County Legislative Meeting at Rushe Middle School.

1.7.3 <u>Letter of Congratulations, Jack Mariano, Pasco County Commissioner,</u> District 5

Dr. Johnson invited attention to the letter of congratulations from Jack Mariano, Pasco County Commissioner, District 5, on her appointment to

serve as President of the Board for the Florida Association of Colleges and Universities (FAC&U) for the 2012-2013 academic year.

1.7.4 <u>Letter of Congratulations, Arthur F. Kirk, Jr., President, Saint Leo</u> University

Dr. Johnson brought attention to the letter of congratulations from Arthur F. Kirk, Jr., President, Saint Leo University, offering his best wishes to PHCC as we celebrate our 40th anniversary.

1.8 Public Hearing and Adoption of Board Rules/Policies

1.8.1	6Hx19-2.06	Equal Access, Equal Opportunity Employment
1.8.2	6Hx19-2.07	Equal Access - Equal Opportunity
1.8.3	6Hx19-2.43	Conflict Of Interest
1.8.4	6Hx19-3.16	Student Withdrawal From Courses/Change to Audit Status, Grade Forgiveness and Allowable Number of Course Attempts
1.8.5	6Hx19-5.01	Business Management - General
1.8.6	6Hx19-5.31	Retirement Annuity/Deferred Compensation
1.8.7	6Hx19-5.32	Authorized Payroll Deductions and Electronic Transfer of Paychecks
1.8.8	6Hx19-6.32	Student Housing
1.8.9	6Hx19-6.35	Educational Equity

1.8.10 6Hx19-6.40 Accommodations For Students With Disabilities Dr. Johnson informed the Board that these Board Rules were lodged at the November 20 Board meeting and she would answer any questions. She stated that the Board Rules had been duly advertised and no concerns have been brought to her attention.

Vice Chair DiRienzo moved to approve Agenda Items 1.8.1-1.8.10. The motion was seconded by Ms. Burke and unanimously approved.

1.9 Lodging of Board Rules/Policies

There were no Board Rules presented for lodging.

1.10 <u>Legislative Issues</u>

1.10.1 Letter of Appreciation, Governor Rick Scott

Dr. Johnson noted the letter of appreciation from Governor Rick Scott, thanking us for our participation in the Annual Florida Community College

Board of Trustees meeting.

1.10.2 Information, Pasco and Hernando Legislative Delegation Packet Mr. Schroeder provided a brief overview of the informational packet that was distributed at the Pasco County Legislative Delegation Meeting held at Chuck Rushe Middle School in Land O' Lakes on December 13, 2012. He informed the Board that the same packet would be distributed at the Hernando County Legislative Delegation Meeting at the County Commission Board Room on January 28, 2013.

1.11 Trustee Functions

1.11.1 Approval, PHCC Board Self Evaluation

Dr. Johnson brought attention to the annual Board Self-Evaluation. She advised the Board that the evaluation form was not administered last year because we had just welcomed four new Trustees to our Board in November 2011. She noted the self-addressed stamped envelope attached and asked each Trustee to complete the form and return it to Rhonda Dodge no later than February 4 so that the results can be included in the February Board packets.

Ms. Parker moved to approve the PHCC Board Self Evaluation. The motion was seconded by Vice Chair DiRienzo and unanimously approved.

1.11.2 News Clips and Article, "Art Gallery Dedicated," "2012 Philanthropist of the Year," and "Avoiding the Pursuit Can Help You Be Happy," Chair Musunuru

Dr. Johnson noted several news clips featuring Chair Musunuru and a guest column written by Chair Musunuru. The first news clip is entitled "2012 Philanthropist of the Year." The second news clip is entitled "Art Gallery Dedicated," published in the *Tampa Bay Times* on Sunday, December 16, 2012. The guest column is entitled "Avoiding The Pursuit Can Help You Be Happy," published on December 20, 2012 in the *Tampa Bay Times*.

1.11.3 Note of Appreciation, Vice Chair John DiRienzo

Dr. Johnson invited attention to the note of appreciation from Vice Chair John DiRienzo.

1.11.4 News Clip, Trustee Morris Porton and Sonia Rodriguez, Associate Dean/North Campus

Dr. Johnson brought attention to the news clip featuring fellow Trustee Morris Porton, who also serves as board chairman of the Hernando County Chamber Education Training Association, presenting an award to PHCC, recognizing its dedication to providing quality higher education to the residents of Pasco and Hernando Counties for more than 40 years. Accepting the award featured in the news clip is Sonia Rodriguez, Associate Dean at the North Campus.

1.11.5 Report, December 12 Winter Commencement Ceremonies and Nursing Pinning Ceremony

Dr. Johnson stated that the commencement ceremony for the Associate in Arts students, the nursing pinning ceremony and the Associate in Science, Associate in Applied Science, Applied Technical Diplomas, Certificates, and GED students all went very well. She thanked Chair Musunuru for his comments at each commencement ceremony and expressed her appreciation for the support of those Trustees who attended the events.

1.11.6 <u>Information, 20th Annual Business Development Week Program, January 26 – February 1, 2013</u>

Dr. Johnson noted the schedule of events, workshops and seminars scheduled for the Business Development Week, January 26 – February 1, 2013. Dr. Johnson stated that the events scheduled for January 29 and January 31 will be hosted by PHCC and held at the West Campus Conference and Instructional Center. She invited the Trustees to attend any of the scheduled events that may be of interest.

1.11.7 <u>Information, Stepping Up: A Strategic Plan for The Florida College</u> System 2012-13 to 2017-18

Dr. Johnson provided a brief overview of the informational booklet entitled "Stepping Up: A Strategic Plan for The Florida College System 2012-2013 to 2017-2018.

1.11.8 <u>Article, "State College Presidents," Florida Trend Magazine, January 2013</u>

Dr. Johnson shared with Trustees an article entitled "State College Presidents," published in *Florida Trend Magazine*, January 2013

1.11.9 Trustees Items for Discussion

Chair Musunuru inquired if there were any Trustee items for discussion. There were none.

