

CALIFORNIA STATE UNIVERSITY

Top executives are in line for 4% salary hike Lawmakers cry foul as student fees are going up, faculty pay talks bogging down

- Jim Doyle, Chronicle Staff Writer

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Twenty-eight of the California State University system's highest-paid executives are in line for another pay raise this week -- just days after students learned they could face a 10 percent tuition increase next fall.

The executive salary increase, scheduled to be considered today in Long Beach by the Board of Trustees, has drawn fire from state lawmakers who have criticized the chancellor for seeking additional pay while the faculty is bogged down in labor negotiations.

The across-the-board 4 percent pay raise would apply to 28 of the CSU's key executives - the presidents of its 23 campuses as well as Chancellor Charles Reed and four of his top deputies. If approved, the pay raise will come with what amounts to a New Year's bonus for the administrators because the higher salary would be retroactive to July 1 -- presumably meaning a fat catch-up paycheck.

Reed's annual salary of \$362,500 would grow to \$377,000 under his proposal. Since becoming chancellor in 1998, Reed also has been provided with a state-owned residence as well as a \$30,000-a-year retirement supplement from the CSU Foundation.

In October 2005, the CSU's top executives received an average 14 percent pay hike plus increased allowances for cars and housing. That pay raise was made retroactive to July 1, 2005.

The proposal relies in part on a study by a CSU salary consultant, Mercer Human Resources Consulting. In its report, the firm said CSU's top executives are being paid 42 percent less than those at their peer institutions. However, the study also shows that when CSU executives' total compensation packages (including perquisites and retirement plans) are taken into account, the gap narrows to about 11 percent. The Mercer study focused on the executive pay at 20 colleges and universities nationwide and includes several elite private colleges and universities with rigorous admissions standards -- where pay rates tend to be higher than those found at state-supported universities with liberal admissions policies.

CSU Board of Trustees Chair Roberta Achtenberg has endorsed the latest proposal as a way to begin to catch up with the higher salaries paid by other colleges. But some lawmakers are skeptical.

"It seems as if they're out to lunch on other people's needs but eating some fat paychecks," said state Sen. Leland Yee, a Democrat whose district includes San

Francisco and San Mateo. "The administrators seem to see the CSU as an institution where they can get rich rather than an institution of higher learning. We're trying to train the next generation of leaders for our state. What else disturbs me quite a bit is the secrecy behind these raises. There's no deliberations -- there's no public input early on in the process."

Yee plans to soon introduce legislation that would require the CSU system to provide greater disclosure about executive compensation. State Assemblyman Anthony Portantino, D-La Cañada Flintridge (Los Angeles County), who chairs the Assembly Higher Education Committee, said in a letter to the chancellor last week that the proposal is imprudent, given the governor's budget and The Chronicle's "recently revealed excesses in executive compensation at the CSU system."

"I believe the trustees should proceed after a more thorough review of executive compensation, when they have greater public support and when we, as legislators, have more information regarding the troubling revelations of last summer," he wrote.

A series of articles in The Chronicle in July told of how millions of dollars in compensation had been paid to CSU's top executives without public disclosure after they had left their posts.

Earlier this month, Gov. Arnold Schwarzenegger released his state budget, which includes a 10 percent tuition increase for the 400,000 students at CSU's 23 campuses. The CSU system did not raise student fees last year, prompting critics to suggest that the governor had made sure to avoid a fee increase during an election year. During the 2005-2006 academic year, student fees were raised 8 percent. The current tuition for full-time students of \$2,520 would climb to \$2,772 next fall. The CSU's labor negotiators have been bargaining with the faculty union for nearly two years over a new contract. Complaining of foot-dragging by CSU negotiators, faculty members have staged informational picketing and demonstrations at several campuses. The faculty received a 3.5 percent raise in 2005.

Reed, who was unavailable Monday for comment, has said a pay raise for executives is needed to keep the CSU in the running for top talent.

"National competition continues to increase executive salaries in higher education due to the limited number of qualified individuals for these unique roles," his proposal states.

Meanwhile, a Los Angeles Superior Court judge has dismissed a lawsuit by the California Faculty Association, ruling that the Board of Trustees did not violate the state's Bagley-Keene Open Meeting Act when it met in executive session to consider the public relations impact of allowing former CSU Chancellor Barry Munitz to return to the university as a professor after an eight-year leave.

