

## AGENDA

### COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

**Meeting:** 1:45 p.m., Tuesday, November 15, 2016  
Glenn S. Dumke Auditorium

Hugo N. Morales, Chair  
Thelma Meléndez de Santa Ana, Vice Chair  
Silas H. Abrego  
Adam Day  
Douglas Faigin  
Jean P. Firstenberg  
J. Lawrence Norton

#### Consent Items

Approval of Minutes of the Meeting of September 20, 2016

1. Outside Employment Disclosure Requirements for Management Personnel Plan (MPP) and Executive Employees, *Action*
2. Annual Report on Vice President Compensation, Executive Relocation, and Executive Transition, *Information*

#### Discussion Item

3. Revision of Title 5 Regulations – Amendment of California State University Conflict of Interest Code, *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 20, 2016**

**Members Present**

Hugo N. Morales, Chair  
Silas H. Abrego  
Adam Day  
Rebecca Eisen, Chair of the Board  
Douglas Faigin  
Jean P. Firstenberg  
J. Lawrence Norton  
Timothy P. White, Chancellor

Chair Morales called the meeting to order.

**Approval of Minutes**

The minutes from the July 19, 2016 meeting were approved as submitted.

**Executive Compensation: Interim Vice Chancellor, Human Resources, California State University**

This item set the compensation for the interim vice chancellor, Human Resources of the California State University system. Chancellor Timothy P. White recommended that G. Andrew Jones receive an annual salary of \$281,834 effective August 31, 2016, the date of his appointment, and that he should also receive additional benefits as cited in Agenda Item 1 of the Committee on University and Faculty Personnel at the September 20-21, 2016 meeting of the Board of Trustees.

The Committee on University and Faculty Personnel passed the motion to recommend approval of the item as stated in Agenda Item 1. (RUF 09-16-09)

**Proposed Revision of Title 5 Regulations – Amendment of California State University Conflict of Interest Code**

Interim Vice Chancellor Jones provided a brief update on proposed changes to The California State University Conflict of Interest Code. The Fair Political Fair Political Practices Commission (FPPC) is the governing authority that approves Conflict of Interest Code updates. The FPPC recommended several changes to the current code which were presented to the Board of Trustees.

The Board of Trustees will take action on approval of these changes at the November 2016 Board of Trustees meeting.

Trustee Day inquired if he could receive additional information on the consolidation of the categories and whether the FPPC had already reviewed and approved the new categories. Interim Vice Chancellor Jones indicated that a tracking document would be provided to illustrate how the categories were consolidated. Mr. Jones also stated that the California State University has been in consultation with the FPPC during this process and the FPPC has already approved the consolidated categories.

### **Outside Employment Disclosure Requirements for Management Personnel Plan (MPP) and Executive Employees**

Interim Vice Chancellor Jones provided a brief update on proposed changes to California State University Outside Employment Disclosure policy. The changes honors the California State University's commitment to the Legislature and the public, and complies with the Budget Act of 2016. The Board of Trustees will take action on approval of these changes at the November 2016 Board of Trustees meeting.

Trustee Kimbell and Trustee Day asked if individual outside employment comes to the Board for approval. Interim Vice Chancellor Jones indicated the employee's supervisor would approve their outside employment. Senior Management employees' outside employment would be reported annually to the Board for approval and public comment.

Lieutenant Governor Newsom asked for a further explanation of commitment versus interest in the policy. Interim Vice Chancellor Jones provided a brief overview of each term.

Chair Morales adjourned the meeting.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Outside Employment Disclosure Requirements for Management Personnel Plan (MPP) and Executive Employees**

**Presentation By**

Andrew Jones  
Interim Vice Chancellor  
Human Resources

**Summary**

The Board of Trustees reviewed suggested changes to the policy on Outside Employment Disclosure Requirements for Management Personnel Plan (MPP) and Executive Employees of the California State University at the September 20-21, 2016 meeting.

The final document is presented as Attachment A.

**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that the Outside Employment Disclosure Requirements for Management Personnel Plan (MPP) and Executive Employees, as cited in Agenda Item 1 of the Committee on University and Faculty Personnel at the November 15-16, 2016 meeting of the Board of Trustees, is adopted.

Date: November 16, 2016

Code: HR 2016-05

Supersedes: HR 2016-01  
HR 2014-12  
HR 2013-11

Reference: HR 2002-05

To: CSU Presidents, Vice Presidents, HR Officers, AVPs/Deans of Faculty Affairs and campus designees responsible for outside employment disclosure

Subject: Revised Outside Employment Disclosure Requirements for Management Personnel Plan (MPP) and Executive Employees

### Summary

The Outside Employment Disclosure Requirements for MPP and Executive Employees have been revised to include the following:

- Clarify that the policy applies to all MPP and Executive employees (full-time and part-time)
- Clarify that outside employment may not create conflict of commitment or conflict of interest
- All MPP and Executive employees are required to submit an Outside Employment Disclosure Form at least annually, even if there is no outside employment to report
- Defines Senior Management as Executive employees and Vice Presidents. This group will be required to submit for review and approval a detailed Outside Employment Disclosure Form
- The Outside Employment Disclosure Form for MPP employees has been revised, and a separate Form has been created for Senior Management employees
- Campuses are required to submit a detailed report on outside employment disclosures of Senior Management employees to the Chancellor's Office annually by **July 31**
- The Board of Trustees shall annually review, provide the opportunity for public discussion, and approve the outside employment endeavors of all Senior Management employees
- The Chancellor's Office Systemwide HR will be responsible for maintaining a public website reporting the outside employment endeavors of Senior Management

### Action Items

Develop procedures to manage the disclosure process and communicate the revised requirements to all MPP and Executive employees at the campus.

