

**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 18, 2017

Members Present

Hugo N. Morales, Chair
Debra S. Farar, Vice Chair
Douglas Faigin
Lillian Kimbell
Rebecca Eisen, Chair of the Board
Timothy P. White, Chancellor

Chair Morales called the meeting to order.

Approval of Minutes

The minutes from the May 24, 2017 meeting were approved as submitted.

10 Year Retiree Health and Dental Benefits Vesting Proposal for New Non-Represented Employees

Vice Chancellor Melissa Bard presented the information. Senate Bill 85, signed by the Governor on 6/27/17, made statutory changes necessary to implement postsecondary education-related provisions of the Budget Act of 2017. These statutory changes added Government Codes 22874.6 and 22958.3 authorizing the Trustees of the California State University (CSU) to adopt by action a new 10 year vesting period for retiree health and dental benefits for non-represented employees who are new to the CSU and become new California Public Employees' Retirement System (CalPERS) members on or after July 1, 2017.

It is anticipated that an action item will be presented at the September 2017 meeting of the Board of Trustees recommending approval of a 10 year retiree health and dental vesting for new non-represented employees.

Trustee Nilon asked if the CSU has a strategy to reduce future health benefits costs for current and retired employees. Vice Chancellor Bard indicated that limitations are set by the State, but the CSU is continually reviewing its options and can update the Board as needed.

Chair Morales then adjourned the committee meeting.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

10 Year Retiree Health and Dental Benefits Vesting for New Non-Represented Employees

Presentation By

Melissa L. Bard
Vice Chancellor
Human Resources

Summary

An information item was presented to the Board of Trustees at the July 18-19, 2017 meeting which recommended approval of a 10 year retiree health and dental vesting for new non-represented employees.

Senate Bill 85, signed by the Governor on June 27, 2017, made statutory changes necessary to implement postsecondary education-related provisions of the Budget Act of 2017. These statutory changes added Government Codes 22874.6 and 22958.3 authorizing the Trustees of the California State University (CSU) to adopt by action a new 10 year vesting period for retiree health and dental benefits for non-represented employees who are new to the CSU and become new California Public Employees' Retirement System (CalPERS) members on or after July 1, 2017 (i.e., the CSU can implement any time after July 1, 2017).

Upon approval by the Board of Trustees, the CSU will implement the 10 year retiree health and dental vesting period for non-represented employees who are new to the CSU and become new CalPERS members on or after July 1, 2018.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that non-represented employees who are new to the CSU and become new CalPERS members on or after July 1, 2018, are subject to the 10 year retiree health and dental benefits vesting schedule.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Compensation for Executives

Presentation By

Timothy P. White
Chancellor

Douglas Faigin
Chair, Committee on Audit

Rebecca D. Eisen
Chair of the Board

Summary

Recommendations for fiscal year 2017-2018 executive compensation will be presented by Chancellor Timothy White for executives; Trustee Douglas Faigin for the vice chancellor and chief audit officer; and Chair Rebecca Eisen for the chancellor.

Executive Compensation

Executive positions include the chancellor, presidents, executive vice chancellors, and vice chancellors.

The Board of Trustees previously approved the 2017-2018 support budget request for the California State University which included a 2.5 percent compensation pool. Over the past seven years, executives in the system have received compensation increases as shown below:

Executive Employee Group

2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
0	0	0	0	3%	2%	2%	TBD

A 2.5 percent increase is recommended for executive employees, consistent with the 2.5 percent increase for Management Personnel Plan (MPP) and Confidential employees for fiscal year 2017-2018. Additionally, a 10 percent equity adjustment for President Karen Haynes will be recommended in addition to the 2.5 percent increase.

The base salary adjustments for the individuals listed in the tables below are recommended for trustee approval effective July 1, 2017, or as noted.

Supplemental Pay

Effective January 1, 2018, the supplemental pay noted in the tables below will be rolled into the incumbent's base salary and will be funded by state funds. Thereafter, a president's salary may only be funded by state funds.

