

RACE TO THE BOTTOM

Salary, Staffing Priorities and the CSU's 1%

Executive Summary

The first paper in this series, “Race to the Bottom: CSU’s 10-Year Failure to Fund Its Core Mission,” examined faculty salaries over the last decade and the dramatic drop in purchasing power that has occurred for faculty at all 23 California State University campuses.

As we demonstrated, those trends cannot be explained by simply pointing to external factors; rather, they are the result of administrative choices based on administrative priorities. Other administrators at comparable universities throughout the country, as well as at other public colleges and universities in California, made different choices in similarly tough circumstances and did a much better job of improving faculty salaries, or at least protecting their purchasing power.

*The findings of the first paper raise an obvious question: “What **has** the CSU administration prioritized?” To help answer that question, we analyzed data on several key trends related to staffing and salary for CSU administrators and faculty.*

The title of this paper bluntly forecasts our conclusions: over at least the last decade, CSU administrators, like many corporate executives, have consistently and vigorously prioritized those at the top of the organizational hierarchy, while others in the CSU have been left to languish. At the same time that faculty salaries have plummeted in terms of purchasing power and student fees and student debt have skyrocketed, those at the top have done very well.¹

Introduction

It's not news that CSU Presidents have received some very hefty raises over the last decade. The issue has been covered regularly in the news media; it has been the subject of considerable public outrage from elected leaders; and it has been the impetus of numerous student demonstrations.

What is new—and surprising—are the facts about the cumulative effect of those individual salary bumps for campus Presidents and the countless, invisible salary “adjustments” for managers on campuses throughout the system.

As we will show, the changes at the top have not occurred in a vacuum. A recent study by the Institute for Policy Studies, titled “The One Percent at State U: How Public University Presidents Profit from Rising Student Debt and Low-Wage Faculty Labor,” details several troubling trends in public universities nationwide. The authors clearly demonstrate that increases in presidents’ salaries are associated with increases in student debt, disproportionate increases in administrative spending, large increases in contingent (so-called “temporary”) faculty, and large declines in tenure line, “permanent” faculty.²

While the CSU may not be among the worst offenders in terms of absolute highest executive salaries, this paper and others to follow will reveal many of these same trends. Trends in faculty and managerial staffing and salaries over the last decade reflect a disturbing and widening gap between the “One Percent” and CSU faculty.

Faculty and Managerial Staffing in the CSU, 2004-2014

At CSU Board of Trustees meetings, in statements to the media, and in other public venues, CSU administrators invariably highlight a commitment to providing students with a high-quality education and with learning conditions that promote student success. Yet have they prioritized that commitment?

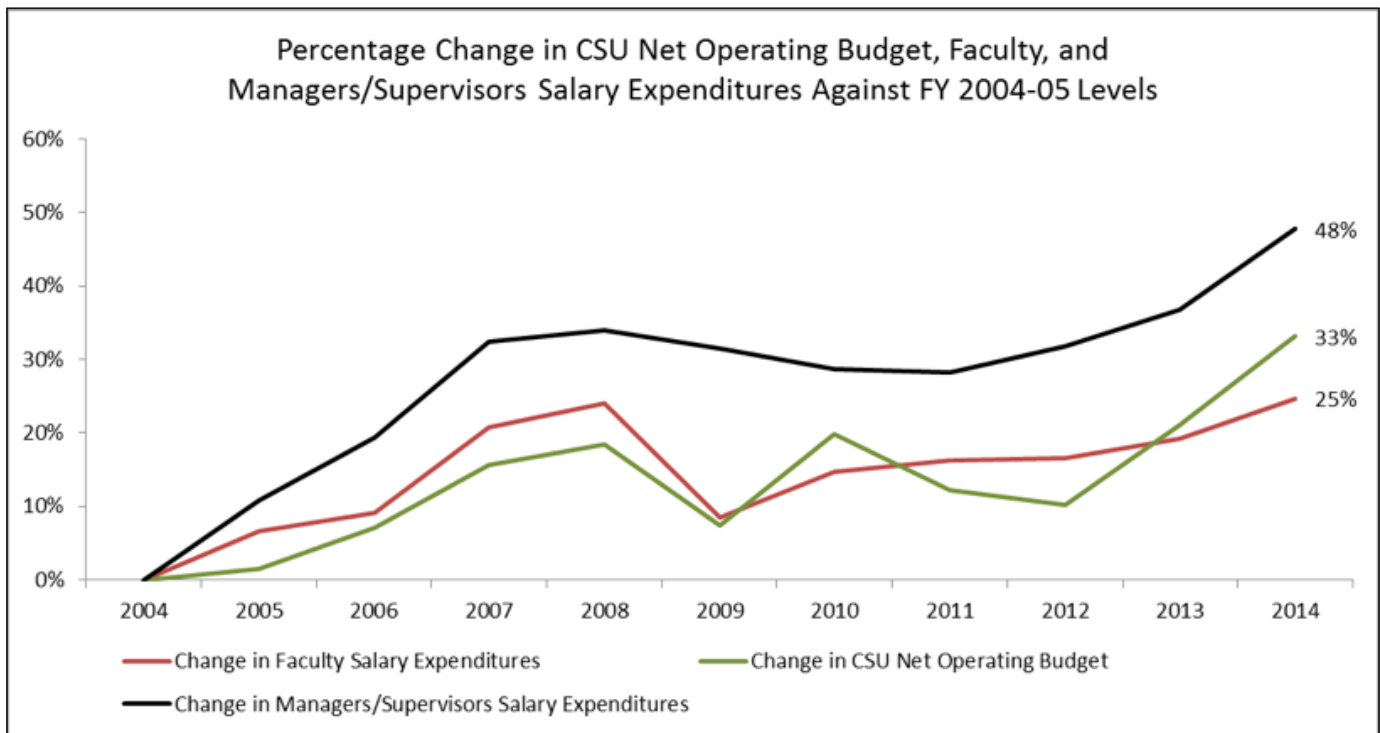
As Vice President Joe Biden said, “Don’t tell me what you value. Show me your budget, and I’ll tell you what you value.”³

Consider these overarching trends in spending over the last decade:

- Expenditures on managers and supervisors grew at a faster rate than the CSU’s net operating budget. (The CSU’s Net Operating Budget is the money it receives from the state and student fees minus financial aid commitments.)
- Expenditures on managers and supervisors grew at a faster rate than expenditures on faculty.
- Expenditures on faculty grew at a slower rate than the CSU’s net operating budget.

The chart on the next page provides details of these trends. From 2004 to 2014, the CSU net operating budget grew by 33%. Expenditures on managers grew at an even faster pace, increasing by 48%. In contrast, expenditures on faculty salaries grew by only 25%.

Those expenditure patterns suggest a set of priorities that are not aligned with the core mission of the university. The trends in expenditures are certainly congruent with the faculty salary data we saw in the first paper. And as we will see, they also correlate with some significant staffing changes implemented by CSU administrators during the last decade.



