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Date: September 5, 1996

To: Presidents

From: June M. Cooper
Vice Chancellor
Human Resources and Operations

Subject: SUPPLEMENTAL COMPENSATION FOR MANAGEMENT PERSONNEL PLAN EMPLOYEES

Thank you very much for preparing and submitting to the Chancellor the information on supplemental compensation paid to Management Personnel Plan (MPP) employees. Our analysis of the information indicates that there is a need to clarify the policy on supplemental compensation and to develop a process for the review of proposals to provide benefits in excess of those provided to all MPP employees.

Campus Authority

The following points are designed to clarify the authority of the campus in providing compensation to CSU employees in the Management Personnel Plan (MPP):

1. With regard to individuals in the Management Personnel Plan, the campus has the authority to provide salaries authorized for the appropriate administrative grade level on the established CSU system salary schedules. Salary increases may be provided during the annual merit salary increase program or when there is a change in the MPP assignment. The campus does not have the authority to augment or provide supplements to MPP employee salaries regardless of the source of funding of the augmentation or supplement.

2. Management Personnel Plan benefits (retirement, medical insurance, life insurance, etc.) are provided to MPP employees through approved systemwide benefit programs. In accord with the policy of the Board of Trustees adopted in March, 1996, the Chancellor has the authority to approve benefit programs for Management Personnel Plan (and other non-represented) employees. The campus does not have the authority to provide supplemental benefits to MPP employees such as automobiles, automobile allowances, housing, deferred compensation, etc. regardless of the source of funding.

(Over)

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Vice Chancellors            Personnel Directors
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Procedure for Approval of Exceptions to the Restrictions on Supplemental Compensation

It is recognized that, in some cases, it may be appropriate to provide supplemental compensation to Management Personnel Plan employees. Where supplemental compensation is appropriate there will be a clearly demonstrated benefit to the CSU as a basis for the supplemental compensation and the funding will be from non-General Fund resources. In all cases there must be written approval from the Chancellor or designee prior to providing supplemental compensation.

The procedure for submission and review of proposals is as follows:

1. The campus president will write to the Chancellor indicating:
   A. The name, title, administrative grade level and current annual salary of the employee to receive the supplemental compensation.
   B. The reason for the proposed supplemental compensation and the benefit to the CSU.
   C. The description and annual value of the supplemental compensation, and the proposed beginning and ending dates of the supplement.
   D. The source of funds for the supplemental compensation with indication of appropriate approvals (of the foundation board of directors, granting agency, etc.).

2. The Chancellor or designee will review the request for supplemental compensation and indicate the decision in writing. In the case of approved supplemental compensation, both the request from the campus president and the approval from the Chancellor or designee shall be placed in the personnel file of the MPP employee receiving the supplement.

Questions concerning supplemental compensation for MPP employees may be directed to Noel Grogan in Human Resources and Operations, who administers the Management Personnel Plan systemwide, at (310) 985-2665. Thank you.

JMC/cd