

Executive Compensation-January 11, 2012

Respectfully submitted by Daniel Lukens, Executive Director of Camp Venture Inc.

New York State faces perhaps its most important challenge in a generation as the Medicaid cost sharing agreement that has underwritten the generous array of services that we offer to our citizens with developmental disabilities in this state will sunset in April of this year. And, contrary to the assertions otherwise, the fact is that our current system is among the best. Nonetheless, at this pivotal time the system is under threat from a loss of public confidence related primarily to its failure to address the excesses of a few individual executives.

Greed is not good especially when it exploits our most vulnerable citizens and abuses our state community's most noble and altruist aspirations. At a time when we are compelled as a state to consider hard choices and reexamine our priorities in order to maintain essential services and restore economic stability, what the public needs most is confidence in our public endeavors especially those that support the most essential aspects of the social safety net. The question is not simply what represents adequate compensation but what do those compensation number say about our priorities and the values we espouse?

As an Executive Director of a medium size not-for-profit organization serving adults and children with developmental disabilities, I am fully aware of the need to attract and retain fully qualified executive staff to run what has become a highly diverse and complex organization. As a former direct care worker and as the brother of man with Autism who has been a part of this service system for more than 30 years, however, I appreciate as well that compensation is as much about values and the example that I set as a leader as it is about a supply and demand equation for executive talent. In a service system that relies on workers who start at \$11-\$13 per hour and who often make great personal sacrifice to serve their fellow man, my own concept of what I am worth is assuaged by the value I see demonstrated in their dedication to the people they serve.

As it stands, executive compensation decisions are the purview of boards and the state's governance expectations have been focused on board oversight. With all due respect to boards, the result of this approach I believe is self-evident. An examination of good agencies with modest executive compensation I believe would reveal that the reasonableness in executive compensation is guided more by the discretion of the executive than by the board. I would further suggest that in a greed-driven culture, corporate style boards sometimes do not afford respect to executives who are too modest in their salary demands. Executives mostly get the money that they ask for.

With all of that said, the bottom line is this: What does it take to get someone to accept a 24/7 responsibility for the lives of nearly 200 vulnerable people and a service responsibility for about 1000 more? Consider a workforce of nearly 600 and a budget of about \$32M. Then compare that to similar public and not-for-profit endeavors and jobs and remember

that the not-for-profit sector does not have the kinds of pensions that the public sector does. In my case that brings you about \$130K per annum in salary plus health benefits and some modest retirement contribution from the organization (which is the same benefits offered to all employees). It is compensation that I believe puts me among the great majority of my colleagues and if it seems excessive I would be more than willing to discuss that in an open dialogue about reform, as I believe most of my colleagues would as well.

The commitment of the voluntary service providers, by and large, is to the people we serve and to the public trust. Senate action on executive compensation I believe should focus on promoting the good and not grandstanding on the bad. It should recognize that what vulnerable people need most is a public dialogue that promotes the noblest altruistic intent of the people. A caring community is one that sacrifices for the least of its citizens with confidence that they will not be abused for their good intent. My hope is that Senate leadership will act decisively and publicly to restore that confidence.

Thank you!