Update campus Outside Employment Disclosure Forms.

All MPP and Executive employees are required to submit an Outside Employment Disclosure Form at least annually.

Campuses must submit a detailed report on outside employment of Senior Management employees to the Chancellor's Office annually by **July 31**.

### Affected Employee Group(s)/Units

All (full-time and part-time) MPP and Executive employees

### Definition(s)

**Appropriate Administrator:** The administrator to whom the MPP or Executive employee directly reports

**Conflict of Commitment:** In the context of this policy, a conflict of commitment is any outside work that creates a perceived or actual conflict with an employee's ability to perform normal CSU work

assignments, maintain satisfactory performance, and meet his/her responsibilities to the CSU

**Conflict of Interest:** The Political Reform Act prohibits an employee from making, participating in the making, or influencing a governmental decision in which the employee has a financial interest

**Executive Employee:** Includes the Chancellor, Executive Vice Chancellors, Vice Chancellors, and Presidents

**Management Personnel Plan (MPP):**

As defined in Title 5 of the California Code of Regulations, Article 2.2, "MPP" refers to employees designated as "management" or "supervisory" under the Higher Education Employer-Employee Relations Act (HEERA). This includes Executive employees

**Outside Employment:** Any employment not compensated through the CSU payroll, including CSU foundation and CSU auxiliary employment. Unpaid volunteer work does not apply to this policy

**Reportable Employment/Income:**

Any work for which a W-2 or 1099 is issued. Reportable income can come from a number of sources, including but not limited to one-time speeches/presentations, paid work for profit or non-profit entities, and paid service on a board of directors. Passive income (e.g., payments for services performed in the past, including royalties for writing, copyrighted work, research, and patented materials) is not reportable

**Senior Management:** For the purposes of this policy, this term shall include Executives (Chancellor, Executive Vice Chancellors, Vice Chancellors, Presidents) and Vice Presidents

**Details**

*Policy Statement*

Outside employment activities, while often mutually beneficial to the CSU and the employees themselves, must not conflict with an employee's ability to meet his/her responsibilities to the CSU and at all times act in the best interest of CSU. Therefore, it is the policy of the CSU to provide a transparent system of disclosure, approval, and documentation of outside employment activities performed by CSU MPP and Executive employees to identify any potential conflicts of commitment and/or conflicts of interest. This policy complies with Section 42740 of Title 5, California Code of Regulations and frames the rules and procedures to delineate permissible outside employment activities. Campuses are required to establish procedures to implement this policy requirement.

*Background*

In response to the California State Auditor (CSA) recommendation on CSU Compensation Practices, the Board of Trustees (BOT) approved the following addition to Title 5 of the California Code of Regulations in January 2013:

**§ 42740. Outside Employment – Management and Executive Employees.**

Management Personnel Plan and executive employees shall be required to report outside employment for the identification of and to preclude any conflict of commitment. The Chancellor is responsible for implementing this section.

NOTE: Authority cited: Sections 89030 and 89500, Education Code. Reference cited: Section 89030 and 89500, Education Code.

The BOT resolution<sup>1</sup> required the annual disclosure and approval of all outside employment not compensated through the CSU payroll for MPP and Executive employees.

In April 2016, the CSU renewed its commitment to the State Legislature and the public to improve its policy, transparency, and accountability by revising the outside disclosure requirements for MPP and Executive employees. New requirements were also enacted under the Budget Act of 2016, signed into law by Governor Brown in June 2016. This policy update honors CSU's commitment to the Legislature and complies with the Budget Act of 2016. This updated policy goes into effect on January 1, 2017.

#### *Disclosure Reporting Requirements*

MPP and Executive employees are individually responsible and held accountable for ensuring that their outside employment activities do not create any actual or perceived conflict of commitment and/or conflict of interest to the CSU. All full-time and part-time MPP (including Executive) employees are expected to monitor and report any and all outside work for which they are being compensated. These employees are required to submit a disclosure form at least annually, even if there is no outside employment to report.

MPP and Executive employees should be given a copy of this policy and will be required to submit a written report of any outside employment at the following times:

- **At the time of hire or appointment** — Prospective MPP and Executive employees must disclose all current outside employment as a precondition of hire.
- **Annually** – All MPP and Executive employees must submit an annual disclosure by **July 15** of each year, reporting on outside employment held the previous calendar year (January 1 through December 31).
- **Within 30 days of accepting outside employment** – Employees must advise their supervisor of the outside employment opportunity within 30 days of accepting any outside employment.
- **Upon Request** – Employees shall provide any requested information within 10 days of an appropriate administrator's request.

The written disclosure statement shall include the nature of outside employment held, time commitment, and expected duration. In addition to providing the information above, members of Senior Management (which consists of Executives and Vice Presidents) are required to disclose details of the outside employment, including the organization name, total compensation received, whether the business has had dealings with the CSU, and whether the employee was involved in making any decisions that affect CSU's dealings with the outside employer. A revised sample disclosure form for MPP employees has been provided in Attachment A. Attachment B contains a separate Outside Employment Disclosure Form that has been created for Senior Management employees. Campuses may use electronic forms to satisfy the reporting requirement.

Campuses should designate an employee responsible for this function and develop procedures to manage the disclosure process for MPP and Executive employees. Campuses are also required to maintain these records in accordance with Section 1.17 of CSU's Records Retention Policy (at least 4 years from the date of the document), which can be found at <http://www.calstate.edu/recordsretention/>.

