AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 1:30 p.m., Wednesday, September 13, 2022
Glenn S. Dumke Auditorium

Jack Clarke, Jr., Chair
Douglas Faigin, Vice Chair
Larry L. Adamson
Jean Picker Firstenberg
Maria Linares
Jack McGrory
Anna Ortiz-Morfit

Consent
1. Approval of Minutes of the Meeting of July 13, 2022, Action

Discussion
2. Executive Compensation: Acting Vice Chancellor, Human Resources – California State University Action
3. Executive Compensation: Triennial Performance Reviews – Equity Adjustments, Action
4. Executive Transition Program: Executive Consulting Assignment, Information
5. Executive Transition Program: Revision to Transition II, Information
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 13, 2022

Members Present
Jack Clarke, Jr., Chair
Douglas Faigin, Vice Chair
Larry L. Adamson
Jean Picker Firstenberg
Maria Linares
Jack McGrory
Anna Ortiz-Morfit

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Public Comment

All public comments took place at the beginning of the meeting’s open session, prior to all committees.

Trustee Jack Clarke called the meeting to order.

Approval of the Consent Agenda

The minutes of the May 25, 2022, meeting of the Committee on University and Faculty Personnel were approved as submitted.

Before proceeding with the discussion agenda, Trustee Clarke announced a change in the order that two items would be presented. The committee meeting would begin with item 7 (executive compensation) and conclude with item 2 (compensation for the president of CSU Monterey Bay).
Executive Compensation

Chair Wenda Fong began the presentation with an overview of the compensation policy adopted in November 2019 which called for salary assessments at the time of a president’s triennial performance review. A review of the salary assessment process adopted in September 2021 followed. Chair Fong shared that since adopting the policy, 14 presidents have received performance reviews and are eligible for pay adjustments.

Interim Chancellor Jolene Koester recommended approval of a 7 percent general salary increase for executives; this reflects parity with increases provided to all other CSU employees. Also recommended were salary adjustments for the 14 presidents who received triennial performance reviews since 2020. Trustee Lateefah Simon expressed her support for equitable pay at all levels and recommended approval of compensation for the vice chancellor and chief audit officer.

Following the presentation, trustees shared thoughts and comments on the proposed salary increases and overall, they were in support of the recommended adjustments. Trustee Douglas Faigin acknowledged support for presidential increases but as he explained, due to the delay in providing the item detail and in the spirit of transparency and public notification, he would vote no. He recommended holding the item until the next meeting. Dr. Koester responded that the information was posted and continued to be publicly available, so it has been transparent in letter and in spirit. Additionally, conversations with state officials and/or their staff had taken place over the last several weeks.

Further trustee comments emphasized that the board must commit to being equitable across the system and referred to the Mercer study that showed staff inequities and prioritizing the faculty study in the coming year.

Trustee Clarke explained that the committee would vote separately on each resolution in item 7. There was a motion and a second to approve retroactive equity adjustments as shown in attachment B. The motion passed with eight in favor (Trustees Adamson, Clarke, Jr., Firstenberg, Linares, McGrory, Ortiz-Morfit; Chair Fong; and Interim Chancellor Koester), one opposed (Trustee Faigin) and no abstentions. There was a motion and a second to approve the final salaries effective July 1, 2022, as shown in attachment B. The motion passed with seven in favor (Trustees Adamson, Clarke, Jr., Firstenberg, McGrory, Ortiz-Morfit; Chair Fong; and Interim Chancellor Koester), two opposed (Trustees Faigin and Linares) and no abstentions. The committee recommended approval of the proposed action as published in item 7. (RUFP 07-22-12)

Executive Compensation: Interim President – Sonoma State University

Interim Chancellor Jolene Koester announced that with the imminent departure of Dr. Judy Sakaki as president of Sonoma State University, Dr. Ming-Tung “Mike” Lee will serve as interim president beginning August 1, 2022. The chancellor recommended that Dr. Lee receive an annual
salary of $343,052 and a monthly housing allowance of $5,000 (the same salary and housing as the current incumbent). A monthly auto allowance of $1,000 is also provided. A motion to approve the recommended action was passed. (RUFP 07-22-09)

**Employment Policy Governing Administrator Employees’ Option to Retreat**

Leora D. Freedman, acting vice chancellor for human resources, presented the policy on the option to retreat and highlighted significant changes made to the draft policy presented in May 2022.

