

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 4:45 p.m., Tuesday, September 20, 2011
Glenn S. Dumke Auditorium

8:15 a.m., Wednesday, September, 21, 2011
Glenn S. Dumke Auditorium

Kenneth Fong, Chair
Glen O. Toney, Vice Chair
Roberta Achtenberg
Debra S. Farar
Margaret Fortune
Steven M. Glazer
Peter G. Mehas

Meeting: 4:45 p.m., Tuesday, September 20, 2011
Glenn S. Dumke Auditorium

Consent Items

Approval of Minutes of Meeting of July 12, 2011

Discussion Items

1. Compensation for Vice Presidents: Annual Update, *Information*
2. Executive Compensation: Annual Executive Relocation Report, *Information*
3. Executive Compensation: Annual Executive Transitions Update, *Information*
4. Report from the Special Committee on Presidential Selection and Compensation, *Action*

****NOTE**

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4. Report from the Special Committee on Presidential Selection and Compensation, *Action*

****NOTE: Depending on the length of discussions on Tuesday, September 20, 2011, University and Faculty Personnel items may have to be carried over to Wednesday, September 21, 2011, for consideration.**

**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 12, 2011

Members Present

Kenneth Fong, Chair
Roberta Achtenberg
Debra S. Farar
Margaret Fortune
Steven Glazer
Peter Mehas
Charles B. Reed, Chancellor
Herbert L. Carter, Chair of the Board

Trustee Fong called the meeting to order.

Approval of Minutes

The minutes of May 10, 2011, were approved as submitted.

Executive Compensation

Trustee Fong introduced Chancellor Reed to present Agenda Item 1, which recommended compensation for the recently appointed president of San Diego State University. Chancellor Reed began his presentation by stating that on May 9, 2011, in closed session, the trustees appointed Dr. Elliot Hirshman as president of San Diego State University. He welcomed Dr. Hirshman who joined the campus on July 1, 2011, replacing Dr. Stephen Weber who had served as president of San Diego State since 1996. Chancellor Reed recognized Dr. Hirshman's credentials, having served as provost and senior vice president of the University of Maryland since 2008 where he was responsible for all aspects of their academic program, as well as enrollment, admissions and Division 1 athletics. Dr. Hirshman started out as a faculty member at the University of North Carolina at Chapel Hill and subsequently served at the University of Colorado and George Washington University. Chancellor Reed concluded by stating that Dr. Hirshman's leadership and vision for San Diego State make him an excellent choice to lead the university and recommended approval of the compensation as stated in Agenda Item 1.

Chair Carter addressed the board, announcing that in the Plenary Session he intended to appoint a special committee to review the policy regarding the selection of presidents, as well as the policies and practices with respect to executive compensation. He added that he will ask the committee to report back to the board at its September meeting.

Lieutenant Governor Gavin Newsom asked to comment and to acknowledge a letter from the governor regarding this item, explaining that as a public institution, members of the board must be cognizant and considerate of public opinion especially at a time when a decision on raising tuition will be made at today's meeting. He indicated that while the compensation may be appropriate in terms of its competitiveness, he was concerned about the message it was sending. Mr. Newsom wanted to make it clear that this was not about Dr. Hirshman at all, however, he agreed with the governor, that it was not the right time to increase the salary by \$100,000 versus the previous president's salary. In conclusion, he asked that they move cautiously and consider the unintended consequence of this decision and requested the decision be deferred.

Trustee Achtenberg agreed with Mr. Newsom's point that the concerns expressed in the governor's letter be acknowledged. She explained that while there is never a good time to address compensation, they have a responsibility to choose excellent leadership for each campus and to compensate appropriately. As trustees of this system, it is their responsibility to explain to the public why this type of compensation is appropriate for someone of this caliber and experience, who is agreeing to undertake this enormous responsibility at this time. Trustee Achtenberg indicated that she would vote yes on this motion, and it was not without regard to the Mercer study, which was the governor's point, but it was with regard to the study, that this compensation is warranted and necessary if the CSU is to maintain a level of excellence that benefits, not faculty and administration, but students, which should be first and foremost.