#### *Determining Conflicts of Commitment*

The following is a partial list of possible conflicts of commitment that merit a case-by-case examination of the outside employment activity to determine whether the activity should be managed appropriately, reduced or eliminated. Conflict of commitment may be found if the outside employment activity results in:

- A reduction of the employee's time and energy devoted to CSU activities
- The use of CSU property or other resources without authority (other than de minimus)
- An influence over the way the employee performs his/her CSU responsibilities
- The disclosure of confidential or proprietary information acquired through the performance of CSU duties
- Acting against the CSU's best interest or in conflict with the CSU's mission and goals

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<sup>1</sup> Link to Board of Trustees Resolution #RUF01-13-01: <http://www.calstate.edu/BOT/resolutions/jan2013.pdf>

- The violation of CSU policies, procedures or practices

The primary commitment of Executive employees must be to the fulfillment of their regular CSU university responsibilities. As a reminder, Executive employees may serve on up to two corporate boards. Approval from the Chancellor is required prior to accepting service on a corporate board. Notice and approval are not required for service on non-profit boards. These requirements protect the public interest and support reinforcement of this policy.

#### *Determining Conflicts of Interest*

No CSU MPP or Executive employee may make, participate in making, or influence a governmental decision in which he/she has a financial interest as defined by the Political Reform Act. A conflict of interest exists if the outside employment creates a financial interest on the part of the employee that precludes the employee from making decisions within the scope of the employee's duties.

#### *Document Review – MPP Employees (excluding Senior Management)*

All MPP employees are expected to reduce or eliminate outside employment if any perceived or actual conflicts of commitment or interest are found. Outside employment disclosures should be reviewed for any perceived or actual conflicts of commitment or interest by an appropriate administrator. The appropriate administrator who reviews these forms shall be the person to whom the employee reports.

If the employee's manager or the appropriate administrator determines there is a perceived or actual conflict of commitment and/or conflict of interest in the outside employment activity, and the employee disagrees with this determination, it should be noted on the outside employment disclosure form and escalated to the next level of review. This second and final level of review should be conducted by an independent review committee appointed by the President or Chancellor or his/her designee. The recommendation provided at this level shall be the final determination.

#### *Document Review and Approval – Senior Management Employees*

To protect the interests of the public and the CSU, all Senior Management employees are expected to perform outside employment free of any perceived or actual conflicts of commitment or interest. All outside employment disclosures should be reviewed for any perceived or actual conflicts of commitment or interest and approved by the President or his/her designee, and for all Executive employees, by the Chancellor or his/her designee. In addition, the Board of Trustees shall annually review, provide the opportunity for public discussion, and approve the outside employment endeavors of all Senior Management employees.

If the outside employment requires a second level of review for approval, an independent review committee appointed by the Chancellor (or the Board of Trustees for the Chancellor) or his/her designee and the Vice Chancellor of Human Resources, in consultation with the Office of General Counsel, shall review the outside employment disclosure. The recommendation provided at this level shall be the final determination.

#### *Violations of Policy*

Noncompliance and violations of this policy will be subject to corrective action, consistent with how the CSU addresses any policy violations<sup>2</sup> and will depend on the severity of the conduct.

#### *Chancellor's Office and Board of Trustees Review*

Campuses are required to submit a summary report (see Attachment D for a template) on outside employment disclosures to the Chancellor's Office annually by **July 31**. Reports should be sent to [CSUOutsideEmployment@calstate.edu](mailto:CSUOutsideEmployment@calstate.edu). Annual reminders will be sent from Systemwide HR. The report shall include the following:

- Percentage of MPP employees with outside employment at the campus
- Disclosure of all outside employment details for Senior Management

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<sup>2</sup> 5 Cal. Code Reg. §§42722, 42723

- Additional information as requested by the Systemwide HR office

Outside employment disclosure forms are public records and are subject to the California Public Records Act. To increase transparency, protect public interest, and ensure public trust, the CSU will publicly post the outside employment activities of Senior Management employees, which include the Chancellor, Executive Vice Chancellors, Vice Chancellors, Presidents, and Vice Presidents. The Chancellor's Office Systemwide HR will be responsible for maintaining a public website reporting the outside employment endeavors of Senior Management.

Questions regarding this policy should be directed to Systemwide Human Resources at (562) 951-4411 or your campus department. This document is available on the Human Resources Policies Website at <https://cyou.calstate.edu/Policies/HRPolicies/Forms/Default.aspx>.

AJ/LH/tl

Attachments

## Outside Employment Disclosure Form For Management Personnel Plan (MPP) Employees<sup>3</sup>

**Requirements:** *This form is to be completed as appropriate by MPP employees (excluding Vice Presidents and Executive employees) pursuant to Section 42740 of Title 5, California Code of Regulations.*

Name: \_\_\_\_\_ Position/Title: \_\_\_\_\_

Campus: \_\_\_\_\_ Department: \_\_\_\_\_

**Type of Disclosure (Check at least one box):**

- Annual:** The period covered is January 1, 20\_\_\_\_, through December 31, 20\_\_\_\_.
- OR-** The period covered is \_\_\_\_/\_\_\_\_/20\_\_\_\_ (Time of hire or appointment) through December 31, 20\_\_\_\_.
- Time of Hire or Appointment**
- Accepted outside employment:** Outside employment accepted \_\_\_\_/\_\_\_\_/20\_\_\_\_
- Administrator request:** The period covered is \_\_\_\_/\_\_\_\_/20\_\_\_\_ through \_\_\_\_/\_\_\_\_/20\_\_\_\_
- OR -** Current outside employment beginning \_\_\_\_/\_\_\_\_/20\_\_\_\_

**Outside Employment Status (Select one):**

- I have outside employment to report (complete table below).
- I have no outside employment report.

