

REPORTS

**RESPONSE TO CHIEF INSPECTOR
GENERAL'S REPORT REGARDING THE
STATE COLLEGE PRESIDENTS'
COMPENSATION**

VALENCIA COLLEGE

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 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.

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.

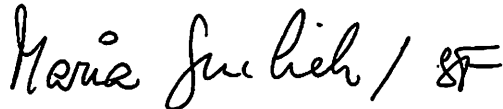
Valencia Response 10: Valencia provides copies of documents to the Division of Florida Colleges as may be requested or required.

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,

A handwritten signature in cursive script that reads "Maria Grulich / 85".

**Maria Grulich
Chair, Valencia College District Board of Trustees**

**Cc: Sanford C. Shugart, President
William J. MULLOWNEY, Vice President for Policy and General Counsel**



RICK SCOTT
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.

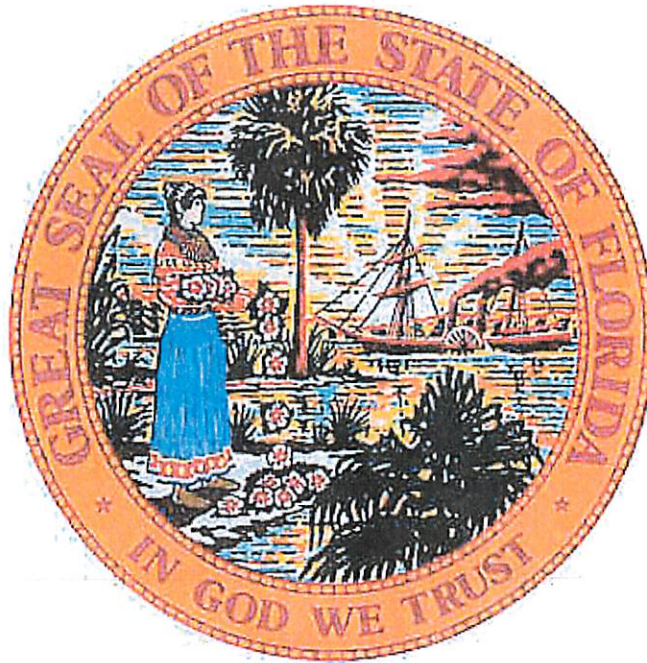
Respectfully,

A handwritten signature in blue ink that reads "Melinda M. Miguel".

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.⁸ 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.¹⁶ 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.

