

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 2:30 p.m., Tuesday, November 19, 2019
Glenn S. Dumke Auditorium

Debra S. Farar, Chair
Christopher Steinhauser, Vice Chair
Rebecca D. Eisen
Juan F. Garcia
Hugo N. Morales
Romey Sabalius

- Consent**
1. Approval of Minutes of the Meeting of September 25, 2019, *Action*
 2. Annual Report on Outside Employment for Senior Management Employees, *Action*
 3. Annual Report on Vice President Compensation, Executive Relocation, and Executive Transition, *Information*
- Discussion**
4. Policy on Compensation, *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**

September 25, 2019

Members Present

Debra S. Farar, Chair
Rebecca D. Eisen
Juan F. Garcia
Hugo N. Morales
Romey Sabalius
Christopher Steinhauser
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Farar called the meeting to order.

Public Comment

The committee heard from two individuals who both commented on the executive compensation study and noted that similar to salary lags for campus presidents, salaries for certain classifications within CSUEU continue to fall behind the market.

Approval of Minutes

The minutes of the July 24, 2019 meeting were approved as submitted.

Executive Compensation Study; Policy Implications

In July 2018 the board was presented data indicating that base pay of CSU campus presidents lagged significantly behind established peer market comparators. At that time, the board requested the analysis be expanded to include total remuneration. Chancellor Timothy P. White provided background on the current practice for setting presidential pay and executive compensation practices that date back to historical market conditions when presidential salaries were frozen. He shared the importance of reexamining executive compensation practices and taking steps toward implementing a reasonable, consistent, and competitive policy with clear and transparent benchmarks for setting and adjusting presidential pay.

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Mr. Sal DiFonzo, vice president with Sibson Consulting, presented results of the total remuneration study as it pertains to CSU campus presidents. Also in attendance from Sibson was Mr. David Ko.

The analysis compared CSU to the median, or the 50th percentile of the market. Industry standard for market competitiveness is 15% above and 15% below the median, with 15% below representing the entry point of the competitive range. In summary, base salaries for presidents in Groups A and B are more than 15% below the median. Group C was more competitive, but still lagged. When incorporating total compensation, Groups A and B lag further behind their peer institutions, as do three presidents in Group C.

Sibson recommended increasing base salaries for those presidents who are below the median by more than 15%. Two costing scenarios were provided showing a one-time adjustment or a phased approach over three years. It was noted that the CSU currently offers incentive pay to other employee groups; Sibson recommended this be extended to presidents. Additionally, offering an optional retirement plan was recommended as the parity in the retirement benefit post-PEPRA continues to be an issue.

The presentation was followed by discussion surrounding survey methodologies; housing and recent salary increases being excluded from the survey; criteria and validity of comparators; the need to be conservative with any salary adjustments; and providing the board with options when the item returns for consideration.

Remarks also included allowing for a policy that is flexible; reviewing presidential salaries case by case rather than across the board; and the need for similar analyses of other employee groups.

Concerns were raised about negative reaction from the public and particularly the legislature and the potential impact. Comments during the discussion period also supported the results of the analysis and moving forward; however, the need to consider political ramifications was acknowledged.

Trustee Farar adjourned the committee meeting.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Annual Report on Outside Employment for Senior Management Employees

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

In accordance with the California State University (CSU) Board of Trustees policy on outside employment disclosure requirements, this item presents the outside employment activities of senior management employees that took place during the 2018 calendar year.

Background

In November 2016 the policy on disclosure requirements for outside employment was updated (RUF 11-16-10) to require the Board to annually review and approve the outside employment of all senior management employees. For purposes of this policy, senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.

The policy also requires this information be presented for public discussion and made available on a public website. The annual report on outside employment for senior management employees will be posted for public viewing on the CSU transparency and accountability website at: <https://www2.calstate.edu/csu-system/transparency-accountability>.

Annual Report

The annual report on outside employment for senior management is provided in Attachment A. The report shows 20 senior management employees with outside employment during the reporting period for the 2018 calendar year.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the 2018 Senior Management Outside Employment Disclosure Report, as cited in Item 2 of the Committee on University and Faculty Personnel at the November 19-20, 2019 meeting of the Board of Trustees, is approved.

