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Noe Ortega
Commissioner
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MEMORANDUM

TO: Community College Board Chairs
State University Board Chairs

FROM: Commissioner Noe Ortega

CC: Community College Presidents
State University Presidents

DATE: January 30, 2023

SUBJECT: **FY2023 Presidential Evaluations- Statewide Priorities and Procedures for Annual Reviews; and New Salary Retention Adjustment Guidelines**

Let me preface this memorandum by offering up a much-deserved thanks to each of you for your unwavering commitment to ensuring the provision of high-quality postsecondary educational opportunities to the learners of the Commonwealth of Massachusetts. This month will mark my first 90 days in the role of Commissioner of higher education and one thing is evidently clear: **the goals and priorities of the Massachusetts system of public higher education will only be accomplished through the effective engagement of the collective leadership of our postsecondary institutions.**

With this understanding in mind, it is imperative that the Department and Board of Higher Education (BHE) remain committed to creating the conditions that will result in the recruitment and retention of great leaders to our state. This is why I take seriously my responsibilities as Commissioner, under the BHE's Presidential Evaluation Guidelines, to inform presidents and trustees of the system-level objectives set by BHE each academic year. The full text of the BHE guidelines on presidential evaluations and compensation may be accessed here: [BHE Presidential Compensation and Evaluation Guidelines](#).

As fiduciaries of your respective institutions, you have important statutory responsibilities to help govern your institution, which include overseeing and evaluating the work of your respective presidents. This memorandum outlines the process and timeline for

conducting annual presidential evaluations for FY2023 performance, and to confirm the BHE's system-level priorities, also called statewide priorities, for this academic year. In addition, in the last section of this Memorandum you will find clarification guidance on the new "Salary Retention Adjustments" authorized by former Commissioner Santiago earlier this fiscal year.

I. Statewide Priorities and Procedural Guidance for FY2023 Annual Evaluations

➤ Statewide Priorities

As you will recall, the statewide priorities (also called system-level goals and priorities) for the presidential evaluation process last year (academic year 2021-2022) were scaling efforts aimed at improving postsecondary outcomes for equity populations, plus pandemic-response efforts. During this transition year, and as you continue to oversee and evaluate your President's performance for academic year 2022-2023, the statewide priorities for the presidential evaluation process remain essentially the same, as noted below (*i.e.*, the Equity Agenda and pandemic/ endemic response).

- The Equity Agenda

On behalf of the BHE and the Department, I ask that each local Board of Trustees continue to focus on our commitment to significantly raise the enrollment, attainment, and long-term success outcomes of equity populations. For this year's evaluation, I ask that you continue to provide three to five examples of initiatives that highlight how your president has worked to make your institution more student-connected and equity-minded with regards to:

- addressing issues related to affordability and basic needs security;
- increasing access, such as through new admissions practices, early college, or similar programs; and
- efforts to scale access and use of wraparound support services.

Please include relevant data, either quantitative or qualitative, on your institution's progress, highlighting in your narrative the leadership efforts of the President of your respective institutions. To that end, you may find the following material helpful as you frame your submission:

- [Strategic Plan for Racial Equity](#)
- [Support Services for Student Success Framework](#)

I welcome and look forward to reviewing your comments and observations on this important work.

- Pandemic Response Efforts, and Campus Shifts Towards Endemic Response

The individual and collective work of campus leadership teams responding to the pandemic has been significant and of critical importance, requiring each President's considerable time and attention. On June 15, 2021 Governor Baker announced the termination of the COVID-19 state of emergency. This announcement was followed by a series of other communications and efforts led by the Baker administration to facilitate an orderly transition in the Commonwealth from pandemic response to endemic response, throughout the prior and current academic year. Such efforts included a request that our campuses focus on addressing student mental health, as well as infusions of ARPA and other funding to help with this transition.

We recognize that the pandemic has resulted in great losses for our campus communities and has left lasting public health and economic impacts. In addition to the economic, physical, and mental health hardships experienced by students, faculty, and staff, our institutions continue to experience enrollment declines, and the need to continue to integrate creative ways to reach and retain students. The campus response and mitigation efforts, as we transition from pandemic to endemic status continue. Therefore, in addition to the Equity Agenda criteria outlined above, I invite you to continue to include information on your President's efforts to respond to, contain, and mitigate the broad impacts of the COVID-19 pandemic within your respective campus communities, and in the administration of your institution's resources. As you consider your responses, I further invite you to identify how you are leveraging any new state or federal funding, including ARPA funding, that was allocated to help address the broad and lasting impacts of the pandemic on your campuses.