The term MPP employee was replaced with administrator to clearly indicate the policy applies to all employees serving as administrators including the chancellor, presidents, and vice chancellors. Clarified that the board holds the responsibility for determining eligibility in the case of the chancellor. The definition of a finding was updated as “a determination that the administrator engaged in misconduct or a policy violation that renders the administrator unsuitable to have continued direct interactions with CSU students or employees.” Terms were added to defer any decision about retreat for 60 days following an administrator’s resignation and additionally, the CSU may take action at any time in connection with alleged misconduct committed by an employee while serving as an administrator.

The presentation concluded with remarks from Chair Wenda Fong who noted that if the policy (or the following policy item) were found to not be working as intended, or language needed to be adjusted, the board has the discretion to amend the policy at any time. Chair Fong recommended approval of the proposed item.

Trustee Jack McGrory posed the question whether retreat rights are necessary. Interim Chancellor Jolene Koester responded that it is an important policy explaining that many administrative leaders have earned tenure and with retreat rights they do not have to forfeit that recognition when assuming another position. This is a common practice when recruiting administrators in higher education. A motion to approve the recommended action was passed. (RUFP 07-22-10)

**Employment Policy Governing Employee References**

Leora D. Freedman, acting vice chancellor for human resources, presented the item and highlighted substantive changes made to the draft policy that was presented in May 2022. The policy was updated to clarify that employees must work with their campus human resources when requested to provide letters of recommendation; if not, it must be clear that the reference is being provided in an individual capacity. In section V of the policy, the word objective was replaced with unbiased. There were no questions or comments from the trustees. A motion to approve the recommended action was passed. (RUFP 07-22-11)
Executive Transition Program Review

The item was presented by Acting Vice Chancellor Leora Freedman. In March 2022, the board of trustees stopped granting executive transition rights for newly hired executives until a task force reviewed and recommended further action. The task force was comprised of Trustees Larry Adamson and Jack Clarke, and Vice Chancellor Evelyn Nazario.

It was noted that a sampling of other public institutions revealed that most do not offer formal executive transition programs and due to recent events, the current transition program should be modified or eliminated. The task force also considered that the CSU and new leaders could benefit from the experience and insight of a former executive. As such, two options were presented for the board’s information and consideration – a significantly altered new program or elimination of any transition program going forward.

Trustees were informed of the option for a new program that would be used at the board’s discretion. An executive consultative assignment could be offered if the board deemed the executive’s consultation would benefit the university. The assignment would be for up to six months; not exceed 50 percent of the executive's base pay; have clearly identified duties and specific reporting and approval requirements. Proposed modifications to the existing Transition II would bring the policy into alignment with the new retreat policy as well as updated approval and reporting requirements.

Following the presentation, trustee comments ranged from not being able to manage the program effectively, to not adding value and being perceived as a gift of public funds. The practice is not typical in higher education and a modified program creates an expectation. They commented that the program has caused problems in the system and if such services are needed, campuses could retain outgoing administrators as a consultant or temporary assignment on an individual basis rather than through a formal program.

Trustee Jack McGrory felt strongly that the program should be eliminated. Trustees Julia Lopez, Douglas Faigin, and Christopher Steinhauer agreed with Trustee McGrory’s recommendation that the program be eliminated altogether. It was noted that the first choice of the task force also was to eliminate the program; however, they wanted to provide the board the opportunity to consider an alternative policy. The new program would not be an entitlement but rather an option at the board’s discretion.

More information on available options, or mechanisms, would be helpful to the board should trustees deem an individual should stay on longer. (As related to restrictions when hiring rehired annuitants, temporary assignments, consultants.)

Interim Chancellor Jolene Koester shared that while there is not a program like the CSU’s, there are other practices or other types of programs used in academia. Former presidents may be hired for advice or to transition donors from one leadership to another, and sometimes, to provide a
sabbatical similar to what faculty receive as a way to help the president prepare for their return to a teaching position. That there is an alternative is common, that there is a specific entitlement program is not.