1.12 Equity/Ethnic Cultural Diversity Programs

1.12.1 <u>Information, 28th Annual Dr. Martin Luther King, Jr. Commemorative</u> Lecture Series

Mr. Asukile invited attention to the 28th Annual Dr. Martin Luther King, Jr. Commemorative Lecture Series brochure.

1.13 <u>Institutional</u> Research/Marketing and Public Relations

1.13.1 Information, New Commercial Spots

Ms. Miller presented several new PHCC commercial spots.

1.14 Southern Association of Colleges and Schools (SACS)

1.14.1 Report, SACS FACTS, January 2013

Dr. Harres provided a brief report on the latest SACS (Southern Association of Colleges and Schools) FACTS, "Pasco-Hernando Community College Submits Letters of Intent to the Division of Florida Colleges Regarding Its Baccalaureate Degree Proposals."

2. PERSONNEL

Chair Musunuru advised that Agenda Items 2.1 - 2.1 were routine Personnel items that have been designated as Consent and approved under Agenda Item 1.6.2. These items are included in the agenda and shown as an attachment to the original minutes.

- 2.22 Information, 2013 President's Institute Participants List and Program Outline

 Dr. Johnson invited attention to the roster of participants and program outline for the
 2013 President's Institute. She advised that these employees benefit from this
 program by learning more about the College, as well as themselves. She added
 that this was the seventh year for this program.
- 2.23 Report, President's Annual Evaluation, Chair Musunuru
 - 2.23.1 Approval, President's 2012 Employment Evaluation Summary (Hand-Out) Chair Musunuru distributed copies of the President's 2012 Employment Evaluation Summary and asked that each Trustee take the time to read the document. He stated that all Trustees had submitted a completed evaluation form and all comments were very positive. The Board concurred. On behalf of the Board, Chair Musunuru congratulated Dr. Johnson. Dr. Johnson thanked each member of the Board for their positive comments and for their support.

Vice Chair DiRienzo moved to approve the President's 2012 Employment Evaluation Summary. The motion was seconded by Mr. Johnson and unanimously approved.

2.23.2 Approval, 2013 President's Contract Addendum (Hand-Out)
Chair Musunuru stated that he and the President had discussed her employment contract for 2013 and she is requesting in Addendum 1 that the President's compensation for the calendar year 2013 remain the same as in 2012, which reflects the Board's action in regards to all other employees of the College for the 2012-2013 fiscal year that the Board approved for the PHCC faculty and staff at their June 19, 2012 Board meeting.

The second contract addendum included at the end of Paragraph 5 in Section B, "Other Benefits" under Fringe Benefits reads: In the year in which the President elects to retire, the President's base compensation for the final year of employment shall include the value of the automobile provided under the terms of this agreement, the title to which shall be transferred to the President on the last day of service to the College. The

fair market value of the automobile on the date of transfer will be reported as compensation to the President under applicable provisions of the United States Internal Revenue Service Code and regulations.

A third contract addendum amending the terms of the severance provisions was included per changes in the Florida Statutes.

Following Dr. Musunuru's presentation of the amendments, the Board engaged in an extensive discussion regarding the merits of these changes in the context of Dr. Johnson's performance.

Vice Chair DiRienzo moved to approve the 2013 President's Contract Addendum. The motion was seconded by Mr. Young and unanimously approved.

3. INSTRUCTION

Chair Musunuru advised that Agenda Items 3.1 - 3.4 were routine Instruction items that have been designated as Consent and approved under Agenda Item 1.6.2. These items are included in the agenda and shown as an attachment to the original minutes.

3.5 Approval, Catalog Changes

Dr. Harres briefly discussed the proposed catalog/program changes. The Board members were informed that these corrections, additions and/or changes have been submitted and approved by the College's Council on Instructional Services. Dr. Harres stated that the following changes in the Technical Credit Programs will be effective Fall Term 2013: Correctional Officer Cross-Over Training to Florida CMS Law Enforcement Basic Recruit Training Program.

Ms. Gavish moved to approve the Catalog Changes. The motion was seconded by Mr. Johnson and unanimously approved.

3.6 Approval, 2012 PHCC Accountability Standards and Measures Report Dr. Cochran explained that performance indicators of student achievement are assigned parameters by the State of Florida that define cohorts of students and the outcomes that result in the accountability data. She provided a brief overview of the accountability standards and measures report.

Ms. Parker moved to approve the 2012 PHCC Accountability Standards and Measures Report. The motion was seconded by Vice Chair DiRienzo and unanimously approved.

3.7 Ratification, Carl D. Perkins, Career & Technical Education Post Secondary Section 132 Project Award Notification

Dean Goolsby briefly discussed the project award notification for the Carl D. Perkins, Career & Technical Education Post Secondary Section 132 in the amount of \$625,120 for the budget period 7/1/2012-6/30/13.

Ms. Parker moved to ratify the Carl D. Perkins, Career & Technical Education Post Secondary Section 132 Project Award Notification. The motion was seconded by

Mr. Johnson and unanimously approved.

3.8 <u>Letter of Declaration, EMT/Paramedic Program Reaccreditation</u>

Dean Rothberg informed the Board that official final notification was received from the Committee on Accreditation of Educational Programs for the EMS Professions (CoAEMSP) to award continuing accreditation to the EMT/Paramedic Program.

4. FACILITIES

4.1 <u>Project Update, Porter Campus at Wiregrass Ranch</u>
Mr. Burdzinski provided a slide presentation on the construction progress of the

4.2 Approval, Energy Performance Contract Financing

Porter Campus at Wiregrass Ranch in Wesley Chapel.

Mr. Burdzinski explained that the Financing Agreement with Sun Trust Bank provided financing for the energy conservation renovations and was secured by the pledge of capital improvement fees over the seven year repayment period. He stated that the financing agreement provides for an interest rate of 1.76% and the total amount repaid, including interest, would not exceed the amount realized in energy savings over the 20 year life of the Energy Performance Contract. Mr. Burdzinski advised that the transaction is authorized by Florida Statutes and would not constitute a general obligation of the State.