	Nature of Outside Employment Held	Time Commitment	Expected Duration
1			
2			

I affirm that the information on this form is accurate to the best of my knowledge, that I have read and understand my obligations under the CSU's policy on Outside Employment Disclosure, and that I will comply with the conditions and restrictions imposed by the CSU to manage, reduce, or eliminate conflicts of commitment/interest. I certify that my time commitment to the outside employer(s), if applicable, does not create a conflict of commitment/interest that would interfere with CSU work assignments and satisfactory performance. I also commit to providing an updated form to my immediate supervisor whenever a significant change occurs in the information I have provided. *(Complete and sign below)*

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Reviewed by:**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Administrator's Signature: \_\_\_\_\_

***If applicable, submit Form and attachments to the independent review committee for additional review and approval. Submit completed Form to HR.***

<sup>3</sup> For Vice Presidents and Executive employees, see the Outside Employment Disclosure Form for Senior Management employees

## Outside Employment Disclosure Form For Senior Management Employees

**Requirements:** This form must be completed by all Senior Management employees (includes the Chancellor, Executive Vice Chancellors, Vice Chancellors, Presidents, and Vice Presidents) pursuant to Section 42740 of Title 5, California Code of Regulations and the 2016 Budget Act under the following conditions: upon hire, annually by **July 15**, within 30 days of accepting outside employment, and within 10 days of request by an appropriate administrator.

**1. Employee Information:** Campus: \_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

**2. Type of Disclosure (Check at least one box):**

- Annual:** The period covered is January 1, 20\_\_\_, through December 31, 20\_\_\_.  
 -OR- The period covered is \_\_\_/\_\_\_/20\_\_ (Time of hire/appointment) through December 31, 20\_\_\_.  
 **Time of Hire or Appointment**  
 **Accepted outside employment:** Outside employment accepted \_\_\_/\_\_\_/20\_\_\_  
 **Administrator request:** The period covered is \_\_\_/\_\_\_/20\_\_\_ through \_\_\_/\_\_\_/20\_\_\_  
 -OR- Current outside employment beginning \_\_\_/\_\_\_/20\_\_\_

**3. Outside Employment Involvement (Select "Yes" or "No" for each):**

Types of services engaged in during disclosure period:	Please select one:	
Paid service* on a federal, state, or local government agency committee, panel, or commission	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Paid service* as an officer or member on a non-profit or for-profit board	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Paid service* to organization(s) that further the interests of higher education	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Pay* for presentation(s) at scholarly colloquia and conferences, speaker at an event, and/or guest lecturer	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Paid* consulting/professional advising activities	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Paid service* as an expert witness	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Paid service* on committees/advisory groups to other universities outside the CSU	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Paid* for developing scholarly communications or conducting editorial work in books, journal articles, movies, television productions or similar works	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Paid* review of journal/book manuscripts, grant or contract proposals	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Other (please specify any other service for which compensation was received): _____		

**If you answered YES to any of these questions, you have outside employment to report.**

\*Does not include reasonable incidentals (e.g., travel, meals).

**4. Outside Employment Status (Select one):**

- I have outside employment to report.  
 I have no outside employment report (skip to Section 6 for signature and submit).

**5. Detailed Reporting (attach additional pages as necessary):**

**Outside Employment/Activity 1:**

1. Name of outside employer or business: \_\_\_\_\_
2. Duration of employment: \_\_\_\_\_
3. Describe the nature of the outside employment: \_\_\_\_\_
4. Total anticipated time to be served/Total time served (hrs): \_\_\_\_\_

5. Total compensation received including equity or deferred compensation: \_\_\_\_\_
6. Does the outside employer have any business dealings with CSU? If "yes", please explain.  
\_\_\_\_\_  
\_\_\_\_\_
7. Are you involved in making any decisions affecting CSU's dealings with the outside employer (either directly or indirectly)? Describe:  
\_\_\_\_\_
8. Additional comments (e.g., if compensation was donated, disclose here):  
\_\_\_\_\_  
\_\_\_\_\_

**Outside Employment/Activity 2:**

1. Name of outside employer or business: \_\_\_\_\_
2. Duration of employment: \_\_\_\_\_
3. Describe the nature of the outside employment: \_\_\_\_\_  
\_\_\_\_\_
4. Total anticipated time to be served/Total time served (hrs): \_\_\_\_\_
5. Total compensation received including equity or deferred compensation: \_\_\_\_\_  
\_\_\_\_\_
6. Does the outside employer have any business dealings with CSU? If "yes", please explain.  
\_\_\_\_\_  
\_\_\_\_\_
7. Are you involved in making any decisions affecting CSU's dealings with the outside employer (either directly or indirectly)? Describe: \_\_\_\_\_  
\_\_\_\_\_
8. Additional comments (e.g., if compensation was donated, disclose here):  
\_\_\_\_\_  
\_\_\_\_\_

**6. Certification and Review**

**To be completed by the Employee:**

I hereby affirm that the information on this form is accurate to the best of my knowledge, that I have read and understand my obligations under the CSU's policy on Outside Employment Disclosure, and that I will comply with the conditions and restrictions imposed by the CSU to manage, reduce, or eliminate conflicts of commitment/interest. I certify that my time commitment to the outside employer(s), if applicable, does not create a conflict of commitment/interest that would interfere with CSU work assignments and satisfactory performance. I also commit to providing an updated form to my immediate supervisor whenever a significant change occurs in the information I have provided.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**To be completed by the Employee's Immediate Supervisor/Appropriate Administrator:**

I have reviewed this disclosure form and assessed whether the outside employment described above will create a conflict of commitment or interest between the employee and the CSU. I find that:

- the information submitted does not present a conflict of commitment or conflict of interest.
- the information submitted may present a conflict of commitment or a conflict of interest.

