

## **Is Clemson the Enron of Higher Education?**

It may soon be, and the Clemson Board of Trustees will be its downfall. The Board is allowing itself to be kept in the dark by the Administration. The Board needs to make itself aware of the fiscally irresponsible and wasteful salary actions at Clemson which are outlined below, and let the faculty know whether the Board approves or disapproves of such actions. The faculty will then let the Trustees know whether or not they support the Board's position. The Trustees may then realize that the Board needs to make some hard decisions- decisions more complex and challenging than the prepackaged ones the President and the Administrative Council tells them to make.

For the Trustees to remain silent or uninformed means that the governance of Clemson is broken and ineffective. Ineffective governance means it is time to establish a new structure to govern Clemson that assures Clemson's governance is subject to the "checks and balances" that distinguishes good government. It is time to question and reevaluate the Act of Acceptance that empowers the Board. The Trustees' honor system of policing themselves is not working. They need to be held accountable before Clemson falls like Enron.

### **Specific and Detailed Cases of Fiscally Irresponsible & Wasteful Salary Actions at Clemson Rev. 1 February 19, 2009**

In his February 18, 2009 Dear Clemson Letter, President Barker conceded that Clemson had "pumped significant resources" into Clemson salaries and asserted that these actions were for the good of the faculty. Regarding the administration he wrote, "Most of the perceived growth in administration is actually the result of reorganization." This appears to suggest that salary actions for the administration have been proper and reasonable.

This is to provide some specific detail on that issue. Outlined below are selected salary actions that illustrate the significant resources President Barker has "pumped" into the salaries of those on his Administration Council.

#### **I. Selected Cases of Fiscally Irresponsible and Wasteful Salary Actions for Executives on the President's Administrative Council**

##### **Dori Helms, VP and Provost:**

Annual Salary \$270,389.00

**61%** Salary Increase from 2004 to 2008 (\$168,000.00 to \$270,389.00) (as of Oct.01, 2008)

##### **Chris Przirembel, VP for Research & Economic Development:**

Annual Salary \$243,828.00

**49%** Salary Increase from 2004 to 2008 (\$163,648.00 to \$243,828.00)

**John Kelly, VP for Public Service Activities:**

Annual Salary \$242,732.00

**49%** Salary Increase from 2004 to 2008 (\$162,680.00 to \$242,732.00)

**Neill Cameron, VP Advancement:**

Annual Salary \$211,185.00

**45%** Salary Increase from 2004 to 2008 (\$145,330.00 to \$211,185.00)

**Bob Geolas, Executive Director CUICAR:**

Annual Salary \$210,574.00

**36%** Salary Increase from 2004 to 2008 (\$155,000.00 to \$210,574.00)

**Debbie Jackson, Vice Provost/Assistant to the President:**

Annual Salary \$191,900.00

**44%** Salary Increase from 2004 to 2008 (\$133,000.00 to \$191,900.00)

**Cathy Sams, Chief Public Affairs Officer:**

Annual Salary \$156,806.00

**57%** Salary Increase from 2004 to 2008 (\$100,049.00 to \$156,806.00)

**Brett Dalton, CFO:**

Annual Salary \$210,100.00

**56%** Salary Increase from 2006 to 2008 (\$135,680.00 to \$212,100.00)

Brett Dalton became Clemson's CFO in June 2007. Prior to becoming CFO he served as the Provost's business manager and made \$143,821.00 annually. His promotion to CFO raised his salary to \$210,000.00. That is a 46% increase to an internal employee without any prior experience as a CFO, without any career experience outside of Clemson, without a CPA, much less any professional certification, and without an accounting degree. There were two other candidates that were presented as finalist for the CFO position: both were CPAs, had extensive experience working as CFOs, and had diverse institutional experience. It should be noted, too, that twelve months prior to his promotion to CFO, Dalton's salary was raised from \$135,680.00 to \$143,821.00. Per the SC State Salary Data Base updated as of November, 24, 2008, Brett Dalton's annual salary is now \$212,100.00. This means that in the 24 month period from 2006 to 2008 Dalton's pay increased 56%.

**Clay Steadman, General Counsel:**

Annual Salary \$197,798.00

**32%** Salary Increase from 2004 to 2008 (\$150,000.00 to \$197,789.00)

Clay Steadman's annual salary per the November 24, 2008 State Salary Report is \$197,798.00. Steadman's employment at Clemson started in September 2004. Steadman's starting salary was \$150,000.00. In the period from FY2006 (starting July 1, 2005) to FY 2008, a period covering three pay cycles, Steadman's annual salary grew by 32%. Steadman's predecessor was Ben Anderson. Anderson retired after serving as General Counsel for twenty five years. Anderson's

salary for the last *four pay periods* of his employment, FY2001 to FY2005, grew from \$150,767.00 to \$155,290.00, or 3%.

General Counsel Steadman has added two attorneys to his office, Renee Roux and Erin Swann. Swann is the daughter of Trustee Joe Swann. In 2007, Steadman awarded Roux a 15.4% salary increase and Swann an 11.4% increase. In 2008, Steadman awarded Roux a 20% salary increase and Swann a 24.2% increase. Therefore in a 24 month period Roux's annual salary went from \$80,340.00 to \$111,217.00 which equals a 38% increase. Swann's annual salary went from \$72,100.00 to \$99,806.00 which also equals a 38% increase. While Ben Anderson was General Counsel, he was the only attorney in his office.