Vice Chair DiRienzo moved to approve the Energy Performance Contract Financing. The motion was seconded by Mr. Johnson and unanimously approved.

4.3 Approval, Agreement for Sanitary Sewer Installation/Porter Campus

Mr. Schroeder advised the Board that as part of the agreement for donation of land for the construction of the Porter Campus at Wiregrass Ranch, the Board agreed that it would pay for its portion of off-site infrastructure required to serve the campus. He stated that after extensive engineering and negotiations, the College administration has reached a tentative agreement for payment, pending Board approval.

Mr. Johnson moved to approve the Agreement for Sanitary Sewer Installation/Porter Campus. The motion was seconded by Vice Chair DiRienzo and unanimously approved.

5. FINANCIAL SERVICES

Chair Musunuru advised that Agenda Items 5.1 – 5.6 were routine Financial Services items that have been designated as Consent and approved under Agenda Item 1.6.2. These items are included in the agenda and shown as an attachment to the original minutes.

5.7 Acceptance, State of Florida Universities and Community Colleges Federal Audit
Report, Fiscal Year Ending June 30, 2011

Mr. Harn briefly discussed the State of Florida Universities and Community

Mr. Horn briefly discussed the State of Florida Universities and Community Colleges Federal Audit Report, Fiscal Year Ending June 30, 2011. He stated that PHCC was one of the 21 institutions having no deficiencies, and/or it has been

determined that the findings cited in the audit have been satisfactorily resolved based on information provided by the institutions.

Vice Chair DiRienzo moved to accept the State of Florida Universities and Community Colleges Federal Audit Report, Fiscal Year Ending June 30, 2011. The motion was seconded by Ms. Parker and unanimously approved.

5.8 Review, Monthly Budget Summary

Mr. Horn presented the 2012-2013 Budget Summary listing of general current funds for the period ending 12/31/12 and the revenues and expenditures by fund for the period of July 2012 through December 2012. He stated that the total expenditures are in sync with the current approved budget.

6. STUDENT DEVELOPMENT

6.1 Report, 2012-2013 Term I (Fall) and Term II (Spring) Enrollment Summary (Hand-Out)

Dr. Beard informed the Board that the 2012-2013 Term I FTE (Full-Time Equivalent) was down 10.17% and the Student Headcount was down 8.93%. He also stated that the 2012-2013 Term II FTE was down 9.45% and the Student Headcount was down 7.91%.

6.2 Information, Black, Brown and College Bound Summit

Dr. Beard provided a brief overview of the Black, Brown and College Bound Summit that will be held February 20-23, 2012 at the Tampa Marriott Waterside. He informed the Board that this year's theme is "Rebuilding the 'Village' For African American & Latino Males In Higher Education."

7. INSTITUTIONAL ADVANCEMENT/COMMUNITY RELATIONS

7.1 <u>Information, The Integrated Postsecondary Education Data System (IPEDS) 2012</u>
<u>Data Feedback Report</u>

Ms. Scott provided a brief overview of The Integrated Postsecondary Education Data System (IPEDS) 2011 Data Feedback Report. She stated that the report compares data provided by PHCC in 2010-2011 through the IPEDS to data for a similar group of institutions.

7.2 <u>Information, Employee Giving Campaign</u>

Dean Altman presented the results of the PHCC Foundation Employee Giving Campaign.

7.3 Information, 40th Anniversary Celebration Fundraiser

Dean Altman invited attention to the invitation to PHCC's 40th Anniversary Celebration Fundraiser that will be held on Saturday, April 13, 2013 at 6:00 p.m. and hosted at the 4G+1 Ranch in Land O' Lakes. She informed the Board that the presenting sponsor for the fundraiser is the S.K. Rao Musunuru Family.

8. SCHEDULE OF MEETINGS - Public Notice is Hereby Given of the Following Meetings and Activities for Trustees and College President

February 1	Education Governing Board Workshop, 11:00 a.m. – 2:00 p.m., West Campus Conference Center, Building R
February 5-6	Trustee/COP Legislative Meeting, Tallahassee
February 11- 14	ACCT (Association of Community College Trustees) Community College National Legislative Summit, Washington, D.C.
February 19	Regular Meeting, District Board of Trustees, 7:00 p.m., West Campus, New Port Richey
March 11-15	Spring Break/College Closed
April 13	40 th Anniversary Celebration Fundraiser, 6:00 p.m., 4G+1 Ranch, Land O' Lakes
April 16	Regular Meeting, District Board of Trustees, 7:00 p.m., Spring Hill Campus
May 1	Spring Commencement Ceremony for Associate in Science, Associate in Applied Science, Applied Technical Diplomas, Certificates, and GED, 10:30 a.m., West Campus Gymnasium followed by lunch in Building C, Room 205-D, 12:00 p.m.
May 1	Nursing Pinning, 1:00 p.m., West Campus Performing Arts Center
May 1	Spring Commencement Ceremony for Associate in Arts, 4:00 p.m., West Campus Gymnasium
May 21	Regular Meeting, District Board of Trustees, 7:00 p.m., East Campus, Dade City
June 18	Regular Meeting, District Board of Trustees, 7:00 p.m., North Campus, Brooksville
July 16	Annual Organizational/Regular Meeting, District Board of Trustees, 7:00 p.m., West Campus, New Port Richey

ITEMS OF INFORMATION 9.

There were no items of information submitted.

10. <u>ADJOURNMENT</u>
There being no further business, Chair Musunuru declared the meeting adjourned at 8:15 p.m.

hi so Nuhmung

CHAIR

ATTEST:

SECRETARY



1000 College Boulevard • Pensacola, Florida 32504-8998 www.pensacolastate.edu

May 3, 2013

Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, Florida 32399

Re: Pensacola State College's Response to the Revised Draft Report of the Inspector General's Review of Florida State College Presidents' Compensation

Dear Ms. Miguel:

This letter shall serve as the response by Pensacola State College to your revised draft report dated April 24, 2013 regarding your review of the compensation of the presidents of Florida's state colleges. We have reviewed the revised draft and appreciate this opportunity to respond.

