



## 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 COMPENSATION, the following information is made available:

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

	Fiscal Year 2019
Full-time equivalent employees	21,392.20

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 2020	Fiscal Year 2021
Total Appropriation All Funds	211,772,878	211,773,229

Source: 86<sup>th</sup> 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. 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 August 2019, a Higher Education Leadership Compensation Survey was prepared by Korn Ferry related to key executives and presented to the U. T. System Board of Regents. The Office of the Board of Regents selected Korn Ferry through a competitive process to prepare the compensation analysis. The updated report indicated that U. T. System continues to maintain a competitive position relative to market medians for health and academic peer organizations (comparable public and private higher education systems and institutions).

M. D. Anderson follows U.T. System Regents' Rules and Regulations, Rule 20203 for methodology relating to compensation for key executives. M.D. Anderson targets the 75<sup>th</sup> 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: Korn Ferry; U. T. System Regents' *Rules and Regulations*; Mercer; Willis Towers Watson; Sullivan Cotter; Gallagher 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 specifically 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 Korn Ferry of peer institutions and this analysis found that the president's total direct compensation as it relates to the study period was found to be between the 55<sup>th</sup> and 70<sup>th</sup> percentile of peers.

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

Source: Korn Ferry; Mercer; Willis Towers Watson; Sullivan Cotter; Gallagher Integrated Healthcare Strategies.

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

	<b>Fiscal Year 2019</b>
Average compensation paid to staff	72,605

Source: Current data obtained from reports provided by the Office of Human Resources.

- 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.

<b>Executive Staff</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
President*	0.0%	0.0%	0.0%	0.0%	0.0%
Chief Medical Executive**	n/a	n/a	n/a	0.0%	6.1%
Senior Vice President & General Counsel, Legal & Regulatory Affairs***	n/a	n/a	n/a	0.0%	6.1%
Senior Vice President and Chief Financial Officer****	n/a	0.0%	n/a	0.0%	5.1%
Senior Vice President, Institutional Advancement*****	n/a	0.0%	3.0%	8.3%	8.1%
Senior Vice President, People & Business Operations & Chief Human Resource Officer***	n/a	n/a	n/a	0.0%	6.1%
Senior Vice President, Research Administration & Industry Relations***	n/a	n/a	n/a	0.0%	6.1%
Senior Vice President, Strategy & Business Development***	n/a	n/a	n/a	0.0%	7.1%
Vice President, Governmental Relations	4.0%	6.0%	3.0%	0.0%	6.1%

\* New incumbent effective 12/1/17

\*\* Change to Deputy President and Chief Operating Officer effective 2/1/17. Subsequent change to Chief Medical Executive effective 9/1/18

\*\*\* Promotion to Senior Vice President effective 7/1/17

\*\*\*\* Promotion to Senior Vice President effective 9/1/15, change in incumbents between FY16 and FY18.

\*\*\*\*\* New position created and filled effective 7/20/15

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

<b>Legislative Appropriations</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Percent Increase in Total Appropriation All Funds	0.00%	7.40%	0.00%	4.16%	0.00%

Source: *General Appropriations Act* from Legislative Appropriations from each biennium's and includes direct appropriations from all funds net of legislatively mandated reductions.