

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 8:30 a.m., Wednesday, January 27, 2016
Glenn S. Dumke Auditorium

Hugo N. Morales, Chair
Silas H. Abrego, Vice Chair
Debra Farar
Lillian Kimbell
Peter J. Taylor

Consent Item

Approval of Minutes of the Meeting of November 18, 2015

Discussion Items

1. Executive Compensation: President – San José State University, *Action*
2. Executive Compensation: President – Sonoma State University, *Action*
3. Exemption from Post-Retirement Employment Waiting Period, *Action*

**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**

November 18, 2015

Members Present

Hugo N. Morales, Chair
Silas H. Abrego, Vice Chair
Debra S. Farar
Lillian Kimbell
Peter J. Taylor
Timothy P. White, Chancellor
Lou Monville, Chair of the Board

Trustee Morales called the meeting to order.

Approval of Minutes

The minutes from the September 9, 2015 meeting were approved as submitted.

Public Speakers

The committee then heard from the public speakers.

Molly Talcott, Secretary, California Faculty Association (CFA) – Los Angeles, stated that the Board of Trustees (Board) is more concerned with the raises of those who need it the least and that faculty object if the Board lifts the cap on presidential salaries. Kevin Wehr, Associate Vice President, CFA – North, Sacramento, stated that the California State University was not bargaining in good faith.

Annual Report—Vice President Compensation, Executive Relocation, and Executive Transition

Current trustee policy requires the chancellor to report in open session on three items: 1) vice presidential compensation decisions; 2) executive relocation expenses; and 3) executive transition programs. Vice Chancellor Lori Lamb presented the items.

Ms. Lamb presented the first report relating to vice presidential salary changes. Presidents have authority to make these decisions and the Chancellor reviews and approves the same. All decisions, for new hires or for changes in an existing vice president's salary, met the policies and requirements of the California State University (CSU). Those actions were reported in the tables attached for actions that took place from September 1, 2014 to August 31, 2015.

With regard to relocation, three individuals received relocation costs as they assumed their new responsibilities and those costs were reflected in the report. All costs were in compliance within CSU policies.

With regard to executive transition programs, Ms. Lamb reported that the CSU has three different transition programs in place. These programs have been modified over time by the Board to adjust the program and ensure that there is work being performed during the transition year. The current program requires continued work within the CSU for eligibility. Each executive is eligible for one of these programs, depending on when they began their service with the CSU, and these are contractual obligations that cannot be changed. Currently, two individuals are in transition assignments; Dr. Mohammad Qayoumi and Dr. Michael Ortiz.

Employee Compensation Policy and Reexamination of Policy on Presidential Compensation

Chair Lou Monville began the presentation. He stated that he received feedback from key stakeholders that the Board was moving too quickly and it was sending the wrong signal. To show good faith with stakeholders, he presented an amendment to the Board of Trustees Policy on Compensation. The amended policy retains the limitation on presidential salaries to the incumbent's salary plus 10%, but eliminates the use of Foundation dollars to pay for the difference. He also stated that discussions with key stakeholders in the Department of Finance indicated that this is a policy they would support.

Chancellor Timothy P. White commented that he supported the amendment because it provides a rational framework in moving forward to evaluate all of our compensation decisions. It was also a step in the right direction to address presidential salary setting into the future, while maintaining the existing cap that provided some assurance that presidential salaries will be handled in a measured and thoughtful manner.

Vice Chancellor Lori Lamb began her presentation with a history of the compensation policies that exist and presented the amended policy as introduced by Chair Monville. She stated that the new amended policy had many similarities to the old policies but now includes a section dealing with presidential compensation. The policy eliminates the use of Foundation dollars and retains a cap at 10% above the incumbent's salary, but allowing the use of State funds. This would assist the Board in beginning to address salary setting for incoming presidents, while also providing assurance that presidential salaries will not escalate unnecessarily. She also pointed it does not mean that all initial salaries will be at the maximum level and that initial salaries can be at any point below that maximum. She also stated that Chancellor White has been very conservative at salary setting and she would expect this pattern to continue. In addition, the Board always retains the right to approve or disapprove the salary. Ms. Lamb recommended adoption of the Policy on Compensation as it is set forth in the amendment proposed by Chair Monville, and also recommend that, for clarity, this policy should supersede existing policies on this topic.

After the presentation, there was a discussion on the topic.

Trustee Garcia stated that the new amended policy does not mention the criteria for assessing the 10% increase and suggested that guidelines should be included in the item.

Trustee Kimbell asked if the current salary is base plus supplement. Vice Chancellor Lamb stated the combined salary of the incumbent plus 10% is what the policy states.

Trustee Faigin inquired about the exact changes to the existing policy. Vice Chancellor Lamb indicated the changes included adding percent of Pell eligible students to the criteria list of comparison institutions and that any salary above the incumbent's salary would be paid with state funds, not Foundation dollars. He then stated that he didn't want the Board to be seen as providing a blank check because it appears that since it is State tax dollars it is easier to give the 10%.