Based upon our review of an earlier version of the draft report dated April 5, 2013, we noted that there was a deficiency in the contract of the College's President which required immediate attention. As noted on pages 23-25 of the current draft report dated April 24, 2013, the contract for the President of Pensacola State College was not in compliance with the requirements of Section 215.425(4)(a), Fla. Stat., which places certain limits on the amount of severance pay a college president may receive.

The error in the President's contract was inadvertent, and the Board of Trustees acted immediately to resolve the issue and bring the President's contract into compliance with the law. On April 16, 2013, at a regular meeting of the Board of Trustees, the Board unanimously approved an amendment to the President's contract which was executed by both parties immediately after the meeting. A copy of the Amendment to the President's employment contract is enclosed for your review.

The Amendment addresses the two key requirements of Section 215.425(4)(a) which were lacking in the original contract. Specifically, the President's severance compensation is now specifically capped at the maximum allowed 20 weeks compensation, and no severance pay will be allowed if the president's termination is for misconduct as defined under Section 443.036(30), Fla. Stat. A copy of the President's original contract is enclosed for your review, as well as a one-page summary sheet showing the changes in redline for your convenience in review.

While there will likely be guidance in the final report regarding issues to be addressed by all colleges, we believe that the immediate action taken by the Board in good faith has cured the deficiency which previously existed in our President's contract. We believe that it is now in full compliance with the law, and it is our sincere hope that the swift action demonstrated by the Board in curing the deficiency will be considered when the final report is issued.

We urge you to consider issuing a final report omitting any reference to the deficiency in our President's contract because the problem has been resolved. If you do that, then the recipients of the final report will be able to focus on any outstanding issues which need to be addressed. However, if you must issue a report which provides information about that prior deficiency, then we would request that you make note of the fact that it was fully resolved before the final report was issued. We believe that such disclosure is necessary so that future recipients of the final report will not be under the erroneous impression that there is an ongoing problem with our compliance or that the Board of Trustees for Pensacola State College is intentionally acting in defiance of legal authority. Nothing could be further from the truth, and we believe our swift action merits an explanatory footnote at a minimum, if not removal from the report.

I sincerely regret any additional work that this oversight on our part may have caused you and your staff in the Office of the Chief Inspector General. I invite your comments and questions if you need additional information from Pensacola State College.

Sincerely,

Pensacola State College

AMENDMENT TO EMPLOYMENT CONTRACT OF THE PRESIDENT OF PENSACOLA STATE COLLEGE

THIS AMENDMENT is entered into and made effective on 16th day of April,

2013 by and between THE DISTRICT BOARD OF TRUSTEES OF PENSACOLA

STATE COLLEGE, FLORIDA, hereinafter referred to as the "College," and CHARLES

E. MEADOWS. hereinafter referred to as "Dr. Meadows."

WITNESSETH

WHEREAS, the College and Dr. Meadows entered into an employment contract effective on July 1, 2012 (the "Employment Contract"), under the terms of which the College contracted with Dr. Meadows for his service as President of Pensacola State College, and

WHEREAS, the College and Dr. Meadows now desire to amend the terms of that Employment Contract in order to make it comply with the requirements of Section 215.425, Florida Statutes, NOW THEREFORE,

FOR AND IN CONSIDERATION of the mutual promises contained herein, the College and Dr. Meadows do hereby amend the Employment Contract as follows:

- Paragraph 9 of the Employment Contract is hereby deleted in its entirety and replaced with the following provision:
 - 9. The Board has adopted a policy number 6Hx20-1.014 pursuant to Section 1001.64(18), (19) of the Florida Statutes (2007), providing procedures to be followed by the Board in employing and dismissing presidents of the College. The Board and Dr. Meadows do hereby incorporate the policy adopted by the Board providing procedures governing the employment and dismissal of presidents of Pensacola State College, as amended from time to time, into this contract by reference thereto, and the Board and Dr. Meadows acknowledge and agree that the terms of the aforesaid policy shall apply to and be binding upon them. In the event that the Board shall elect to terminate the employment of the President in accordance with the Board policies, as amended from time to

time, then this contract shall terminate effective immediately; whereupon Dr. Meadows shall be entitled to receive an amount of base pay equal to, but not exceeding, twenty (20) weeks of compensation, and he shall not be entitled to receive any other additional compensation or benefits after the date of termination. In the event that termination is for cause as set forth in the above-referenced board policy, or is for misconduct as defined in Section 443.036(30), Florida Statutes, as either is amended from time to time, then Dr. Meadows shall not be entitled to severance pay. For purposes of this agreement, the term "Severance Pay" shall have the same meaning as the definition set forth in Section 215.425(4)(d), Florida Statutes.

Except as expressly amended by this instrument, the College and Dr. Meadows do hereby ratify and confirm the terms and provisions of the Employment Contract dated July 1, 2012.

IN WITNESS WHEREOF, this Amendment having been approved by the District Board of Trustees at regular meeting on April 16, 2013, and the Board Chair having authority to execute this Amendment on behalf of the Board, the College and Dr. Meadows have executed this Amendment effective on the 16th day of April, 2013.

> THE DISTRICT BOARD OF TRUSTEES OF PENSACOLA STATE COLLEGE, FLORIDA

Approved as to Form:

Thomas J. Gilliam, Jr. - General Counsel

Pensacola State College



EMPLOYMENT CONTRACT FOR THE PRESIDENT OF PENSACOLA STATE COLLEGE

THIS CONTRACT is made and entered into to be effective as of the 1st day of July, 2012, by and between THE DISTRICT BOARD OF TRUSTEES OF PENSACOLA STATE COLLEGE, FLORIDA, hereinafter referred to as the "Board," and DR. CHARLES E. MEADOWS, hereinafter referred to as "Dr. Meadows,"

WITNESSETH:

WHEREAS, the Board and Dr. Meadows have negotiated a new contract relating to Dr. Meadows' employment as President of Pensacola State College and desire to reduce their agreement to writing, and

WHEREAS, the Board and Dr. Meadows have agreed that this contract will supersede all previous contracts entered into by and between the Board and Dr. Meadows relating to the employment of Dr. Meadows,

