

**The California State University
Board of Trustees Policy on Compensation**

I. Scope of Policy

This policy governs compensation for all California State University (CSU) employees.

II. Guiding Principles

It is the intent of the Board of Trustees to compensate all CSU employees in a manner that is fair, reasonable, competitive, and fiscally prudent in respect to system budget and state funding. The goal of the CSU continues to be to attract, motivate, and retain the most highly qualified individuals to serve as faculty, staff, and executives, whose knowledge, experience, and contributions can advance the university's mission.

The CSU adheres to total compensation practices that are fair and equitable in design, application, and delivery. Total compensation includes salary as well as benefits, such as health and welfare benefits including retirement, paid time off, sabbaticals, educational fee waivers, vacation and sick leave accrual, or any other benefits or perquisites provided to CSU employees.

III. Compensation

A. All Employee Compensation

The CSU evaluates competitive and fair compensation for all employees based on periodic market comparison surveys and the depth of skill and experience of an individual employee.

The compensation system for the CSU shall (a) be administered in a manner that complies with all applicable federal, state, and local regulations and laws, and (b) be consistent with applicable administrative policies, rules and collective bargaining agreements.

B. Executive Compensation

The CSU will maintain and periodically update a tiered list of CSU comparison institutions for executive employee groups. The list may take into account geographic location, enrollment, percent of Pell eligible students, budget, research funding, and such other variables as deemed appropriate. Executive compensation will be guided with reference to the mean and/or median of the appropriate comparison institutions, together with an individual's reputation, and length, depth and effectiveness of applicable experience, and other meritorious achievement and contributions to the success of the CSU.

1. Presidential Compensation

a) Salary at Appointment:

When a presidential vacancy occurs, the successor president's salary should not (absent extenuating circumstances) exceed the incumbent's salary by more than 10 percent. Any amount in excess of the incumbent's salary shall be based upon criteria such as extraordinary circumstances, knowledge and/or experience or ability to contribute to and advance the university's mission and market conditions. A president's salary may only be funded with state funds.

The chancellor shall have authority to negotiate recommended starting salaries for presidents. The chancellor shall present the recommended salary to the Board of Trustees for approval.

b) Periodic Presidential Salary Assessment:

On an annual basis, and as a general rule at the July meeting of the Board of Trustees, the Board shall be presented with a salary assessment of all presidents who have received a triennial review in accordance with the Board of Trustees Policies and Procedures for Review of Presidents during the previous fiscal year. The Board shall determine whether an increase to a president's salary is warranted based on CSU's operative market data (which should be reviewed every five years), and if so, the amount of any such adjustment. Following the initial salary assessment, the president's salary shall be reassessed once a year against operative market data for the next two years, and if the president's annual salary continues to be below the peer group median, a recommended increase shall be presented to the Board each July. The goal of the salary assessment process is to incrementally bring each president into alignment with the peer group median.

The **first year**, presidential salaries may be adjusted up to the peer group median by an amount not to exceed 10 percent.

The **second and third year** adjustments shall be made in accordance with the following matrix:

Amount to Reach Peer Group Median	Increase
0% to 5%	0%
5.01% to 10%	2%
10.01% to 15%	4%
15.01% to 25%	7%
25.01% to 35%	10%

As a condition of receiving a market-based salary increase, the president must have been in their position for three years and must have received a satisfactory evaluation during their triennial review.

Market-based salary increases approved by the Board in accordance with this policy will be effective July 1st of the approval year.

Compensation actions are subject to availability of funds and current budget conditions.

c) Other Salary Increase Programs:

Receipt of a market-based salary adjustment in any given year does not preclude a president from being eligible for any salary increase program consistent with those that may be provided to other non-represented employees. In the event that a president is awarded a salary and market-based increase at the same time, the salary increase shall be applied before determining whether a market-based adjustment is warranted.

2. Individual Salary Increases:

The Board also retains the right, in its discretion, to make other salary adjustments as necessary at other times for an executive when a significant equity or retention issue is identified.

The chancellor shall recommend all executive salary adjustments to the Board of Trustees for approval in open session of a Board meeting.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the Policy on Compensation provided in Attachment A of Agenda Item 2 of the Committee on University and Faculty Personnel at the May 19-22, 2024 meeting of the Board of Trustees, is adopted; and be it further

RESOLVED, that any and all previous versions of CSU compensation policies are superseded.

Revised May 22, 2024
Resolution RUF 05-24-07