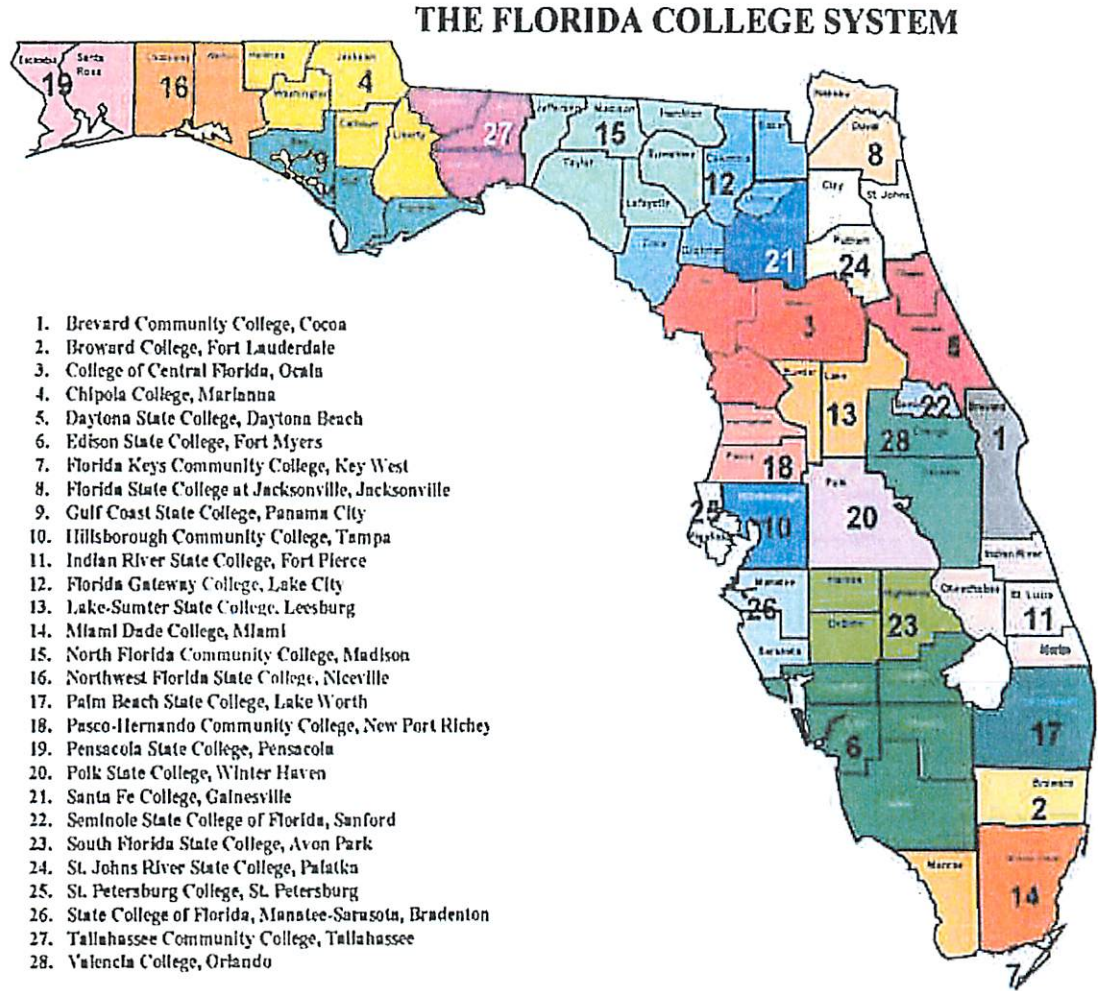
Exhibit 1 shows the areas covered by each of the twenty-eight (28) state colleges.

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



Source: Division of Florida Colleges, Florida Department of Education

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

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

¹⁸ Section 1012.885, F.S., is entitled "Remuneration of community college presidents; limitations."

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.

²² 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. Miami Dade College	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

Source: Division of Florida Colleges, Florida Department of Education

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.

²⁷ 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

Source: Division of Florida Colleges, Florida Department of Education

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.

²⁹ 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-Hernando 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
1. 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

Source: Division of Florida Colleges, Florida Department of Education

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

Source: Division of Florida Colleges, Florida Department of Education

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
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
1. 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.

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
Total	\$242,324

Source: Division of Florida Colleges, Florida Department of Education

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

State College	FRS/Replacement Employer Contribution
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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-Hernando 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

Source: Division of Florida Colleges, Florida Department of Education

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, and bonus/incentive pay. The reported Other 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 College (for life insurance, leave, and salary supplement). Other 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

State College	Other Comp/ 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 Senior management benefits include benefit days and insurance premiums the colleges pay for all 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.

State College	Other Comp/ 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.
9. 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	

Source: Division of Florida Colleges, Florida Department of Education

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

Based on the employment contracts and college policies and procedures, all twenty-eight (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.

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 (non-compensable) (both leave types are non-cumulative).

³⁹ 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

⁴⁶ Santa Fe College – 12 days of consulting leave (non-cumulative).

⁴⁷ 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.

⁴⁸ Miami-Dade College – 10 days of annual PSAL [professional staff accrued leave] (paid out).

⁴⁹ 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

Source: Division of Florida Colleges, Florida Department of Education

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.

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

⁵³ Hillsborough Community College – 4 days of personal leave.