Comments/recommendations (*attach additional pages if necessary*):  
\_\_\_\_\_  
\_\_\_\_\_

***If applicable, submit Form and attachments to the independent review committee for additional review and approval. Submit completed Form to HR.***

**Administrator's Name (Print):** \_\_\_\_\_ **Title, Dept:** \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

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**IF APPLICABLE - INDEPENDENT REVIEW COMMITTEE (FINAL LEVEL OF REVIEW)**

**Committee members:**

_____	_____
_____	_____
_____	_____
_____	_____

**Select one:**

- The outside employment does not present a conflict of commitment or conflict of interest.
- The outside employment presents a conflict of commitment or conflict of interest.

**Determination/Recommendation (Attach additional pages if necessary):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## Outside Employment Policy for MPP and Executives Frequently Asked Questions

### 1. Who is required to report outside employment?

All MPP and Executive employees, whether part-time or full-time, are required to complete the Outside Employment Disclosure Form even if they do not have any outside employment to report (see Attachments A and B).

### 2. What are MPP and Executive employees expected to report?

MPP and Executive employees are expected to report outside work for which the employees are being compensated and result in reportable income. "Reportable income" is any work for which a W-2 or 1099 is issued.

### 3. When must MPP and Executive employees disclose outside employment?

MPP and Executive employees must disclose outside employment under the following instances:

- **At the time of hire or appointment** — Prospective MPP and Executive employees must disclose all current outside employment as a precondition of hire.
- **Annually** – All MPP and Executive employees must submit an annual disclosure by **July 15** of each year, reporting on outside employment held the previous calendar year (January 1 through December 31).
- **Within 30 days of accepting outside employment** – Employees must advise their supervisor of the outside employment opportunity within 30 days of accepting any outside employment.
- **Upon Request** – Employees shall provide any requested information within 10 days of an appropriate administrator's request.

### 4. Why are there outside employment disclosure requirements for MPPs and Executives?

The need to report compensatory outside employment initially resulted from a California State Auditor (CSA) finding on CSU Compensation Practices and a Board of Trustees Resolution approving the addition to Title 5 of the California Code of Regulations. In April 2016, the CSU renewed its commitment to the State Legislature and the public to improve its policy, transparency, and accountability by revising the outside disclosure requirements for MPP and Executive employees. New requirements were also enacted under the Budget Act of 2016, signed into law by Governor Brown in June 2016. This policy update honors CSU's commitment to the Legislature and complies with the Budget Act of 2016.

### 5. Why are there two separate forms for reporting?

The Outside Employment Disclosure Form for Senior Management Employees (Attachment B) is a detailed reporting form that is required for all Executive employees and Vice Presidents. Attachment A (Outside Employment Disclosure Form for MPP Employees) is for all other MPP employees.

### 6. Who is considered "Senior Management"?

Senior Management, for the purpose of this policy, includes the Chancellor, Executive Vice Chancellors, Vice Chancellors, Presidents, and Vice Presidents.

### 7. Why must outside employment for Senior Management be disclosed publicly?

It is required under the Budget Act of 2016.

### 8. Are Vice Presidents required to submit both forms (Attachment A and Attachment B)?

No, Vice Presidents are only required to submit Attachment B.

**9. Are prospective MPP/Executive employees required to submit the Form even if they do not have outside employment?**

Yes, the policy requires all prospective MPP and Executive employees to complete the Disclosure Form even if he/she does not have outside employment to report.

**10. If an MPP employee works one or two days only on an outside employment engagement, do they have to report it under this policy?**

Yes, as stated in the policy, "MPP and Executive employees are expected to report any and all outside work for which the employees are being compensated." Any work that results in reportable income (for which a 1099 or W-2 is issued) must be reported, no matter the time commitment.

**11. If an MPP/Executive employee accepts an honorarium for giving a speech or presentation, does it have to be reported as outside employment?**

Yes. MPP/Executive employees are required to report all outside work for which they receive compensation. As a reminder, an employee may not accept an honorarium from a reportable source (i.e., a source the employee will be required to disclose on an annual Form 700 Statement of Economic Interest). Cal. Govt. Code §89502.

**12. Does the supervisor have the ability to tell the employee that the outside employment is a conflict and they cannot do the work?**

Yes. The appropriate administrator has the authority to advise the individual that his/her outside employment conflicts with CSU employment, and that the conflict can no longer continue.

**If so, can the employee be disciplined or discharged if they do not comply with the policy?**

Noncompliance and violations of this policy will be subject to corrective action, consistent with how the CSU addresses any policy violations and will depend on the severity of the conduct.

**13. Is documentation required to support that the outside employment "interfered with normal work assignments" or affected "satisfactory performance"?**

As with any disciplinary action and/or unfavorable performance review, these situations must be documented appropriately and in the same manner. Campus performance evaluation/assessment procedures should support these actions.

**14. When administrators sign the Disclosure Form that employees submit, are they actually approving the outside employment?**

Yes, only if the administrator is reviewing it for Senior Management employees. For MPP employees, the administrator's signature confirms that the administrator has reviewed the employee's outside employment and has determined that no conflict of commitment or conflict of interest exists.

**15. What happens if the employee refuses to provide the information?**

The administrator should acknowledge, sign, and indicate on the disclosure form that the employee refused to sign the form. Further action will be required to evaluate the employee on failure to adhere to a policy requirement.