Campus	Presidents	Current Annual Base Pay (State \$)	¹ Current Supplemental Pay (Non-State \$)	Current Total Annual Salary	Proposed Annual Increase	Proposed Annual Base Pay (State \$)	Proposed Total Annual Salary
Bakersfield	Horace Mitchell	\$305,409		\$305,409	\$7,635	\$313,044	\$313,044
Channel Islands	Erika Beck	\$283,000		\$283,000	\$7,075	\$290,075	\$290,075
Chico	Gayle Hutchinson	\$293,643		\$293,643	\$7,341	\$300,984	\$300,984
Dominguez Hills	Willie Hagan	\$316,126		\$316,126	\$7,903	\$324,029	\$324,029
East Bay	Leroy Morishita	\$325,406		\$325,406	\$8,135	\$333,541	\$333,541
Fresno	Joseph Castro	\$320,412		\$320,412	\$8,010	\$328,422	\$328,422
Fullerton	Mildred García	\$347,738		\$347,738	\$8,693	\$356,431	\$356,431
Humboldt	Lisa Rossbacher	\$319,201		\$319,201	\$7,980	\$327,181	\$327,181
Long Beach	Jane Close Conoley	\$343,269		\$343,269	\$8,582	\$351,851	\$351,851
Los Angeles	William Covino	\$320,412		\$320,412	\$8,010	\$328,422	\$328,422
Maritime Academy	Thomas Cropper	\$267,903		\$267,903	\$6,698	\$274,601	\$274,601
Monterey Bay	Eduardo Ochoa	\$289,672		\$289,672	\$7,242	\$296,914	\$296,914
Northridge	Dianne Harrison	\$318,238	\$29,500	\$347,738	\$8,693	\$326,931	\$356,431
Pomona	Soraya Coley	\$312,911		\$312,911	\$7,823	\$320,734	\$320,734
Sacramento	Robert Nelsen	\$316,126		\$316,126	\$7,903	\$324,029	\$324,029
San Bernardino	Tomás Morales	\$312,844	\$29,000	\$341,844	\$8,546	\$321,390	\$350,390
San Diego	Sally Roush (Interim)	\$428,645		\$428,645	N/A	-	no change
San Francisco	Leslie Wong	\$322,023	\$26,251	\$348,274	\$8,707	\$330,730	\$356,981
San José	Mary Papazian	\$371,000		\$371,000	\$9,275	\$380,275	\$380,275
San Luis Obispo	Jeffrey Armstrong	\$377,213	\$30,000	\$407,213	\$10,180	\$387,393	\$417,393
San Marcos	Karen Haynes ²	\$289,944		\$289,944	\$36,968	\$326,912	\$326,912
Sonoma	Judy Sakaki	\$298,000		\$298,000	\$7,450	\$305,450	\$305,450
Stanislaus	Ellen Junn	\$283,662		\$283,662	\$7,092	\$290,754	\$290,754

¹Supplemental pay was previously approved at the time of appointment by the Trustees, and is paid from Foundation sources.

²In addition to the 2.5% recommended for executive employees, proposed salary reflects a 10% adjustment due to equity.

System Officer	Title	Current Annual Base Pay (State \$)	¹ Current Supplemental Pay (Non-State \$)	Current Total Annual Salary	Proposed Annual Increase	Proposed Annual Base Pay (State \$)	Proposed Total Annual Salary
Timothy White ²	Chancellor	\$409,361	\$30,000	\$439,361	\$10,984	\$420,345	\$450,345
Steve Relyea	Executive Vice Chancellor and Chief Financial Officer	\$332,200		\$332,200	\$8,305	\$340,505	\$340,505
Framroze Virjee	Executive Vice Chancellor and General Counsel	\$332,200		\$332,200	\$8,305	\$340,505	\$340,505
Loren Blanchard	Executive Vice Chancellor for Academic and Student Affairs	\$332,200		\$332,200	\$8,305	\$340,505	\$340,505
Melissa Bard ³	Vice Chancellor and Chief Human Resources Officer	\$287,650		\$287,650	\$1,230	\$288,880	\$288,880
Garrett Ashley	Vice Chancellor, University Relations & Advancement	\$257,187		\$257,187	\$6,430	\$263,617	\$263,617
Larry Mandel ⁴	Vice Chancellor and Chief Audit Officer	\$246,038		\$246,038	\$6,151	\$252,189	\$252,189