This item was presented for informational purposes and no action was taken. Chair Wenda Fong thanked Trustees Adamson and Clarke for their hard work on the policy iterations they developed.

Executive Compensation: President – California State University, Monterey Bay

Interim Chancellor Jolene Koester announced Dr. Vanya Quiñones as the fourth president of California State University, Monterey Bay. The new president joins the CSU on August 15, 2022, following the retirement of President Eduardo Ochoa. The chancellor recommended that Dr. Quiñones receive an annual salary of $370,000 as published in the amended agenda item. Additionally, Dr. Quiñones is required to reside in the presidential residence for the Monterey Bay campus and a monthly auto allowance of $1,000 is provided.

Dr. Koester explained that at the time of Dr. Quiñones’ appointment, the incumbent’s salary will be $337,046 as a result of the 7 percent salary increase effective July 1, 2022. The proposed salary of $370,00 does not exceed 10 percent of the $337,046 and therefore, is consistent with the board’s policy on compensation. This clarification was made as the full board had not yet formally approved the 7 percent increase for presidents as discussed earlier in the committee meeting. A motion to approve the recommended action was passed. (RUFP 07-22-08)

Trustee Clarke adjourned the meeting of the Committee on University and Faculty Personnel.
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Acting Vice Chancellor, Human Resources – California State University

Presentation By

Jolene Koester
Interim Chancellor

Summary

This action item establishes the compensation for the acting vice chancellor for human resources of the California State University. Leora D. Freedman had been serving as associate vice chancellor and deputy general counsel at the Chancellor’s Office until July 6, 2022, when she was appointed to acting vice chancellor for human resources.

Executive Compensation

This item recommends that Leora D. Freedman receive an annual salary of $327,925 effective July 6, 2022, the date of appointment as acting vice chancellor for human resources. (This is the same salary approved for the vice chancellor of human resources at the July 2022 meeting.) In accordance with existing policy of the California State University, the acting vice chancellor will receive an auto allowance of $1,000 per month and standard benefit provisions afforded CSU Executive classification employees.

At the conclusion of this temporary assignment, the incumbent will return to the position and salary as associate vice chancellor and deputy general counsel and the provisions of the Management Personnel Plan. The auto allowance will end.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Leora D. Freedman shall receive a salary set at the annual rate of $327,925 effective on July 6, 2022, the date of appointment as acting vice chancellor for human resources of the California State University; and be it further

RESOLVED, Leora D. Freedman shall receive additional benefits as cited in Agenda Item 2 of the Committee on University and Faculty Personnel at the September 13-14, 2022 meeting of the Board of Trustees.
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Triennial Performance Reviews – Equity Adjustments

Presentation By

Jolene Koester
Interim Chancellor

Summary

Equity adjustments will be recommended resulting from presidential triennial performance reviews conducted by the Board of Trustees in July 2022.

Background

The Board of Trustees’ CSU Policy on Compensation and the CSU Policies and Procedures for Review of Presidents specify that, following completion of presidential triennial performance reviews, compensation adjustments may be considered following a salary assessment. The policy was adopted in November 2019.

In September 2021, the Board of Trustees adopted a salary review process (RUFP 09-21-06). The process recognized a president’s performance and was found to be transparent and fiscally responsible while addressing salary gaps incrementally. The salary review process adopted by the trustees includes the following elements:

- Concurrent with triennial review cycle.
- Annual adjustments over three years, if applicable.
- Target salary is the peer group median.
- First year adjustment not to exceed 10 percent which aligns with current policy.
- Second and third year equity adjustments from 0 to 10 percent, as applicable.
- Reassess market data periodically.

Market Equity Adjustments

The table below lists those presidents who are eligible for equity adjustments as a result of salary assessments conducted during their triennial performance evaluation. Equity adjustments may occur over the three years as outlined in the governing policy. Adjustments are based on the amount to reach the peer group median (target salary).