Trustee Glazer acknowledged Mr. Newsom's concerns and wanted to reinforce that Dr. Hirshman is eminently qualified and this matter has nothing to do with his qualifications. He noted that he was pleased to hear of Chair Carter's intent to appoint a special committee to look at this issue. With budget cuts and tuition increases in excess of 20 percent, he indicated a review of the way things have been done in the past is needed and compensation is one area. He concluded that it was with regret he would be casting his vote against this item.

Trustee Mehas asked for clarification on two items: (1) that the Mercer report showed CSU presidents were compensated 40 percent less than the national average and (2) the compensation for the San Diego president would be the same for taxpayer dollars and that the difference would be coming from private funds through the foundation at San Diego. Chancellor Reed responded that the state and the foundation each contribute \$50,000 toward the compensation. Regarding the Mercer report, he explained that when the total cash compensation of CSU presidents was compared to the comparable institutions CPEC has provided, the CSU lagged by 52 percent and when retirement and health care benefits were added back in, the result is a net lag of 26 percent. Chancellor Reed noted that while benefits are an important consideration, other factors come into play. He noted that recently, a candidate had to sell their home at a loss. In addition, he has to inform candidates that there is a salary cap of \$245,000 when calculating retirement benefits, so their pension will not be based on their compensation. Trustee Fong asked for clarification that his understanding was the salary is comparable to that of a major campus president plus \$50,000 from the foundation. Chancellor Reed responded that it was similar to San Luis Obispo and increased by the foundation.

Chair Carter acknowledged the positions taken by Mr. Newsom and other colleagues. He explained that because the system has not increased executive compensation for four years, it is understandable to see why the salary that is being offered to the newly elected president is difficult to comprehend. He also appreciated the interest and concern the governor has expressed, and it was because of his concern that he was prepared to undertake a review, not only on the matter of how presidents are selected but how they are compensated. While he appreciated the concerns expressed, he recommended moving forward on their commitment with the understanding that the board will undertake the task of determining the best possible way to deal with this issue going forward.

Chair Carter reminded his colleagues that only members of the committee should vote at this time and asked Trustee Fong to call for a motion. Following an initial vote and in the interest of clarity, Chair Carter asked for a vote by roll call. Trustee Fong called for a vote, and the motion was carried by a vote of four to two. Opposing were Trustee Fortune and Trustee Glazer. (RUF 07-11-04)

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Compensation for Vice Presidents: Annual Update

Presentation By

Charles B. Reed
Chancellor

Summary

In January 2008, the Board of Trustees adopted a resolution (RBOT 01-08-01) requiring the chancellor to review and approve presidential recommendations for vice presidential compensation (salary, salary increases, bonuses, and supplemental forms of compensation) at the initial appointment and subsequently. Additionally, the item requires the chancellor to make an annual report each September or November on vice presidential compensation.

The annual update on vice presidential compensation is provided in Attachment A.

Compensation for Vice Presidents: Annual Update

Vice President Appointments¹

Campus	Name	Title	Effective Date	Description of Action	Previous VP Salary	New VP Salary	Supplemental Compensation	Funding for Supplemental Compensation
Dominguez Hills	Maki, Mitch	Acting Vice President and Provost, Academic Affairs	5/2/2011	Filled vacancy	\$190,008	\$190,008		
East Bay	Wells, Brad	Interim Vice President, Administration and Finance/CFO	7/5/2011	Filled vacancy	\$220,758	\$195,000	Housing Allowance \$1,000/month	Non-General Funds
Fullerton	Abrego, Silas	Acting Vice President, Student Affairs	1/1/2011	Filled vacancy	\$194,832	\$190,000		
Fullerton	Dabirian, Amir	Vice President, Information Technology/CITO	9/1/2010	Filled vacancy	\$186,000	\$195,000		
Humboldt	Blake, Peg	Vice President for Enrollment Management and Student Affairs	1/3/2011	Filled vacancy	\$182,748	\$180,000		
Humboldt	Webb, Edward	Interim Vice President for Enrollment Management and Student Affairs	10/1/2010	Filled vacancy – appointment ended Jan 2011	\$182,748	\$159,996	Parking Space \$87/month	Non-General Funds
Maritime	Garcia, Steve	Interim Vice President, Administration and Finance	8/1/2011	Filled vacancy	\$176,000	\$144,000	Housing Allowance \$800/month	Non-General Funds
Sacramento	Lee, Mike (Ming Tung)	Interim Vice President for Administration and Business Affairs	10/1/2010	Filled vacancy	\$192,780	\$184,000		
San Francisco	Hayes, Nancy	Interim Vice President and CFO, Administration and Finance	7/1/2011	Filled vacancy	\$230,004	\$223,200		
San Jose	Bibb, Shawn	Vice President, Administration/Finance	8/1/2011	Filled vacancy	\$227,544	\$230,000		
San Jose	Bussani, Nancy	Interim Vice President, University Advancement	1/15/2011	Filled vacancy	\$200,880	\$215,004	Auto Allowance \$750/month	Non-General Funds
San Jose	Nance, William	Interim Vice President, Student Affairs	8/22/2011	Filled vacancy - temporarily retains CIO duties	\$210,000	\$215,000		
Sonoma	Rogerson, Andrew	Provost, Vice President for Academic Affairs and Chief Academic Officer	7/1/2011	Filled vacancy	\$206,604	\$206,000		
Stanislaus	Espinoza, Suzanne	Vice President for Enrollment and Student Affairs	2/1/2011	Filled vacancy/reorganization	\$160,008	\$180,000		