**16. What is "too much" outside employment?**

"Too much" outside employment is one that interferes with CSU work assignments and employee performance.

**17. If the work that is being performed does not conflict with the employee's work for the CSU and does not occur during CSU business hours, is this still reportable?**

Yes.

**18. If the employee is not performing work but is receiving passive income (e.g., royalty payments) for service(s) performed in the past, does this need to be disclosed?**

No.

**19. If the industry in which outside employment is being performed has no affiliation with the CSU, is it still reportable?**

Yes.

**20. What constitutes a conflict of commitment?**

A conflict, in the context of this policy, means any outside work that conflicts with an employee's ability to perform normal CSU work assignments, maintain satisfactory performance, and meet his/her responsibilities to the CSU. Please refer to the "Determining Conflicts of Commitment" section of the policy for further information.

**21. Where are completed forms filed, in the employee's personnel file or a separate file?**

Completed forms shall be kept in a separate file and maintained in a fashion that allows Systemwide HR to efficiently access these files in the event of an audit.

**22. Exactly what must the MPP disclose about his/her outside employment?**

For MPP employees (excluding Senior Management), the Disclosure Form only requires the information about the nature of outside employment held, time commitment, and expected duration. "Nature" in this context can be used to categorize the role or category of employment services being performed (e.g., supervisor, president, manager, consultant). Senior Management employees have a separate and more comprehensive disclosure requirement.

**23. What if the employee does not agree with the perception of work conflict?**

The appropriate CSU administrator is responsible for determining if a work conflict exists, made in consideration of the employee's CSU work assignments and performance. If the employee does not agree that there is a conflict of commitment, it should be noted in the outside employment disclosure form and escalated to the next level of review, which will involve an independent review committee. See "Document Review – MPP Employees (excluding Senior Management)" and "Document Review and Approval – Senior Management Employees" sections in the policy for more information.

**24. Will the Chancellor be asking the Presidents to report outside employment?**

Yes. This policy applies to all Executive and MPP employees, including the campus presidents. The Chancellor will administer the policy to Presidents.

**25. Why do campuses have to report outside employment of their presidents and vice presidents to the Chancellor's Office?**

The CA State Legislature requires the Chancellor's Office to report outside employment activities of Senior Management employees publicly on an annual basis. The Chancellor's Office will maintain a public website reporting the outside employment endeavors of these individuals, and will be requiring campuses to report this information to the Chancellor's Office annually by **July 31**.

**26. What is required on the annual report submitted to the Chancellor's Office?**

The report shall include the percentage of MPP employees with outside employment at the campus, detailed disclosure of all outside employment activity for Senior Management, and any additional information as requested by the Systemwide HR office. Annual reminders will be sent from Systemwide HR detailing the required contents of the report.

**27. Will my Outside Disclosure Form be posted on the internet?**

The Chancellor's Office Systemwide HR will be responsible for maintaining a public website reporting the outside employment endeavors of Senior Management employees. All forms are public records and subject to production under the California Public Records Act.

Outside Employment Activity Disclosure for Senior Management - Final Report

California State University, [Campus]

Reporting Year: January 1, 20XX to December 31, 20XX

Attachment D

Percentage of MPP employees who disclosed  
 outside employment: **XX%**

Employee Name	CSU Working Title	Name of Outside employer/business	Role	Duration of employment	Total time served (Hrs)	Total compensation received (\$)	Additional Comments
John Doe	President	Company ABC	Board member	1/1/2015-6/30/2015	2 hrs/week (52 hours total)	\$1,000	Compensation was gifted to campus.
		Company XYZ	Consultant	December 1-3, 2015	5 hours total	\$200	Compensation was paid in company shares.

## **COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

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

#### **Presentation By**

Andrew Jones  
Interim Vice Chancellor  
Human Resources

#### **Summary**

At the January 22-23, 2008 meeting of the California State University (CSU) Board of Trustees a resolution (RBOT 01-08-01) was adopted requiring the chancellor to provide an annual report on vice presidential compensation actions, executive relocation costs, and executive transition programs. This reporting requirement was recommended by the Bureau of State Audits (now California State Auditor) in 2007 following an audit on employee compensation management. There were no findings of violation of CSU policies and audit recommendations focused on strengthening guidelines and improved monitoring. Since then internal processes have improved and regular reporting has taken place. This agenda item will share the annual reports 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 24 vice presidents with compensation actions during the reporting period (September 1, 2015 – August 31, 2016). This includes the filling of 10 vacant positions and compensation changes to 14 existing vice presidents. To address market and internal comparability issues, presidents at three CSU campuses recommended equity and retention increases for a total of seven vice presidents.

As previously shared with the Board, Chancellor Timothy P. White authorized a two percent compensation pool for eligible unrepresented employees for fiscal year 2016-2017. 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:

- Dr. Erika Beck  
President, CSU Channel Islands  
From Henderson, Nevada  
Relocation of household goods and property: \$17,941.54  
Temporary housing: \$5,150.00  
Home sale fees and expenses: \$31,179.51
  
- Dr. Gayle Hutchinson  
President, CSU Chico  
From Ventura, California  
Relocation of household goods and property: \$5,005.00  
Travel expense: \$955.00
  
- Dr. Mary Papazian  
President, San José State  
From New Haven, Connecticut  
Relocation of household goods and property: \$55,370.45  
Temporary housing: \$4,474.42  
Home sale fees and expenses: \$44,190.00  
Travel expense: \$324.39
  