➤ Performance Measurement Reports (Data Dashboards)

The BHE Presidential Evaluation Guidelines require that evaluations of presidential work consider and include institutional data linked to system-level goals and metrics. (See Section III.B). In May 2019, DHE launched [the Performance Measurement Reporting System \(PMRS\)](#), a public-facing data tool intended to prompt constructive conversations about performance and accountability between and among DHE, the campuses, boards of trustees, legislators, and others, and specifically to assist campuses in fulfilling this requirement of the Presidential Evaluation Guidelines. The Reports summarize campus performance on a robust set of key indicators approved by the BHE in December 2018, including comparisons where appropriate to the institution's segmental peers in Massachusetts or a national peer group of similarly situated institutions. The Reports also support inquiry into campus performance related to the Equity Agenda, with data on disparities between different racial/ethnic, gender and income groups on many of the metrics. The PMRS dashboards will be refreshed in early March. In addition, through Tableau, your IR directors have access to extensive HEIRS data for trend and

benchmarking purposes, and these data are refreshed year-round as the various HEIRS collections are completed.

➤ Presidential Evaluations Timeline

Consistent with the process we have used in the past, our requested deadline for the completion and submission of presidential evaluations is June 30, 2023. We recognize, however, that the timing of your presidential evaluation committee meetings, local board meeting schedules, and other competing priorities may make it challenging to complete this important work within this timeframe. We, therefore, do allow for exceptions on a case-by-case basis. Please work with Matt Noyes, Director of Trustee and Government Relations, at MNoyes@dhe.mass.edu or (781)605-4434. Matt will work with you to help align your established processes and preferences with our timeline. Please note that while extensions of time are readily granted, our goal is to have all evaluations completed and submitted no later than December 1st.

➤ Presidential Evaluations Process

This year's presidential evaluation process will be consistent with how the evaluations have been conducted in recent years. I will review all submitted campus documentation and dashboards during one-on-one discussions with each president.

In addition, to help streamline the submission process and provide consistency in submissions, please continue to submit brief executive summaries of your board's evaluation of your institution's president. Your board's executive summary should include the following:

- a summary of the process your board used to conduct the review;
- performance data used to support your board's conclusions and recommendations;
- your board's recommendation regarding a proposed compensation adjustment; and
- a summary which addresses the two areas of presidential responsibility (*e.g.*, one section for institutional goals and objectives, and a separate section on statewide priority objectives).

Supporting materials and documents should be sent only to the extent that they relate to points addressed in the executive summary. Presidential self-evaluations are typically useful and may be submitted as well.

➤ New and Retiring Presidents

The Department does not to expect presidential evaluations from institutions where: 1) a president has been in office for less than one full year, or 2) a president has left office during or upon the completion of the academic year. While a presidential evaluation is not required in these two circumstances, it is a sound practice to periodically conduct institutional assessments regardless of the president's status. If your board has already conducted an evaluation for a new or retired president or, alternatively, if you have instead conducted an institutional evaluation or assessment (for example, in preparation for a presidential search or transition), I would appreciate receiving copies of the same.

II. Presidential Salary Retention Adjustment Guidelines

Through a memorandum dated October 17, 2022, former Commissioner Santiago wrote to you and extended the opportunity for local board chairs to submit requests for base salary adjustments for high-performing, sitting presidents who have significant tenure. We have since received several inquiries regarding the scope and application of this new category of salary adjustments, which are called "Salary Retention Adjustments" in the October 17th memorandum. Hence, we issue the following clarification and outline of the procedures for submitting Salary Retention Adjustment requests.

➤ Eligibility:

- Consistent with the parameters established in the October 17th memorandum, a president must have been in office for a minimum of five years to be eligible for a Salary Retention Adjustment. In addition, by definition the intended purpose of a salary "retention" adjustment is to incentivize retention. It is an inherent expectation, therefore, that in consideration of receipt of a retention adjustment the receiving president will make a good faith commitment to continue to serve in that role beyond the fiscal year during which a Salary Retention Adjustment is requested and/or received, and perhaps for at least one to two additional years.