California State University
Senior Management Outside Employment Disclosure Report*
Reporting Period: 2018 Calendar Year

Employee Name (Campus)	CSU Working Title	Name of Outside Employer/Business	Role	Total Time Served (Hours)	Total Compensation Received	Comments
Gayle E. Hutchinson (Chico)	President	Juice+	Direct Distributer	24 hours	\$1,041	
Debra Larson (Chico)	Provost and Vice President for Academic Affairs	OK Enterprises Corporation - Family Trust	Treasurer	32 hours	\$4,000	
William Franklin (Dominguez Hills)	Vice President for Student Affairs	University of Albany	Consultant on Enrollment Management	20 hours	\$1,500	
Leroy Morishita (East Bay)	President	JA Health Insurance Brokerage	Chair of Board and President of affiliated non-profit	3 hours quarterly	\$16,000	Earnings were donated
Robert M. Harper (Fresno)	Interim Provost & VP of Academic Affairs	Western Camps, Inc.	Member, Board of Directors	20 hours	\$975	Resigned from Western Camps upon appointment of Interim Provost/VP of Academic Affairs
Berenecea Johnson Eanes (Fullerton) - no longer with CSU	Vice President for Student Affairs	Palo Alto University	Retreat	12 hours	\$3,300	
Danny C. Kim (Fullerton)	Vice President for Administration and Finance	UCLA	Program review for the Graduate Resource Center	8 hours	\$1,500	
Douglas Dawes (Humboldt)	Vice President-Administrative Affairs	Cache Valley CPA, PLLC	Provide tax service for about 15 clients	40 hours	\$1,500	
Craig Wruck (Humboldt) - no longer with CSU	Vice President-Advancement	PG Calc, Inc.	Delivered a series of four 1.5 hour webinars	6 hours	\$4,000	
Jose Gomez (Los Angeles)	Executive Vice President & Chief Operating Officer	California Casualty Indemnity Exchange	Advisory Board Member	64 hours	\$52,850	Not involved in making decisions affecting CSU's dealing with outside employer
Janet Dial (Los Angeles)	Vice President for University Advancement	International Scholarship & Tuition Services Inc. (ISTS)	Review Scholarship Applications	10 hours	\$400	
Steve Perez (Sacramento)	Provost	Pearson Publishing	Author	250 hours	\$53,000	Not involved in making decisions affecting CSU's dealing with outside employer

*Senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.

California State University
Senior Management Outside Employment Disclosure Report*
Reporting Period: 2018 Calendar Year

Employee Name (Campus)	CSU Working Title	Name of Outside Employer/Business	Role	Total Time Served (Hours)	Total Compensation Received	Comments
Tomas Morales (San Bernardino)	President	United Health Group of New York	Director on Board of Directors	6-10 hours per year	\$12,000	
Shari McMahan (San Bernardino)	Provost and Vice President for Academic Affairs	Group Fitness	Instructor	60-100 per year	\$2,500	
Luoluo Hong (San Francisco)	Vice President, Student Affairs & Enrollment Management	State of Hawaii Department of Public Health	Consultant/Speaker/Trainer	4 hours	\$4,000	Provided keynote speeches and breakout sessions.
Luoluo Hong (San Francisco)	Vice President, Student Affairs & Enrollment Management	Indland Northwest Student Affairs Colloquium	Consultant/Speaker/Trainer	2 hours	\$4,500	Provided keynote speeches and breakout sessions.
Luoluo Hong (San Francisco)	Vice President, Student Affairs & Enrollment Management	Indiana Coalition to End Sexual Assault	Consultant/Speaker/Trainer	6 hours	\$3,000	Provided keynote speeches and breakout sessions.
Keith Humphrey (San Luis Obispo)	Vice President for Student Affairs	Sierra Vista Hospital	Governing Board member	15 hours	\$2,000	
Lisa Vollendorf (Sonoma)	Provost & Executive Vice President of Academic Affairs	Vanderbilt University Press	Receive royalties for book publication, did not work any hours for this compensation in 2018.	0 hours	\$99	Not involved in making decisions affecting CSU's dealing with outside employer
Joyce Lopes (Sonoma)	Vice President for Administration & Finance, CFO	WACUBO, Business Management Institute	Taught accounting courses at the Business Management Institute	6 hours	\$600	Not involved in making decisions affecting CSU's dealing with outside employer
Jacob Yarrow (Sonoma)	Executive Director, GMC	New England Foundation for the Arts	Serve on board of advisors of the National Theatre Project	48 hours	\$2,250	Not involved in making decisions affecting CSU's dealing with outside employer
William Gregory Sawyer (Sonoma)	Vice President for Student Affairs	American Jewish University	Speaker at Prejudice Awareness Summit gathering	3 hours	\$500	Not involved in making decisions affecting CSU's dealing with outside employer

*Senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

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

Presentation By

Timothy P. White
Chancellor

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

In January 2008 the Board of Trustees adopted a resolution (RBOT 01-08-01) requiring the chancellor to provide an annual report on vice presidential compensation actions, executive relocation costs, and executive transition programs. This agenda item will share the annual report with the Board.

Vice President Compensation

Current trustee policy requires the chancellor to review and approve recommendations for vice presidential compensation at the initial appointment and subsequently. Additionally, the chancellor is to provide an annual report on vice president compensation if compensation actions have been taken. Attachment A shows 33 vice president compensation actions during the reporting period (September 1, 2018 – August 31, 2019).

Additionally, as previously shared with the Board, Chancellor Timothy P. White authorized a three percent compensation pool for eligible unrepresented employees for fiscal year 2019-2020. As a result, vice presidents were eligible for merit salary increases from this compensation pool.

Executive Relocation

It is recognized that the relocation of newly hired individuals may be required, and a relocation program is provided to assist in the relocation process. The annual report on relocation expenses for CSU Executives follows:

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- Dr. Thomas Parham
President, CSU Dominguez Hills
From temporary residence
Relocation of household goods and property: \$2,728.04
- Dr. Lynn Mahoney
President, San Francisco State
From Irvine, California
Relocation of household goods and property: \$9,818.82
- Dr. Ellen Neufeldt
President, CSU San Marcos
From Norfolk, Virginia
Relocation of household goods and property: \$16,109.35
Relocation travel expenses: \$989.85
Fees related to leases and sale/purchase of residence: \$5,407.04
Temporary living expenses: \$3,234.85
- Dr. Timothy P. White
Chancellor, California State University
Moving expenses due to sale of State University House
Relocation of household goods and property: \$8,415.76

Executive Transition

Trustee policy requires the chancellor to report annually on all existing transition programs.

Currently, there are no participants in a transition program.

Vice President Compensation Actions

Filled Vacancies

Campus	Name	Title	Eff. Date	Salary	Other Compensation
Chico	Sherman, Ann	Vice President for Business & Finance	1/1/2019	\$240,000	
Fresno	Jimenez-Sandoval, Saul	Provost & Vice President for Academic Affairs	7/22/2019	\$254,004	
Fullerton	Oliver, Pamella	Provost and Vice President for Academic Affairs	1/1/2019	\$271,404	
Los Angeles	Villalpando, Octavio	Vice President for Equity, Diversity and Inclusion	6/1/2019	\$240,000	
Northridge	Walker, Mary Beth	Provost & Vice President for Academic Affairs	7/1/2019	\$300,000	
Sacramento	Bowman, Jonathan	Vice President for Administration and Business Affairs	1/28/2019	\$235,000	
Sacramento	Cardoza, Lisa	Vice President for University Advancement	7/1/2019	\$225,000	
Sacramento	Vermeire, Diana Tate	Vice President of Inclusive Excellence	5/1/2019	\$187,176	
San Bernardino	Nava, Robert	Vice President for University Advancement	11/13/2018	\$233,004	Auto Allowance \$500/mo. Non-Gen Funds
San Bernardino	Oliveres, Paz Maya	Vice President for Student Affairs	8/1/2019	\$225,000	
San Diego	Ochoa, Hector	Provost & Senior Vice President for Academic Affairs	7/2/2019	\$315,000	
San José	Del Casino Jr., Vincent	Provost & Senior Vice President for Academic Affairs	7/15/2019	\$305,004	
San José	Abousalem, Mohamed	Vice President for Research and Innovation	6/10/2019	\$263,004	
San Luis Obispo	Reijo Pera, Renee	Vice President of Research and Economic Development	8/12/2019	\$275,004	Temporary Housing Allowance (6 mos.) \$3,000/mo. Non-Gen Funds
Stanislaus	Erickson, Christine	Vice President of Student Affairs	3/4/2019	\$210,000	

