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Increased Compensation Puts More College Presidents in the Million-Dollar Club

By JONATHAN D. GLATER

Soaring compensation of university presidents, once limited to a few wealthy institutions, is becoming increasingly common, with the number of million-dollar pay packages at private institutions nearly doubling last year, and compensation at many public universities not far behind.

Presidents at 12 private universities received more than \$1 million in the 2005-6 school year, the most recent period for which data on private institutions is available, up from seven a year earlier, according to an annual survey of presidential pay to be released today by The Chronicle of Higher Education. The number of private college presidents earning more than \$500,000 reached 81, up from 70 a year earlier and just three a decade ago.

The survey also found that the number of public university presidents making \$700,000 or more rose to eight in 2006-7, the reporting period for public institutions. Only two public university presidents made \$700,000 in the previous period. The survey did not include E. Gordon Gee, who took over at Ohio State University earlier this year and whose \$1 million pay package, before bonuses, is probably the highest of any public institution.

"If your aspiration is to be a college president, that is a way to become a millionaire," said Patrick M. Callan, president of the National Center for Public Policy and Higher Education in San Jose, Calif. "That was inconceivable 20 years ago."

The survey results continue a trend, even as some students, their families and lawmakers have questioned whether such generous packages for college presidents have contributed to the rising cost of college.

"The public has kind of lost confidence in the altruistic mission of higher education," Mr. Callan said. "They see higher education as just another institution that's in it for its own bottom line."

John W. Curtis, director of research and public policy at the American Association of

University Professors, said rising pay to presidents was consistent with a "corporate mindset" at colleges, reflecting "the idea that you have a single person who essentially is running the place."

But officials at high-pay institutions defend the salaries, saying they result from intense competition to hold onto talented executives necessary to help build institutional wealth and prestige. They say that running a large university is increasingly similar to running a corporation.

For example, Howard E. Cosgrove, chairman of the <u>University of Delaware</u> board, in a statement described the growth in his institution's endowment and in the number of grants and contracts to faculty during the tenure of David P. Roselle, who retired this summer as the university's president and who was the top earner at a public institution, not counting Mr. Gee. Mr. Roselle received \$874,687 in salary and benefits and for serving on a corporate board. Mr. Cosgrove called Mr. Roselle's work "outstanding in every aspect."

The other top earners at public institutions in 2006-7 were John T. Casteen III of the <u>University of Virginia</u>, with \$753,672, and Mark A. Emmert of the <u>University of Washington</u>, with \$752,700.

The survey identifies Richard M. Freeland of <u>Northeastern University</u> as the highest paid president of a private university in 2005-6, with annual compensation of nearly \$2.9 million. James P. Gallagher of Philadelphia University comes next with just under \$2.6 million, and William R. Brody of <u>Johns Hopkins University</u> in Baltimore is third with slightly more than \$1.9 million. Mr. Freeland stepped down in 2006 and Mr. Gallagher in 2007.

For the first time the survey, which reported on 1,017 institutions, included presidents of community colleges, who generally earn less than their counterparts at public and private four-year institutions even though some community colleges are larger than some public universities.

The presidents at half of the 68 community colleges surveyed make less than \$250,000 a year. The most highly paid president in 2006-7 was Michael B. McCall of the Kentucky Community and Technical College System, with \$610,670 in total compensation.

Richard Bean, chairman of the board of regents of the system, said the pay package was appropriate and added that Mr. McCall got the same percentage raise as members of the faculty.