

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 8:00 a.m., Wednesday, September 17, 2008
Glenn S. Dumke Auditorium

Debra S. Farar, Chair
Craig R. Smith, Vice Chair
Roberta Achtenberg
Herbert L. Carter
Kenneth Fong
Margaret Fortune
Raymond W. Holdsworth
Glen O. Toney

Consent Items

Approval of Minutes of Meeting of July 15, 2008

Discussion Items

1. Proposed Title 5 Revision: Amendment to Management Personnel Plan for Athletic Personnel, *Action*
2. Proposed Title 5 Revision: Addition of Paid Administrative Leave for Management Personnel Plan Employees, *Action*
3. Executive Compensation: Vice Chancellor, *Action*
4. Executive Compensation: Annual Transition Programs Update, *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 15, 2008

Members Present

Debra S. Farar, Chair
Craig R. Smith, Vice Chair
Roberta Achtenberg
Jeffrey Bleich, Chair of the Board
Herbert L. Carter
Kenneth Fong
Margaret Fortune
Raymond W. Holdsworth
Charles B. Reed, Chancellor

Call to Order

Chair Farar called the meeting to order.

Approval of Minutes

The minutes of March 12, 2008 were approved as submitted.

After calling the meeting to order, Chair Farar stated there were four agenda items for the Committee. The first two items were informational and presented by Ms. Gail Brooks, interim vice chancellor of human resources.

Ms. Brooks provided information about a proposed amendment to the employment status provisions of Title 5 relating to athletic personnel who are appointed to positions in the Management Personnel Plan (MPP). Ms. Brooks noted that current industry standards appoint athletic personnel for a defined period of time, which is unique from other MPP employees who are appointed on an "at will" basis. She explained that the proposed Title 5 revision will make this distinction and will clarify that MPP athletic appointments with defined terms must be made in writing and contain specific provisions.

Trustee Melinda Guzman asked about the termination provisions and how they would alter the otherwise "at will" provisions.

Ms. Brooks explained that employees appointed "at will" can be terminated for any reason so long as it is not discriminatory and that Title 5 provides for three months of pay if an employee is so terminated. She went on to explain that for athletic employees, the termination and payment provisions would be defined within the appointment letter.

The second information item, also presented by Ms. Gail Brooks, proposed an amendment to Title 5 that provides language granting paid administrative leave to MPP employees under specified circumstances and for an identified period of time. Ms. Brooks explained that while there is no prohibition against providing paid administrative leave to MPP employees, as a result of the 2007 State Audit, the CSU agreed to develop and expand the definitions and criteria and incorporate into Title 5.

Chair Farar noted that both information items would return for committee action at the September Board meeting.

Chancellor Reed was introduced to present the next item which would set compensation for the acting president of San José State University.

Chancellor Reed introduced Dr. Carmen Sigler to the Board and thanked her for serving as acting president at San José State University. With the retirement of President Kassing on June 30 and the August 1 start date of San José State's new president, Dr. Sigler will serve as acting president for the month of July.

Chancellor Reed commented that Mr. Kassing retired from the CSU without taking any additional compensation by electing to forego his right to participate in the Executive Transition Program.

Chancellor Reed proceeded to recommend approval of compensation for Dr. Sigler in her position as acting president of San José State University for the month of July. She will return to her previous salary and position as provost when Dr. Jon Whitmore assumes his presidency on August 1. The committee recommended adoption of the proposed resolution (RUFPP 07-08-02).

Chancellor Reed presented the next resolution which recommended compensation for Dr. Jon Whitmore, the new president of San José State University beginning August 1. Chancellor Reed commented on the depth of experience Dr. Whitmore will bring to San José State having served as a provost and most recently, as president of Texas Tech; in addition to his fundraising experience and his focus on building a quality institution.

In addition to his annual salary, Chancellor Reed recommended Dr. Whitmore's salary be supplemented by \$25,000 in foundation funds. He remarked that even with the recommended salary supplement, Dr. Whitmore's CSU salary will be less than his salary at Texas Tech.