¹Supplemental pay was previously approved at the time of appointment by the Trustees, and is paid from Foundation sources.
²Salary will be recommended by the Chair of the Board.
³Proposed salary reflects a .5% correction effective 6/26/17 appointment date as a result of the 2.5% recommended for executive employees.
⁴Salary will be recommended by the Chair of the Committee on Audit.

Recommended Action

The following resolutions are recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the individuals named in the salary tables cited in Item 2 of the Committee on University and Faculty Personnel at the September 19-20, 2017 meeting of the Board of Trustees shall receive the annual base salaries cited in the tables effective July 1, 2017, or as noted; and be it further

RESOLVED, that effective January 1, 2018, supplemental pay will be included in the incumbent's base pay as cited in Item 2 of the Committee on University and Faculty Personnel at the September 19-20, 2017 meeting of the Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Policy on Compensation

Presentation By

Timothy P. White
Chancellor

Melissa L. Bard
Vice Chancellor
Human Resources

Summary

This action item will clarify the university's policy on presidential compensation whereby a president's salary can only be funded with state funds. This is consistent with recommendations made by the California State Auditor and with CSU's recent practice for executive hires.

The existing policy, adopted by the trustees on November 18, 2015, follows below with the new verbiage underlined.

Board of Trustees Policy on Compensation

Scope

This policy governs compensation for all California State University (CSU) employees.

Guiding Principles

It is the intent of the Board of Trustees to compensate all CSU employees in a manner that is fair, reasonable, competitive, and fiscally prudent in respect to system budget and state funding. The goal of the CSU continues to be to attract, motivate, and retain the most highly qualified individuals to serve as faculty, staff, and executives, whose knowledge, experience, and contributions can advance the university's mission.

The CSU adheres to compensation practices that are fair and equitable in design, application, and delivery.

Implementation

The CSU will consistently evaluate competitive and fair compensation for all employees based on periodic market comparison surveys and the depth of skill and experience of an individual employee. In addition, the CSU will maintain and update annually a tiered list of CSU comparison institutions for applicable employee groups. The list may take into account geographic location, enrollment, percent of Pell eligible students, budget, research funding, and such other variables as deemed appropriate. Compensation will be guided with reference to the mean and/or median of the appropriate tier of comparison institutions, together with an individual's reputation, and length, depth and effectiveness of applicable experience, and other meritorious achievement and contributions to the success of the CSU.

The compensation system for the CSU shall (a) be administered in a manner that complies with all applicable federal, state, and local regulations and laws, and (b) be consistent with applicable administrative policies, rules and collective bargaining agreements.

Presidential Compensation

When a presidential vacancy occurs, the successor president's salary should not exceed the incumbent's salary by more than 10%. Any amount in excess of the incumbent's salary shall be based upon criteria such as extraordinary circumstances, knowledge and/or experience or ability to contribute to and advance the university's mission. Additionally, as of January 1, 2018, a president's salary can only be funded with state funds.

The chancellor shall have authority to negotiate recommended starting salaries for presidents. The chancellor shall present the recommended salary to the Board of Trustees for approval.

Recommended Action

The following resolutions are recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the Policy on Compensation, as cited in Item 3 of the Committee on University and Faculty Personnel at the September 19-20, 2017 meeting of the Board of Trustees is adopted; and be it further

RESOLVED, all previous versions of policies related to compensation for employees and presidents are superseded.