



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 2020
Full-time equivalent employees	22,012

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: 86th 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 2020, 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 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: Korn Ferry; U. T. System Regents' *Rules and Regulations*; Mercer; Willis Towers; 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 50th and 75th 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.

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

	Fiscal Year 2020
Average compensation paid to staff	74,649

Source: For ODD (i.e. 2019) years, institutions will need to calculate this. For EVEN Years the Texas State Auditor Workforce Summary Document using self-reported information from the institution can be used. (note: institutions may find this report at <http://www.hr.sao.texas.gov/WorkforceAnalysis/Summaries>- 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
President*	0.0%	0.0%	0.0%	0.0%	10.0%
Chief Academic Officer**	n/a	n/a	n/a	0.0%	10.7%
Chief of Staff***	n/a	n/a	n/a	n/a	4.0%
Chief Operating Officer****	n/a	n/a	n/a	n/a	0.0%
Senior Vice President and Chief Development Officer***	n/a	n/a	n/a	n/a	0.0%
Senior Vice President and Chief Financial Officer****	0.0%	n/a	0.0%	5.1%	3.5%
Senior Vice President, Chief Scientific Officer***	n/a	n/a	n/a	n/a	3.5%
Senior Vice President, Institutional Affairs	0.0%	3.0%	8.3%	8.1%	3.5%
Senior Vice President, General Counsel Legal and Regulatory Affairs*****	n/a	n/a	0.0%	6.1%	3.5%
Senior Vice President, People, Culture and Infrastructure*****	n/a	n/a	0.0%	6.1%	3.5%
Senior Vice President, Research Administration and Industry Relations*****	n/a	n/a	0.0%	6.1%	3.5%
Senior Vice President, Strategy and Business Development*****	n/a	n/a	0.0%	7.1%	6.0%
Vice President, Government Relations	6.0%	3.0%	0.0%	6.1%	4.0%

*New incumbent effective 12/1/17

**Promotion to CAO effective 9/1/18

***New position filled in FY19

****Change in incumbents between FY16 and FY18

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

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

Legislative Appropriations	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Percent Increase in Total Appropriation All Funds	7.40%	0.00%	4.16%	0.00%	4.60%

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