Trustee Taylor mentioned that he supported the new policy because he was concerned that constraints in hiring would hamper us from competing against industries that have deep pockets. Vice Chancellor Lamb stated the new policy helps broaden the diversity of the pool of applicants.

Trustee Eisen was concerned that, prior to Board approval, once the chancellor negotiates a salary to the final candidate that it would be difficult for the Board to object to the salary at the Board of Trustees meeting. Chancellor White stated the proposed policy gives the candidates an indication of the potential salary available and it provides the chancellor guidance in salary setting. Trustee Farar stated that trustees sit on the presidential search committee and have knowledge about the salary being discussed.

Trustee Kimbell inquired about whether there is an assumption about bringing the incoming candidate above the incumbent's salary. Vice Chancellor Lamb stated that that is the maximum that could be offered, but initial appointments might be lower on the range and there is no assumption the salary would be at the incumbent's level.

Trustee Abrego stated that the policy does not address the inequities among the presidents and that a new president could possibly make more than an existing president.

Executive Vice Chancellor and General Counsel Framroze Virjee commented that the monies paid with Foundation dollars can appear to be a potential conflict of interest because the president sits on the board. Vice Chancellor, University Relations and Advancement Garrett Ashley commented that not all Foundations are the same nor do they have the same financial resources.

Chair Monville reiterated the policy would remove the use of Foundation dollars and provide a 10% cap above the incumbent's salary. Trustee Faigin commented that the change could make it easier to grant the 10% increase because those funds would be State funds. He also asked if the proposed policy added that the chancellor can negotiate recommended starting salaries. Vice

Chancellor Lamb stated this was an addition to the existing policy. Chair Monville stated that it is not a change in process, it formalizes the general practice. Trustee Farar again stated that we have trustees on the search committees who are aware of the salary being discussed.

Trustee Brewer stated she personally supported the policy because it allows for competitive recruitment, but, as a student trustee, she would not be voting to pass it. Trustee Kimbell also stated she would not be voting for it.

Trustee Eisen questioned the tiered list of comparison institutions and what is used now. Vice Chancellor Lamb stated that the list was presented at the last Board of Trustees meeting and it uses only public institutions.

Trustee Norton stated that the policy serves the long term interest of the University and he would be voting for it.

Trustee Garcia asked if the amended policy could be amended again. Executive Vice Chancellor Virjee stated that only committee members could amend in the committee meeting, but any trustee could amend in the plenary session.

The Committee on University and Faculty Personnel voted on the item. The item passed with three in favor and two against. (RUF 11-15-02)

Trustee Morales adjourned the meeting.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: President – San José State University

Presentation By

Timothy P. White
Chancellor

Summary

This action item approves the compensation for Dr. Mary A. Papazian as president of San José State University.

Executive Compensation

The Board of Trustees is pleased to present Dr. Mary Papazian as the next president of San José State University. Dr. Papazian is currently serving as the president of Southern Connecticut State University (SCSU) in New Haven, Connecticut.

Prior to her tenure at SCSU, Dr. Papazian was the provost and senior vice president for Academic Affairs at Lehman College of The City University of New York. She also served as the dean of the College of Humanities and Social Sciences at Montclair State University in New Jersey, and executive director of the Department of Music, Theater and Dance at Oakland University in Rochester, Minnesota. She began her career in higher education at Oakland University, where she was an assistant, associate and tenured Professor of English.

Dr. Papazian holds a bachelor's, master's and Ph.D. in English from the University of California, Los Angeles.

Chancellor White recommends that Dr. Papazian receive an annual salary of \$371,000. Dr. Papazian will be required to live in the San José State University president's residence. She will assume the presidency on July 1, 2016.

Dr. Papazian's salary complies with the Trustees' policy on presidential compensation, established in November 2015, in that it is slightly less than the prior incumbent's salary (\$371,072). Given Dr. Papazian's experience this salary is appropriate.

In addition and consistent with Board policies, Dr. Papazian will receive the following standard benefits:

AMENDED

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Agenda Item 1

January 25-27, 2016

Page 2 of 2

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- A transition program for university presidents provided she meets the eligibility requirements passed by the Board of Trustees on November 15, 2006 (RUF 11-06-06);
- Reimbursement for actual, necessary and reasonable moving and relocation expenses; and
- Dr. Papazian will hold the academic rank of full professor with tenure, subject to faculty consultation, in the College of Humanities and Arts.

Chancellor White recommends that the Board of Trustees approve the salary for the next president of San José State University, Dr. Mary Papazian.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Mary Papazian shall receive a salary set at the annual rate of \$371,000 effective the date of her appointment as president of San José State University; and be it further

RESOLVED, that Dr. Mary Papazian shall receive additional benefits as cited in Item 1 of the Committee on University and Faculty Personnel at the January 25-27, 2016 meeting of the Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: President – Sonoma State University

Presentation By

Timothy P. White
Chancellor

Summary

This action item approves the compensation for Dr. Judy K. Sakaki as president of Sonoma State University.

