

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 10:15 a.m., Tuesday, November 13, 2018
Glenn S. Dumke Auditorium

Hugo N. Morales, Chair
Silas H. Abrego, Vice Chair
Rebecca D. Eisen
Douglas Faigin
Debra S. Farar
Jean P. Firstenberg
Lillian Kimbell

- Consent**
1. Approval of Minutes of the Meeting of July 24, 2018, *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. Executive Compensation: Vice Chancellor of Human Resources – California State University, *Action*
 5. Chancellor's Housing Allowance, *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**

July 24, 2018

Members Present

Debra S. Farar, Chair Pro Tem
Rebecca D. Eisen
Douglas Faigin
Jean P. Firstenberg
Lillian Kimbell

Trustee Farar called the meeting to order.

Approval of Minutes

The minutes of the March 21, 2018 meeting were approved as submitted.

Executive Compensation Policy

Recommendations for an executive compensation policy were presented by Chancellor Timothy P. White, Vice Chancellor Melissa L. Bard and Sibson Consulting. Chancellor White shared that the current practice for setting presidential pay is a result of historic conditions, compounded over time and the importance of establishing an updated executive compensation policy that is reasonable, consistent, transparent and competitive for recruiting and retaining great leaders for the California State University (CSU).

Vice Chancellor Melissa Bard shared a histogram that showed higher education salary increases in comparison to CSU employee groups compounded over a six-year period. For a variety of reasons, the executive salary increases have fallen behind in comparison with both the Higher Ed average and other CSU employee groups. Vice Chancellor Bard also went over in detail the history of how the peer comparators were determined, which was originally developed by the California Postsecondary Education Commission (CPEC).

U&FP

Agenda Item 1

November 13-14, 2018

Page 2 of 2

Sibson Consulting presented the results of the compensation market study and industry standards as it pertains to base salary compensation that they conducted, which covered all 23 CSU campus presidents. Four executive compensation models were presented as outlined in the item agenda. Sibson Consulting's recommendations were based on data collected from CSU's approved comparator groups for the 23 presidents. Model 1A was Sibson's recommendation to the chancellor and the trustees to consider, which is to bring all president's salaries closest to 100% of market median equal to their peers.

There was a robust discussion surrounding the origins and the criteria used in identifying the comparators in the executive compensation study; a need to look into total compensation package that includes pension plans; the idea of whether the compensation study could have been done internally by CSU faculty; concerns regarding the four models that were presented by Sibson Consulting; the need for turnover rate data and comparisons; how often should the CSU look at the peer median in order to make adjustments; and, if this compensation adjustment would be a one time or ongoing.

Also discussed were the anomalies with the groups presented, specifically in Group B, which shows most of the presidents outside of the range, the appropriate group or comparator for Maritime Academy and the future impact to the entire system if one of these compensation models were to be selected.

Because of these questions and concerns, there was a general agreement among the committee members that more information is needed to understand the compensation models better before a decision could be made. No action was taken.

Chair Day adjourned the board for lunch and closed session.

The committee meeting was reconvened and called to order by Trustee Farar.

Compensation for Executives

Recommendations for the fiscal year 2018-2019 executive compensation was presented by Chancellor Timothy White for all executives; except, Trustee Douglas Faigin for the vice chancellor and chief audit officer; and Chair Adam Day for the chancellor. The recommended action was approved by the committee (RUF 07-18-07).

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 2017 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 19 senior management employees with outside employment during the reporting period for the 2017 calendar year.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the 2017 Senior Management Outside Employment Disclosure Report, as cited in Item 2 of the Committee on University and Faculty Personnel at the November 13-14, 2018 meeting of the Board of Trustees, is approved.

California State University
Senior Management Outside Employment Disclosure Report* Reporting
Period: 2017 Calendar Year