NOW, THEREFORE, for and in consideration of the premises, the covenants contained herein and other good and valuable considerations, the Board and Dr. Meadows agree and covenant each with the other as follows:

- 1. The Board hereby employs Dr. Meadows to serve as President and Chief Executive Officer of Pensacola State College from July 1, 2012 through June 30, 2015, and Dr. Meadows hereby accepts such employment for the aforesald period of time. During the term of this contract, Dr. Meadows shall also serve as Secretary of the Board in accordance with the regulations promulgated by the Florida Board of Education.
- 2. As president, Dr. Meadows agrees to assume the duties and exercise the powers conferred upon presidents of state and community colleges in the State of Florida by law, and by regulations adopted by the Florida Board of Education. Dr. Meadows shall also Implement the internal policies adopted by the Board and act as the Chief Administrator of the College.
- 3. During the term of this contract, Dr. Meadows shall be paid an annual base salary of Two Hundred Four Thousand Seven Hundred Ninety Three and 45/100 Dollars (\$204,793.45), such salary to be paid in installments in accordance with the policy of the Board governing payment of other professional staff members employed by the Board. The annual base salary shall be subject to renegotiation by the Board and Dr. Meadows for each succeeding fiscal year of the contract beginning July 1, 2013. The Board may also reopen this contract annually for negotiations regarding a contract extension.
- 4. Additional Compensation; Contribution to Tax Deferred Annuity. As and for additional compensation for Dr. Meadows during the term of this agreement, the

Board shall pay Dr. Meadows an additional sum, which sum shall, until further directed by Dr. Meadows, be paid to a Tax Sheltered Annuity plan to be selected by Dr. Meadows which is established and qualified under the provisions of §457(b) of the Internal Revenue Code. The amount payable to Dr. Meadows under this provision shall be the maximum allowable contribution under the provisions of §457(b) of the Internal Revenue Code as in effect for that calendar year.

- 5. During the 2012/2013 fiscal year, Dr. Meadows shall be allowed thirty (30) days of paid vacation. Dr. Meadows may elect to take paid compensation for up to fifteen (15) days of the leave calculated at his base salary in lieu of using the days for vacation by notifying the Board prior to being paid for the leave.
- 6. The Board shall provide Dr. Meadows with an automobile for his professional and personal use during the term of this Agreement, provided that Dr. Meadows shall limit operation of the automobile for non-college purposes to 25,000 miles annually. The Board further authorizes and grants permission to Dr. Meadows to allow operation of the automobile by any official, trustee or employee of the College while acting within the scope of such person's employment or operations of the College, and by Dr. Meadows' spouse for personal use under the same limitation applicable to Dr. Meadows.
- 7. The Board agrees to pay up to Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) annually in membership dues actually incurred to civic and social organizations of Dr. Meadows' choosing.
- 8. The Board shall pay the premium required to provide Dr. Meadows' spouse and dependent children, if any, with dependent hospitalization and medical insurance comparable to the insurance coverage provided to Dr. Meadows.
- 9. The Board has adopted a policy pursuant to Section 1001.64(18), (19) of the Florida Statutes (2007), providing procedures to be followed by the Board in employing and dismissing presidents of the College. The Board and Dr. Meadows do hereby incorporate the policy adopted by the Board providing procedures governing the employment and dismissal of presidents of Pensacola State College, as amended from time to time, into this contract by reference thereto, and the Board and Dr. Meadows acknowledge and agree that the terms of the aforesald policy shall apply to and be binding upon them. In the event that the Board shall elect to terminate the employment of the President in accordance with the Board policies, as amended from time to time, then this contract shall terminate effective immediately; whereupon Dr. Meadows shall be entitled to receive the amount of base pay that he would have otherwise received if the contract had not terminated, but he shall not be entitled to receive any other additional compensation of benefits after the date of termination.

10.As an executive level employee, Dr. Meadows is a participant under the College's Special Pay Plan, subject to its terms, as the same may be modified from time to time.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed or have hereunto set their hands and seals to be effective the day and year first above written.

first above written.	in the second se
Witnessed By:	THE DISTRICT BOARD OF TRUSTEES OF PENSACOLA STATE COLLEGE, FLORIDA
Printed Name: Dona W. LISRY Printed Name: Fafficia S. Crews	H. Edward Moore, Board Chair
* * * *	* * * * *
Witnessed By: Patricia S. Creus Printed Name: Patricia S. Creus Sharaw Sander Printed Name: Sharan Sanders	By: Charles Edward Meadows
Approved as to Form:	

Thomas J. Gilliam, Jr. – General Counsel Pensacola State College

SUMMARY OF THE REVISION TO THE CONTRACT OF THE PRESIDENT OF PENSACOLA STATE COLLEGE APRIL 16, 2013

Paragraph 9 of the contract was deleted in its entirety and replaced with the following language:

The Board has adopted a policy <u>number 6Hx20-1.014</u> pursuant to Section 1001.64(18), (19) of 9. the Florida Statutes (2007), providing procedures to be followed by the Board in employing and dismissing presidents of the College. The Board and Dr. Meadows do hereby incorporate the policy adopted by the Board providing procedures governing the employment and dismissal of presidents of Pensacola State College, as amended from time to time, into this contract by reference thereto, and the Board and Dr. Meadows acknowledge and agree that the terms of the aforesaid policy shall apply to and be binding upon them. In the event that the Board shall elect to terminate the employment of the President in accordance with the Board policies, as amended from time to time, then this contract shall terminate effective immediately; whereupon Dr. Meadows shall be entitled to receive an amount of base pay equal to, but not exceeding, twenty (20) weeks of compensation, and he shall not be entitled to receive any other additional compensation or benefits after the date of termination. In the event that termination is for cause as set forth in the above-referenced board policy, or is for misconduct as defined in Section 443.036(30), Florida Statutes, as either is amended from time to time, then Dr. Meadows shall not be entitled to severance pay. For purposes of this agreement, the term "Severance Pay" shall have the same meaning as the definition set forth in Section 215.425(4)(d), Florida Statutes.

