

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: **8:30 a.m., Wednesday, March 14, 2007**
 Glenn S. Dumke Auditorium

Debra S. Farar, Chair
A. Robert Linscheid, Vice Chair
Jeffrey L. Bleich
Kenneth Fong
George G. Gowgani
William Hauck
Raymond W. Holdsworth
Craig R. Smith
Glen O. Toney

Consent Items

Approval of Minutes of Meeting of January 23, 2007

Discussion Items

1. Executive Compensation: Interim President, *Action*
2. Executive Compensation: Individual Transition Program, *Information*
3. Executive Compensation: Annual Transition Programs Update, *Information*

**MINUTES OF 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**

January 23, 2007

Members Present

Debra S. Farar, Chair
A. Robert Linscheid, Vice Chair
Roberta Achtenberg, Chair of the Board
Jeffrey L. Bleich
George G. Gowgani
William Hauck
Craig R. Smith
Charles B. Reed, Chancellor

Call to Order

Chair Debra Farar called the meeting to order.

Approval of Minutes

The minutes of November 14, 2006 were approved as submitted.

Chair Farar turned the meeting over to Chancellor Charles Reed, who presented the item on Executive Compensation, including the reason for the salary increase recommendation at this time. Trustee Andrew LaFlamme expressed his support for the increase, which is vital to retaining a cadre of excellent group of presidents and executives, who are performing above and beyond their roles. He noted the 4% increase will hardly impact the 42.3% salary lag, however, such an increase is a step in the right direction. Chair Roberta Achtenberg voiced her support of Trustee LaFlamme's comment, and added that board must keep it's the best executives, faculty, and staff in order to achieve the CSU goal.

Trustee Achtenberg then recommended a salary increase of 4% for Chancellor Reed.

Lt. Governor John Garamendi proposed to delay the increase. Trustee William Hauck stated that the board has to act responsibly in compensating the CSU Presidents, the Chancellor, and system executives for their continued critical role in their university, their community, the State of California, and the Higher Education as a whole.

There was a motion and a second to approve the adoption of the salary increases. The committee recommended approval of the proposed resolution (RUF 01-07-01).

Trustee Farar adjourned the meeting.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Interim President

Presentation By

Charles B. Reed
Chancellor

Jackie R. McClain
Vice Chancellor
Human Resources

Summary

This item sets compensation for the newly appointed interim president of California State University, Dominguez Hills.

Background

This item recommends that Dr. Boice M. Bowman shall receive an annual salary of \$200,000, effective March 1, 2007, the date of his appointment as interim president of California State University, Dominguez Hills. It is anticipated that Dr. Bowman's appointment as interim president will end in summer 2007. Additionally, due to the short duration of his appointment, it is recommended that in lieu of occupying the president's university residence, Dr. Bowman shall receive a monthly housing allowance of \$5,000, with the understanding that special events will be hosted at his residence as a condition of his employment as interim president.

In accord with existing policy, Dr. Bowman will receive the benefits afforded all CSU executives as detailed in the Executive Benefits Summary (dated January 2006). For example, provisions are made for the use of a university vehicle or an annual vehicle allowance of \$1,000 per month, vacation and sick leave accruals, health plan programs, insurance programs, and so forth.

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Boice M. Bowman shall receive a salary set at the annual rate of \$200,000, effective March 1, 2007, the date of his appointment as interim president of California State University, Dominguez Hills; and be it further,

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RESOLVED, that Dr. Bowman shall receive a housing allowance set at the monthly rate of \$5,000, with the understanding that special events will be hosted at his residence as a condition of his employment as interim president.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Individual Transition Program

Presentation By

Charles B. Reed
Chancellor

Jackie R. McClain
Vice Chancellor
Human Resources

Summary

At the November 2006 Board of Trustees' meeting, the Trustees adopted a resolution requiring the Chancellor to report, when implemented, on new individual transition programs in an open meeting of the Committee on University and Faculty Personnel when implemented. This item provides information about the transition of Dr. James E. Lyons, Sr.

When Dr. James Lyons accepted and assumed the position of President of California State University, Dominguez Hills in 1999, Trustee policy provided for an executive transition. The transition policy provides for a one-year paid leave of absence if the individual held tenure as a faculty member. During the transition year, the former executive would be paid the midpoint between the former executive salary and the top step full professor. As a tenured professor of graduate education, Dr. Lyons is eligible for the executive transition program. Under the new policy adopted in November 2006 governing executive transitions, executive employees appointed after November 15, 2006 must return to a CSU position in order to receive transition benefits.