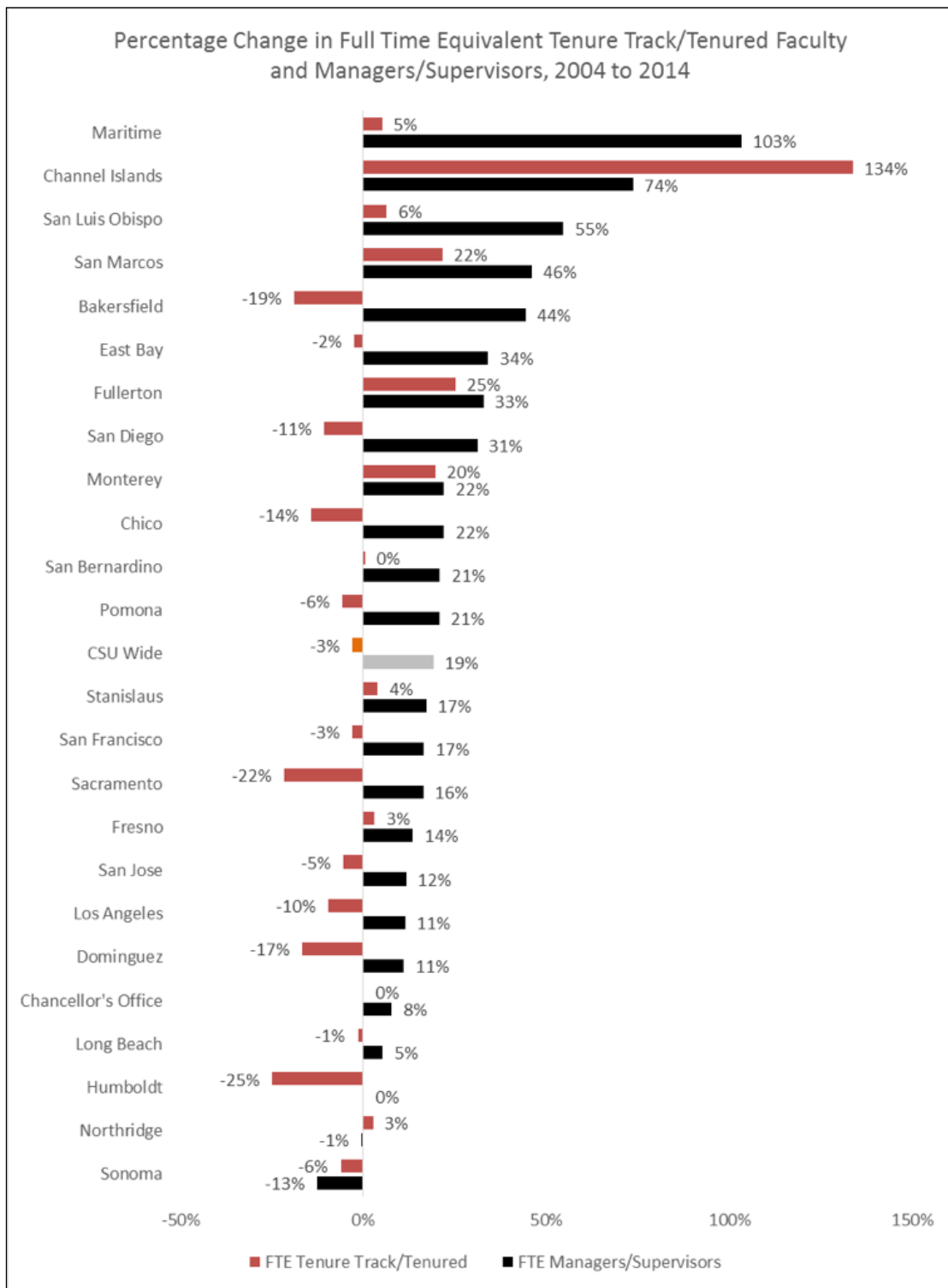
Consider these facts related to staffing over the last decade:

- System-wide, the numbers of managers/supervisors in the CSU grew by 19.2%.
- System-wide, the numbers of tenure-line (tenure-track and tenured) faculty actually fell by 3%.

As we will discuss in subsequent papers, that last percentage profoundly affects student learning conditions. At the most basic level, for instance, it is permanent faculty who are tasked with the program development, oversight, and assessment necessary for the implementation of high-impact practices known to improve student success. That CSU administrators have presided over a decrease in the numbers of employees in this category speaks volumes about the priority given not only to faculty, but to students and their success. Even though faculty on temporary contracts often have the same qualifications as tenure-line faculty and provide high-quality instruction, the nature of their appointments limits their participation in a number of activities outside the classroom that are key to program excellence and student success.

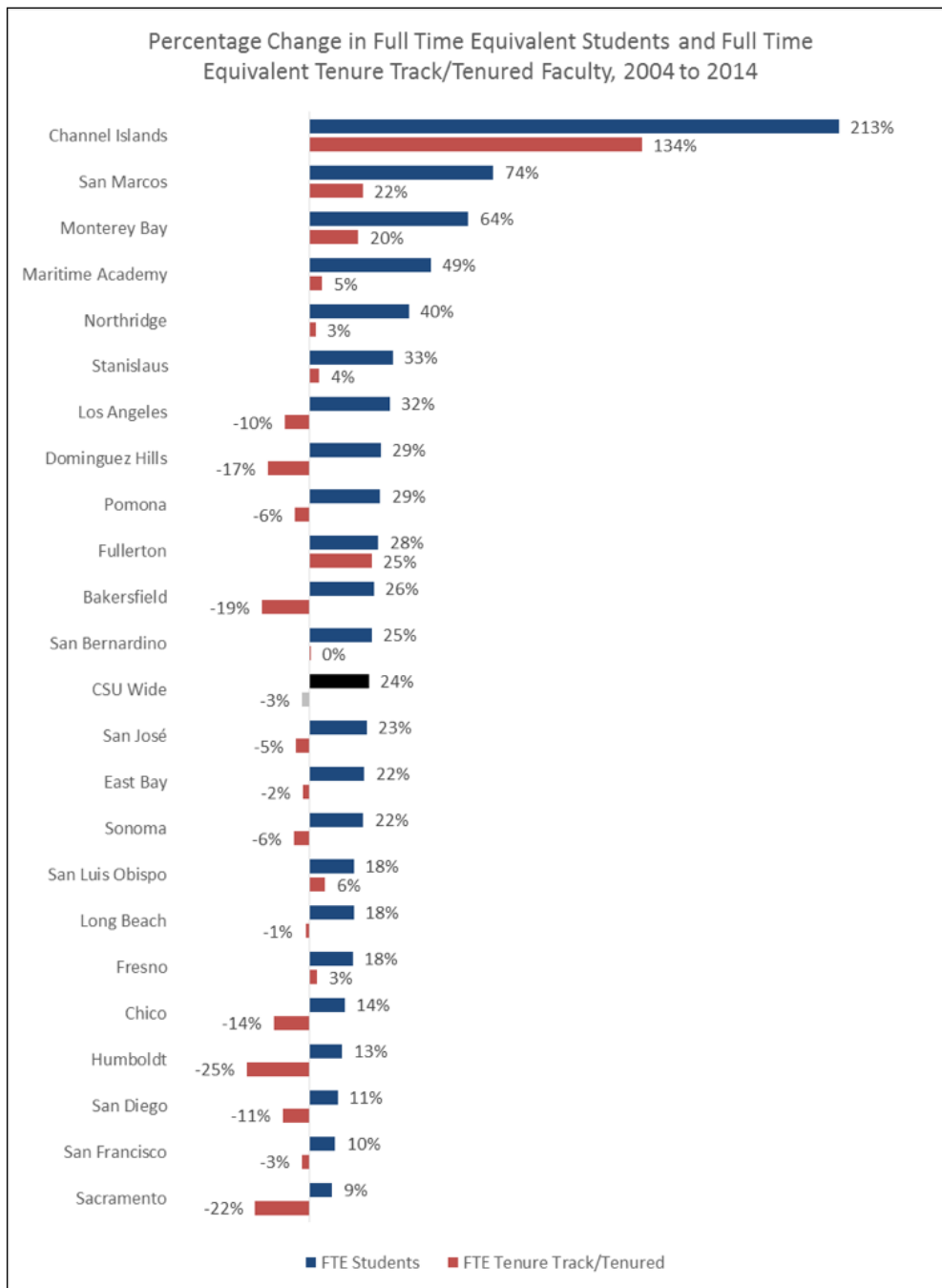
Individual campus numbers show some variety in staffing patterns, but in general, a similar set of priorities. As the chart on the next page shows,

- 20 of 23 CSU campuses had a net increase in managers over the last decade.
- On 20 of 23 campuses, staffing for managers outpaced that of tenure-line faculty.
 - The worst losses in tenure-line positions were at Humboldt (25%), Sacramento (22%), Bakersfield (19%), Dominguez Hills (17%), Chico (14%), San Diego (11%), and Los Angeles (10%).
 - Only 8 CSU campuses had **any** net increase in tenure-line faculty numbers. During the decade, Channel Islands increased its tenure-line faculty by 134%, an impressive number if not for two key facts: it is a newer campus and its student body grew by 213% during the same time.⁴



The losses in permanent faculty also occurred at a time of significant growth in the number of students. As the chart* on page 5 shows, **not a single CSU campus has had an increase in tenure-line faculty consistent with student population growth over the last decade.** In fact, at a number of campuses where the percentage loss in permanent faculty was greatest, there was also a robust increase in administrators. These contrasts are most glaring at Bakersfield, San Diego, Chico, Sacramento, Los Angeles, Dominguez Hills, and Humboldt.

* See Appendix A for methodological endnotes and data sources for this and all charts in this paper.