¹Change in vice president appointments resulted in salary savings of \$53,706.

New Vice President Positions

Campus	Name	Title	Effective Date	Description of Action	Previous VP Salary	New VP Salary	Supplemental Compensation	Funding for Supplemental Compensation
San Marcos	Ropp-Jackson, Janice	Vice President for Community Engagement	1/1/2011	New VP position. Reorganization and added duties.	N/A	\$170,000		
Stanislaus	Shimek, Dennis	Interim Vice President for Faculty Affairs and Human Resources	1/1/2011	New VP position. Combined duties and eliminated AVP-FA. ²	N/A	\$190,008		

²Eliminating position resulted in salary savings of \$102,320.

Existing Vice Presidents – Compensation Changes

Campus	Name	Title	Effective Date	Description of Action	Incumbent's Old Salary	Incumbent's New Salary	Supplemental Compensation	Funding for Supplemental Compensation
Dominguez Hills	Borrego, Susan	Vice President, Enrollment Services and Student Affairs	7/1/2011	Additional responsibilities	\$175,008	\$185,000		
Dominguez Hills	Rodriguez, Mary Ann	Vice President, Administration and Finance	7/1/2011	Additional responsibilities	\$174,084	\$190,000		
Dominguez Hills	Saks, Gregory	Vice President, University Advancement	7/1/2011	Additional responsibilities	\$160,008	\$185,000		
Fullerton	Hillman, Pamela	Vice President, University Advancement	9/1/2010	Additional responsibilities	\$194,856	\$200,148		
Humboldt	Nordstrom, Burt	Vice President, Administrative Affairs	3/1/2011	Additional responsibilities	\$184,000	\$193,000		
Maritime	Dunworth, Thomas	Vice President of Advancement and Executive Director of the Foundation	1/1/2011	Change in appointment status - temporary to regular MPP	\$169,500	\$157,500		
Sacramento	Varlotta, Lori	Vice President, Student Affairs	1/1/2011	Additional responsibilities	\$180,672	\$194,000		
San Bernardino	Sharp, Larry	Vice President, University Advancement	7/1/2011	Supplemental Compensation	\$200,000	\$200,000	Auto Allowance \$450/month	Non-General Funds

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Annual Executive Relocation Report

Presentation By

Charles B. Reed
Chancellor

Summary

In January 2008, the Board of Trustees adopted a resolution (RBOT 01-08-01) requiring the chancellor to make an annual report each September or November on relocation expenses provided to executives. This item reports the relocation expenses for the president of California Polytechnic State University, San Luis Obispo, appointed on February 1, 2011.

Annual Report

At the January 25-26, 2011 meeting of the Board of Trustees compensation for Dr. Jeffrey D. Armstrong was approved as president of California Polytechnic State University, San Luis Obispo. Included in the compensation was a provision for relocation expenses in accord with long-standing system policy. The relocation was from Okemos, Michigan, to San Luis Obispo, California.