Other Changes

Campus	Name	Title	Eff. Date	Description of Change	Salary After Change or Amount Paid
Chico	Boura, Ahmad	Vice President for University Advancement	10/1/2018	Equity Increase	\$240,000
Dominguez Hills	Franklin, William	Vice President of Student Affairs	11/1/2018	Equity Increase	\$231,720
Fresno	Lamas, Frank	Vice President for Student Affairs & Enrollment Management	9/1/2018	Equity Increase	\$253,752
Fullerton	Kim, Danny	Vice President for Administration & Finance/CFO	7/1/2019	Equity increase	\$256,488
Fullerton	Dabirian, Amir	Vice President, Information Technology/CIO	7/1/2019	Equity Increase	\$237,876
Fullerton	Forgues, David	Vice President for Human Resources, Diversity and Inclusion	7/1/2019	Equity Increase	\$216,396
Los Angeles	Dial, Janet	Vice President for University Advancement	11/1/2018	Equity Increase	\$242,820
Monterey Bay	Higgs, Ronnie	Vice President for Student Affairs and Enrollment Services	6/30/2019	Equity Increase	\$225,648
Monterey Bay	Zappas, Barbara	Vice President for University Development	6/30/2019	Equity Increase	\$221,328
San Bernardino	McMahan, Shari	Provost and Vice President for Academic Affairs	10/31/2018	Equity Increase	\$259,596
San Bernardino	Freer, Doug	Vice President for Administration & Finance/CFO	10/31/2018	Equity Increase	\$245,904
San Bernardino	Sudhakar, Samuel	Vice President for Information Technology Services/CIO	10/31/2018	Equity Increase	\$227,340
San Diego	Welter, Steve	Vice President for Research and Graduate Affairs	7/1/2018	Equity Increase	\$293,832

Campus	Name	Title	Eff. Date	Description of Change	Salary After Change or Amount Paid
Chico	Lang, Milton	Vice President for Student Affairs	10/1/2018	Change in responsibilities	\$257,196
Channel Islands	Trinidad, Ysabel	Vice President for Business and Financial Affairs	10/1/2018	Change in responsibilities	\$255,000
Chico	Boura, Ahmad	Vice President for University Advancement	FY2018/19	MPP Merit Bonus Program – established goals met	\$36,000
Los Angeles	Mahoney, Lynn	Provost and Vice President for Academic Affairs	1/2019 – 6/2019	Auto Allowance Non-Gen Funds	\$500/mo.
San Marcos	Prado-Olmos, Patricia	Vice President for Community Engagement	7/1/2019	Temporary additional assignment (6 mos.)	\$3,386/mo.

AMENDED

Action Item

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COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Policy on Compensation

Presentation By

Adam Day
Chairman of the Board

Timothy P. White
Chancellor

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The Trustee's policy on compensation was last updated at the September 2017 Board of Trustees meeting, and is codified in RUF 09-17-05. Policy changes recommended in this agenda item are to clarify that presidential compensation will now be considered for adjustment during performance reviews by the Trustees, effective January 1, 2020. The current RUF 09-17-05 policy is below, with deletions marked by strike through and additions 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.

AMENDED

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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, and market conditions. ~~Additionally, as of January 1, 2018, a~~ A president's salary ~~can~~ may 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.

Presidential Salary Assessment: Currently, the Policies and Procedures for Review of Presidents require annual reviews with the chancellor and triennial reviews by the Board of Trustees. In these reviews, the president's performance is reviewed against the goals and criteria for leadership expectations. Effective with Board of Trustees reviews occurring in 2020 and beyond, a presidential salary assessment will also be conducted that considers presidential performance, the market data and makes recommendations to the Trustees if a compensation adjustment may be warranted.

A salary adjustment during triennial performance reviews does not prohibit the incumbent from being eligible for the annual merit increase program as provided to other non-represented employees. The Board retains the right to make adjustments as necessary at other times for a president when a significant equity or retention issue is identified.

The chancellor shall recommend presidential salary adjustments to the trustees for approval.

AMENDED

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Recommended Action

The following resolutions are recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that effective January 1, 2020, the Policy on Compensation, as cited in Item 4 of the Committee on University and Faculty Personnel at the November 19-20, 2019 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.