

1. Title

Cash Compensation for Chief Administrative Officers

2. Rule and Regulation

Sec. 1 Purpose. This Rule sets forth the cash compensation structure authorized for the Chief Administrative Officers of The University of Texas System. It is prospective in nature and application and is not intended to be applied retroactively. It does not pertain to, nor affect, benefit programs such as insurance and retirement benefits, which may also be a part of a Chief Administrative Officer's overall compensation package.

Sec. 2 Elements of Compensation Structure. In order to attract and to retain effective, highly skilled, and committed Chief Administrative Officers of the institutions, it is the policy of the U.T. System to offer competitive levels of cash compensation within a compensation structure consistently applied. This Rule establishes and defines the various elements for the cash compensation portion of a Chief Administrative Officer's compensation package. Compensation packages for the presidents are recommended by the appropriate Executive Vice Chancellor to the Chancellor, and then by the Chancellor to the Board of Regents for approval. The compensation package for the Chancellor is determined by the Board of Regents.

2.1 Base Salary. The base salary rate for each chief administrative officer will be set by the U.T. System Board of Regents following a review of peer institutions.

2.2 Practice Plan Supplement. The bylaws of the physician practice plans provide that the compensation for the presidents of the health institutions may be supplemented by up to 30% of the president's salary from practice plan funds. The supplement is contingent on availability of funds in the practice plan. The practice plan salary supplement is not a part of the base salary and will be reported as a separate element of the health institution president's cash compensation because of the special nature of the source of funding. Practice plan supplements are not eligible for Teacher Retirement System and Optional Retirement Program retirement benefits or other retirement benefits and no employer

matching contributions may be made with respect to practice plan supplements.

- 2.3 **Deferred Compensation.** Upon approval by the Board, deferred compensation may be paid pursuant to a Deferred Compensation Plan originally adopted effective September 1, 1996, for the benefit of a select group of employees. The purpose of the plan is to offer those employees an opportunity to elect to defer the receipt of compensation pursuant to [Section 457\(f\)](#) of the *Internal Revenue Code of 1987*, as amended. Deferred compensation is not part of the base salary and will be reported as a separate element of the Chief Administrative Officer's cash compensation. Deferred compensation is not eligible for Teacher Retirement System or Optional Retirement Program retirement benefits or other retirement benefits.
- 2.4 **One-time Merit Awards.** In instances where a Chief Administrative Officer has made a significant contribution in a particular year, the Board of Regents may elect to make a one-time merit award.
- 2.5 **Other Elements of Compensation.** A Chief Administrative Officer is also eligible to receive additional elements of compensation available to all Key Executives, as listed in Rule 20203, that are not specifically listed above.

Sec. 3 Prohibited Allowances or Adjustments. No allowances or adjustments will be provided for the following items.

- 3.1 **Housing Allowance.** No separate allowance for housing may be paid. Base salary includes compensation sufficient to purchase or lease a residence.
- 3.2 **Housing Maintenance Allowance.** No separate allowance for maintenance, utilities, landscaping, or other expenses attributable to a Chief Administrative Officer's personal residence may be paid. All personal expenses associated with a Chief Administrative Officer's residence are intended to be covered by the base salary. No U.T. System employee may be used to provide personal services related to repair or maintenance at a residence that is not owned by the University.

3.3 Car Allowance. No separate car allowance may be provided to a Chief Administrative Officer. Base salary includes compensation sufficient to purchase or lease a car. An institution may reimburse a Chief Administrative Officer for mileage associated with business use of a personal vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (*Texas Government Code, [Chapter 660](#)*), and applicable institutional policies. No vehicle may be purchased for or assigned to the Chief Administrative Officer for personal use.

Sec. 4 Other Compensation. This Rule covers compensation provided for service as a Chief Administrative Officer by the institution or an external organization that is established to support the mission of the institution. Compensation for other service, such as service on outside boards, must be pursuant to approval required by The University of Texas Systemwide [Policy UTS 180](#) (*Conflicts of Interest, Conflicts of Commitment, and Outside Activities*).

Sec. 5 University Residences. If the Board of Regents require the Chief Administrative Officer to reside in a University Residence, then such requirement will be detailed in the Chief Administrative Officer's offer of employment. In the absence of such requirements, each Chief Administrative Officer, for which a residence owned by the U.T. System is available, will have the option of leasing the residence from the U.T. System at the current fair market rental value of that portion of the residence that is used as the president's private residence.

3. Definitions

Chief Administrative Officers – the Chancellor and the presidents of U.T. System institutions

University Residences are the following:

Bauer House – Residence of the Chancellor of the U.T. System, located in Austin, Texas

Hoover House – Residence of the President of U.T. El Paso, located in El Paso, Texas

Juanita Curry Boynton House – Residence of the President of Stephen F. Austin State University located in Nacogdoches, Texas

4. Relevant Federal and State Statutes

Texas Education Code [Section 65.16](#) – System Central Administration Office; Executive Officer

Texas Education Code [Section 65.31](#) – General Powers and Duties

Texas Government Code, [Chapter 660](#) – Travel Expenses

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 20203](#) – Compensation for Key Executives

Regents' *Rules and Regulations*, [Rule 80107](#) – Expenditures for the Maintenance of University Residences

The University of Texas Systemwide [Policy UTS 180](#), *Conflicts of Interest, Conflicts of Commitment, and Outside Activities*

6. System Administration Office(s) Responsible for Rule

Office of the Board of Regents
Office of the Chancellor

7. Dates Approved or Amended

[Regents' Rules Revision History](#)