ARIZONA STATE SENATE

Fifty-Seventh Legislature, First Regular Session

FACT SHEET FOR S.B. 1453

university presidents; ABOR; maximum compensation

Purpose

Caps a public university president's annual salary at $500,000 and the aggregate value of bonuses, incentives and other compensation at 15 percent of the public university president's annual salary.

Background

The Arizona Constitution establishes the Arizona Board of Regents (ABOR) to act as the governing body of Arizona's public university system. ABOR exercises the powers necessary for the effective governance and administration of the institutions under its control, including the appointment, employment and determination of compensation for each public university president. ABOR may delegate parts of its authority for the administration and governance of such institutions to public university presidents, including the authority to: 1) appoint, employ and determine the compensation of vice presidents, deans, professors, instructors and other officers or employees; 2) establish curricula and designate public university courses; 3) award degrees and diplomas on completion of course or curriculum requirements; and 4) adopt personnel policies for university employees. ABOR may rescind any delegation of authority at any time in whole or in part (A.R.S. § 15-1626).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Narrows ABOR's authority to determine the compensation of a university president by capping:
   a) a university president's salary at $500,000; and
   b) the aggregate value of bonuses, incentives and other compensation, including nonmonetary compensation a university president may receive each year, at 15 percent of the university president's annual salary.
2. Specifies that a university president may receive a bonus, incentive or other compensation, including nonmonetary compensation, only for performance that both exceeds the university president's assigned duties and directly benefits the institution's students, staff or faculty.
3. Applies the salary and compensation requirements to employment contracts entered into or renewed after the general effective date.
4. Makes technical changes.
5. Becomes effective on the general effective date.

Prepared by Senate Research
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