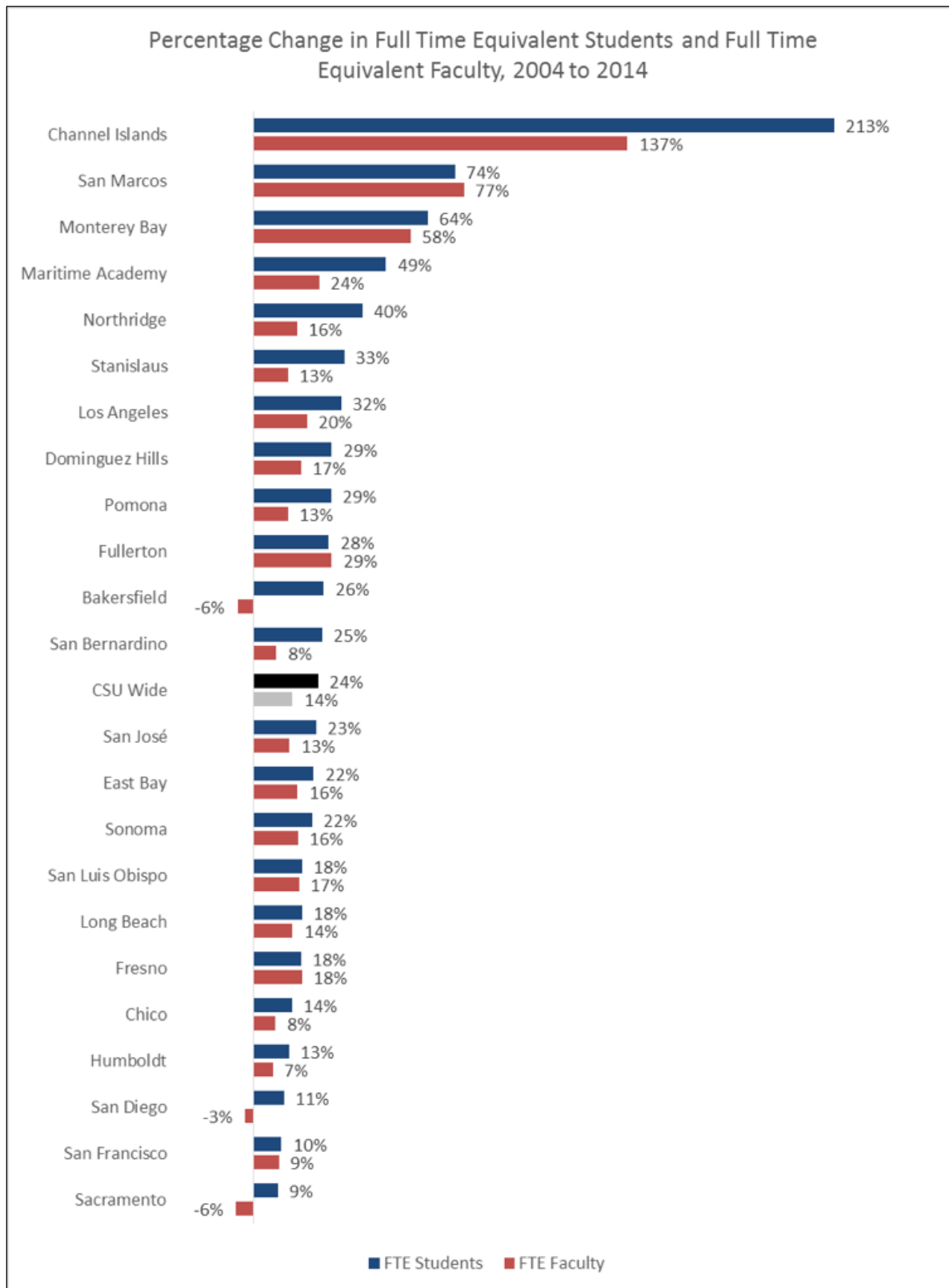


CSU campus presidents have clearly prioritized managers on their campuses over tenure-line faculty in making their staffing decisions. That set of priorities has enormous ramifications for current, and future, students. Not only are students today missing out on a stable faculty workforce over the course of their college careers; future students face an even bleaker prospect.

As the staffing data shows, there is no “next generation” of CSU permanent faculty in the pipeline—the numbers of probationary tenure-line faculty dropped by a whopping 31% between 2004 and 2014.⁵ What this trend, if not reversed, means for the next generation of students and for the future of the CSU is ominous. (This topic will be explored in detail in a subsequent paper.)

Instead of investing in permanent faculty, CSU administrators have adopted a fast-food franchise model of faculty staffing for the university’s core mission. The only reason the faculty ranks grew at all over the last decade was because the numbers of faculty hired on temporary appointments exploded, increasing by a staggering 46%.

As the chart below shows, even when you factor in the extraordinary administrative over-reliance on temporary appointments, 21 of 23 campuses did not increase their faculty at a rate equal to increases in student enrollment on that campus. The two campuses (Fullerton and San Marcos) that increased their overall faculty workforce consistent with student growth did so only because they increased the number of temporary faculty—Fullerton by 33% and San Marcos by 225%.



The chart below provides a telling snapshot of faculty and managerial staffing over the last decade.

Managers (who are nearly always full-time) grew 19% from 2004 to 2014. Faculty numbers overall grew at a slower rate, and that growth was only accomplished because temporary faculty numbers skyrocketed. Even the modest increase of tenured faculty (9%) is actually a reflection of the number of already employed probationary faculty earning tenure. The fact is that the decade saw a 31% decline in “pre-tenure” or newly-employed permanent faculty. Clearly, the CSU is not replenishing its permanent faculty for today’s students or future ones.

Percentage Change in Full Time Equivalent Faculty and Managers/Supervisors 2004 to 2014			
Category	Fall 2004	Fall 2014	% Change
Full Time Equivalent Faculty	16,040	18,359	14.5%
Tenure Track (pre-tenure)	3,190	2,197	-31.1%
Tenured Faculty	7,209	7,902	9.6%
Tenure Track/Tenured Faculty	10,399	10,099	-2.9%
Temporary Faculty	5,641	8,260	46.4%
CSU Managers/Supervisors	3,127	3,726	19.2%

This is a CSU snapshot; but unfortunately, the picture is similar at many colleges and universities around the country. Howard Bunsis, a professor of accounting at Eastern Michigan University, has conducted extensive research analyzing university budgets and spending. Among his conclusions is that prioritization of spending on administrators is all too common: “You see it on every campus—an increase in administration and a decrease in full-time faculty, and an increase in the use of part-time faculty...It’s not what it should be. What’s broken in higher ed is the priorities, and it’s been broken for a long time.”⁶

The issue of administrative priorities—and their costs—has also been addressed by Benjamin Ginsburg in “Administrators Ate My Tuition: Want to Get College Costs in Line? Start by Cutting the Overgrown Management Ranks.” Ginsburg writes:

Every year, hosts of administrators and staffers are added to college and university payrolls, even as schools claim to be battling budget crises that are forcing them to reduce the size of their full-time faculties. As a result, universities are now filled with armies of functionaries—vice presidents, associate vice presidents, assistant vice presidents, provosts, associate provosts, vice provosts, assistant provosts, deans, deanlets, and deanlings....

The cost of those positions and the expenses that come with them, he argues, must be addressed if colleges are to begin containing costs: “If there is any hope of getting higher education costs in line, and improving its quality—and I think there is, though the hour is late—it begins with taking a pair of shears to the overgrown administrative bureaucracy.”⁷

