



**THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
REPORT ON INFORMATION REGARDING STAFF COMPENSATION**

In compliance with *Texas Government Code Sec. 659.026*, INFORMATION REGARDING STAFF COMPENSATIONS, The University of Texas System Administration is making available the following information:

- I. the number of full-time equivalent employees employed by the agency;

	Fiscal Year 2014
Full-time equivalent employees	19,157.36

Source: Quarterly FTE reports filed with the Texas State Auditor’s Office and based on four-quarter average.

- II. the amount of legislative appropriations to the agency for each fiscal year of the current state fiscal biennium;

	Fiscal Year 2014	Fiscal Year 2015
Total Appropriation All Funds	180,847,800	180,839,146

Source: 83rd Legislative Session, *General Appropriations Act*, Article III. The amounts shown include direct appropriations from all funds.

- III. the agency’s methodology, including any employment market analysis, for determine the compensation of executive staff employed by the agency, along with the name and position of the person who selected the methodology;

The U. T. System Board of Regents has adopted *Regents’ Rules and Regulations*, Rule 20203, relating to compensation for key executives. Key executives are defined as the Chancellor, General Counsel to the Board, Chief Audit Executive, Executive Vice Chancellors, presidents of each of the U. T. System academic and health institutions, and Vice Chancellors. Rule 20203 states that the elements of compensation for key employees “may include and are limited to base salary; short and long-term incentive pay; supplemental retirement plans, such as deferred compensation plans; one-time merit pay; special provisions necessary to recruit an individual to a key executive position, such as salary supplement for a limited time or one-time relocation payment as necessary and prudent to recruit the top talent for the position; and perquisites such as memberships, parking privileges, and provision of or allowance for cell phone and/or other mobile communication devices as determined necessary for business purposes and as covered in individual agreements.”

Rule 20203, Section 2 outlines procedures for the Office of the Board of Regents to oversee and conduct a comprehensive survey and analysis to obtain current and reliable market data on

total compensation of key executives in comparable positions at peer institutions that includes both public and private institutions. Market data is adjusted using cost of living information related to a respondent's geographic region. The survey is conducted every three years. In non-survey years, the Office of the Board of Regents is to obtain information concerning general changes in executive compensation in the marketplace, and the comprehensive survey is to be adjusted accordingly.

In November 2013, a summary of Key Executive Compensation was prepared by Buck Consultants and presented to the U. T. System Board of Regents. Market data from the survey indicated that U. T. System Administration maintains a competitive market position relative to the market for cash compensation, however, somewhat less emphasis on security-related programs like retirement plans, health and welfare benefits, deferred compensation arrangements and other practices. The Office of the Board of Regents selected Buck Consultants through a competitive process to prepare the compensation analysis.

M. D. Anderson follows UT System Regents' Rules and Regulations, Rule 20203 for methodology relating to compensation for key executives. MD Anderson targets the 75th percentile of the competitive market. An annual market study is conducted to set total cash compensation market targets and total cash compensation paid is within +/- 15% of the target.

Source: Buck Consultants; U. T. System Regents' *Rules and Regulations*; Mercer; Towers Perris; Sullivan Cotter; Integrated Healthcare Strategies

IV. whether executive staff are eligible for a salary supplement;

The President is the only individual receiving a salary supplement meeting the requirements of the *General Appropriations Act (GAA)*, Article IX, Section 3.02. The President is eligible for a salary supplement per the *GAA*, Article III, Special Provisions, Section 5, Paragraph 2. It is not the current policy of the U. T. System to accept gifts, grants, donations, or other consideration designated by a donor for salary supplements.

V. the market average for compensation of similar executive staff in the private and public sectors;

An analysis was performed by Buck Consultants of peer institutions and this analysis found that the president's total cash compensation as it relates to the study period was found to be between the 75th and 90th percentile of peers.

Based on the most recent market analysis, key executive total cash compensation was found to be at the 75th percentile of peers.

Sources: Buck Consultants; Mercer; Towers Perris; Sullivan Cotter; Integrated Healthcare Strategies

VI. the average compensation paid to employees employed by the agency who are not executive staff;

	Fiscal Year 2014
Average compensation paid to staff	\$63,617

Source: Texas State Auditor Workforce Summary Document using self-reported information from the institution (note: institutions may find this report at <http://www.hr.sao.state.tx.us/Publications/wfsummaries.aspx> - current data will need to be obtained from your HR Office)

VII. the percentage increase in compensation of executive staff for each fiscal year of the five preceding fiscal years and the percentage increase in legislative appropriations to the agency each fiscal year of the five preceding fiscal years.

Executive Staff	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
President*	0.0%	2.0%	38.6%	2.5%	0.0%
Executive Vice President	0.0%	12.3%	10.2%	5.7%	0.0%
Executive Vice President and Physician in Chief	0.0%	12.3%	10.3%	4.0%	0.0%
Provost and Executive Vice President**	0.0%	12.3%	14.6%	4.0%	0.0%
Vice President, Development	0.0%	5.8%	3.0%	4.0%	0.0%
Vice President, Government Relations	0.0%	8.2%	6.4%	5.8%	0.0%

Note: Percentage of salary increases are based on salaries for positions on September 1st of each year.

*Change in incumbent from FY11 to FY12

**Change in incumbent from FY13 to FY14

Legislative Appropriations	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Percent Increase in Total Appropriation All Funds	-4.68%	9.01%	11.08%	4.84%	-99.26%

Source: *General Appropriations Act* from Legislative Appropriations from each biennium's and includes direct appropriations from all funds net of legislatively mandated reductions. In the 2014-2015 biennium, HRI patient income and the associated interest income earned on its balances was removed from the three HRI hospital's bill pattern in the General Appropriations Act. This change creates the large deficit percentage in FY 2014.