Amount Paid

Relocation of household: \$19,178.89
Home sale fees and expenses: \$30,447.25

Relocation expenses for Dr. Mohammad Qayoumi, president of San José State University and Dr. Elliot Hirshman, president of San Diego State University, were approved by the trustees in May 2011 and July 2011, respectively. These relocation expenses are not yet complete and will be reported in the next annual report.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Annual Executive Transitions Update

Presentation By

Charles B. Reed
Chancellor

Summary

In November 2006, the Board of Trustees adopted a resolution (RUFP 11-06-06) requiring the chancellor to report annually, in a public meeting in March, on all existing individual executive transition programs. Subsequently, in January 2008, the Trustees' Ad Hoc Committee on the Bureau of State Audits adopted a resolution (RBOT 01-08-01) requiring the chancellor to report on progress and deliverables in the annual update on executive transitions. The resolution also recommended that the annual report be made in September or November rather than March, to report near the beginning of the fiscal and academic years.

The annual update on existing individual transitions is provided below. There is only one individual currently active in a transition program.

Since last year's report, Dr. Stephen L. Weber retired from his position as president at San Diego State University. As a rehired annuitant, Dr. Weber will serve as special assistant to the chancellor. The position is expected to last for a period of one year with a salary set at the annual rate of \$102,862. Dr. Weber will assist with documenting the progress of San Diego State with regard to retention and graduation rates, and provide support with the veterans program, research foundation and auxiliaries. Note that rehired annuitants continue on retiree medical and dental plans.

Active in a Transition Program

Dr. Barry Munitz
Executive Transition Program: Trustee Professor
Salary: \$103,454
Location: California State University, Los Angeles

As a trustee professor, assignments for Dr. Munitz are ongoing and transcend more than one academic cycle. During the past year, Dr. Munitz has continued to raise money for the campus and build on networks with educational and community leaders. Dr. Munitz has continued to

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source funds for honors scholarships (e.g., the Cotsen Foundation recently provided another \$125,000, over five years, for the Department of Anthropology). Both in the English Department, where his tenured faculty position resides, and for the emerging Honors College, he has provided advice related to service learning and civic engagement.

It is important to note that individuals participating in a transition 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 half time or more, an individual in a transition program would receive standard benefit provisions including health care (medical, dental, vision), insurance programs, and vacation and sick time accruals afforded CSU employees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Report from the Special Committee on Presidential Selection and Compensation

Presentation By

Christine Helwick
General Counsel

Summary

The Special Committee recommends adoption of a new policy for the selection of presidents.

Background

At the July CSU Board of Trustees meeting, Chair Carter appointed Trustee Lou Monville as Chair for a Special Committee on Presidential Selection and Compensation, and asked Trustees Achtenberg, Glazer, Guzman and Linscheid to serve on the committee. After the meeting, Chair Carter also asked Trustees Hauk and Mehas to serve on this committee. Chair Carter asked the Special Committee to report back to the board at the September meeting.

The Special Committee met on August 8 and 24, and among other things, considered a variety of input, comparative data and information, including presentations from Jamie Ferrare from the Association of Governing Boards, and Chuck Knapp, former president of the University of Georgia and partner in the executive search firm of Heidrick and Struggles.

The Special Committee will meet again in October to continue the discussion of presidential compensation policy.

In the meantime, the Special Committee recommends adoption of a proposed new policy for the selection of presidents, that is attached as Exhibit A. This proposed policy specifies in greater detail the process for consideration of appropriate internal CSU candidates for presidential positions. It also continues the board's deep commitment to consultation with campus and community through the full participation of the representative Advisory Committee in the selection process. Experience has demonstrated that highly qualified candidates are sometimes lost when candidates are required to make their interest in a presidential position known in a public campus visit and this requirement has sometimes compromised the board's ability to build a broad pool. As in the current policy, deviations from this new policy will be allowed in situations where the board deems appropriate.

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The Special Committee recommends adoption of the new policy.

RESOLVED, By the Board of Trustees of the California State University, that the process for Selection of CSU Presidents shall be as described in Exhibit A, to agenda item 4 of the Committee on University and Faculty Personnel at its September 20-21, 2011 meeting.

Board of Trustees Policy for the Selection of Presidents

Responsibility for Appointment of Presidents

The Board of Trustees of the California State University, in partnership with the Chancellor, is responsible for the recruitment, selection and appointment of CSU campus presidents. There is a deep commitment throughout the process to the principles of consultation with campus and community representatives and diversity. The ultimate decision and responsibility for the transition of executive leadership rests with the Board. The Chancellor designates staff to support the process.

