



State of New Jersey

OFFICE OF THE STATE COMPTROLLER
P.O. Box 024
TRENTON, NJ 08625-0024

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

A. MATTHEW BOXER
State Comptroller

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Contact: Pete McAleer
609-633-2377

State Comptroller calls for guidelines to rein in compensation for community college presidents

OSC report examines compensation for the college presidents; details public dollars spent on costly perks

The compensation paid to New Jersey's community college presidents varies greatly from one institution to the next, with several colleges paying their president more than \$300,000 a year, according to a report released today by the Office of the State Comptroller (OSC).

Analyzing data from 2010, the OSC report found that community colleges padded their president's compensation with perks such as housing allowances that reached as high as \$3,500 a month and annual retirement contributions that in one case were more than 14 times the amount required by state statute.

The OSC report also found substantial disparity in the amount of additional expenses community college presidents charged to their school. Those expenses ranged from \$648 paid by Sussex County Community College to \$45,415 paid by Brookdale Community College. In addition to Brookdale, three other community colleges paid more than \$20,000 to cover the costs of a variety of expenses that included perks such as country club memberships, airfare for spouses to travel to conventions and credit card purchases for \$100-per-person meals.

Among the recommendations made in the report, OSC calls for the State to establish guidelines for the compensation of community college presidents, particularly for items such as housing allowances, performance bonuses and college-funded retirement benefits.

"There are no state standards or guidelines for college trustees to rely on when setting compensation terms for their president," said State Comptroller Matthew Boxer. "As a result, there are huge disparities in not only the salaries of community college presidents,

but other forms of their compensation as well. We're not suggesting a one-size-fits-all approach, but it's appropriate to set boundaries when schools are spending taxpayer dollars."

The OSC report found that the average total payments to or on behalf of New Jersey's community college presidents exceeded \$250,000 in 2010. The then-president of Union County College received \$441,000 in total compensation, which was the largest amount that year. That individual was actually on sabbatical in 2010. While he received full pay and benefits, for half of that year the college also concurrently paid another person for performing the duties of the president.

Of current community college presidents, Essex County College's president had the largest base salary. In addition, she separately received in 2010 a \$3,500 monthly housing allowance, unlimited use of a college-funded Lincoln MKZ, more than \$20,000 to relocate from Florida and \$2,000 to cover the cost of six roundtrip flights between New Jersey and Florida. The college also paid for more than \$20,000 of her other expenses including more than \$3,500 in cell phone bills, which was the largest amount among the community college presidents.

The Essex president also used the college credit card to send each of the school's 11 trustees a holiday gift basket - at a cost totaling \$550 - and to expense a \$570 dinner for her and her senior staff. Bergen Community College paid similar expenses for its president's meals with college trustees and staff.

"If community college presidents want to treat their staff to a pricey dinner, they should do that out of their own pocket, not with public dollars," Boxer said. "The same is true for a college president buying gifts for the school's trustees, especially since those trustees are supposed to be providing the oversight here."

The OSC report also found 17 of New Jersey's 19 community colleges chose to make annual contributions to their president's retirement fund that exceeded the 8 percent contribution required by state statute. Five of the colleges paid more than triple the required contribution, while four more contributed more than double the required amount. For example, Union County College paid more than \$150,000 to its then-president's retirement fund during 2010, an amount 14 times the required contribution. When Union's president retired in December 2010, he received a separate \$1 million lump-sum retirement distribution that had been funded by the college over a period of years.

Burlington County College's president also received an unusual benefit upon his retirement earlier this year. The college provides lifetime dental, life and long term care insurance coverage for both the president and his wife, a post-employment benefit that will cost the school more than \$110,000 during the first 10 years of the president's retirement.

OSC's report also found that in 2010:

- Brookdale Community College paid \$27,382 for its president's children to attend four different universities - and an additional \$13,375 to compensate

the president for the income tax liability resulting from those tuition reimbursements.

- Brookdale also paid nearly \$900 in lodging expenses for five separate stays for its president at a Mount Laurel hotel that is a 90-minute drive from the campus. College officials were unable to provide an explanation for the payments.
- Bergen Community College's president used the college credit card to make \$28,000 in purchases, including \$16,600 for meals, liquor and entertainment.
- Burlington County College paid airfare and meal costs for both its president and the president's spouse to attend conferences in Florida, Seattle and Toronto.
- Burlington also paid its president \$25,000 for unused vacation days. The college made \$25,000 payments for its president's unused vacation time in 2008 and 2009 as well.

In addition to calling for compensation guidelines, the OSC report also recommends, for example, that each community college post its president's employment contract and annual expense information on its website and that college trustees award any bonuses to the college president only when the president has satisfied specified performance criteria.

New Jersey's 19 community colleges serve nearly 260,000 students from all 21 counties. Their funding stems primarily from student tuition, state aid and taxes paid by county residents.