

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: **9:30 a.m., Wednesday, November 14, 2012**
 Glenn S. Dumke Auditorium

Kenneth Fong, Chair
Lou Monville, Vice Chair
Roberta Achtenberg
Bernadette Cheyne
Steven M. Glazer
William Hauck
Peter G. Mehas
Jillian Ruddell
Glen O. Toney

Consent Items

Approval of Minutes of Meeting of July 17, 2012

Discussion Items

1. Executive Compensation: Chancellor-select, California State University, *Action*
2. Recommended Changes to Title 5, California Code of Regulations,
Regarding Outside Employment Disclosure Requirements, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

July 17, 2012

Members Present

Kenneth Fong, Chair
Lou Monville, Vice Chair
Roberta Achtenberg
Bernadette Cheyne
Steven M. Glazer
William Hauck
Peter G. Mehas
Jillian Ruddell
Glen O. Toney
Charles B. Reed, Chancellor

Trustee Fong called the meeting to order.

Approval of Minutes

The minutes of March 20, 2012, were approved as submitted.

Executive Compensation

Chancellor Reed presented Agenda Item 1 which set compensation for newly appointed presidents and interim presidents. He stated that in accordance with the policy on presidential compensation adopted by the board in May 2012 which placed a freeze on compensation paid with state funds, the salaries recommended in the agenda item do not exceed the pay of the previous incumbents. He added that any supplemental pay is paid with foundation funds and does not exceed 10 percent of their base pay per board policy. Chancellor Reed explained that no funds from the foundation will be coming from any financial aid or student scholarship money and the supplemental funds will be raised separately by each foundation.

Chancellor Reed briefly commented on the appointment of the following incumbents: Dr. Dianne F. Harrison, president of CSU Northridge; Dr. Tomás D. Morales, president of CSU San Bernardino; Dr. Leslie E. Wong, president of San Francisco State; Admiral Thomas A. Cropper, president of Cal Maritime; Dr. Willie J. Hagan, interim president of CSU Dominguez Hills; Dr. Joseph F. Sheley, interim president of CSU Stanislaus; and Dr. Eduardo M. Ochoa, interim president of CSU Monterey Bay. Chancellor Reed noted that while these presidents are assuming their appointment during a time of unprecedented budget cuts, he was confident that

their administrative experience, academic record and student focused approach would be a tremendous asset for the CSU. He concluded by recommending approval of the compensation as stated in Agenda Item 1.

Trustee Cheyne recognized the concerns shared earlier by members of CSUEU. She expressed concern about the media coverage on executive compensation and that it is often implied that nobody else is treated this way. Trustee Cheyne stated that as a faculty member she is aware that these kind of things do happen, explaining that when faculty members go up for a promotion or tenure, they get raises or when new faculty members are hired, and because of markets issues, they come in at salaries higher than their predecessors. She went on to explain that this has created an unfortunate situation in what is called salary compression; there are new faculty members coming in at salaries higher than faculty who have been here, in some cases, for a decade. Also occurring at the faculty level, are business partnerships where they finance a portion and in some cases, all of a faculty's salary, in order to be competitive and to allow us to bring in the kind of talent needed to support our programs and students. Trustee Cheyne indicated she was going to vote based on the executive compensation policy she agreed to at the last meeting and felt it was important that there be a more balanced understanding of the situation which she did not feel was occurring

Trustee Glazer asked Chancellor Reed to address the assertion that the supplemental funds from the foundation could be used for student scholarships. The chancellor responded that this was not true; funds from the foundation are raised for this specific purpose. Chancellor Reed added that the foundations do an excellent job of providing financial aid, as does the system, the state and Pell, but no funds are being taken away from scholarships or financial aid for students.

Trustee Glazer noted that a number of presidential salary issues have come before the board, stating his position in opposition has been clear which is due to the financial constraints that the system and state are facing. Commenting that the policy recently adopted by the board made it clear that presidential salaries are frozen and no additional new taxpayer dollars are going towards those salaries, he was pleased that the recommendations were in line with the policy change. He reiterated that the chancellor clarified that supplemental funds are raised specifically to supplement presidential salaries and the private dollars are not designated for other things within the system. Trustee Glazer explained that foundations raise money for a variety of things that support our institutions and programs, including supplements for the faculty, faculty chairs, deans, and athletic programs, and while some may not agree with funds going to one place or another, the private donors make these choices. Remarking that the private funds here were fairly modest in size and provide the supplements recommended by the chancellor, he welcomed the presidents.

