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# Ex-college chiefs stay paid

## University System puts past bosses on payroll despite fiscal troubles. Angry legislators: Policy must get a closer look.

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For nine years after he retired as the chancellor of the University System of Georgia, Stephen Portch remained on the state's payroll, collecting \$823,000 as an adviser and consultant, The Atlanta Journal-Constitution has learned.

The payments continued through two state fiscal crises and regular complaints from university officials about having to cut their budgets.

Before leaving the state's employ last fall, Portch had been on the payroll longer as an adviser and consultant than he'd been as chancellor. He declined to comment directly on his state payments, although the current chancellor described Portch's service as "extremely valuable." His responsibilities included advising chancellors and staff, helping to identify talent for top administrative posts, and other services, system officials said.

Portch was not the only top official to continue being paid after retiring.

Some former Georgia public university presidents have received six-figure salaries for a year or more to prepare for teaching assignments or for transitioning to life off campus. One ex-president was paid about \$180,000 in a year to help develop a president's evaluation program, records show. Another is being paid five years after she retired as she lectures and promotes the school she once ran.

A national expert in compensation for college presidents said such arrangements are not uncommon and are useful tools for recruiting top talent, but others found the payments infuriating.

Rep. Bill Hembree, R-Winston, former chairman of the House Higher Education Committee, called the payments an example of why lawmakers have a hard time believing University System officials when they complain about the financial constraints campuses are facing.

"As a taxpayer and a member of the General Assembly, I am outraged," Hembree said. "I can speak for many in the General Assembly in saying that this is the kind of thing that causes a rift between the Legislature and the system."

The Atlanta Journal-Constitution requested data from the University System and reviewed state Department of Audits records to piece together how much public money had been spent over the past decade.

Records were also sought from individual universities, which in some cases supplied incomplete pay records or no records at all. So it was impossible to determine exactly what has been paid out.

Agreements the AJC was able to review spell out, in some cases, what the ex-presidents would be doing while being paid. In some cases, the retirees were paid simply for being retirees, state records suggest:

\* Former Albany State University President Portia Holmes Shields was listed as receiving \$78,893 in fiscal 2007 as a "retiree" after being paid \$118,340 the previous year under the heading "limited time executive." She stepped down as president in 2005.

• Former longtime Georgia State University President Carl Patton was paid \$365,571 in 2009, the year after he left office. He was listed in audit reports as a “professor,” although system staffers said he, too, should have been designated as “retiree.” Patton declined to comment for this article.

• Former Armstrong Atlantic State University President Thomas Jones was paid about \$180,000 in fiscal 2010 and listed as a “consultant.” A letter from the University System said he was supposed to spend his time in part working on a new president’s evaluation program.

• Former Georgia Southern University President Bruce Grube is scheduled to have made more than \$300,000 on “educational leave” that began last year and ends June 30, according to an agreement with the Board of Regents. He will earn about \$148,000 a year from the state to teach.

• Ex-Kennesaw State President Betty Siegel has received more than \$300,000 since she retired in 2006, according to audit reports. She works as president emeritus, giving lectures, sitting on community boards, working to build relationships with colleges in other countries, and promoting Kennesaw State across the globe, she said.

“If you have something to share, you want to keep sharing it as long as you can,” Siegel said. “I never go out without being aware that I am representing the interest of Kennesaw State.”

Current President Dan Papp said Siegel’s work in promoting the school has been well worth the cost for Kennesaw State. “She is doing a ton of things for KSU,” Papp said. “She was president for 25 years; she knows everybody. When Betty was president of Kennesaw State, she was the face of Kennesaw State.”

A good policy?

Raymond Cotton, a Washington lawyer who has advised more than 250 university boards and presidents on compensation, contracts and performance issues, said agreements to continue paying presidents for a limited time after they leave office are not unusual.

Ex-presidents often get payments to prepare to go back into teaching or to write a book or transition into another job. Such end-of-job policies are the kind of perks that attract top administrators, he said.

“Once they have been an administrator for a long time, they have to feel their way around what they want to do,” he said. “They are not quite ready to go to the seashore and just dip their feet in the Gulf of Mexico.”

“Your system in Georgia, which is on the generous side, is considered very favorable and it helps you recruit top talent.” Katherine Paist, a Georgia State University student who is a member of the activist group Georgia Students for Public Higher Education, called the payments “ridiculous” at a time when many students are having a hard time affording school. “You would think if we were seeing such an increase in tuition, you would think we would see a cut to these payrolls,” she said. “I think a lot of students would be really upset if they knew there were people who weren’t working anymore getting paid six figures when they are in school 18 hours trying to graduate so they can work.”

How it began

Some of the payments stem from a policy the Board of Regents adopted before Portch joined the system in 1994. The system essentially allowed outgoing top officials to be paid 90 percent of their previous salary for a year, and 60 percent for a second year. Portch said the aim was to make up for the Board of Regents’ decision not to grant tenure job security to chancellors and president faculty. The policy of post-presidency payments was known as 90/60.

“I was able to use the policy to provide some assurances to [ job ] candidates reluctant to give up tenure status” in their current jobs, Portch said in an email. “It helped provide assurances to potential candidates that should their presidency end, there would be a reasonable transition.”

Presidents or chancellors who left the University System for other jobs — with no transition period — were not allowed to receive the payments.

The policy has since been changed to give the chancellor more discretion over who gets paid what, and for what reason. While the promise of some post-retirement income seemed like a good perk to help attract talent, lawmakers question the practice in an era when they have had to slash the state budget by more than \$3 billion because of falling tax collections during an economic downturn.

"Wow. This is something we are going to have to take a look at," said Rep. Earl Ehrhart, R-Powder Springs, chairman of the House higher education budget subcommittee.

Hembree called the ex-presidents' payments "part of a good ol' boy system to pay them and provide for them, when our goal should be to educate students."

System officials said Portch has done a lot for the system since retiring as chancellor.

He was initially paid under the 90/60 policy as an adviser, although he spread the payments out over several years.

Then, about five years ago, the regents gave him a contract to remain with the system as a part-time consultant. He remained eligible for state health insurance coverage.

System staffers said Portch, who lives in Alabama, provided policy advice to his successors and other regents staff; helped in the search and selection of top staffers; conducted retreats for the current chancellor, Erroll Davis, and his staff; and helped to investigate problems on one of the campuses and provide counseling.

"I think he has been extremely valuable," Davis said.

Davis, who ends his tenure as chancellor June 30, had reservations about the 90/60 ex-presidents' pay policy after he joined the system.

"I felt like it looked like an entitlement to me, and I don't particularly care for entitlements," he said.

So the policy was changed in 2007 to give the chancellor more freedom to decide who received what.

Davis, who earned about \$534,000 last year, notes that he has not accepted any raises since he took over and that he will not receive money from the state after he retires. He got a \$125,000 bonus in February for staying beyond his five-year agreement with the Board of Regents. But he won't get ex-chancellor payments, like Porch.

"I simply didn't take this job for the money," he said. "When I leave here, I will have nothing that follows me ... not one penny will I be getting from the system."