**Angie Leidinger, Director Government Affairs / Secretary to the Board:**

Annual Salary \$181,800.00

**80% Salary Increase from 2004 to 2008 (\$101,200.00 to \$181,800.00)**

Prior to expanding her title in February 2007, Leidinger's sole responsibility was Director of Government Affairs where she was responsible for lobbying the General Assembly for Clemson. In 2004 she was paid an annual salary of \$101,200.00. From 2004 to 2007 her annual salary as Director of Government Affairs increased 42% to \$143,355.00. Per a May 2008 Salary.com report, the high market salary for a lobbyist in Columbia, SC, representing education, government, or nonprofit interest, would be approximately \$120,000.00 annually. (Salary.com is a subscriber-funded, professionally recognized data base for salary information.) Before being ostensibly promoted, her final salary as lobbyist in 2007 was \$151,956.00 which amounts to a \$50,756.00 increase from 2004 to 2007 - just as a lobbyist – a 50% increase. In February 2007 Liedinger was named Executive Secretary to the Board of Trustees and her pay was increased by \$28,644.00 to \$181,800.00, an 18% increase. However, the entire organization of the Executive Secretary's office was dismantled and reassigned to other organizations. (Access and Equity went to the new Chief Diversity Office; the Audit Department went to the new CFO, and the Office of Institutional Effectiveness and Accountability went to the Provost.) The explanation for her pay increase from \$151,956.00 to \$180,000.00 was increased responsibilities.

**II. Selected Cases of Fiscally Irresponsible and Wasteful Salary Actions for Secretaries of Executives on the President's Administrative Council**

**Sandra McKinney, Secretary to President Barker:**

Annual Salary \$69,801.00

**34% Salary Increase from 2004 to 2008 (from \$52,159.00 to \$69,801.00)**

Sandra McKinney is supported by 2 full time administrative coordinators and 3 to 4 part time students.

**Brenda Smith, Secretary to Provost Helms:**

Annual Salary \$76,397.00

**116% Salary Increase from 2004-2008 (from \$35,292.00 to \$76,397.00)**

**Linda Allen, Secretary to General Counsel Steadman:**

Annual Salary \$55,815.00

**30% Salary Increase from 2004 to 2008 (\$42,965.00 to \$55,815.00)**

### **III. Selected Cases of New Hire Salary Action That Ignores Market Pricing**

#### **Dr. Claude Lilly, Business School Dean:**

Annual Salary \$358,550.00

**58%** Salary Increase to come from UNC-C to Clemson

(\$226,586.00 at UNC-C to \$358,550.00 at Clemson)

The annual salary for Clemson's new business dean, Dr. Claude Lilly, is \$358,550.00. Lilly was employed by Clemson in July 2007. His previous employer was UNC- Charlotte where he was the Dean of the Belk Business School. As of June 30, 2007 his annual salary at UNC-Charlotte was \$226,586.00. Lilly, then, received a 58% increase over his compensation at UNC-C to come to Clemson.

#### **Jim Bottum, VP Computing & IT and CIO:**

Annual Salary \$345,624.00

11% Salary increase from 2006 to 2008 (\$310,000.00 - \$345,624.00)

This represents Mr. Bottum's published salary only. In addition to this published salary, Bottom has an employment contract with the university that adds approximately \$200,000.00 a year to his pay. The contract gives him a share of the revenues the university receives for computing services. This brings his total annual compensation to over \$500,000.00.

Provost Helms hired Mr. Bottom in 2006 at a starting salary of \$310,000.00. It is reported that she did so contrary to the advice of Trustees Les McCraw and Joe Swann who advised Helm's that Clemson could not afford to hire an "established super star" for information technology, and they suggested that she hire someone that "could grow into one." Provost Helms ignored the counsel of Swann and McCraw and employed Mr. Bottum. Mr. Bottum's predecessor was C. Duckenfield who was paid a published salary of \$147,000.00 annually.

#### **Leon Wiles, Chief Diversity Officer:**

Annual Salary \$147,000.00

New Hire in 2008

It is reported that Board Chairman, Bill Hendrix, vocally opposed President Barker's request for this position and expenditure at both the 2007 Spring and Summer Board Quarterlies. The President ignored the Chairman's opposition to this new expense. The Chairman maintained that this position would duplicate existing efforts and costs.

### **IV. Selected Case of Out of Policy and Inexplicable Salary Action**

#### **Janice Cervelli Schach, Dean of College of Arts Architecture and Humanities:**

Annual Salary \$209,110.00

Salary in Aug. 2007 = \$190,100.00

Salary Oct.1, 2007 - \$209,110.00

Dean Schach was removed as Dean by Dori Helms in August 2007. It was publically announced that Schach would return to teaching responsibilities. She did not. She was given a fully paid sabbatical outside of policy, and remained on the payroll. Two months later on October 1, 2007, Schach received a 10% salary increase. She was paid until she secured employment outside of Clemson which took approximately 14 months.