Dr. Lyons stepped down from his position as president on February 28, 2007, and retired from California State University, Dominguez Hills on March 1, 2007. Chancellor Reed negotiated a settlement with Dr. Lyons for a lump sum payment of \$103,460.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Annual Transition Programs Update

Presentation By

Charles B. Reed
Chancellor

Jackie R. McClain
Vice Chancellor
Human Resources

Summary

At the November 2006 Board of Trustees' meeting, the Trustees adopted a resolution requiring the chancellor to report annually, in a public meeting in March, on all existing individual executive transition programs.

The annual update on existing individual transitions is provided on page two of this item.

It is important to note that individuals participating in the Trustee Professor program, the Executive Transition program and the Transition II program no longer receive housing allowances and vehicle allowances that were provided when serving in an executive capacity in the California State University. If employed full-time, an individual in a transition program would receive standard benefits including health care (medical, dental, vision), vacation and sick time accruals, and insurance. If less than full-time, benefits are not provided except as made available by CalPERS to retirees.

The most recent action by the board on executive transition in November 2006 is found in Attachment A. It summarizes past programs and established the new Transition II program and reporting requirements for all types of transitions.

Executives in the California State University do not receive incentive compensation such as performance or retention bonuses as is the case at some public institutions. Furthermore, newly appointed CSU executives from outside of the CSU are penalized because their salary used for retirement contributions to CalPERS is capped by federal tax law and regulations; the Internal Revenue Service cap for 2007 is \$225,000. Often, executives relocating to California are required to pay income, sales and other taxes in California beyond the rates in most other states.

Former Executive	Program	Time Period (2006-07 Academic Year)	Assignment	Salary (for time period)	Status
Tomás Arciniega	Trustee Professor – alternate program in lieu	July 2006 – June 2007	Assisting the CSU strategy for outreach and recruitment in Latino populations. CSU representative on HACU Board of Directors.	\$104,458	Rehired annuitant at .45 FTE Agreement ends June 2007
Robert Detweiler	Trustee Professor	July 2006 – December 30, 2006 January 8, 2007 -	Served as interim provost and other duties at Cal Poly San Luis Obispo.	\$208,620 \$73,332	Retired December 30, 2006 Rehired annuitant January 8, 2007 at 0.75 FTE as a lecturer for Winter and Spring 2007
Donald Gerth	Trustee Professor – alternate program in lieu	July 2006 – June 2007	Researching history of the CSU the past three years in preparation for writing a book.	\$54,373	Rehired annuitant at .45 FTE Agreement ends August 2007
James Lyons	Executive Transition – alternate program	Resigned February 28, 2007	Separation agreement.	\$103,460 (lump sum)	Retired March 1, 2007
Robert Maxson	Executive Transition – alternate program in lieu	January 2006 – June 2007	Plan implementation of eleven Ed.D. programs. Provide executive coaching and mentoring for presidents.	\$277,896 (annual)	Continuing to June 2008
Barry Munitz	Trustee Professor	April 2006 – April 2007 April 2007 -	Assist in fund raising and teach.	\$163,776 (first year only) \$112,000	Continuing to retirement
Norma Rees	Trustee Professor – alternate program in lieu	July 2006 - June 2007; July 2007 - June 2008 at .45 FTE	Assist in planning for implementation of Ed.D. programs, doctoral program planning in audiology, nursing and physical therapy and provide advice on the strategic planning project.	\$235,332	Continuing to June 2008

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL
(Action Item of November 14-15, 2006)

Provisions for Transition of Executives

Presentation By

Charles B. Reed
Chancellor

Jackie R. McClain
Vice Chancellor
Human Resources

Introduction

On November 18, 1981, the Board of Trustees adopted the Trustee Professorship Program. There are six remaining executives (see attachment) who were grandfathered and continue to be eligible for the Trustee Professorship Program.

On November 18, 1992, the Board of Trustees established the Executive Transition Program which enabled the university to continue to profit from an executive's accumulated experience and insights after the executive resigned. Through this program, former executives have been given the opportunity to instruct in the classroom or perform highly specialized duties specific to their expertise to the benefit of the university. Currently, there are 22 executives (see attachment) eligible for participation in the Executive Transition Program and they shall be grandfathered into the existing program. No additional executives shall enter this program.

It is recommended that the Board of Trustees adopt a new program which is significantly narrower and which has more rigorous requirements for participation. This program shall be called Executive Transition II. This program shall not be available to any executive who retires or who accepts non-CSU employment.

Transition II Program

For those individuals appointed as chancellor, executive vice chancellor, vice chancellor, general counsel, or president, hired after November 15, 2006, Transition II will provide a period of transition for executives who separate from their executive position in order to assume other identified CSU employment.