| Employee Name (Campus) | CSU Working Title | Name of Outside Employer/Business | Role | Total Time Served (Hours) | Total Compensation Received | Comments |
|-------------------------------------|--|---|---|---------------------------|--------------------------------------|--|
| Melissa Bard (Chancellor's Office) | Vice Chancellor, Human Resources | Frederick Community College | Teach 1 section (3 cr.) of a course online in Fall and Spring semesters | 40 hours/year | \$4,000 | |
| Debra Larson (Chico) | Provost and Vice President, Academic Affairs | OK Auto Family Trust | Secretary on Board of Director | 20 hours | \$4,000 plus \$1,000 travel expenses | |
| Gayle Hutchinson (Chico) | President | Juice Plus | Direct Distributor | 10 hours | \$1,600 | |
| Leroy Morishita (East Bay) | President | JA Health Insurance Brokerage | Chair of the Board and President of affiliated non-profit (see addt'l comments) | 3 hours quarterly | \$16,000 | Chair of Board to provide health benefits and President of affiliated non-profit that provides grants to non-profit with profits of trust. Donations exceed \$16,000 |
| Berenecea Johnson Eanes (Fullerton) | Vice President, Student Affairs | Palo Alto University | Safety Protocol Task Force | 22 hours | \$6,050 | |
| Craig Wruck (Humboldt) | Vice President, University Advancement | Colorado Planned Giving Roundtable | Presented two conference sessions regarding charitable giving and taxes | 4 hours | \$1,000 | |
| Craig Wruck (Humboldt) | Vice President, University Advancement | PG Calc (Planned Giving consultants) | Presented webinar content regarding charitable giving and taxes | 6 hours | \$2,610 | |
| Douglas Dawes (Humboldt) | Vice President, Administrative Affairs | Cache Valley, CPA, PLLC (Owner) | Vice President, Administration and Finance | 80 hours | \$7,500 | Provide tax and consulting services for less than 15 entities/individuals |
| Janet Dial (Los Angeles) | Vice President, University Advancement | International Scholarship and Tuition Services, Inc. (ISTS) | Scholarship Selection Committee Chair | 40 hours | \$400 | |
| Jose Gomez (Los Angeles) | Executive Vice President and Chief Operating Officer | California Casualty Indemnity Exchange | Advisory Board Member | 64 hours | \$54,800 | |

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

California State University
Senior Management Outside Employment Disclosure Report* Reporting
Period: 2017 Calendar Year

| Employee Name (Campus) | CSU Working Title | Name of Outside Employer/Business | Role | Total Time Served (Hours) | Total Compensation Received | Comments |
|--|---|-----------------------------------|---|--|-----------------------------|--|
| Ronnie Higgs (Monterey Bay) | Vice President, Student Affairs and Enrollment | Peninsula Sports, Inc. | High School Football Officiator | 40 hours total | \$1,200 | |
| Barbara Zappas (Monterey Bay) | Vice President, University Development | Montage Wellness Center | Yoga Instructor | 172 hours | \$1,200 | |
| Tomas Morales (San Bernardino) | President | United Health Group of New York | Director, Board of Directors | 6-10 hours a year | \$12,000 | |
| Shari McMahan (San Bernardino) | Provost/Vice President | 24-Hour Fitness | Instructor | 52 hours per year | \$1,200 | |
| Chukuka Enwemeka (San Diego) - no longer with CSU | Provost and Senior Vice President | Zenith Bank PLC | Board Member | 0 - All work performed while on vacation | \$29,500 | A portion of compensation donated to a church and other charitable organizations in Nigeria. |
| Chukuka Enwemeka (San Diego) - no longer with CSU | Provost and Senior Vice President | SDSU Research Foundation | Principal Investigator | 124 hours | \$15,776 | |
| Luoluo Hong (San Francisco) | Vice President, Student Affairs & Enrollment Management | Vanderbilt University | Keynote Speaker | 2-3 hours | \$4,000 | Provided Keynote presentation for conference on sexual violence |
| Luoluo Hong (San Francisco) | Vice President, Student Affairs and Enrollment Management | Tulane University | Keynote Speaker | 4-6 hours | \$5,000 | Provided Keynote presentation and break out session for conference on health and wellness |
| Paul Lanning (San José) | Vice President, University Advancement | Ascend Partners Group, LLC | Partial owner of consulting firm | 10 hours | \$1,500 | |
| Keith Humphrey (San Luis Obispo) | Vice President, 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 2017. | 0 hours | \$0 | Not involved in making any decisions affecting CSU's dealing with outside employer |
| Paz Oliverez (Stanislaus) | Interim Vice President, Student Affairs | Innovative Educators | Webinars in higher ed best practices | 9 hours | \$4,750 | |

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California State University
Senior Management Outside Employment Disclosure Report* Reporting
Period: 2017 Calendar Year

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|---------------------------|---|-----------------------------------|---|---------------------------|-----------------------------|----------|
| Paz Oliverez (Stanislaus) | Interim Vice President, Student Affairs | Audio Solutionz | Webinars on higher education best practices | 6 hours | \$3,400 | |

*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 22 vice president compensation actions during the reporting period (September 1, 2017 – August 31, 2018).

