



State of Connecticut

SENATE DEMOCRATS

STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

June 29, 2016

Susan Herbst
Office of the President
University of Connecticut
352 Mansfield Road, Unit 1048
Storrs, CT 06269

Dear President Herbst,

There have been disturbing recent reports concerning compensation provided to certain UCONN non-unionized senior staff. These include, but may not be limited to:

- Richard Orr, Vice President for Legal Affairs and General Counsel
- Rachel Rubin, Chief of Staff to the President
- Laura Cruickshank, Master Planner and University Chief Architect
- Michael Kirk, Deputy Chief of Staff to the President and Senior Policy Advisor

We believe strongly that the below described circumstances surrounding the substantial raises awarded to all of these employees, and the profoundly generous “car allowances” and yearly bonuses awarded to two of them, call for more oversight over the compensation practices at UCONN, particularly given that they have been awarded, offered and paid during a period of state budget cuts and salary freezes, now followed up by withdrawal of the negotiated agreement with UCPEA and also significant state layoffs.

We also believe that we may need to end your practice of offering significant performance based incentive bonus payments to senior employees.

We have listed several questions at the end of this letter, and request that you answer them immediately. In any event, we intend to explore with the House of Representatives convening the legislature’s Higher Education and Employment Advancement Committee to investigate this matter and formally recommend any necessary legislative reforms.

Richard Orr

With regard to attorney Orr, it appears that on December 15, 2014, you issued two letters to him, copies of which were hyperlinked in a June 22 CT Mirror article. At that time, it appears that he was earning a base salary of \$220,000 per year, and that his title was "General Counsel". In the first letter to him, you informed him that "I am adjusting your salary according to the following schedule: As of January 1, 2015, your salary will be \$250,000 per year...As of January 1, 2016, your salary will be \$275,000 per year." You also informed him that you were changing his title: "in recognition of the major role you and your office play at the institution, your title going forward will be 'Vice President for Legal Affairs and General Counsel.'"

In the second letter, issued that same day, December 15, 2014, you stated that:

I write to inform you that as part of your annual compensation, you are eligible to receive **two performance-based merit incentive payments of up to \$25,000 in each of the next two years. They may be awarded to you at my discretion** only if your performance as Vice President for Legal Affairs and General Counsel is judged to be exceptional and well above expectations... You are eligible to receive the first prior to December 31, 2015 and the second prior to December 31, 2016, again, based on your performance during each calendar year. If awarded, each would be a one-time payment and would not be added to your base salary." (Emphasis added)

It appears, based on documents provided to us by the non-partisan legislative Office of Fiscal Analysis, that in addition to the above referenced base salary of \$275,000, **attorney Orr also was awarded, as of November 6, 2015, a yearly "Car Allowance" of \$15,000, bringing his current yearly salary to \$290,000**, exclusive of "performance-based merit incentive" bonuses, as of the date of this letter.

The two letters in question were signed by you and "Signed and Agreed To" by attorney Orr.

Rachel Rubin

With regard to Chief of Staff Rubin, it appears that on October 17, 2013, you issued two letters to her, copies of which were hyperlinked in that same CT Mirror article. In one, you informed her that "I have decided to take steps to move your salary to a level that is closer to the median for individuals serving as chief of staff at similar institutions, according to the Sibson data. Because you are so far below the median currently, it will not be possible to give you the full adjustment necessary to move your pay to a level that is on-par with your peers at other institutions in a single year. I realize that the initial steps below will continue to leave you below the 50th percentile, which is \$248,000 according to the most recent data...Effective November 1, 2013 your salary will be increased to \$225,000 per year. Effective July 1, 2014, it will be increased to \$240,000 per year. Effective July 1, 2015, it will be increased to \$255,000 per year."

In the second letter, issued that same day, October 17, 2013, you informed Chief of Staff Rubin that:

“Effective November 1, 2013, **you will be eligible to receive an annual performance incentive of \$30,000 per year at my discretion.** It would not be awarded as a matter of course, or in response to your meeting the normal expectations of your job.

Rather, this one-time payment would only be awarded if, in my judgment, your performance as chief of staff and executive secretary to the board surpassed the very highest expectations and was truly exceptional at all levels in a given year.

Should I determine that it is merited, this one-time payment would be awarded on September 1, following your annual evaluation in August, beginning in 2014.