Attachment A

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Eligibility

To be eligible for a transitional program, the executive must:

1. Have served 5 years in an executive position at the California State University (CSU);
2. Be in good standing at the commencement of the program;
3. Have previously identified a position in the CSU to return to upon completion of the transitional program; and
4. Not accept non-CSU employment.

Terms of Transition

Upon notification to the chancellor of the intent to resign the executive position, the chancellor shall negotiate the terms of the transition program. In the case of the resignation of the chancellor, the chair of the Board of Trustees shall negotiate the terms of the transition program on behalf of the Board of Trustees.

The items to be negotiated shall include:

1. Dates of origination and termination;
2. Specific duties and assigned locations; and
3. Compensation and support.

Termination of Transition

If the executive becomes unable to perform the negotiated duties of the transition or should he/she accept non-CSU employment during the term of the transition period, the transition program shall immediately terminate and the executive shall be due no further compensation.

Should the executive and the chancellor (or the chancellor and the chair in the case of the chancellor's resignation) fail to reach agreement on a transition program, there shall be neither a right to any such program nor any right to appeal to the Board of Trustees to obtain such a program.

Communications

The Chancellor shall provide each Trustee with a copy of the final written agreement for each participant in the Trustee Professor, Executive Transition or this transition program.

Following the signing of an individual plan in any transition program, the plan shall be scheduled for discussion as an information item on the agenda of the Committee on University and Faculty Personnel.

Annually in March, the Chancellor shall report on all existing individual transition programs in the open meeting of the Board of Trustees.

The following resolution is recommended for approval:

RESOLVED, By the Board of Trustees of the California State University, that the following provisions shall be effective November 15, 2006. Executives hired prior to November 15, 2006 shall be subject to the Trustee Professorship or the prior Executive Transition Program as indicated on the attached list. Upon mutual agreement of the individual and the Chancellor, these individuals may instead participate in the post November 15, 2006 plan. Executives hired on or after November 15, 2006 will be subject to the new provisions; and be it further

RESOLVED, By the Board of Trustees of the California State University, that

- To be eligible for a transitional program, the executive must:
 - have served 5 years in an executive position at the California State University (CSU);
 - be in good standing at the commencement of the program;
 - have previously identified a position in the CSU to return to upon completion of the transitional program, and
 - not accept non-CSU employment.

- Upon notification to the chancellor of the intent to resign the executive position, the chancellor shall negotiate the terms of the transition program which shall include: dates of origination and termination; specific duties and assigned locations; compensation and support. In the case of the resignation of the chancellor, the chair of the Board of Trustees shall negotiate the terms of the transition program on behalf of the Board; and be it further

RESOLVED, By the Board of Trustees of the California State University, that, if the executive and the chancellor (or chancellor and the chair, in the case of the chancellor's resignation) fail to reach agreement on a transition program, there shall be neither a right to any such program nor any right to appeal to the Board of Trustees to obtain such a program, and be it further

Attachment A

UFP Item 3

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RESOLVED, By the Board of Trustees of the California State University, that, following the signing of an individual plan, the chancellor shall provide each Trustee with a copy of the final written agreement for each participant in any transition program. The executive's plan shall be scheduled for discussion as an information item and placed on the agenda for the Committee on University and Faculty Personnel; and be it further

RESOLVED, By the Board of Trustees of the California State University, that annually, in March, the chancellor shall report on all existing individual transition programs in the open meeting of the Board of Trustees.

EXECUTIVE COMPENSATION

EXECUTIVE TRANSITION
AND
TRUSTEE PROFESSOR PROGRAMS

Trustee Professor Program

- Eligible Executives
 - Dr. Ruben Armiñana, Dr. Warren J. Baker, Dr. Robert A. Corrigan, Dr. Milton A. Gordon, Dr. James M. Rosser, Dr. John D. Welty

Executive Transition Program

- Eligible Presidents
 - Dr. F. King Alexander, Dr. William Eisenhardt, Dr. Alexander Gonzalez, Dr. Dianne Harrison, Dr. Karen Haynes, Dr. Jolene Koester, Dr. Albert K. Karnig, Mr. Don W. Kassing, Dr. James E. Lyons, Dr. Horace Mitchell, Dr. J. Michael Ortiz, Dr. Mohammad Qayoumi, Dr. Rollin C. Richmond, Dr. Richard Rush, Dr. Hamid Shirvani, Dr. Stephen Weber, Dr. Paul Zingg
- Eligible System Executives
 - Dr. Charles B. Reed, Dr. Gary Reichard, Mr. Richard West, Ms. Christine Helwick, Ms. Jackie McClain