It was also noted that the IRS cap on salary for calculating retirement benefits currently is set at \$230,000 which impacts not only Dr. Whitmore but other CSU presidents as well. Chancellor Reed further explained how this continues to negatively impact recruiting efforts and that he, along with Trustee Carter, will be working to determine what can be done to support other presidents whose salaries are capped by this IRS regulation.

Chancellor Reed continued with his recommendation stating that Dr. Whitmore will be required to reside in the official campus residence as a condition of his employment. He will also be eligible for either a university car or a car allowance of \$1,000 per month and will receive the

standard benefits afforded executives, including expenses related to his relocation from Texas to California, which are noted in the agenda item.

Trustee Achtenberg recognized Chancellor Reed for openly communicating such detailed compensation information and appreciates his continued efforts in this regard.

Chair Farar called for a motion to approve the proposed resolution (RUF-07-08-03).

Chair Farar adjourned the meeting.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Proposed Title 5 Revision: Amendment to Management Personnel Plan for Athletic Personnel

Presentation By

Gail Brooks
Interim Vice Chancellor
Human Resources

Summary

This action item, submitted for information at the July 2008 Board meeting, proposes a revision to Title 5 §42723, relating to Management Personnel Plan (MPP) employment status. This revision provides that athletic personnel appointed to positions within the MPP may be given appointments for a definite time, and that such appointments must be in writing, and contain specific provisions, including a statement that the appointment may be terminated at any time on terms set forth in the appointment document. This proposed revision is recommended in order to reflect the distinction between MPP athletic personnel appointments and typical at-will MPP appointments.

The following resolution is presented for action at this meeting:

RESOLVED by the Board of Trustees of the California State University that Section 42723 of Title 5 of the California Code of Regulations be amended as follows:

§ 42723. Employment Status

(a) A Management Personnel Plan employee serves at the pleasure of the campus President or the Chancellor, as appropriate. A Management Personnel Plan employee shall not serve a probationary period and shall not receive permanent status.

(b) Athletic personnel who are appointed to positions in the Management Personnel Plan may be given appointments for a definite term. Any such appointment must be in writing and contain the initial date of appointment, the date on which the appointment expires, and a statement that the appointment may be terminated by the appointing authority at any time on terms set forth in the appointment document.

~~(b)~~ (c) A Management Personnel Plan employee who had permanent status in a class prior to January 1, 1984 shall retain permanent status in the class despite inclusion as a Management Personnel Plan employee. A Management Personnel Plan employee who prior to January 1, 1984 was serving a probationary period may be awarded permanent status by the appointing power upon the successful conclusion of the probationary period. Upon acquisition of permanent status such an employee shall retain permanent status in the same manner as an employee who has permanent status prior to January 1, 1984.

~~(c)~~ (d) A Management Personnel Plan employee who retains permanent status under subdivision ~~(b)~~ (c) and who is placed in or promoted to a position under the Management Personnel Plan shall retain retreat rights as described in this subdivision ~~(c)~~ (d) to the former class in which permanent status is held. Should the appointing power terminate the Management Personnel Plan employee's service in a Management Personnel Plan position, the employee shall have the right to return to the former class in which permanent status is held at the salary last received in the permanent class.

~~(d)~~ (e) Except in the case of layoff, the President or Chancellor, as appropriate, shall give a Management Personnel Plan employee, with the exception of athletic personnel appointed to definite terms under (b) above, notice of termination at least three months prior to the employee's separation date or shall give a Management Personnel Plan employee, with the exception of athletic personnel appointed to definite terms under (b) above, corresponding salary in lieu of notice.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Proposed Title 5 Revision: Addition of Paid Administrative Leave for Management Personnel Plan Employees

Presentation By

Gail Brooks
Interim Vice Chancellor
Human Resources

Summary

This item was presented for information at the July 2008 Board meeting. This agenda item proposes the addition of a new section to Title 5 entitled "Paid Administrative Leave" relating to employees who are appointed to positions in the Management Personnel Plan (MPP). This addition to Title 5 is proposed for the granting of paid administrative leave to an MPP employee for either:

- 1) Up to 60 calendar days for specified reasons relating to: a) the safety or health of employees; b) the prevention or disruption of programs and/or operations; c) an investigation of alleged misconduct by the employee or the employee's significant job performance issues; or d) the best interest of the University, and may be extended by the President or Chancellor for up to an additional 60 calendar days in extraordinary circumstances; or
- 2) Up to 6 months to develop, update or improve the employee's management or supervisory skills as part of a program or activity described in Title 5 Section 42727 (Professional Development), or to prepare an administrator with retreat rights to a faculty position to assume faculty responsibilities.