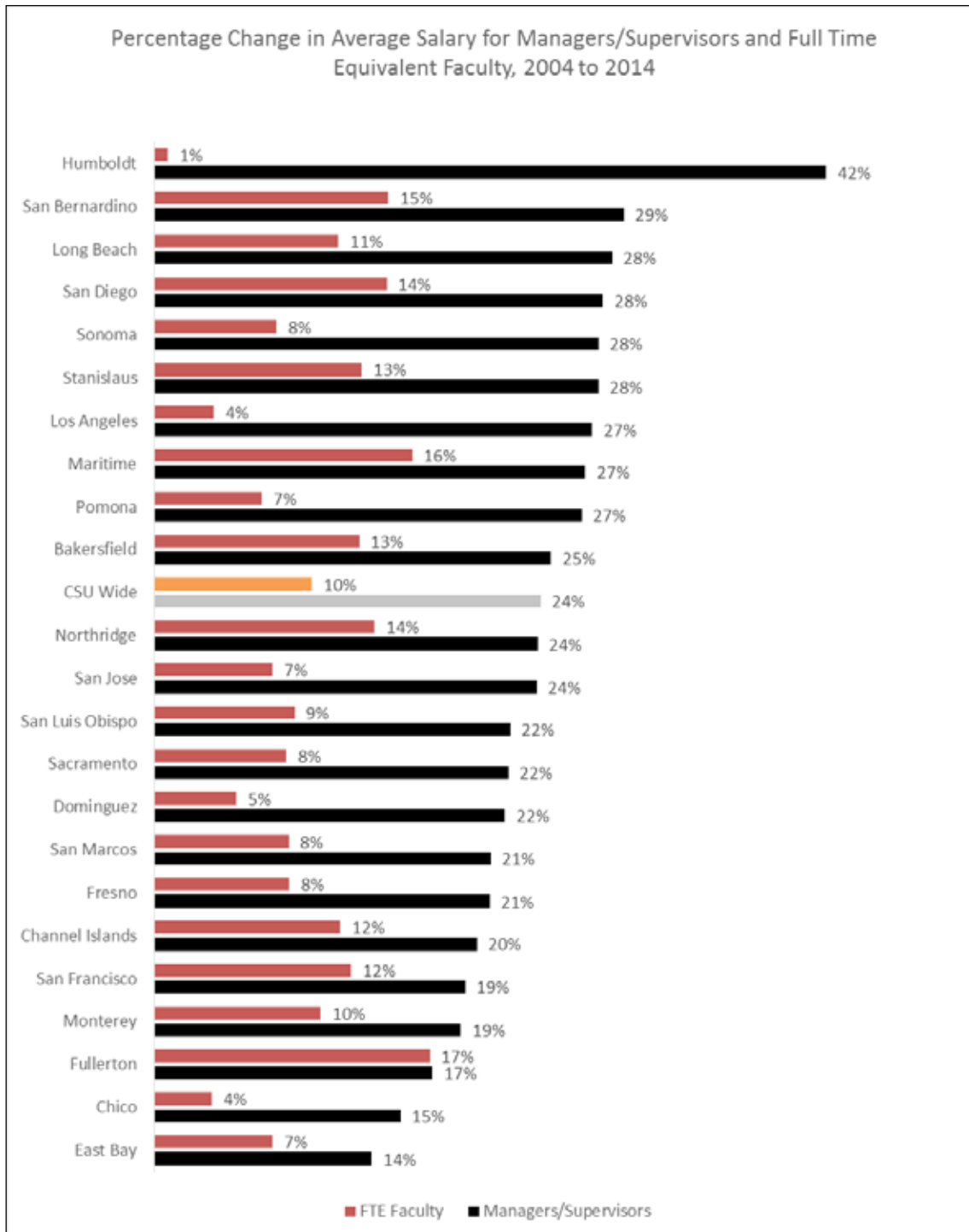
CSU Manager/Supervisor Salaries, 2004-2014

Changes in CSU managerial salaries over the last decade also tell a tale of priorities. Just as managerial positions increased in the CSU during this time, so did the average managerial salary—and at a faster rate

than the average faculty salary.⁸ While the average full-time faculty salary increased by only 10% over the last decade, the average salary for managers and supervisors increased by 24%.

These differential changes have resulted in a widening gap between the salaries of faculty and administrators over the last decade. By the year 2014, the average full-time salary for a CSU manager/supervisor was \$106,149 per year while the average full-time salary for a CSU faculty member was \$64,479*.

What happened at individual campuses is detailed in chart below:



* In 2004, the average full-time salary for a manager/supervisor was \$85,604 and the average full-time salary for a faculty member was \$58,723.

Some notable findings:

- At 22 campuses, the average manager/supervisor salary increased more than the average faculty salary. The standout campus is Humboldt, where the average faculty salary has only increased by a shocking 1% while the average manager/supervisor salary has increased by 42%.
- The one exception to this pattern was Fullerton, where the average salary for managers/supervisors and faculty both increased by 17%.
- On 18 campuses, including Humboldt, San Bernardino, Long Beach, San Diego, Sonoma, Stanislaus, Los Angeles, Maritime Academy, Pomona, Bakersfield, Northridge, San Jose, San Luis Obispo, Sacramento, Dominguez Hills, San Marcos, Fresno and Chico, the gap between average manager salary and average faculty salary widened by more than 10%.⁹

Campus Presidents' Salaries, 2004-2014

Answering the question, "What do CSU campus Presidents make?" is not easy. The published salaries are only a part of the financial support CSU campus Presidents enjoy in their positions. A partial list of these financial supplements and perquisites include:

- **Payment of relocation expenses:** This financial support is often substantial. In 2011, for instance, Jeffrey Armstrong received \$19,178.89 for relocation of his household and \$30,447.25 for fees and other expenses associated with selling his home as part of the deal to become President of California Polytechnic State University, San Luis Obispo.¹⁰

In 2014 Joseph Castro received \$52,354 in home sale fees and expenses when he moved from Mill Valley, California to become campus President at Fresno.¹¹

- **Foundation augmentations of salary:** Following intense criticism in 2011 for hiring the new President at San Diego State at a salary \$100,000 higher than his predecessor, the CSU Trustees began allowing Presidential salaries to be augmented with private foundation funds.¹² As a result of that Board action, several Presidents receive salary augmentations of \$25,000 to \$30,000 from these sources.
- **Housing allowance:** All campus Presidents are given either free use of a university-owned residence or a housing allowance of \$50,000 to \$60,000 per year.
- **Home remodeling funds:** While a number of stories have appeared in the news media criticizing the use of university monies for home remodeling as "extravagant," it continues to occur.¹³
- **Car allowance:** \$12,000 per year.
- **Entertainment expenses:** Amounts of these expenditures are not routinely published for CSU executives, but stories criticizing expenditures as excessive and/or inappropriate have occasionally appeared in the press.¹⁴
- **Travel expenses:** Campus presidents are reimbursed for their travel on university business. Faculty and staff, however, more often than not have to fund travel to professional conferences and research sites using their own salaries.
- **Transition programs:** After they retire from the CSU, campus presidents and other system executives are able to take advantage of several "transition" programs, some of which have raised eyebrows in the past.¹⁵ In 2014, retired Fresno President, John Welty, received a salary of \$148,752 for activities that were

questioned on campus and in the press.¹⁶ Also that year, President Emeritus Rollin C. Richmond received \$223,311 as part of his transition program, and Benjamin Quillian, retired Executive Vice Chancellor and Chief Financial Officer, received \$223,000. In January 2015, it was announced at the CSU Board of Trustees meeting that retired Cal Poly Pomona President Michael Ortiz would also enter the program at a salary of \$226,987.

As this partial list suggests, the CSU has developed a host of methods over the years that enable it to reward campus presidents. Salary alone isn't the only remuneration campus presidents receive.

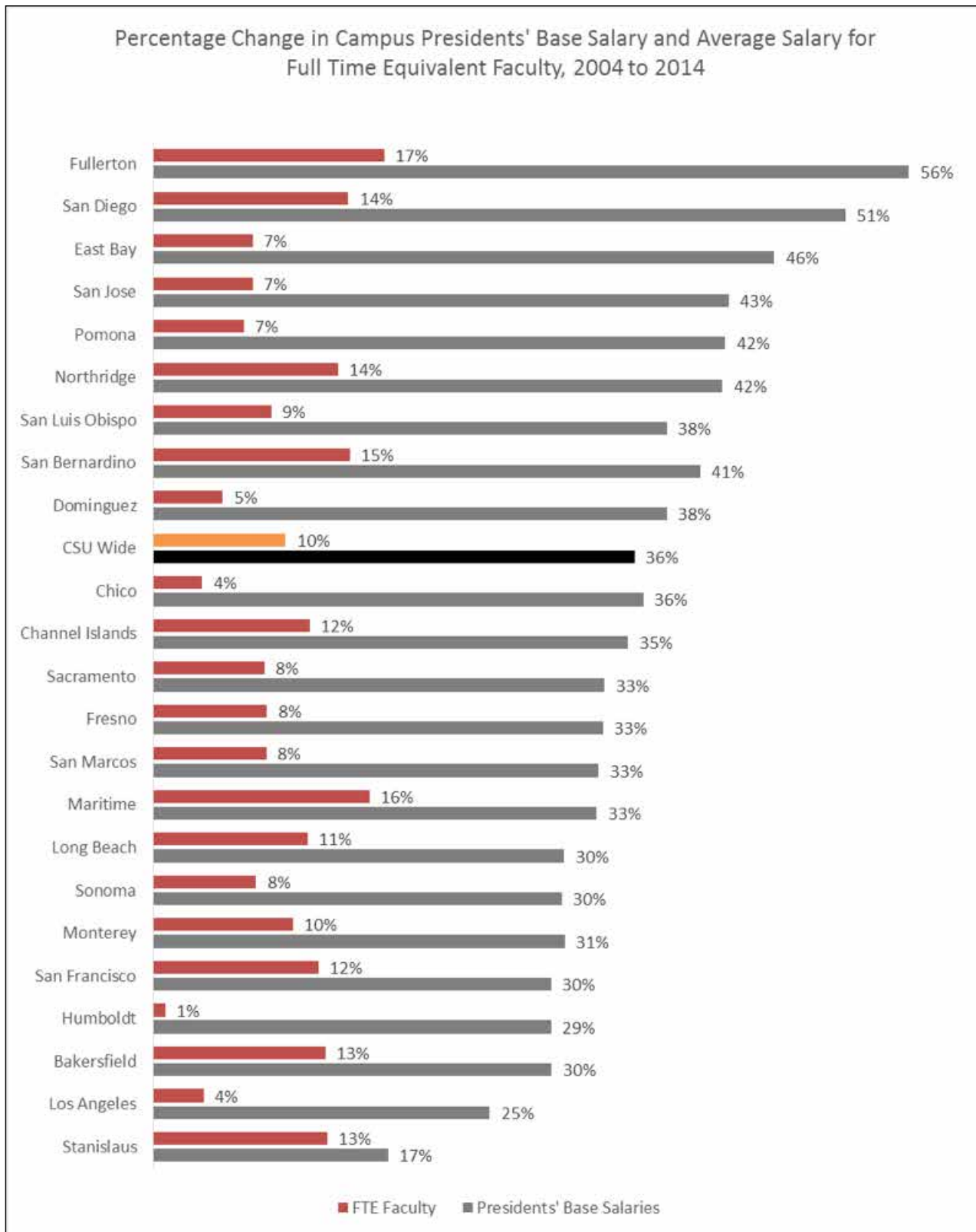
Even if it were, those salaries are handsome, as the details presented at the November 2014 Board of Trustees show.¹⁷