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. ⁵⁵ 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 may not exceed an amount greater than 20 weeks of compensation. [emphasis added]
2. A 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]

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)
1. 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".
2. 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)
3. 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-Hernando 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]
9. 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)
1. 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 may not exceed an amount greater than 20 weeks of compensation. [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 perquisites [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
<p>1. 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</p>
<p>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.</p>
<p>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.</p>

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
<p>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.</p> <p>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.</p>
<p>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.</p> <p>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.</p>
<p>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.</p> <p>This college did not include the bonus on the Division survey.</p>

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
<p>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.</p>
<p>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.</p>
<p>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.</p>
<p>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.</p>
<p>5. 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.</p>

State College – Performance Compensation or Non-Performance Penalty Contract Language
<p>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.</p>
<p>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.</p>
<p>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.</p>

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 services⁶² 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

⁶⁰ 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.⁶³ 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

Review of Florida State College Presidents' Compensation

Line Date	A	B Contract Term	C 2012-13 Base Salary	D Awards	E Deferred Compensation	F Vehicle Provision	G Housing Allowance	H		I FRS/Replacement Employer Contribution	J		K Total Compensation
								Major Medical Insurance Premium	Other Compensation		Other Compensation	Total	
1	Brevard Community College	2/8/12 - 2/5/15	\$ 283,345	\$ -	\$ 61,164	\$ 10,800	\$ -	\$ 16,510	\$ -	\$ 23,626	\$ 20,857	\$ -	\$ 453,797
2	Broward College	7/1/12 - 6/30/17	\$ 375,000	\$ -	\$ 27,000	\$ 14,400	\$ -	\$ 17,000	\$ -	\$ 23,500	\$ -	\$ -	\$ 454,900
3	College of Central Florida	1/1/12 - 12/31/14	\$ 200,000	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ 12,000	\$ 13,000	\$ -	\$ 230,100
4	Chippewa College	7/1/12 - 3/31/14	\$ 104,040	\$ -	\$ 16,405	\$ 6,663	\$ -	\$ 5,028	\$ -	\$ 10,335	\$ -	\$ -	\$ 202,477
5	Daytona State College	8/20/11 - 8/2/14	\$ 274,300	\$ -	\$ 67,231	\$ -	\$ -	\$ 6,350	\$ -	\$ 25,620	\$ 1,500	\$ -	\$ 364,009
6	Edison State College	7/31/12 - 6/30/15	\$ 275,000	\$ -	\$ -	\$ 12,000	\$ -	\$ 4,528	\$ -	\$ 38,500	\$ -	\$ -	\$ 332,028
7	Florida State College at Jacksonville (former president)	7/1/12 - 6/30/16	\$ 320,243	\$ 60,060	\$ 22,500	\$ 1,301	\$ 25,000	\$ 14,126	\$ -	\$ 34,793	\$ 23,833	\$ -	\$ 504,596
7a	Florida State College at Jacksonville (former president consulting agreement)	1/1/13 - 12/31/13	\$ 320,821	\$ 25,000	\$ 12,350	\$ 651	\$ 12,500	\$ 9,693	\$ -	\$ 17,397	\$ 11,517	\$ -	\$ 403,799
7b	Florida State College at Jacksonville (former president)	1/21/13 - until released by Board	\$ 270,000	\$ -	\$ -	\$ 6,000	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
8	Florida Keys Community College	7/1/12 - 6/30/15	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 7,102	\$ -	\$ 11,340	\$ -	\$ -	\$ 188,482
9	Gulf Coast State College	7/1/10 - 7/30/14	\$ 231,316	\$ -	\$ -	\$ 7,968	\$ -	\$ 1,332	\$ -	\$ 13,462	\$ 1,320	\$ -	\$ 255,330
10	Hillsborough Community College	7/1/10 - 6/30/13	\$ 234,600	\$ 20,000	\$ -	\$ 10,000	\$ 25,000	\$ 9,103	\$ -	\$ 14,780	\$ 1,850	\$ -	\$ 315,133
11	Indian River State College	8/4/12 - 8/4/15	\$ 240,300	\$ -	\$ -	\$ 4,201	\$ -	\$ 6,717	\$ -	\$ 49,500	\$ 62,088	\$ -	\$ 304,804
12	Florida Gateway College	7/1/12-6/30/15	\$ 225,208	\$ 22,654	\$ -	\$ 7,119	\$ -	\$ 12,170	\$ -	\$ 14,168	\$ 5,677	\$ -	\$ 287,414
13	Lake-Sumter State College	7/1/12 - 6/30/16	\$ 203,344	\$ -	\$ 39,764	\$ 3,300	\$ -	\$ 12,792	\$ -	\$ -	\$ 28,301	\$ -	\$ 267,621
14	State College of Florida, Manatee-Sarasota (former president)	5-1/11-8-1/18	\$ 264,168	\$ -	\$ 10,500	\$ 4,500	\$ -	\$ 23,227	\$ -	\$ 19,847	\$ 17,427	\$ -	\$ 383,168
14a	State College of Florida, Manatee-Sarasota	3/1/13-3/1/15	\$ 235,000	\$ 25,000	\$ 14,371	\$ 1,663	\$ 20,000	\$ 6,712	\$ -	\$ 30,000	\$ 14,800	\$ -	\$ 348,446
15	Miami Dade College	6/1/11 - 5/30/14	\$ 367,731	\$ -	\$ 60,000	\$ 11,451	\$ 46,000	\$ -	\$ -	\$ 28,024	\$ 124,051	\$ -	\$ 630,157