➤ Required documentation and Timeline:

- The reference in Commissioner Santiago's October 17th memorandum to the need to prepare and submit a "five-year evaluation" refers to the "periodic comprehensive reviews" discussed in Section III, ¶ 2 of the [BHE's Presidential Compensation and Evaluation Guidelines](#). The BHE Guidelines require local boards of trustees to conduct these comprehensive reviews of presidents "no less than three years from appointment for new presidents, and no less than every five years thereafter."
- Therefore, for a president to be eligible for consideration of a proposed Salary Retention Adjustment, the local board of trustees for the institution must conduct and submit to me for my review and approval a completed five-year comprehensive evaluation.
- Regarding the timing for submitting Salary Retention Adjustment requests, Commissioner Santiago's October 17th memorandum states that such adjustments

can be enacted "any time" after final approval of the president's comprehensive evaluation. While we will accept documented Salary Retention Adjustment requests at any time during the year, we strongly encourage that requests for Salary Retention Adjustments be made in alignment with the annual evaluation process-- *i.e.*, by June 30th, unless otherwise extended through the exception process. If you intend to submit a Salary Retention Adjustment request this fiscal year or next year, please contact Matt Noyes, Director of Trustee and Government Relations, at MNoyes@dhe.mass.edu or (781)605-4434 to inform him of your intention and to discuss your proposed timeline for submission of a Salary Retention Adjustment.

➤ Approval Criteria:

- The BHE Guidelines provide the Commissioner with broad discretion in "approving" any compensation adjustment requests "in whole or in part," provided that the Commissioner conveys that decision and the reasons for the decision in writing. See [BHE's Presidential Compensation and Evaluation Guidelines](#), Section IV.D.3. Without limiting the Commissioner's discretion in this area, please be advised that for a five-year comprehensive evaluation to be deemed "approved," the submission must meet the minimum criteria specified in the BHE Guidelines, and copied here for your convenience:

"Periodic comprehensive reviews are intended to be broader than the annual reviews, both in terms of scope and process. The scope of a comprehensive review is intended to focus more on the President's ability to lead going forward, rather than focusing exclusively on achieving past objectives. As such, a comprehensive review should reflect back several years, reviewing Presidential performance over an extended period of time, and should also provide the President and the local board the opportunity to outline future, long term goals and objectives. In terms of process, a comprehensive review is intended to provide the opportunity for a more in-depth review of performance, and is intended to allow for broader input from people who come in contact with and are in a position to comment on the President's performance." [BHE's Presidential Compensation and Evaluation Guidelines](#), Section III, ¶ 2.

- In addition, in alignment with the annual review criteria, all five-year comprehensive reviews must also include a review and analysis of the President's participation and leadership in system-level goals and activities. In reviewing each local board of trustees' submission for a Salary Retention Adjustment, I will have the opportunity to offer my perspective on behalf of the Department and the Board of the individual president's past and forward-thinking work on system-level goals. This perspective will be included in my written response to the requested compensation adjustment and will form the basis for my decision to grant "in whole or in part" the requested salary adjustment amount.

Finally, I am aware that if not implemented carefully and in alignment with equity principles and diversity goals, these retention adjustments could have an inadvertent, adverse impact on retention, particularly for our newer presidents who will not be eligible for an additional 5% retention adjustment for several years. Please note that this new presidential Salary Retention Adjustment category is one of *three* ways that a local board of trustees can ask for Commissioner approval of a presidential compensation increase. In addition to the annual compensation adjustment process, the BHE's Guidelines continue to allow local boards of trustees to submit requests for equity adjustments as follows:

"In addition, once appointed, sitting presidents may be eligible for equity adjustments to their salaries, based on a review of comparable compensation data and market analyses. Requests for equity adjustments may be initiated by the local board of trustees and must be approved by the Commissioner, in consultation with the Executive Committee of the Board of Higher Education. Such request must be in writing, must set forth the grounds for such a request, and must be supported by data, such as: data on the salary ranges of current, sitting presidents in the Commonwealth's public higher education institutions; data on salaries of presidents in comparable positions in the northeastern United States; institutional size and complexity; and market analyses. The request shall set forth the amount of the equity adjustment being requested. If an equity adjustment is not allowed, the specific reasons will be communicated to the Chair of the Board of Trustees."

[BHE's Presidential Compensation and Evaluation Guidelines](#), Section II.B, ¶ 5. Therefore, a local board of trustees who may believe the president of their institution may not be compensated equitably either in comparison to current, sitting presidents within the Commonwealth's public higher education system, or in comparison to other presidents in comparable positions in the region, may request an equity adjustment on behalf of their sitting president, irrespective of the president's years of service.

In closing, I want to thank you for your attention to these matters and for your leadership and partnership. I look forward to working with you as we implement our mutual strategic priorities in furtherance of creating and maintaining a strong, high-quality public higher education system in the Commonwealth to better serve and address the needs of students.

We kindly ask you to respond to acknowledge receipt of this memo.