Trustee approval of the proposed equity adjustments for Presidents Tomás Morales and Lynn Mahoney are recommended as presented below.
**EQUITY ADJUSTMENTS**  
*(Triennial Perf. Review Period)*

<table>
<thead>
<tr>
<th>President</th>
<th>Annual Salary</th>
<th>Peer Group Median</th>
<th>Year 1 Effective Date</th>
<th>Proposed Increase % 2021</th>
<th>Proposed Increase % 2022</th>
<th>Final Salary to be Approved</th>
<th>New Amt to Reach PG Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tomás Morales</td>
<td>$371,729*</td>
<td>$476,015</td>
<td>8/15/2021</td>
<td>10%</td>
<td>2%</td>
<td>$446,276</td>
<td>6.7%</td>
</tr>
<tr>
<td>Lynn Mahoney</td>
<td>$405,231</td>
<td>$498,269</td>
<td>7/15/2022</td>
<td>10%</td>
<td></td>
<td>$445,755</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

*President Morales’ equity adjustment for Year 1 is effective 8/15/2021 – and it is calculated based on his salary at that time. As a result of this retroactive adjustment, President Morales’ 7% salary increase approved by the BOT effective 7/1/2022 will be recalculated; the adjusted salary serves as the basis for his equity adjustment in Year 2.

The following table illustrates how President Morales’ salary will be adjusted as a result of the FY 2022-23 salary increase program (effective 7/1/2022).

**President Tomás Morales**
- Presidential Appointment Date: 8/15/2012
- Peer Group Median: $476,015
- Annual Salary: $371,729 *(prior to increase)*
- Amount to Reach PG Md: 28.1%

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Increase %</th>
<th>Annual Salary</th>
<th>New Amt to Reach PG Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 Equity Adjustment</td>
<td>10%</td>
<td>$408,902</td>
<td>16.4%</td>
</tr>
<tr>
<td><strong>Merit Increase Program</strong></td>
<td>7%</td>
<td>$437,525</td>
<td>8.8%</td>
</tr>
<tr>
<td>Year 2 Equity Adjustment</td>
<td>2%</td>
<td>$446,276</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Presidential Triennial Performance Review Salary Assessment Notes:
Target Salary = Peer Group Median  
Salary adjustments over three-year period if warranted and availability of funds and budget conditions.  
Year 1 effective the presidential appointment date (month/day) of the year immediately preceding the performance evaluation.  
*For example: Year 1 eff. 7/15/2021 - Year 2, 7/15/2022 - Year 3, 7/15/2023*
Year 1 increase = Percent to reach Peer Group Median, maximum 10% increase.  
Year 2 or Year 3 increase = Equity increase, if applicable (see matrix).  
Years 2 and Year 3 of salary assessment may require future Board action.

<table>
<thead>
<tr>
<th>Percent to Reach Peer Group Median</th>
<th>Equity Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 5%</td>
<td>0%</td>
</tr>
<tr>
<td>5.01% to 10%</td>
<td>2%</td>
</tr>
<tr>
<td>10.01% to 15%</td>
<td>4%</td>
</tr>
<tr>
<td>15.01% to 25%</td>
<td>7%</td>
</tr>
<tr>
<td>25.01% to 35%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the individuals named in the salary table set forth in Item 3 of the Committee on University and Faculty Personnel at the September 13-14, 2022 meeting of the Board of Trustees shall receive the equity adjustments as stated in the item.
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Transition Program: Executive Consulting Assignment

Presentation By

Leora D. Freedman
Acting Vice Chancellor
Human Resources

Summary

At the March 2022 meeting of the CSU Board of Trustees, the trustees ceased granting executive transition rights for newly hired executives until such time as the board considers recommendations of a task force and takes further action (RBOT 03-22-03).

At the July 2022 meeting, two options were presented for the board’s information and consideration:

1) Elimination of an executive transition program prospectively; and
2) A significantly altered program referred to as an executive consulting assignment.

This information item continues the discussion from the July meeting on executive transition programs.
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Transition Program: Revision to Transition II

Presentation By

Leora D. Freedman
Acting Vice Chancellor
Human Resources

Summary

At the July 2022 meeting of the CSU Board of Trustees, modifications to the Executive Transition II program were presented for the board’s information and consideration. This information item continues the discussion from the July meeting and proposes additional revisions.