Further, as you are nearing a time when you would normally consider retiring from your position at the university, I feel it is essential that UCONN successfully retain you as an employee for as long as we are able to. To that end, **you are eligible to receive a one-time lump sum retention incentive of \$25,000 should you remain at UCONN through December 15, 2015.** Should you leave university employment for any reason prior to December 15, 2015, you will not receive this payment... This would also be a one-time payment and would not add to your base salary. (Emphasis added)

It appears, based on documents provided to us by the Office of Fiscal Analysis, that in addition to the above referenced base salary of \$255,000, **Chief of Staff Rubin also was awarded, as of November 6, 2015, a yearly “Car Allowance” of \$15,000, bringing her current yearly salary to \$270,000,** exclusive of “annual performance incentive” bonuses, as of the date of this letter.

The two letters in question were signed by you, but not signed by Chief of Staff Rubin. Each was also copied to Lawrence D. McHugh, Chairman, Board of Trustees.

Laura Cruickshank

With regard to Chief Architect Cruickshank, it appears that you issued her a letter on December 15, 2014, a copy of which was hyperlinked in that same CT Mirror article. You informed her that “According to the Sibson compensation benchmarking data, your current salary of \$225,000 is below the median salary for your colleagues... In light of that, and in recognition for the exemplary work you continue to perform for the university, I have decided to adjust your compensation according to the following schedule:

As of January 1, 2015, your annual salary will be \$255,000 per year... As of January 1, 2016, your annual salary will be \$270,000 per year... As of January 1, 2017, your annual salary will be \$283,000 per year, which is the figure in the 75th percentile of pay for your position nationally last year for national research universities, according to Sibson. This reflects your more than 30 years of experience in this field.”

The letter in question was signed by you and “Signed and Agreed To” by Chief Architect Cruickshank.

Michael Kirk

With regard to Deputy Chief of Staff Kirk, it appears that you issued him a letter on December 15, 2014, a copy of which was hyperlinked in that same CT Mirror article. You noted that “Rachel and I will continue to ask you to take on significant additional responsibilities...I am giving you the title of “Senior Policy Advisor” for the university, which would be in addition to your existing title...I am adjusting your salary according to the following schedule: As of January 1, 2015, your salary will be \$145,000 per year...As of January 1, 2016, your salary will be \$160,000 per year.”

The letter in question was signed by you and “Signed and Agreed To” by Deputy Chief of Staff Kirk.

These substantial raises and offers of substantial discretionary bonus payments, awarded, offered and paid during a period of state budget cuts and salary freezes, now followed up by withdrawal of the negotiated agreement with UCPEA and also significant state layoffs, raise many questions. Among them are:

- The two letters to Chief of Staff Rubin were copied to Lawrence McHugh, Chairman of the UCONN Board of Trustees. Was Mr. McHugh aware that these offers were going to be proffered before he received the letters? Moreover, to your knowledge was the rest of the Board of Trustees, other than Mr. McHugh, aware that these offers would be proffered?
- The letters to the other three UCONN senior managers, all issued the following year, were *not* copied to Mr. McHugh. Why was he not copied on these letters? Was he, and to the best of your knowledge the other members of the Board of Trustees, aware that the offers were going to be proffered?
- Why did you decide to offer attorney Orr a discretionary bonus of up to \$25,000 per year for each of 2015 and 2016, *in addition to* substantially increasing his salary?
- Did you pay attorney Orr a \$25,000 merit incentive payment in calendar year 2015?
- Have you paid attorney Orr a \$25,000 merit incentive payment yet during calendar year 2016?
- If attorney Orr has not been paid the \$25,000 merit incentive payment for calendar year 2016, do you intend to pay it?
- Why did you decide to offer Chief of Staff Rubin a \$25,000 retention bonus? Did you pay that bonus?
- Why did you decide to offer Chief of Staff Rubin a discretionary bonus of up to \$30,000 per year, beginning in September of 2014, *in addition to* substantially increasing her salary?
- Was Chief of Staff Rubin paid that \$30,000 “annual performance incentive” in calendar year 2014? In calendar year 2015? In calendar year 2016?
- If Chief of Staff Rubin has not been paid the \$30,000 “annual performance incentive” for calendar year 2016, do you intend to pay it?
- It appears that both attorney Orr and Chief of Staff Rubin were awarded a “Car Allowance” of \$15,000 each on November 6, 2015. What is the basis for the calculation

of such “car allowance”? Had these “car allowances” been paid to either of these employees previously? If so, how much did they receive in calendar year 2014?

- Have either of these two employees been offered a “car allowance” in calendar year 2016?
- Have you proffered offers of discretionary bonus payments to any other employees during the past five calendar years? If so, to whom and how much?
- What are the funding sources for the salary increases, bonus payments, and “car allowances” discussed herein?

Thank you for your prompt attention to this matter.

Sincerely,



Martin Looney
Senate President Pro Tempore



Danté Bartolomeo
Senate Chair of the Higher Education and
Employment Advancement Committee