Executive Compensation

The Board of Trustees is pleased to present Dr. Judy Sakaki as the next president of Sonoma State University. Dr. Sakaki, Judy, is currently serving as Vice President, Student Affairs, at the University of California Office of the President. Prior to this she served as Vice Chancellor, Student Affairs at the University of California, Davis from 2002-2006.

Dr. Sakaki also has ties to the California State University (CSU) community as former Vice President of Student Affairs and Dean of Students at Fresno State from 1997-2002 and Dean of Student Affairs at Fresno State from 1995-1997.

She was also an Executive Fellow at the Office of the Chancellor, State Governmental Affairs (now Advocacy and State Relations) in Sacramento, Federal Relations (OFR) in Washington, D.C., and on various CSU campuses, and was the special assistant to the president at California State University, Hayward, which is now named California State University, East Bay.

Dr. Sakaki is a double alumna of the CSU, having earned both a bachelor's degree in Human Development and master's in Educational Psychology from California State University, Hayward. She holds a Ph.D. in Education from the University of California, Berkeley.

Chancellor White recommends that Dr. Sakaki receive an annual salary of \$298,000 and an annual housing allowance of \$60,000. She will assume the presidency on July 1, 2016.

Dr. Sakaki's salary complies with the Trustees' policy on presidential compensation, established in November 2015, in that it is less than the incumbent's salary (\$305,000). Given Dr. Sakaki's experience and the length of service of the incumbent this salary is appropriate. The housing allowance is also consistent with the previous incumbent's housing allowance.

AMENDED

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Agenda Item 2

January 25-27, 2016

Page 2 of 2

In addition and consistent with Board policies, Dr. Sakaki will receive the following standard benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- A transition program for university presidents provided she meets the eligibility requirements passed by the Board of Trustees on November 15, 2006 (RUF 11-06-06);
- Reimbursement for actual, necessary and reasonable moving and relocation expenses; and
- Dr. Sakaki will hold the academic rank of full professor with tenure, subject to faculty consultation, in the School of Education.

Chancellor White recommends that the Board of Trustees approve the salary for the next president of Sonoma State University, Dr. Judy Sakaki.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Judy K. Sakaki shall receive a salary set at the annual rate of \$298,000 and an annual housing allowance of \$60,000 effective the date of her appointment as president of Sonoma State University; and be it further

RESOLVED, that Dr. Judy K. Sakaki shall receive additional benefits as cited in Item 2 of the Committee on University and Faculty Personnel at the January 25-27, 2016 meeting of the Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Exemption from Post-Retirement Employment Waiting Period

Presentation By

Lori Lamb
Vice Chancellor
Human Resources

Loren J. Blanchard
Executive Vice Chancellor
Academic and Student Affairs

Summary

This item requests approval by the Board of Trustees to waive the requirement that Dr. Andrew "Zed" Mason, former assistant vice chancellor for research initiatives and partnerships, wait 180 days before returning to work as a rehired annuitant. The *California Government Code, Section 7522.56(f)*, provides for an exception to the 180-day waiting period.

Background

On September 12, 2012, Assembly Bill 340, referred to as the "California Public Employees' Pension Reform Act of 2013" (PEPRA), was signed into law by the governor, and became effective January 1, 2013. PEPRA provided various retirement-related changes that impacted new, current, and retired California State University (CSU) employees. As of January 1, 2013, the following is applicable to retired state employees under *California Government Code, Section 7522.56(f)*:

(f) A retired person shall not be eligible to be employed pursuant to this section for a period of 180 days following the date of retirement unless he or she meets one of the following conditions:

(1) The employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days has passed and the appointment has been approved by the governing body of the employer in a public meeting. The appointment may not be placed on a consent calendar.

The assistant vice chancellor for research initiatives and partnerships, Dr. Zed Mason, retired from state service on December 31, 2015. While a successor has been identified to fill this

position, the new incumbent is unable to assume this role until summer 2016, due to existing teaching and research commitments. Given the unique requirements of this position, its critical importance with respect to the coordination of research activities in the CSU, and the calendar of existing research activities, the Chancellor's Office will need to fill the position, initially, on an interim basis.

Dr. Mason's knowledge and experience of ongoing research activities and the CSU's multi-campus initiatives will serve as a critically needed bridge during this transitional period. During the preceding twelve months, new reviews of federal import-export impacting research and assessments of multi-campus initiatives governed by Executive Order 1103 have commenced. The importance of this transitional service to the university to maintain these critical processes, require that Dr. Mason be employed as a rehired annuitant before the passing of 180 days following his retirement date.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Andrew Zed Mason is exempt from the 180-day waiting period and is eligible to be employed as a rehired annuitant following the date of his retirement as cited in Agenda Item 3 of the Committee on University and Faculty Personnel at the January 25-27, 2016, meeting of the CSU Board of Trustees.