Campus	Presidents	Current Annual Base Pay (State \$)	¹ Current Supplemental Pay (Non-State \$)	Total Annual Salary
Bakersfield	Horace Mitchell	\$285,000		\$285,000
Channel Islands	Richard Rush	\$275,000		\$275,000
Chico	Paul Zingg	\$279,500		\$279,500
Dominguez Hills	Willie Hagan	\$295,000		\$295,000
East Bay	Leroy Morishita	\$303,660		\$303,660
Fresno	Joseph Castro	\$299,000		\$299,000
Fullerton	Mildred García	\$324,500		\$324,500
Humboldt	Lisa Roszbacher	\$297,870		\$297,870
Long Beach	Jane Close Conoley	\$320,329		\$320,329
Los Angeles	William Covino	\$299,000		\$299,000
Maritime Academy	Thomas Cropper	\$250,000		\$250,000
Monterey Bay	Eduardo Ochoa	\$270,315		\$270,315
Northridge	Dianne Harrison	\$295,000	\$29,500	\$324,500
Pomona	J. Michael Ortiz	\$292,000		\$292,000
Pomona	Soraya Coley	\$292,000 ²		\$292,000
Sacramento	Alexander Gonzalez	\$295,000		\$295,000
San Bernardino	Tomás Morales	\$290,000	\$29,000	\$319,000
San Diego	Elliot Hirshman	\$350,000	\$50,000	\$400,000
San Francisco	Leslie Wong	\$298,749	\$26,251	\$325,000
San José	Mohammad Qayoumi	\$328,200	\$25,000	\$353,200
San Luis Obispo	Jeffrey Armstrong	\$350,000	\$30,000	\$380,000
San Marcos	Karen Haynes	\$270,568		\$270,568
Sonoma	Ruben Armiñana	\$291,179		\$291,179
Stanislaus	Joseph Sheley	\$270,000		\$270,000

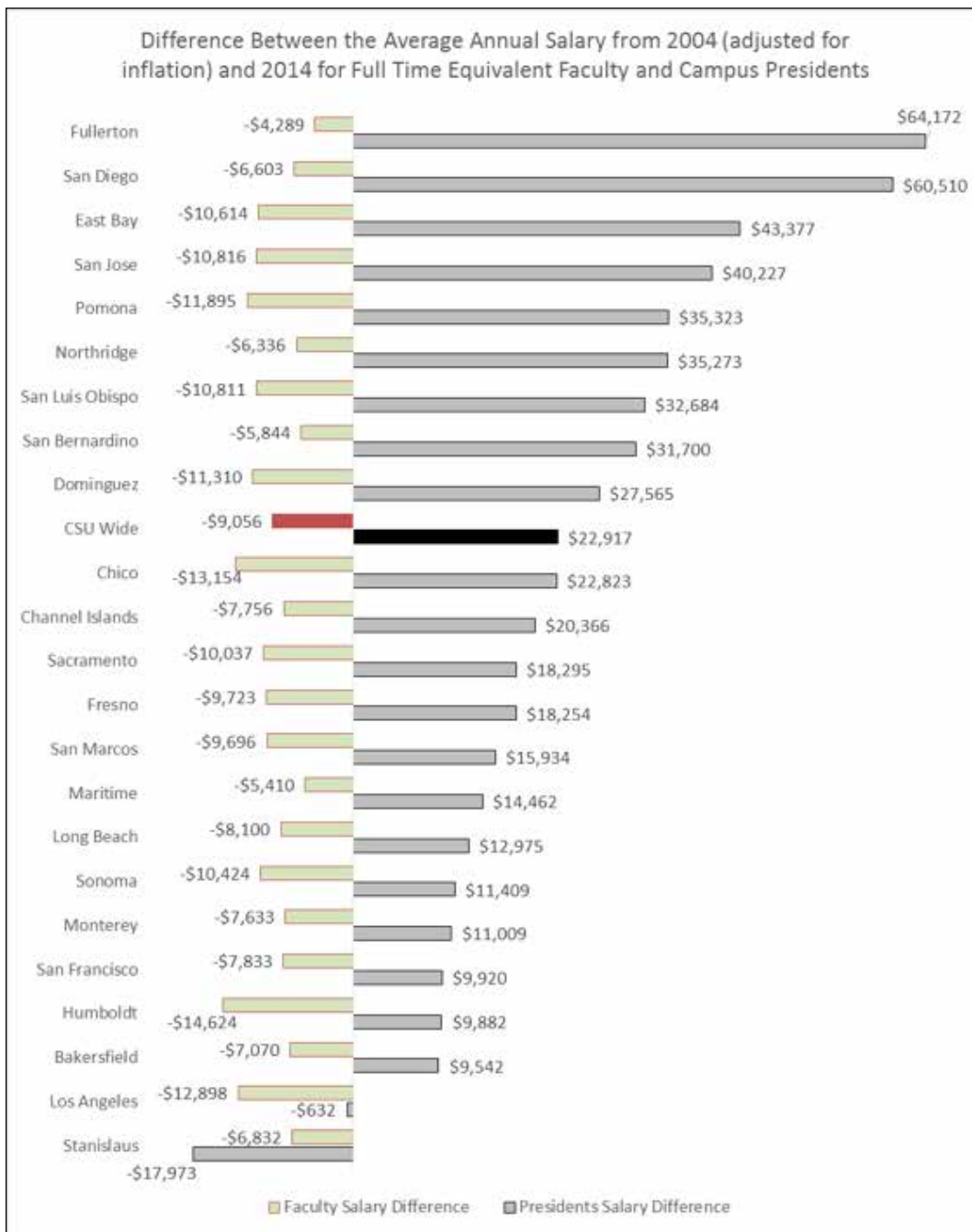
¹Supplemental pay was previously approved by the Trustees and is paid from Foundation sources.
²Salary set in U&FP Item 1 November 12-13, 2014.

As anyone following news regarding the CSU is aware, increases in current campus presidents' salaries resulted from many individual decisions made over countless Board of Trustees meetings over the last 10 years. As the next chart shows, those decisions have added up to very significant increases for campus presidents: the average CSU President's salary grew by 36% since 2004, which is compounded on top of significant increases in the years leading up to 2004.

In what is now a familiar pattern, CSU presidential raises were significantly larger than increases in the average CSU faculty salary from 2004 to 2014. System-wide, the average faculty salary only increased by 10% while the average campus president salary rose by 36%. The gap between campus president's pay and average faculty salary also widened on all 23 campuses.



Changes in percentage are instructive, but they can actually understate the magnitude of the widening gap in actual salaries between campus presidents and CSU faculty over the last decade. A 10% increase in a salary of \$50,000 is, after all, considerably less than a 10% increase in a salary of \$300,000. The next chart translates these percentage changes in salary into dollars and then adjusts them for inflation.



The change in purchasing power for campus presidents' salaries versus that of faculty salaries is stark. System-wide, the gap between average faculty salary and average campus president's salary widened by over \$30,000 in real dollars. The gap was most dramatic at Fullerton, where the chasm grew by over \$68,000.¹⁸

The CSU's Tilt toward Administration

The pattern in the CSU over the last decade could hardly be clearer. In salaries, positions, and expenditures for faculty and administrators, the CSU as a system and at each campus has focused on those at the top.