The Trustees Committee for the Selection of the President

The Chair of the Board appoints a Trustees Committee for the Selection of the President (TCSP) for any campus with an impending vacancy. The TCSP is composed of the Chair of the Board, four Trustees, and the Chancellor. The Chair designates a Trustee as chair of the TCSP.

The TCSP determines the attributes desired for a successful candidate, approves the final campus and job descriptions, and any advertising copy, and reviews and interviews candidates. Although the TCSP is the ultimate body to make the final decisions, including the advancement of candidates to the full Board, the process is to be conducted in a manner that includes the campus representatives. The Chancellor may indicate his or her ranking of final candidates before the Board. The Board Chair and the Chancellor may use executive search firms to assist on specific tasks related to the selection process. The Chancellor is responsible for background and reference checks of the final candidates advanced to the Board.

The Advisory Committee to the Trustees Committee for the Selection of the President

The Chair of the Board also appoints an advisory group to the TCSP, known as the Advisory Committee to the Trustees Committee for the Selection of the President (ACTCSP). The ACTCSP is composed of the Chair of the Academic Senate on the campus, two faculty representatives selected by the campus faculty, one member of the campus support staff selected by the staff, one student selected by the duly constituted representatives of the campus student body, one member of the campus Advisory Board selected by that board, one alumnus/alumna of the campus selected by the campus Alumni Association, and one Vice

Policy as amended by Committee on September 20, 2011

Exhibit A

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President or academic Dean from the campus, and the President of another CSU campus selected by the Chancellor. Each of the campus representatives shall be determined according to procedures established by the campus. If the campus has a standing policy on campus representation to the ACTCSP that does not call for open election by each constituency, that policy shall be reviewed at the start of a new presidential search, and ratified or amended. The Chair of the Board or the Chancellor may appoint up to two additional members from constituent groups to the ACTCSP to strengthen its capacity to cope with the complex requirements of a specific search, including diversity of the campus, the service area or the state.

The ACTCSP provides advice and consultation regarding the position and campus descriptions and any advertisement of the position. Members of the ACTCSP may also suggest potential candidates with the leadership qualities, administrative ability, academic qualities and other talents appropriate to the position. The ACTCSP reviews and comments on all candidate applications, participates in candidate interviews and the deliberations that lead to the selection of the final candidate(s). The consultative procedures are to be conducted in a manner designed to generate confidence in the selection process and garner local support for the eventual appointee.

Confidentiality and Professionalism

To ensure that the search process respects the professional needs of candidates and is conducted with integrity, strict confidentiality must be maintained by members of the TCSP and the ACTCSP, the Chancellor and staff. Only the Chair of the TCSP or the Chancellor will act as spokesperson for the committees during the presidential search process. After providing a notice of violation and an opportunity for a meeting, the Chair may dismiss a member of the TCSP or the ACTCSP if confidentiality is determined by the Chair to have been violated, or if the behavior of a member is determined by the Chair to have been unethical, unprofessional, disruptive to the conduct of business, or if a member is determined by the Chair to have ignored or failed to follow these rules and procedures.

The Presidential Selection Process

The TCSP meets initially, together with the ACTCSP, to discuss the needs of the campus, and the desired attributes of the new President. The committees also receive information from the campus and the community on these subjects. After these initial sessions, advertising copy is developed, candidates are invited to submit applications, and a broad pool is developed. The Chancellor and the Chair of the TCSP confer and evaluate whether any additional internal CSU candidate(s) is/are a good fit for the position to be added to the pool and considered for the position. The TCSP and the ACTCSP then meet again, review all candidates and decide whether to interview internal candidates, internal and external candidates, or external candidates. **After consultation with the TCSP and the ACTCSP,** the Chancellor and the Chair of the TCSP determine whether to schedule campus visits, which are optional, or to schedule campus visits on a modified basis, depending on the circumstances of the search.

Deviations from These Procedures

The Board of Trustees will normally confine itself to the names presented by the TCSP. In rare instances and for compelling reasons, the Board reserves the right if, in its judgment, circumstances warrant to depart from the recommended candidate(s) or from the procedures outlined in this policy.