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Deleted: that he would have otherwise received if the contract had not terminated, but

Deleted: of



May 6, 2013

Melinda M. Miguel Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

Ms. Miguel,

I am in receipt of the draft report of the Review of Florida State College Presidents' Compensation prepared by your office and delivered to me on April 24, 2013. At its meeting on April 22, 2013 our District Board of Trustees adopted an amendment to Dr. Holden's contract to address the issue you identified in Exhibit 13 of your report. A copy of that amendment is attached. Please feel free to contact me if I can provide any further information.

Sincerely,

MARK G. TURNER,

Chairman, District Board of Trustees

Mek & In

CC: Dr. Eileen Holden

Mr. Don Wilson

AMENDMENT TO CONTRACT OF EMPLOYMENT

This Amendment to Contract of Employment ("Amendment") is made and entered into effective this day of the day, 2013, by and between the Board of Trustees of Polk State College (hereinafter referred to as the "Board") and Eileen Holden, Ed.D. (hereinafter referred to as the "President").

RECITALS

- A. The parties have entered into a Contract of Employment whereas the Board has employed the President as President of Polk State College effective February 1, 2013 (hereinafter, "Contract").
- B. The parties intend to amend a specific provision of the Contract to comply with certain requirements of Florida law.

NOW THEREFORE, the parties hereby agree to amend the Contract as follows:

- 1. Paragraph 10. B., entitled "Other Termination", is hereby deleted from the Contract entirely and is replaced with the following provision:
 - "B. Other Termination. The Board shall have the right to suspend or dismiss the President at any time, with or without cause. In the event the President is discharged for cause, the President shall be due her salary and employee benefits package to the effective date of dismissal only, and all further obligations of the Board shall cease as of said date. For purposes of this Contract, termination for cause shall be those grounds otherwise sufficient to terminate an instructional employee holding a continuing contract pursuant to applicable law, policy and regulation. In the event the President is discharged without cause, the President shall be guaranteed her salary and employee benefits package for the balance of the term of this Contract or for twenty (20) weeks, whichever is less."
- 2. All other provisions of the Contract not specifically modified in this Amendment shall remain in full force and effect.

Signatures on the following page.

IN WITNESS WHEREOF, this Amendment has been executed effective the day and year first written above.

THE BOARD OF TRUSTEES OF POLK STATE COLLEGE

By: Wek & Jan Board Chair PRESIDENT

ELLEEN HOLDEN, Ed.D.



May 7, 2013

Ms. Melinda Miguel
Chief Inspector General
State of Florida
Office of Inspector General
The Capitol, Suite 2103
Tallahassee, Florida 32399

Re: Review of Florida State College Presidents' Compensation, Report Number 2013-12

Dear Chief Inspector General Miguel:

Thank you for the opportunity to respond to the Chief Inspector General Report Number 2013-12.

With regard to the specific recommendations associated with President Jackson Sasser's Post-Employment Perquisite Contract Language, I would like to reiterate from our prior discussion the intent of the Board in making its decisions regarding such compensation. In November 2008, the Board, seeking to reward President Sasser's for excellent performance and acknowledging his refusal to accept a salary increase, added two provisions to the president's employment contract, effective January 1, 2009, in an effort to compensate him for work performed. Although the law changed in 2011 to address limitations on "severance pay," the Board chose to retain these contractual provisions with the firm understanding that the benefits were intended to reward the president for services already performed and did not constitute severance pay.

In response to the general conclusions and recommendations, the Board will continue to review the findings and consider adoption of any recommended practices. We look forward to actively participating with the Division to establish recommended parameters and to standardize methodologies. Each year, the Board of Trustees appoints a committee to review the President's employment contract in conjunction with his annual performance evaluation in November. In that regard, the Board also will consider alternatives to reward the president for services already performed and to clarify compliance with all rules and regulations.

Thank you again for the opportunity to respond to Report Number 2013-2012 and I look forward to working with you in the future.

Sincerely,

Robert C. Hudson

Chairman

Case, Dawn

From:

Miguel, Melinda

Sent:

Wednesday, May 08, 2013 2:15 PM

To:

Case, Dawn

Subject:

Fw: Response to Inspector General's Report

Melinda M. Miguel Chief Inspector General Executive Office of the Governor 850.717.9264

From: E. Ann McGee [mailto:mcqeea@seminolestate.edu]

Sent: Wednesday, May 08, 2013 01:53 PM Eastern Standard Time

To: Miguel, Melinda

Cc: Howat, Scott < howats@ocps.net>; Chase, Damon < DamonChase@ChaseFreeman.com>; Cheryl Daley

<<u>daleyc@seminolestate.edu</u>>; Hanna, Randy <<u>Randy.Hanna@fldoe.org</u>>

Subject: Response to Inspector General's Report

Dear Inspector General Miguel,

As Chair of the Board of Trustees of Seminole State College, I am submitting this response to your revised preliminary findings and recommendations (Report Number 2013-12).

Thank you for the detailed analysis that you and your staff provided of the compensation for the presidents in the Florida College System.

The Board is proud of the excellent relationship it enjoys with President McGee. She is a leader among college presidents and has presided over a period of unparalleled growth at our college. While Dr. McGee's contract was signed prior to the effective date of the severance pay statute and has not been renegotiated or renewed since, the Board is aware of your findings and is committed to addressing them prior to the end of this fiscal year. We will make the appropriate changes so that the contract is compliant with Section 215.425 going forward.

Sincerely, Scott Howat, Chairman District Board of Trustees Seminole State College

Please Note:

Due to Florida's very broad public records law, most written communications to or from College employees regarding College business are public records, available to the public and media upon request. Therefore, this e-mail communication may be subject to public disclosure.



April 26, 2013

Office of the Chief Inspector General Attn: Melinda M. Miguel Suite 2103, The Capitol Tallahassee, FL 32399

Dear Chief Inspector General Miguel:

Thank you for providing the review and revised preliminary findings of Florida State College President's Compensation.