Many explanations have been offered for why, across the country, college and university resources, positions, and salaries are increasingly tilted toward administration. The CSU story—at least on one level—is not complicated.¹⁹ These trends developed because the CSU leadership has been determined to prioritize

administration and dogged in pursuing that goal.

Part of the campaign to prioritize the CSU administration reconceived campus presidents as CEOs who, naturally, required a salary commensurate with their new status.²⁰ At that time, Chancellor Charles Reed spared no expense commissioning studies designed to prove the inadequacy of presidential salaries and the need for substantial increases. Even in the wake of budget cuts and student fee increases, the administration prioritized executive salaries, making the system's leadership appear utterly tone deaf.²¹ Despite intense criticism from CSU students, staff, faculty, news media, and elected leaders, the Chancellor and the Board of Trustees soldiered on prioritizing the top 1% in the university and leaving everyone else in a struggle to make ends meet.

In short, the CSU's top administration and the Board of Trustees had a goal, they had a plan, and they implemented it. What happened over the last decade was clearly all about their priorities.

Time for a New Priority—Rebalancing the CSU

Nationwide, many have called for “shifting the balance” of priorities away from administration and back toward expenditures that directly affect the quality of a student's educational experience and success.²²

Immediately upon his appointment, Timothy White seemed poised to lead the CSU in that direction. In accepting the position, he took the surprising step of asking for a 10% reduction in the salary CSU Trustees had offered him. The explanation he offered in a letter to the Board of Trustees struck a welcome note for many in the CSU and throughout the state:

By changing the dialogue on my compensation I hope to send a clear signal to the public-at-large, elected officials, the business community, and families of current and future students that public higher education matters to all of us, and that we each must play a part in the rebuilding effort. Working together we must find ways to innovate, sustain excellence, decrease time to earn degrees, and have degrees that have renewed meaning for tomorrow's economy and social mobility.²³

But as this paper shows, it is not enough simply to “change the dialogue” on the Chancellor's compensation or to accept a symbolic salary reduction. The Chancellor's salary is higher than that of the Governor of California, the Justices of the U.S. Supreme Court, and the President of the United States. Chancellor White, the CSU Board of Trustees, and campus presidents must do more to support the core mission of the university. That mission—teaching and supporting those who make our students successful—is critical if we are to truly sustain excellence, foster student success, and rebuild the CSU for the future.

ENDNOTES

¹ Although the focus of this study is on faculty, staff salaries in the CSU have also suffered in recent years.

² Erwin, Andrew and Wood, Marjorie. "The One Percent at State U: How Public University Presidents Profit from Rising Student Debt and Low-Wage Faculty Labor." Institute for Policy Studies, May 21, 2014.

³ For video of this quote, see <http://lybio.net/joe-biden-show-me-your-budget-and-i-will-tell-you-what-you-value/news-politics/>.

⁴ Channel Islands increased its temporary faculty numbers by 139% over the last decade.

⁵ Chancellor White has recently made a budgetary commitment for more tenure-track hires, but given retirements, that number will barely cover replacements for retirements and resignations.

⁶ Carlson, Scott, "Administrator Hiring Drove 28% Boom in Higher-Ed Work Force, Report Says," Chronicle of Higher Education, February 5, 2014.

In a report from the Delta Cost Project, Donna Desrochers Rita and Kirshstein also make an important point about increased support for administration. "The shifting balance" between administrative and faculty positions, they point out, "has played out steadily over time in favor of administrators, and it is unclear when a tipping point may be near." ("Labor Intensive or Labor Expensive? Changing Staffing and Compensation Patterns in Higher Education," Delta Cost Project, February 2014, p. 16.)

⁷ Ginsburg, Benjamin. "Administrators ate my tuition: Want to get college costs in line? Start by cutting the overgrown management ranks." The Washington Monthly, September/October 2011. For Ginsberg's more extended discussion of this topic, see *The Fall of the Faculty: The Rise of the All-administrative University*, Oxford University Press, 2011.

See also Greene J. P., Kisida, B., & Mills. J, (2010, August 17), "Administrative Bloat at American Universities: The Real Reason for High Costs in Higher Education (Goldwater Institute Policy Report No. 239). Phoenix, August 17, 2010.

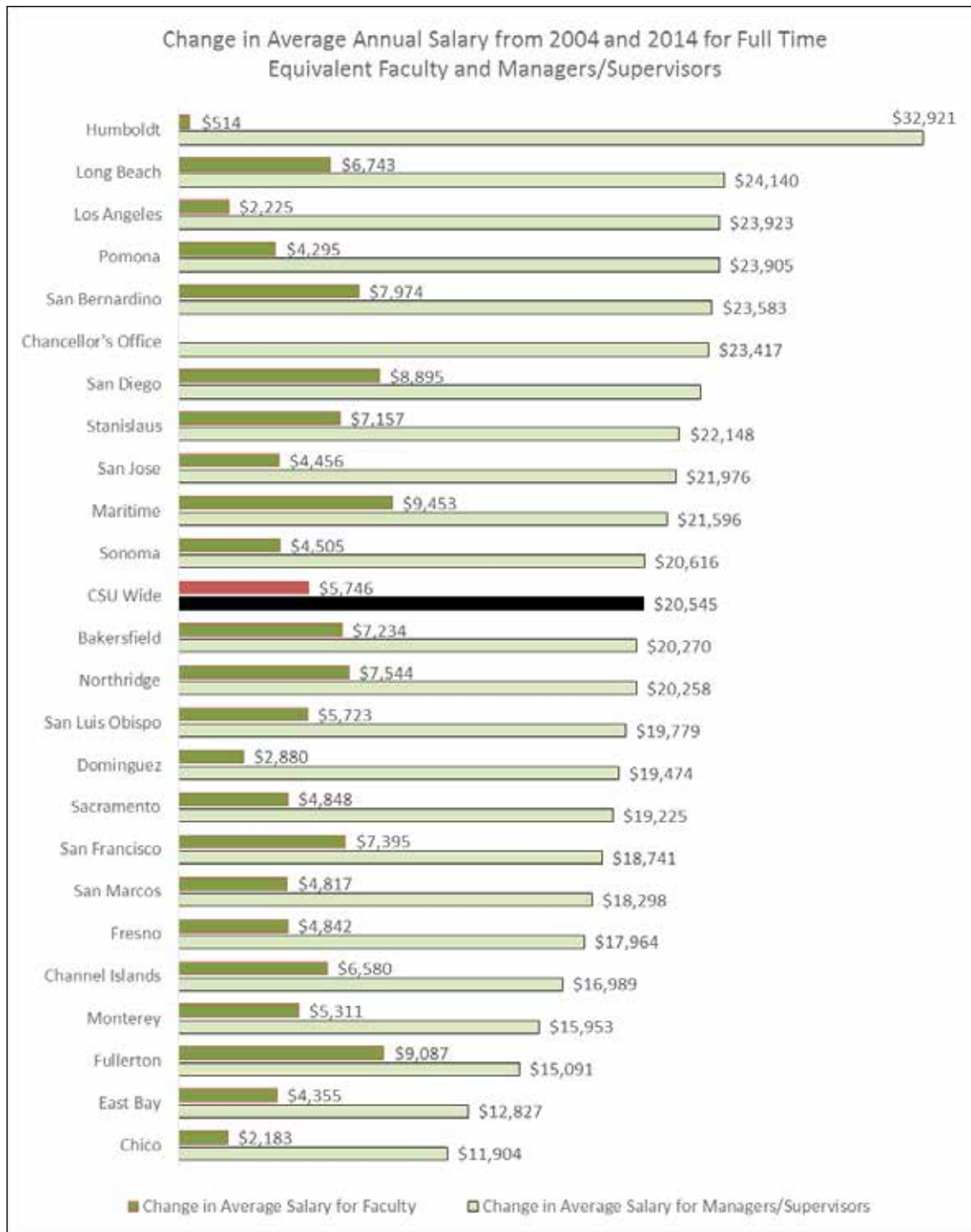
⁸ The average managerial salary has increased through a number of mechanisms, including raises and higher salaries for new hires. As CSU Board of Trustee reports on campus vice-presidents' compensation have shown, "increased responsibilities" is a common explanation for increasing managerial salaries. The chart below, for example, was presented at the September 2011 Board of Trustees meeting:

Existing Vice Presidents – Compensation Changes

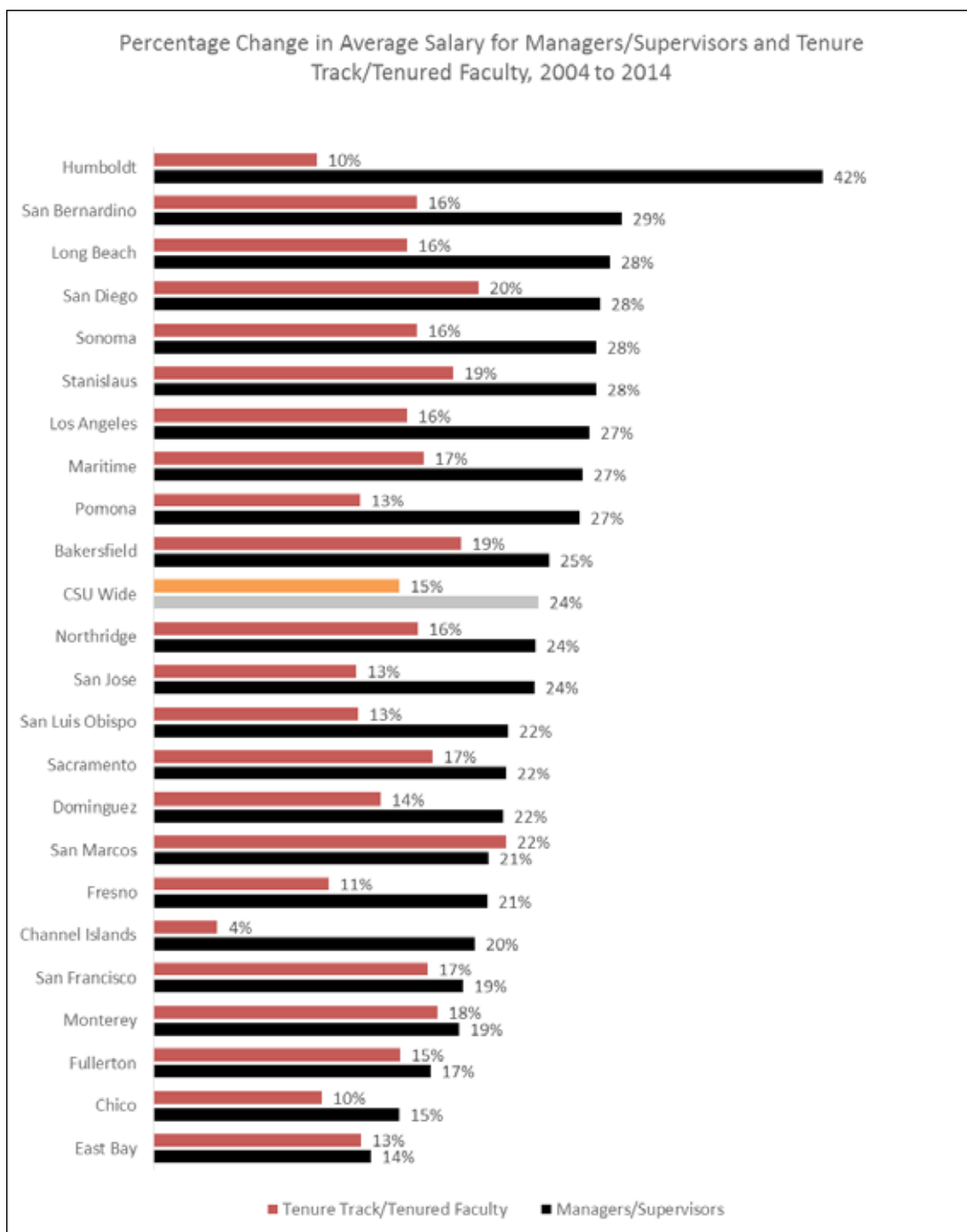
Campus	Name	Title	Effective Date	Description of Action	Incumbent's Old Salary	Incumbent's New Salary	Supplemental Compensation	Funding for Supplemental Compensation
Dominguez Hills	Borrego, Susan	Vice President, Enrollment Services and Student Affairs	7/1/2011	Additional responsibilities	\$175,008	\$185,000		
Dominguez Hills	Rodriguez, Mary Ann	Vice President, Administration and Finance	7/1/2011	Additional responsibilities	\$174,084	\$190,000		
Dominguez Hills	Saks, Gregory	Vice President, University Advancement	7/1/2011	Additional responsibilities	\$160,008	\$185,000		
Fullerton	Hillman, Pamela	Vice President, University Advancement	9/1/2010	Additional responsibilities	\$194,856	\$200,148		
Humboldt	Nordstrom, Burt	Vice President, Administrative Affairs	3/1/2011	Additional responsibilities	\$184,000	\$193,000		
Maritime	Dunworth, Thomas	Vice President of Advancement and Executive Director of the Foundation	1/1/2011	Change in appointment status - temporary to regular MPP	\$169,500	\$157,500		
Sacramento	Varlotta, Lori	Vice President, Student Affairs	1/1/2011	Additional responsibilities	\$180,672	\$194,000		
San Bernardino	Sharp, Larry	Vice President, University Advancement	7/1/2011	Supplemental Compensation	\$200,000	\$200,000	Auto Allowance \$450/month	Non-General Funds

Given the increases in student population and the lagging numbers in faculty over the last decade, many faculty are dismayed that pay raises have not been forthcoming for the “increased responsibilities” they have shouldered over the last decade.

⁹The chart below shows these changes for faculty and manager/supervisor salaries in dollar figures:



Similar patterns exist in changes of tenure-track faculty and manager/supervisor salaries. As the chart on the next page shows, the change in average salary for managers was greater than the change in average salary for tenure-track faculty on 22 campuses. On only 1 campus, San Marcos, did the average tenure-track/tenured faculty salary grow more than the average manager/supervisor salary, but the difference in increase was only 1% more.



¹⁰ CSU Board of Trustees, Committee on University and Faculty Personnel, September 20-21, 2011, "Executive Compensation: Annual Executive Relocation." Report viewed at <http://www.calstate.edu/bot/agendas/sep11/UFP.pdf>.

¹¹ CSU Board of Trustees, Committee on University and Faculty Personnel Committee, November 12-13, 2014, viewed at <http://www.calstate.edu/bot/agendas/nov14/UFP.pdf>.

¹² This Board action was quite controversial not only because it occurred at the same meeting where the Board of Trustees also raised student fees by 12%, but also because some viewed the use of private money to pay public employee salaries as problematic. For a recent article on the topic, Carla Rivera's article in the Los Angeles Times, "Using private funds for Cal State execs' pay creates its own problems," January 28, 2015. Viewed at <http://www.latimes.com/local/california/la-me-cal-state-pay-20150128-story.html>.

¹³ See, for example, the report by Erica Perez, “CSU spends \$2M on presidential home renovations,” California Watch, May 29, 2012. Viewed at <http://californiawatch.org/dailyreport/csu-spends-2m-presidential-home-renovations-16322>.

¹⁴ See, for example, Senator Ted Lieu’s letter sent to Chancellor Reed on May 8, 2012 (viewed at http://www.calfac.org/sites/main/files/file-attachments/lieu_051212.pdf) and the investigative report by CBS Los Angeles, “Investigation Reveals Questionable Spending by CSU Chancellor’s Office” (viewed at <http://losangeles.cbslocal.com/video/7179307-investigation-reveals-questionable-spending-by-csu-chancellors-office/>.)

¹⁵ See, for example, Jim Doyle’s articles in the San Francisco Chronicle at <http://www.sfgate.com/education/article/CSU-to-consider-10-higher-fees-presidential-perk-2610709.php> and <http://www.sfgate.com/education/article/LONG-BEACH-Chancellor-defends-CSU-s-policies-2531440.php>.

¹⁶ For news articles and editorials criticizing Welty’s transition deal, see http://www.fresnobee.com/2015/01/22/4343636_ex-fresno-state-presidents-new.html?rh=1, <http://www.desertsun.com/story/news/2015/01/18/john-welty-cal-state/21949793/>, and <http://www.desertsun.com/story/opinion/editorials/2015/01/21/voice-csusb-welty-professorship/22139893/>.

¹⁷ This chart, including an extra column providing details of increases to campus Presidents for 2014-2015, was presented at the November 12-13, 2014 Board of Trustees meeting. Since faculty raises had not yet been computed or added to faculty salaries, we have removed these columns to provide an “apples-to-apples” comparison of faculty and campus presidents’ salaries.

¹⁸ To his credit and in contrast to Chancellor Reed’s practice, Chancellor White has hired some new campus Presidents at the same salary as their predecessor. But that practice has been put in place after salaries have been ratcheted up by 36% over the past decade.

