

## California State University Board of Trustees Policy on Compensation

### Scope

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

### 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 compensation practices that are fair and equitable in design, application, and delivery.

### Implementation

The CSU will consistently evaluate competitive and fair compensation for all employees based on periodic market comparison surveys and the depth of skill and experience of an individual employee. In addition, the CSU will maintain and update annually a tiered list of CSU comparison institutions for applicable 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. Compensation will be guided with reference to the mean and/or median of the appropriate tier of 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.

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.

### Presidential Compensation

When a presidential vacancy occurs, the successor president's salary should not exceed the incumbent's salary by more than 10%. 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.

**Presidential Salary Assessment:** Currently, the Policies and Procedures for Review of Presidents require annual reviews with the chancellor and triennial reviews by the Board of Trustees. In these reviews, the president's performance is reviewed against the goals and criteria for leadership expectations. Effective with Board of Trustees reviews occurring in 2020 and beyond, a presidential salary assessment will also be conducted that considers presidential performance, the market data and makes recommendations to the Trustees if a compensation adjustment may be warranted.

A salary adjustment during triennial performance reviews does not prohibit the incumbent from being eligible for the annual merit increase program as provided to other non-represented employees. The Board retains the right to make adjustments as necessary at other times for a president when a significant equity or retention issue is identified.

The chancellor shall recommend presidential salary adjustments to the trustees for approval.

### **Recommended Action**

The following resolutions are recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that effective January 1, 2020, the Policy on Compensation, as cited in Item 4 of the Committee on University and Faculty Personnel at the November 19-20, 2019 meeting of the Board of Trustees is adopted; and be it further

**RESOLVED**, all previous versions of policies related to compensation for employees and presidents are superseded.

**Resolution (RUF 11-19-10) passed November 20, 2019**