Our legal and administrative team reviewed the contract for SFSC president and determined that it is in full compliance with Florida Statutes, State Board of Education Rules, and administrative guidance provided by the Florida Department of Education.

Sincerely,

Tamela C. Cullens

Tansia C. Courto

Chair, District Board of Trustees

South Florida State College

c: Chancellor Randy Hanna, Florida College System
Dr. Norman L. Stephens, Jr., President and Secretary to the District Board of Trustees
Mrs. Pamela T. Karlson, District Board of Trustees Attorney



5001 ST. JOHNS AVENUE PALATKA, FL 32177-3807

April 22, 2013

PALATKA CAMPUS 5001 ST. JOHNS AVENUE PALATKA, FL 32177-3807 | (386) 312-4200

ST. AUGUSTINE CAMPUS 2990 COLLEGE DRIVE ST. AUGUSTINE, FL 32084-1197 | (904) 808-7400

ORANGE PARK CAMPUS 283 COLLEGE DRIVE ORANGE PARK, FL 32065-7639 | (904) 276-6800

SJRstate.edu

EQUAL OPPORTUNITY EQUAL ACCESS COLLEGE

Melinda M. Miguel Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

Dear Ms. Miguel,

I am writing to acknowledge my receipt of your correspondence of April 5, 2013 which included the report on Florida State College Presidents' Compensation. The report goes into detail concerning the twenty-eight (28) College System Presidents' contracts and while a number of colleges received specific findings requiring action, St. Johns River State College was not among those colleges. In fact, it was noted that SJR State is one of only eight colleges that tie any presidential compensation to performance.

The report also provided information comparing the value of Presidents' contracts across the system. Perhaps the most concerning aspect or recommendation coming out of the report is that compensation be based on standard methodologies across State Colleges. This could limit not only the local control pursuant to which boards have employed presidents, but also severely limit the ability of a smaller college to compete for candidates who have multiple opportunities as is the case with our President. St. Johns River State College and all of the Colleges deserve to compete for the person who is the College's top selection.

On a final note, I will add that our most recent operational audit included a review of presidential compensation and our Board demonstrated that it was a thoughtful and deliberative process which resulted in President Pickens' current contract. The audit included no findings on this topic.

If you desire to discuss this in further depth, I will be happy to do so.

Respectfully submitted,

John Nelson

Chairman, District Board of Trustees

JN/tm

RECEIVED

APR 29 2013

Governor's Office
Chlef Inspector General

Board of Trustees

Deveron M. Gibbons Chairman

Robert J. Fine Vice Chairman

Terrence E. Brett Trustee

Dale Oliver Trustee

William D. Law, Jr. President May 6, 2013

Ms. Melinda Miguel
Chief Inspector General
Executive Office of the Governor
The Capitol
400 S. Monroe St.
Tallahassee, FL 32399

Dear Inspector Miguel:

St. Petersburg College is pleased to receive your report regarding presidential compensation.

Our review finds the report to be accurate in all salient facts relating to our college. In the area of including language to acknowledge conformance with terminal/separation compensation, we will proceed to add this to the existing contract language at our May meeting of the Board of Trustees. Please know that at the time the original presidential contract was crafted, our board indicated that our policy would be to comply with existing Florida law, hence obviating the need to add specific language. Given the change in legislation since that original contract was crafted, we will add the specific language at our next meeting.

Please accept our thanks for the completeness and accuracy of this report.

Sincerely,

Deveron M. Gibbons

Chairman

St. Petersburg College Board of Trustees



May 8, 2013

Hon. Melinda M. Miguel Chief Inspector General Office of the Governor The Capitol Tallahassee, FL 32399-0001

Re: Chief Inspector General's Review of Florida State College President's Compensation – District Board of Trustees of State College of Florida, Manatee - Sarasota

Dear Chief Inspector General Miguel:

Thank you for the opportunity to respond to Report No. 2013-12, "Review of State College Presidents' Compensation." As you are aware, the District Board of Trustees of State College of Florida, Manatee – Sarasota recently hired Dr. Carol Probstfeld as the College's sixth President. The Board and Dr. Probstfeld have agreed to the terms of an Employment Contract dated March 20, 2013. We believe the new contract with Dr. Probstfeld substantially complies with the recommendations of the Report, and we anticipate and look forward to the further input of the Division of Florida Colleges recommended in the Report.

Respectfully submitted,

Carlos Beruff, Chairman



May 2, 2013

RECEIVED

MAY 7 2013

Ms. Melinda M. Miguel
Chief Inspector General
Office of the Governor
The Capitol
Tallahassee, Florida 32399-0001

Governor's Office
Chief Inspector General

Dear Ms. Miguel:

Tallahassee Community College is in receipt of the revised copy of the draft report regarding the Office of the Chief Inspector General's Review of Florida State College Presidents' Compensation. We find this report includes an accurate reporting of the facts as they pertain to the College. Tallahassee Community College, by way of this communication, submits the following response.

Regarding leave, the report noted the following:

 Tallahassee Community College has a policy in effect that allows the president and other senior managers to earn compensatory leave or overtime pay.

College Comment:

The College Attendance and Leave Policy for Executive-Administrative Personnel (Policy# 07-06) contains this provision. The College does not follow this practice and therefore will amend the referenced policy to remove this language.

 Tallahassee Community College has a policy that allows for each employee designated as senior management including the president to be credited with 120 hours of sick leave on July 1 of each fiscal year. This allotment of 15 days of sick leave exceeds the 12 day limitation established in statute.

College Comment:

The College Attendance and Leave Policy for Executive-Administrative Personnel (Policy# 07-06) contains this provision. The College will amend this policy and any other applicable policies or procedures to comply with the statutory limits outlined in Section 1012.865(2)(a), Fl. Stat.

Regarding contractual language within the College President's contract, the report noted the following:

• The Report in Exhibit 12, entitled Contractual Terms Regarding Leave Payout, cites the President's contractual agreement as "the President may be paid for annual leave for up to fifteen (15) days per calendar year." The Report did not find this provision in the President's contract to be in violation of Section 215.425(4)(a), Fl. Stat. or any other Florida statute.