¹⁹ A number of explanations have been offered for why administrative salaries have been rising so fast in colleges and universities in recent years. For instance, some argue that the decline in shared governance (as a system of checks and balances) and increased managerial control over expenditures in universities helps account for the phenomenon. See, for instance, <http://chronicle.com/article/Administrative-Bloat-How-Much/135500/>. Nov 1, 2012.

For discussion of a number of organizational causes, see Leslie, L. L., & Rhoades, G. (1995), “Rising Administrative Costs: Seeking Explanations,” *Journal of Higher Education*, 66(2), 187–212. Viewed at <http://www.jstor.org/discover/10.2307/2943911?sid=21106034830613&uid=2&uid=4>.

²⁰ Constantine Curris, President Emeritus of the American Association of State Colleges and Universities, has given one explanation for why the comparison of college presidents to private sector CEOs is misguided: “Governing boards have also often...equate[ed] the compensation levels of college executives with salaries in the corporate world. That rationale stretches the public’s credulity. It could be argued that, if comparisons outside higher education are to be made, why not compare presidential salaries to those of executives in the nonprofit world, or possibly to elected officials like mayors or governors? The strongest argument, it should be noted, is that there is no true analogue for the academic presidency.” (“How to Stop the Arms Race in Presidential Pay,” *Chronicle of Higher Education*, December 6, 2009. Viewed at <http://chronicle.com/article/How-to-Stop-the-Arms-Race-i/49328/>).

Others have questioned the model of high pay for private sector CEOs. Even though corporate managers like to defend their high salaries by arguing that these rates of pay are necessary to attract and retain top talent, considerable evidence shows that extravagant pay packages are characteristic of crash-and-burn corporations like Enron, while long-term successful companies like Southwest Airlines keep a firm ratio between executive pay and that of the average worker. As a piece in *The New Yorker* concluded, “The talent myth assumes that

people make organizations smart. More often than not, it's the other way around." (See article at <http://www.newyorker.com/magazine/2002/07/22/the-talent-myth>.)

²¹ Statements made by Chancellor Reed and members of the Board of Trustees regularly angered CSU students, faculty, and staff.

Reed, for instance, repeatedly argued for the importance of campus Presidents and what he framed as the "hardships" they faced because of low CSU pay. For instance, at one Board of Trustees meeting, he offered as evidence that "there is a salary cap of \$245,000 when calculating retirement benefits, so their pension will not be based on their compensation." To many this hardly sounded like a hardship. (Statements recorded in the Minutes of the Committee on University and Faculty Personnel, July 12, 2011. Viewed at <http://www.calstate.edu/bot/agendas/sep11/UFP.pdf>.)

At a meeting where the Board of Trustees voted for 10% raises for campus presidents, Trustee Roberta Achtenberg announced: "I'm only sorry that we can't pay them more." Report viewed at <http://www.calfac.org/headline/out-touch-trustees-again-award-massive-raises-campus-presidents>.

In talking with news reporters about that decision to raise campus president salaries by 10% at the same meeting that trustees were also voting for a tuition increase, CSU spokesperson, Michael Uihencamp, said: "It's such a small part of our budget; it's more symbolic than anything." See the California Watch report at <http://californiawatch.org/dailyreport/new-csu-presidents-slated-get-maximum-pay-increases-15361>.

Faculty, staff, and student anger as well as public criticism over administrative actions on executive compensation were only fueled by comments such as these.

²² Richard Vedder, Director of the Center for College Affordability and Productivity, has argued for shifting the balance in colleges and universities back toward their core missions of teaching and research. "We need to get back to basics," he argues.

Robert E. Martin, Emeritus Boles Professor of Economics at Centre College, makes a similar point: "The balance between people who are actually in the trenches and those who are overseeing that work has gotten grossly out of line. That imbalance is one of the primary reasons for why costs grew so out of control over the last three decades." Quotes viewed at <http://chronicle.com/article/Administrative-Bloat-How-Much/135500/>.

²³ Chancellor White's letter to the Board of Trustees can be viewed at: http://ddcache2.net/calfac.SE277/sites/main/files/file-attachments/chancellor_white_letter_-_salary.pdf.

About the authors

This paper is a collaborative work by members of the California Faculty Association, all of whom are faculty of the California State University system. © 2015 CFA All Rights Reserved

METHODOLOGICAL ENDNOTES AND DATA SOURCES

CSU Net Operating Budget

Where possible, fiscal year revenues and expenditures use prior years' "Actuals" as reported in CSU's fiscal year budget coded memos. Operating budget is defined as the total general fund transfers from the state plus all student fees and tuition revenues (including campus based fees) minus any discounts that the CSU may have provided students through the Student University Grants program or other tuition fee discounts.

California State University. Budget Office. Fiscal Year Budget Coded Memos, Revised and Final Budget Allocations. <http://www.calstate.edu/budget/fybudget/coded-memos/>

Faculty Salary Expenditures

Each year's faculty salary pool calculations were estimated from the fall (October payroll) PIMS file. This monthly data includes All Faculty in the data, and is generated from the "Salary" column, which takes into account Base Salary and Time Base for a monthly earnings calculation. This was multiplied by 12 and summed in order to generate an annual salary expenditure for all faculty.

Chancellor's Office of California State University. Personnel/Payroll Information Management System (PIMS) Extract for October Years 2004 through 2014. All Unit 3/Faculty Salaries. <http://www.calstate.edu/hr/>

Manager/Supervisors Salary Expenditures

The CSU's Management Personnel Program (MPP) payroll snapshot for October 2004 through October 2014 was used to calculate the system wide expenditures for manager and supervisor classifications. Each October snapshot includes a monthly salary column that was multiplied by 12 in order to generate an annual salary expenditures.

California Faculty Association. Management and Executives, Data on CSU Management and Executive Compensation for October Years 2004 through 2014. <http://www.calfac.org/managementexecutives>

Full Time Equivalent Faculty

Faculty population is measured using the CSU's fall (October) PIMS file. This data includes all faculty (instructional and others) and their associated time base. The fall snapshot is used to characterize the annual faculty level for headcount and full-time equivalent faculty because it is one of the most populous payroll periods throughout the year. The data for 2004 and 2014 was subdivided by "tenure status" in order to track changes along tenure track, tenured and temporary categories.

Chancellor's Office of California State University. Personnel/Payroll Information Management System (PIMS) Extract for October Years 2004 and 2014. <http://www.calstate.edu/hr/>

Full Time Equivalent Managers/Supervisors

The manager and supervisor population is measured using the CSU's Management Personnel Program (MPP) payroll snapshot for October. This data includes all managers and supervisors and their associated time base. For the MPP population, the fall snapshot is used to characterize the annual manager and supervisor staffing levels because it is one of the largest payroll periods throughout the year. Nearly all MPP appointments are full time and over 12 months, so the staffing level fluctuation from one month to the next is low when compared to faculty, for example.

Chancellor's Office of California State University. Personnel/Payroll Information Management System (PIMS) Extract for October Years 2004 and 2014. <http://www.calstate.edu/hr/>

Manager/Supervisors Average Salary by Campus

The CSU's Management Personnel Program (MPP) payroll snapshot for October 2004 through October 2014 was used to calculate the combined average salary for all managers and supervisors at each campus for 2004 and 2014. The change in average salary was calculated from these statistics. Nearly all MPP appointments are full time and over 12 months, so the fluctuation in average salary statistics from one month to the next is low when compared to faculty, for example

California Faculty Association. Management and Executives, Data on CSU Management and Executive Compensation for October Years 2004 and 2014. <http://www.calfac.org/managementexecutives>

Average FTE Faculty Salaries

The CSU's fall (October payroll) PIMS file was used to calculate the average faculty salary by campus for 2004 and 2014. This calculation relies on Base Salary in order to measure the full time equivalent salary for all faculty regardless if their time base is less than full time.

Chancellor's Office of California State University. Personnel/Payroll Information Management System (PIMS) Extract for October Years 2004 and 2014. All Unit 3/Faculty Base Salaries. <http://www.calstate.edu/hr/>

Executive and Campus Presidents' Annual Salary

Executives and campus presidents' compensation data was aggregated from CSU's board of trustees agendas for the "Committee on University and Faculty Personnel" and the CSU's executive compensation summaries. The data is reported as annual salaries.

The California State University Executive Compensation. Board of Trustees Agendas, Notices Archive. Available at: <http://www.calstate.edu/bot/notices/>

The California State University Executive Compensation. CSU Executive Compensation Summary. Available at: https://www.calstate.edu/exec_comp/

CPI Data—California Department of Finance

We use the California CPI for All Urban Consumers to adjust the 2004 salary data to 2014 dollars.

California Department of Finance, Financial and Economic Data. Calendar Year Averages: From 1950. All Urban Consumers, California. Extracted from: http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Price.htm