Additionally, as previously shared with the Board, Chancellor Timothy P. White authorized a three percent compensation pool for eligible unrepresented employees for fiscal year 2018-2019. 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. Adela de la Torre
President, San Diego State

U&FP

Agenda Item 3

November 13-14, 2018

Page 2 of 3

From Sacramento, California

Relocation of household goods and property: \$12,209.13

Relocation travel expense: \$279.04

- Dr. Thomas Parham
President, CSU Dominguez Hills
From Rancho Santa Margarita, California
Relocation of household goods and property: \$2,153.36
Relocation of personal office items from UC Irvine: \$3,493.23
Temporary housing: \$1,137.78
- Mr. Framroze Virjee
President, CSU Fullerton
From Rolling Hills, California
Relocation of household goods and property: \$7,207.82
Temporary housing: \$154.21
- Dr. Lynnette Zelezny
President, CSU Bakersfield
From Clovis, California
Relocation of household goods and property: \$10,302.79
Relocation travel expense: \$23.04
Home sale fees and expenses: \$49,739.61

Executive Transition

Trustee policy requires the chancellor to report annually on all existing transition programs. The annual update follows.

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. (RUFPP 11-92-04)

Dr. Horace Mitchell – President Emeritus

Effective Date: July 1, 2018 – June 30, 2019

Salary: \$250,512

Dr. Mitchell entered into a one-year transitional period to which he is entitled under the provisions of the program. During this period Dr. Mitchell is available for advice and counsel on matters pertaining to CSU Bakersfield. He also remains available to the chancellor and other system executives for advice and counsel on matters pertaining to the CSU. In addition, he provides consultation for executive leadership development programs and strategy.

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. (RUF 11-06-06)

- There are no participants in the transition II program.

Vice President Compensation Actions

Filled Vacancies

| Campus | Name | Title | Date | Salary | Other Compensation |
|-----------------|----------------------|--|-------------|---------------|--|
| Channel Islands | Yao, Richard | Vice President for Student Affairs | 6/15/2018 | \$215,004 | |
| Chico | Lang, Milton | Vice President for Student Affairs | 1/16/2018 | \$240,000 | |
| East Bay | Espinoza, Suzanne | Vice President, Student Affairs | 7/1/2018 | \$224,004 | |
| Fullerton | Knutson Miller, Kari | Provost and Vice President for Academic Affairs | 1/1/2018 | \$262,728 | |
| Humboldt | Dawes, Douglas | Vice President for Administration and Finance | 3/29/2018 | \$225,000 | |
| Long Beach | Apel, Scott | Vice President, Administration and Finance | 1/1/2018 | \$240,000 | Auto Allowance \$7,200/annual Non-General Funds |
| Long Beach | Cesca, Michele | Vice President, University Relations and Development | 8/1/2018 | \$225,000 | Auto Allowance \$7,200/annual Non-General Funds |
| Sacramento | Frisone, Al | Vice President for University Advancement | 9/18/2017 | \$225,000 | |
| San Francisco | Carter, Phyllis | Vice President of Administration and Finance and Chief Financial Officer | 6/1/2018 | \$244,548 | |
| San Francisco | Summit, Jennifer | Provost and Vice President of Academic Affairs | 4/2/2018 | \$279,000 | |
| San José | Day, Patrick | Vice President for Student Affairs | 8/16/2018 | \$248,004 | |
| San Luis Obispo | Ewing, Matthew | Vice President for University Development | 5/3/2018 | \$275,004 | Temporary (6 mos.) Housing Allowance \$3,000/month Non-General Funds |
| Sonoma | Sawyer, Wm Gregory | Vice President for Student Affairs and Chief Student Affairs Officer | 4/1/2018 | \$225,000 | |