This proposed addition to Title 5 responds to a key recommendation of the California Bureau of State Audits (BSA), stated in its report of its audit of CSU Compensation Practices, issued November 6, 2007. In this report, the BSA recommended that the California State University develop stronger regulations to govern paid leaves of absence for management employees.

The following resolution is presented for action at this meeting:

RESOLVED by the Board of Trustees of the California State University that Section 42729 of Title 5 of the California Code of Regulations be added as follows:

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 2.2 – Management Personnel Plan

It is proposed that § 42729 be added to Title 5 as follows:

§ 42729. Paid Administrative Leave.

A Management Personnel Plan employee may be granted or placed on paid administrative leave by the President at a campus, or the Chancellor at the Chancellor's Office, under either of the following circumstances:

- (a) Up to sixty (60) calendar days of paid administrative leave for reasons related to (1) the safety or health of employees, (2) the prevention of the disruption of programs and/or operations, (3) an investigation of alleged misconduct by the employee or the employee's significant job performance issues or, (4) the best interest of the University. Such leave may be extended by the President or the Chancellor for up to an additional sixty (60) calendar days in extraordinary circumstances deemed by the President or the Chancellor to warrant such an extension; or
- (b) Up to six (6) months of paid administrative leave to develop, update or improve the employee's management or supervisory skills as part of a program or activity described in §42727 (Professional Development), or to prepare an administrator with retreat rights to a faculty position to assume faculty responsibilities.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Vice Chancellor

Presentation By

Charles B. Reed
Chancellor

Summary

This item sets compensation for the recently appointed Vice Chancellor, Administration and Finance of the California State University system.

Background

This item recommends that Dr. Benjamin F. Quillian, Jr., shall receive an annual salary of \$310,000, effective September 15, 2008, his starting date as Vice Chancellor, Administration and Finance of the California State University system.

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

- Relocation of household goods and property from Alexandria, Virginia to California, an amount not to exceed \$39,758, unless authorized by the chancellor. The university will provide temporary storage for Dr. Quillian's household furnishings and goods for 60 days, with the understanding that the chancellor may extend the storage period for an additional 30 days if necessary. The cost of storage is included within the property relocation estimate.
- Reimbursement for brokerage commissions, escrow fees, prepayment penalties, recording fee, grantor's taxes and expenses incurred in the selling the family residence in Virginia, an amount not to exceed \$67,500, unless authorized by the chancellor.
- Temporary housing will be provided by the university for 60 days, and may be extended up to 30 additional days by the chancellor if necessary, to allow for Dr. Quillian to secure and occupy a permanent residence.
- A monthly vehicle allowance of \$1,000.

UF&P

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- Standard benefit provisions afforded CSU executive classification employees regarding retirement program coverage from CalPERS, an annual medical physical examination, health plan programs, insurance programs, and vacation and sick leave accruals.
- A transition program for university executives, provided that Dr. Quillian meets the eligibility requirements described in the Trustees' resolution of November 15, 2006.

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Benjamin F. Quillian, Jr., shall receive a salary set at the annual rate of \$310,000, effective September 15, 2008, the beginning date of his appointment as vice chancellor, administration and finance.

RESOLVED, Dr. Quillian will receive additional benefits as cited in Agenda Item 3 of the Committee on University and Faculty Personnel at the September 16-17, 2008 meeting.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Annual Transition Programs 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 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. Mr. Don Kassing, who retired from the presidency of San José State University on June 30, 2008, elected not to participate in an executive transition program.

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 full-time, 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. If less than full-time, benefits are not provided except as available by CalPERS to retirees.

Active in a Transition Program

Barry Munitz
Executive Transition Program: Trustee Professor
Salary: \$123,119
Assignment Location: CSU Los Angeles