Trustee Ruddell called for a motion to vote on the individual salaries. There was no second and the motion did not pass.

Trustee Achtenberg wanted to point out an issue that is often misstated in the media regarding presidential salaries; that is, that presidential salaries have in fact been frozen since 2007, just like everybody else. She went on to thank the existing presidents for their service.

Trustee Mehas added that in the 2010-2011 year, the presidents generated over \$363 million that benefited faculty, staff and students, explaining that because the state has not met its commitment to higher education, more and more responsibility is being placed upon the presidents.

Acknowledging that salaries were not increasing and supplements from the foundation were limited to 10 percent, Trustee Fong called for a vote. A “no” vote was cast by Trustee Ruddell. The committee went on to recommend approval of the compensation as stated in Agenda Item 1. (RUFPP 07-12-06)

The meeting adjourned.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Chancellor-select, California State University

Presentation By

Bob Linscheid
Chair
Board of Trustees

Summary

On October 3, 2012, the California State University Board of Trustees appointed Dr. Timothy P. White as chancellor of the California State University system. This action item presents the proposed compensation for the chancellor-select.

Executive Compensation

This item recommends that Dr. Timothy P. White receive an annual salary of \$421,500 effective December 31, 2012, his starting date as chancellor of the California State University. Additionally, Dr. White will receive an annual salary supplement of \$30,000 from the California State University Foundation. Dr. White shall be required to occupy the official university residence for the chancellor located in Long Beach, California, as a condition of his employment as chancellor.

In accord with existing policy of the California State University, Dr. White will receive the following benefits:

- A vehicle allowance of \$1,000 per month.
- Standard benefit provisions afforded CSU executive classification employees.
- A transition program, provided that Dr. White meets the eligibility requirements of the Executive Transition II program passed by the CSU Board of Trustees on November 15, 2006 (RUF 11-06-06).
- Reimbursement for actual, necessary and reasonable travel and relocation expenses in accordance with trustee policy.

Dr. White will be eligible to hold the academic rank of full professor with tenure, subject to faculty approval, in the College of Health and Human Services at California State University, Long Beach.

Corrected

UFP

Agenda Item 1

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The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Timothy P. White shall receive a salary set at the annual rate of \$421,500 effective December 31, 2012, the date of his appointment as chancellor of the California State University. Dr. White shall also receive an annual salary supplement of \$30,000 from the California State University Foundation; and be it further

RESOLVED, Dr. White shall occupy the official chancellor residence located in Long Beach, California, as a condition of his employment as chancellor; and be it further

RESOLVED, Dr. White shall receive additional benefits as cited in Agenda Item 1 of the Committee on University and Faculty Personnel at the November 13-14, 2012, meeting of the CSU Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Recommended Changes to Title 5, California Code of Regulations, Regarding Outside Employment Disclosure Requirements

Presentation By

Gail Brooks
Vice Chancellor
Human Resources

Summary

The California Bureau of State Audits (BSA) conducted an audit of CSU Compensation Practices in 2007. One key recommendation of the BSA's report, issued November 6, 2007, was for the CSU to strengthen its dual-employment policy by imposing disclosure and approval requirements not only for faculty, but for other employees as well, including management personnel.

In January 2008, the Board of Trustees adopted the findings of the Board's Ad Hoc Committee on the Bureau of State Audits and concluded: *"The CSU should either pursue legislation requiring disclosure and approval of outside employment for all full-time faculty or negotiate through the collective bargaining process disclosure and approval of dual employment disclosure and implement a similar policy for all full-time management and executive employees."*

This addition to Title 5 is proposed and would require the disclosure of outside employment by management and executive employees.

It is anticipated that an action item will be presented at the January 2013 Board of Trustees' meeting to adopt the following amendment:

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Title 5, California Code of Regulations
Division 5 – Board of Trustees of the California State Universities
Chapter 1 – California State University
Subchapter 7 – Employees
Article 2.3 – Outside Employment Disclosure Requirements

§ 42740. Outside Employment – Management and Executive Employees.

Management Personnel Plan and executive employees shall be required to report outside employment for the identification of and to preclude any conflict of commitment. The Chancellor is responsible for implementing this section.