- Dr. Judy Sakaki  
President, Sonoma State  
From Sacramento, California  
Relocation of household goods and property: \$31,375.06  
Home sale fees and expenses: \$44,905.00
  
- Dr. Ellen Junn  
President, Stanislaus State  
From Redondo Beach, California  
Relocation of household goods and property: \$8,192.68  
Temporary housing: \$1,391.93  
Travel expense: \$743.01

## **Executive Transition**

Trustee policy requires the chancellor to report annually on all existing transition programs. Currently, three individuals are in transition assignments. Details regarding the assignments were previously shared with the Board. A summary is provided below:

### ***Trustee Professor Program:***

*The trustee professor program is available to executives appointed to an executive position prior to November 18, 1992, who have academic tenure and are leaving their executive position. The first year of the program is provided as a transitional year. Upon conclusion of the initial year appropriate duties are established in consultation with the chancellor and the respective campus president.*

Dr. Ruben Armiñana – President Emeritus  
Effective: July 1, 2016 – June 30, 2017  
Salary: \$233,884

Dr. Armiñana entered into a one-year transitional period, to which he is entitled, under the provisions of the program. Upon conclusion of the initial year, he will be eligible to assume the duties of a professor in his discipline or an assignment agreeable to the respective campus president, or a combination of the two.

Dr. Armiñana is the last executive eligible to enter into the trustee professor program. The program was superseded by the executive transition program and subsequent transition II program.

### ***Executive Transition Program:***

*The executive transition program is available to executives appointed into an executive position between November 18, 1992 and November 14, 2006. The program provides an executive a one year transition after leaving executive office.*

Dr. Richard R. Rush – President Emeritus  
Effective: August 8, 2016 – August 7, 2017  
Salary: \$225,386

Dr. Paul J. Zingg – President Emeritus  
Effective: July 1, 2016 – June 30, 2017  
Salary: \$227,750

After leaving executive office, Dr. Rush and Dr. Zingg entered into a one-year transitional period to which each was entitled. During this transition period Dr. Rush and Dr. Zingg have been available for advice and counsel on matters pertaining to CSU Channel Islands and CSU Chico, respectively. Additionally, they remain available to the chancellor and to other system executive/vice chancellors for advice and counsel on matters pertaining to the CSU.

***Executive Transition II Program:***

*The transition II program replaced the executive transition program for executives appointed into executive positions on or after November 15, 2006. A period of transition is provided for executives who have served five years in an executive position and who separate from their executive position in order to assume previously identified CSU employment.*

There are no participants in the transition II program.

**Vice President Compensation Actions**

**Filled Vacancies**

<b>Campus</b>	<b>Name</b>	<b>Title</b>	<b>Effective M/Y</b>	<b>Salary</b>	<b>Supplemental Compensation</b>
East Bay	Inch, Edward	Provost and Vice President for Academic Affairs	8/2016	\$240,000	
East Bay	Chaw, Debra	Vice President, Administration and Finance/CFO	12/2015	\$225,000	
Fresno	Adishian-Astone, Deborah	Vice President for Administration	6/2016	\$230,004	
Humboldt	Enyedi, Alexander	Provost and Vice President for Academic Affairs	1/2016	\$230,000	
Long Beach	Jersky, Brian	Provost and Sr. Vice President, Academic Affairs	7/2016	\$250,008	Auto Allowance \$600/month – paid with Non-General Funds
Long Beach	Yao, Min	Vice President/Chief Information Officer*	5/2016	\$221,004	Auto Allowance \$600/month – paid with Non-General Funds
Los Angeles	Wada-McKee, Nancy	Vice President for Student Life	3/2016	\$206,716	
Pomona	Manning, Danielle	Vice President for Administration, Finance and Strategic Development/CFO	7/2016	\$250,020	
Pomona	Jarnagin, Lea	Vice President for Student Affairs	7/2016	\$205,008	
San Jose	Faas, Charles	Vice President for Administration and Finance/CFO	6/2016	\$245,004	

\*New position at campus.

**Other Compensation Changes**

<b>Campus</b>	<b>Name</b>	<b>Title</b>	<b>Effective M/Y</b>	<b>Description of Change</b>	<b>Salary After Change or Amount Paid</b>
Bakersfield	Davis, Thomas	Vice President for Business and Administrative Services	10/2015	Change in responsibilities	\$225,000
Pomona	Alva, Sylvia	Provost and Vice President for Academic Affairs	7/2016	Change in responsibilities	\$252,000
San Luis Obispo	Humphrey, Keith	Vice President for Student Affairs	1/2016	Change in responsibilities	\$229,296
Monterey Bay	Saunders, Kevin	Vice President for Administration and Finance	1/2016	Equity increase	\$209,616
Monterey Bay	Higgs, Ronnie	Vice President for Student Affairs and Enrollment Services	1/2016	Equity increase	\$195,840
Monterey Bay	Zappas, Barbara	Vice President for University Development	1/2016	Equity increase	\$180,000
San Marcos	Checa, Lorena	Vice President, Student Affairs	11/2015	Equity increase	\$203,727
San Marcos	Prado-Olmos, Patricia	Vice President for Community Engagement	11/2015	Equity increase	\$185,400
San Francisco	Cortez, Ron	Vice President and CFO, Administration and Finance	7/2016	Retention	\$250,788
San Francisco	Hong, Luo Luo	Vice President of Student Affairs and Enrollment Management	7/2016	Retention	\$228,600
Fullerton	Saks, Greg	Vice President for Advancement	10/2015	Auto Allowance – paid with Non-General Funds	\$800/month
San Marcos	Checa, Lorena	Vice President, Student Affairs	3/2016	Additional duties – temporary	\$10,186 One-time Pymt
San Diego	Enwemeka, Chukuka	Provost and Senior Vice President for Academic Affairs	7/2016	2015/16 MPP Merit Bonus Program – established goals met	\$26,626 Merit Bonus Pymt
San Diego	Carleton, Mary Ruth	Vice President, University Relations and Development	7/2016	2015/16 MPP Merit Bonus Program – established goals met	\$25,288 Merit Bonus Pymt

