

March 4-5, 2010

**ITEM 146-113-R0310**

**Presidential Salary Parity**

**THAT**

The Board of Regents of Higher Education shall reestablish equal base salary levels for the positions of president at The University of Montana (UM) and Montana State University (MSU) effective March 1, 2010, contingent upon annual evaluations and excellent performance.

**EXPLANATION**

For nearly four decades, the Board of Regents has consistently maintained identical salary levels for the positions of president at MSU and UM.

The longstanding practice of treating these two positions similarly, from a “job classification” and compensation perspective, has provided stability and insulation against volatile expenditure growth in the president salary levels. Long-term salary inequity between the MSU and UM president positions almost certainly would increase the turnover rate of presidents. Experience has shown that the greater the turnover rate, and the more often the Montana University System must go on the market to hire a president, there is greater fiscal exposure to the inherent escalating salary levels in presidential recruitments.

The current UM president salary is \$205,050. The Board of Regents in October 2009 approved a salary level of \$280,000 for the president position at MSU, effective January 1, 2010. The Board has begun the process of recruiting a new president for UM to replace the current president, who is retiring August 15, 2010. Effective March 1, 2010, the salary of the UM president position shall be \$280,000. This amounts to an additional cost of approximately \$34,352 between the effective date and his retirement. In resetting the salaries of the two positions to an identical level, consistent with the Board’s longstanding practice for this job classification, the Board expects the hiring of the next UM president shall not cause further imbalance in president salaries.