- The Report at Exhibit 15, entitled Post-Employment Perquisites, cites the
 President's contractual agreement as "the President may be employed in another
 capacity after termination without cause from the position of President." The Report
 did not find this provision in the President's contract to be in violation of Section
 215.425(4)(a), Fl. Stat. or any other Florida statute.
- The Report at Exhibit 16, entitled Longevity or Retention Incentives Contract
 Language, cites the President's contractual agreement as "the President shall
 receive a credit in the amount of Thirty Thousand Dollars (\$30,000) for each year
 (or portion of a year) that he shall remain as president until he reaches his normal
 retirement date subject to the conditions specified below." The Report did not find
 this provision in the President's contract to be in violation of Section 215.425(4)(a),
 Fl. Stat. or any other Florida statute.

The above mentioned references as well as other references made, within the review, regarding contractual language within the College President's contract appear to be descriptive and do not outline violation of state statute.

Should you require additional information, or if any item of concern regarding this review has not been addressed within this correspondence, please contact me at (850) 201-6074.

Sincerely,

Renae Tolson

Director, Human Resources

RT/lp

VALENCIA OLLEGE

May 7, 2013

Melinda M. Miguel Office of the Chief Inspector General Suite 2103, The Capitol Tallahassee, FL 32399

Dear Ms. Miguel,

Thank you for providing us with the revised copy of the draft report of the Office of the Chief Inspector General's Review of Florida State College Presidents' Compensation. Your review was thorough, and the report is informative and useful. I note that the report does not indicate any deficiencies or compliance issues with respect to Valencia's presidential contract. Nonetheless, as requested please find Valencia's responses to the recommendations included in the report.

Valencia College Responses to Chief Inspector General (CIG) Recommendations

I. Compensation

CIG Recommendation 1: [W]e recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' total compensation is determined, document the factors upon which compensation is based and standardize this methodology across state colleges.

Valencia Response 1: Valencia College welcomes the opportunity to participate in system-wide discussions with respect to presidential compensation, in order to identify appropriate methodologies which promote fiscal responsibility, preserve local board authority, and observe the unique attributes of each college and each president.

CIG Recommendation 2: [W]e recommend that the boards of trustees ensure that the employment contracts stipulate the form and value of each form of compensation received by a president to ensure that the short-term and long-term liabilities of the colleges are properly recorded and are fully transparent.

Valencia Response 2: Valencia College notes the recommendation and will be mindful of it in the event new compensation provisions are added to its presidential contract.

CIG Recommendation 3: We also recommend that the Division establish guidance for the state colleges to ensure each form of compensation and the total value of the presidents' compensation are consistently and accurately reported on the Division survey, and communicate the reporting expectations to the state colleges.

Valencia Response 3: Valencia College will participate and work with the Division of Florida Colleges as it develops the recommended guidance.

II. Leave

CIG Recommendation 4: We recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' leave benefits are determined, document the factors upon which this is based and standardize this methodology across state colleges.

Valencia Response 4: Valencia College welcomes the opportunity to participate in system-wide discussions with respect to presidential leave provisions, in order to identify appropriate methodologies which promote fiscal responsibility, preserve local board authority, and observe the unique attributes of each college and each president.

III. Severance Pay

CIG Recommendation 5: We recommend the board of trustees for those colleges with contracts that do not comply with statute amend the presidents' employment contracts to be consistent with the statutory requirements.

Valencia Response 5: Valencia College's presidential contract complies with the law.

CIG Recommendation 6: We also recommend that the boards of trustees ensure that future employment agreements contain provisions for severance pay requirements consistent with Section 215.425(4), F.S.

Valencia Response 6: Valencia College's presidential contract complies with the law with regard to severance pay requirements and will continue to do so in the future.

CIG Recommendation 7: We recommend that the boards of trustees, in consultation with the Division, jointly establish the parameters upon which the presidents' severance benefits are determined, document the factors upon which this is based and standardize this methodology across state colleges.

Valencia Response 7: Valencia College welcomes the opportunity to participate in system-wide discussions with respect to presidential severance provisions, in order to identify appropriate methodologies which promote fiscal responsibility, preserve local board authority, and observe the unique attributes of each college and each president.

IV. Other

CIG Recommendation 8: We recommend that each board of trustees adopt a practice to ensure that the contracts with the state college presidents are reviewed periodically and affirmatively approved at specific and reasonable intervals to ensure compliance with any recent law changes.

Valencia Response 8: Valencia College reviews and approves its presidential contract on an annual basis.

CIG Recommendation 9: We also recommend that each of the twentyeight (28) college boards of trustees tie the presidents' continued employment and compensation to specific performance goals and expectations that are outlined in the employment contract and the annual performance evaluation.

Valencia Response 9: Valencia College has incorporated performance merit pay provisions in its presidential contract for over seven years. The president's performance is evaluated formally by the District Board of Trustees on an annual basis.

CIG Recommendation 10: We recommend the college boards of trustees provide copies of any amended contracts to the Division.

Valencia Response 10: Valencia provides copies of documents to the Division of Florida Colleges as may be requested or required. Valencia College Responses to Chief Inspector General (CIG) Recommendations May 7, 2013 Page 4

CIG Recommendation 11: [W]e recommend that the Division ascertain whether any of these recommendations should be codified in statutes and, if so, seek legislative action in consultation with the Department of Education and the Executive Office of the Governor.

Valencia Response 11: Valencia College will participate fully in discussions initiated by the Division of Florida Colleges with respect to the consideration of the need for proposed legislation.

Again, thank you for your efforts in helping to improve the Florida College System and Valencia College.

Sincerely,

Maria Grulich

Chair, Valencia College District Board of Trustees

Cc: Sanford C. Shugart, President

Maria Juckeh / 87

William J. Mullowney, Vice President for Policy and General Counsel



Executive Office of the Governor Office of the Chief Inspector General The Capitol, Room 2103 Tallahassee, Florida 32399-0001

Office Phone Number – (850) 717-9264 Fax Number – (850) 921-0817 Whistle-blower's Hotline – 800-543-5353