Other Compensation Changes

| Campus | Name | Title | Date | Description of Change | Salary After Change or Amount Paid |
|---------------|---------------------|---|-------------|---|---|
| Pomona | McGuthry, John | Vice President, Information Technology and Institutional Planning/Chief Information Officer | 7/1/2017 | Change in responsibilities | \$238,104 |
| Los Angeles | Gomez, Jose | Executive Vice President and Chief Operating Officer | 7/1/2018 | Equity Increase | \$258,144 |
| Northridge | Gunsalus, Robert | Vice President for University Advancement | 6/1/2018 | Equity Increase | \$247,968 |
| Northridge | Baker, Hilary | Vice President, Information Technology and CIO | 6/1/2018 | Equity Increase | \$233,772 |
| San Marcos | Baur, Cathy | Vice President for University Advancement | 7/1/2018 | Equity Increase | \$220,000 |
| Chico | Boura, Ahmad | Vice President for University Advancement | FY 2017/18 | MPP Merit Bonus Program - established goals met | \$33,487 |
| San Diego | Carleton, Mary Ruth | Vice President, University Relations and Development | FY 2017/18 | MPP Merit Bonus Program - established goals met | \$27,924 |
| Northridge | Gunsalus, Robert | Vice President for University Advancement | 9/1/2017 | Auto Allowance Non-General Funds | \$750/mo. |
| Bakersfield | Davis, Thomas | Vice President for Business and Administrative Services | 10/23/2017 | Use of auto - provided In-Kind via Athletics Corporate Sponsor Contract | N/A |

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Vice Chancellor of Human Resources – California State University

Presentation By

Timothy P. White
Chancellor

Summary

This action item establishes the compensation for Ms. Evelyn Nazario as vice chancellor of human resources for the California State University.

Background

The CSU Board of Trustees is pleased to present Ms. Evelyn Nazario as vice chancellor of human resources for the California State University effective October 1, 2018.

Ms. Nazario has been with the California State University since 2008 and is serving as associate vice chancellor of human resources management. In that capacity she is responsible for providing guidance in all HR-related matters to the CSU's 23 campuses and oversees the full range of human resources policy, programs and services. Prior to joining the CSU, she served as director of compensation and human resources operations for the University of California, Irvine.

Ms. Nazario holds a bachelor's degree in psychology from Vanguard University and a master's degree in organizational leadership from Brandman University.

Executive Compensation

Chancellor White recommends that Ms. Evelyn Nazario receive an annual salary of \$297,546 effective October 1, 2018, the date of her appointment as vice chancellor of human resources for the California State University. This is the same salary as the outgoing vice chancellor, Ms. Melissa Bard.

In accordance with existing policy, Ms. Nazario will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees; and
- An executive transition program provided she meets the eligibility requirements passed by the Board of Trustees on November 15, 2006 (RUFPP 11-06-06).

U&FP
Agenda Item 4
November 13-14, 2018
Page 2 of 2

There is no moving and relocation benefit with this appointment.

Chancellor White recommends the trustees approve the salary for the next vice chancellor of human resources for the California State University, Ms. Evelyn Nazario.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Ms. Evelyn Nazario shall receive a salary set at the annual rate of \$297,546 effective the date of her appointment as vice chancellor of human resources for the California State University; and be it further

RESOLVED, that Ms. Nazario shall receive additional benefits as cited in Item 4 of the Committee on University and Faculty Personnel at the November 13-14, 2018 meeting of the Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Chancellor's Housing Allowance

Presentation By

Adam Day
Chairman
CSU Board of Trustees

Summary

This agenda item seeks approval to utilize the proceeds of the sale of the State University House to supplement an existing foundation endowment of non-state funds and provide a housing allowance to the Chancellor for a replacement residence.

Background

Due to the planned sale of the State University House, which is utilized as the residence and event space for the Chancellor, this agenda item proposes that the Chancellor will now receive a housing allowance to offset the expense of a personal replacement residence. The proceeds from the sale of the State University House will be used to supplement an existing foundation endowment that provided for the purchase and maintenance of the State University House, which would now provide a monthly housing allowance for the Chancellor to supplement the costs of a residence.

Recommendation

It is recommended that the Board authorize the utilization of proceeds from the sale of the State University House to supplement the current State University House foundation endowment, which would provide a monthly stipend of \$7,917 of non-state funds for the Chancellor to supplement the costs of a residence.

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

The Chancellor receive a \$7,917 monthly housing allowance of non-state funds to supplement the cost of a residence. These funds are to be paid by the foundation endowment created through an original donor gift to support the housing and hospitality-related functions for the Chancellor of the California State University and supplement by the proceeds of the sale of the State University House located in Long Beach.