Review of Florida State College Presidents' Compensation

	A		B		C		D		E		F		G		H		I		J		K	
	Hire Date	Contract Term	2012-13 Base Salary	Applicable	Deferred Compensation	Vehicle Provision	Housing Allowance	Major Medical Insurance Premium	FRS/Replacement Employee Contribution	Other Compensation	Total Compensation	Other Compensation	FRS/Replacement Employee Contribution	Other Compensation	Total Compensation							
16	North Florida Community College	07/01/09	02/1/12 - 03/31/14	\$ 125,000	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Northwest Florida State College	06/21/10	7/1/12 - 03/31/15	\$ 201,985	\$ 22,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Palm Beach State College	07/01/97	7/1/12 - 03/31/14	\$ 229,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Pasco-Hernando Community College	01/18/05	7/1/12 - 03/31/15	\$ 214,469	\$ 21,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Pensacola State College	05/01/09	7/1/12 - 03/31/15	\$ 204,703	\$ 22,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Polk State College	02/01/06	2/1/12 - 12/31/15	\$ 239,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	St. Johns River State College	11/01/09	7/1/12 - 03/31/15	\$ 302,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	St. Petersburg College	04/07/10	07/1/10 - 03/31/15	\$ 330,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Santa Fe College	01/01/02	1/1/12 - 12/31/15	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Seminole State College of Florida	02/01/98	7/1/12 - 03/31/15	\$ 246,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	South Florida State College	06/30/02	7/1/12 - 03/31/15	\$ 234,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Tallahassee Community College	11/15/10	11/15/10 - 11/14/14	\$ 272,615	\$ 63,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Valencia College	07/01/00	7/1/2012 - 03/31/15	\$ 293,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total			\$ 7,038,322	\$ 223,230	\$ 879,618	\$ 161,445	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Average			\$ 251,202	\$ 31,896	\$ 52,294	\$ 8,248	\$ 27,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Included for informational purposes. Figures not included in totals or averages.

Bold - figures are from the Division survey

Italic - figures are from the Division survey

Vehicle Provision - There may be discrepancies in reporting based on a possible "waiting" period where the benefit has not been paid.

Other Compensation - This section typically includes employee health benefits, retirement benefits, OVC organization membership, entertainment reimbursement and/or allowances, performance incentives/bonus pay, cell phone expenses, and all home computer equipment.

The State College of Florida Manatee-Sarasota president was appointed after the completion of our feedback. Revised compensation figures were supplied by the state college.

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 \$180,000 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.

FLORIDA DEPARTMENT OF EDUCATION



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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

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