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Revision of Title 5 Regulations – Amendment of California State University Conflict of Interest Code**

**Presentation By**

Andrew Jones  
Interim Vice Chancellor  
Human Resources

**Summary**

An information item was presented to the Board of Trustees at the September 20-21, 2016 meeting which proposed changes to The California State University Conflict of Interest Code. The final documents are presented for action as Attachments A and B, including the Designated Positions List (which identifies changes to designated positions), which can be accessed at <https://www2.calstate.edu/csu-system/transparency-accountability/Documents/Designated-Positions-List-Final.pdf>.

Since changing The California State University Conflict of Interest Code required an amendment to Title 5 of the *California Code of Regulations*, this item was noticed for a public hearing, as required by law.

Upon approval by the Board of Trustees, the amendment will be submitted to the Fair Political Practices Commission for final approval.

**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of The California State University acting under the authority of Sections 87300 and 87306 of the Government Code and Section 89030.1 of the Education Code, that the Board hereby amends the California State University Conflict of Interest Code in Article 20 of Subchapter 7, Chapter 1, Division 5 of Title 5 of the *California Code of Regulations* as specified in Agenda Item 3 of the November 15-16, 2016, meeting of the Board of Trustees Committee on University and Faculty Personnel; and be it further

U&FP

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**RESOLVED**, that The California State University has determined that the amendment of the regulation will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the *Government Code*; will not result in any costs or savings in federal funding to the State; and will not impose a mandate on local agencies or school districts; and be it further

**RESOLVED**, that the Board of Trustees delegates to the Chancellor of The California State University authority to further adopt, amend, or repeal this regulation pursuant to Education Code Section 89030.1 if the further adoption, amendment, or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulation action.

**THE CALIFORNIA STATE UNIVERSITY  
CONFLICT OF INTEREST CODE**

The Political Reform Act (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 California Code of Regulations Section 18730) that contains the term of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices designating positions and establishing disclosure categories shall constitute the conflict of interest code of the California State University.

Individuals holding designated positions in the Office of the Chancellor, Trustees, and any officials who are determined to manage public investments within the meaning of Government Code Section 87200 shall file their statements of economic interests with the FPPC Conflict of Interest filing officer at the Office of the Chancellor. Individuals holding designated positions at any campus shall file their statements of economic interests with the FPPC Conflict of Interest filing officer at the respective campus. The filing officer will make the statements available for inspection and reproduction. (Government Code Section 81008.) Upon receipt of the Statements (Form 700) filed by Trustees, except ex-officio members who serve as such due to their elected state offices and are excluded by Government Code Section 87302(b), and upon receipt of the Statements (Form 700) for any officials who are determined to manage public investments within the meaning of Government Code Section 87200, the Office of the Chancellor shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.

NOTE: Authority cited: Sections 81008, 87300, and 87306, Government Code. Reference: Section 87302, Government Code.

**THE CALIFORNIA STATE UNIVERSITY CONFLICT OF INTEREST CODE  
DISCLOSURE CATEGORIES**

**INTRODUCTION**

For designated employees of a campus of the California State University, “the campus” shall mean the campus of the employee’s service.

For designated employees in the headquarters office, “the campus” shall mean each campus of the California State University including the headquarters office or any or all of these.

Each designated employee is assigned to one or more of the following disclosure categories and must disclosure reportable financial interests in each category assigned.

Designated employees need not report any investment in a business entity or real property worth less than \$2,000 or any source of income, including gifts, loans and travel payments, which aggregated less than \$500 (if a gift, less than \$50) during the calendar year prior to filing. An interest in real property used as the designated employee’s principal residence need not be reported.

**CATEGORY "1"**

Interests in real property located within two miles of the campus at which the designated employee works, or within two miles of land owned or used, or proposed for acquisition or use by the campus.

**CATEGORY "2"**

Investments and business positions in business entities and income, including gifts, loans, and travel payments, from sources of the type which, within the last two calendar years, have contracted with the California State University to either (a) supply goods or services, and/or (b) perform construction work. This disclosure is limited to the types of contracts over which the designated employee has authority or influence.

**CATEGORY "3"**

Interests in real property located within the State of California.

**CATEGORY "4"**

All investments and positions in business entities, and income, including gifts, loans and travel payments, from any business or nonprofit entities (other than an entity deemed by the FPPC as exempt under FPPC regulation 18755) which will be providing funds, or support for the research project for which the filer is the principal investigator. (The required disclosure shall be made on FPPC Form 700-U).

**CATEGORY "5"**

All investments and business positions in business entities, and income (including gifts, loans and travel payments) from sources which are of the type in which California State University funds are or may be invested.

**CATEGORY "6"**

Investments and business positions in any business entity or income, including gifts, loans, and travel payments, from sources of the type which, within the last two calendar years, have contracted with the California State University to purchase goods or services, including agricultural commodities or other products, which are sold by the campus.

**CATEGORY "7"**

Consultants shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The Chancellor or President as appropriate may determine in writing that a particular consultant, although serving in a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this category "7". Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. The Chancellor or President's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

**CATEGORY "8"**

All interests in real property, all investments, all income, including gifts, loans and travel payments, and business positions.