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CSU salary increases

Top executives within the California State University system will receive an across-the-board 4 percent salary increase, retroactive to July 1, if the university's governing Board of Trustees approves the proposal this week. Here is a breakdown of the proposed increases:

Campus	President	Current	July 1, 2006 (*)
Bakersfield	Horace Mitchell	\$249,048	\$259,010
Channel Islands	Richard R. Rush	\$231,624	\$240,889
Chico	Paul J. Zingg	\$237,756	\$247,266
Dominguez Hills	James E. Lyons Sr.	\$241,788	\$251,460
East Bay	Mohammad H. Qayoumi	\$237,072	\$246,555
Fresno	John D. Welty	\$253,836	\$263,989
Fullerton	Milton A. Gordon	\$255,024	\$265,225
Humboldt	Rollin C. Richmond	\$260,376	\$270,791
Long Beach	F. King Alexander	\$280,008	\$291,208
Los Angeles	James M. Rosser	\$270,912	\$281,748
Maritime Academy	William B. Eisenhardt	\$220,116	\$228,921
Monterey Bay	Dianne F. Harrison	\$230,016	\$239,217
Northridge	Jolene Koester	\$255,024	\$265,225
Pomona	J. Michael Ortiz	\$237,756	\$247,266
Sacramento	Alexander Gonzalez	\$255,024	\$265,225
San Bernardino	Albert K. Karnig	\$237,072	\$246,555
San Diego	Stephen L. Weber	\$261,744	\$272,214
San Francisco	Robert A. Corrigan	\$261,144	\$271,590
San Jose	Don W. Kassing	\$255,024	\$265,225
San Luis Obispo	Warren J. Baker	\$286,896	\$298,372
San Marcos	Karen S. Haynes	\$230,232	\$239,441
Sonoma	Ruben Armiñana	\$252,948	\$263,066
Stanislaus	Hamid Shirvani	\$237,072	\$246,555
System officers			
Chancellor	Charles B. Reed	\$362,500 (1)	\$377,000 (1)
Executive vice chancellor and chief academic officer	Gary W. Reichard	\$262,008	\$272,488
Executive vice chancellor and chief financial	Richard P. West	\$280,056	\$291,258

officer

Vice chancellor, Jackie R. McClain \$246,186 \$256,033
human resources

General counsel Christine Helwick \$230,002 \$239,202

(*) Adjusted for rounding.

(1) Plus \$30,000 CSU Foundation annual supplement for retirement since appointment.

Source: California State University

Page B - 1

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<http://sfgate.com/cgi-bin/article.cgi?file=/c/a/2007/01/23/BAGU1NN72J1.DTL>

NBC11.com

CSU Students Face Fee Increase; Execs Expect Raises

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SACRAMENTO, Calif. -- As California State University student fees are expected to increase, university executives are likely to be getting a pay hike, NBC11's Mike Luery reported.

California State University students are facing a 10 percent fee hike, under the governor's new budget proposal. That's an extra \$250 on top of the \$2,500 they already pay in university fees each year.

"To me, it means more loans. It means more loans, and if I can't get those loans, it means I can't go to school," said CSU Sacramento junior, Christina Romero.

Trustees are expected Tuesday to approve a 4 percent pay hike for university executives.

"I think as trustees, their trust should mean something. We should be able to trust them to look out for the best interest of students. So I don't feel that's fair at all," said CSU Sacramento senior, Bankole Fatunla.

CSU faculty also have a problem with the proposed raises, Luery reported.

After 20 months of bargaining, CSU faculty are now considering a system-wide strike across 23 campuses.

"I think faculty are angry because the priority seems to be taking care of folks at the top, not the folks who provide the education and need the education," said Susan Meisenhelder of the California Faculty Association.

University officials said the 4 percent hike applies to faculty and executives. Professors are holding out for more, and they want administrators to sacrifice, Luery reported.

At the state capitol, some lawmakers are also speaking out against the proposed pay hike. They're calling for greater disclosure by the California State University system.

"The CSU system operates in secrecy. There's no open discussion of the whys and wherefores of these particular raises," said San Francisco Sen. Leland Yee (D).

Yee said he'll be pushing to bring the compensation system for executives into the public light.

The proposed raises would benefit the university president, chancellor and others who currently make up to \$360,000 a year.