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## CSU executives given pay raises, raising ire of faculty and students

**By Sherry Saavedra**  
UNION-TRIBUNE STAFF WRITER

September 20, 2007

LONG BEACH – Twenty-six top California State University executives received pay raises yesterday, averaging 11.8 percent, as part of a plan to make wages more competitive.

Chancellor Charles Reed will earn \$421,500 under the pay increase approved by the system's trustees, up from \$377,000.

Twenty-two campus presidents received salary boosts that raise their pay to between \$258,680 and \$328,209 annually. Stephen Weber, president of San Diego State University, will earn \$299,435 while Karen Haynes, president of Cal State San Marcos, will receive \$270,568.

The increases were proposed after a study by a San Francisco consulting group that showed CSU executive compensation lagged 46 percent behind that for comparable institutions in 2006.

"I have tried to recruit people to come to California, and I have been turned down numerous times because the compensation lags in California," Reed said.

But the boost drew outrage from the California Faculty Association and others.

"Faculty, students and staff are uniformly stunned that the board would use the first meeting of the school year to focus its attention once again on increasing executive salaries," union President Lillian Taiz said.

Student speakers complained about escalating CSU systemwide fees, which grew from \$1,428 annually in 2001 to \$2,772 today. That's in addition to fees on individual campuses.

Lt. Gov. John Garamendi, an ex-officio member of the CSU board, said yesterday's move was unwarranted and that "I see no evidence that we're having trouble recruiting outstanding people or retaining outstanding people." He cast a dissenting vote in the 14-2 decision.

The board also adopted a compensation policy that included a goal of eliminating the executive and faculty salary lags by the 2010-11 academic year.

"This is the first step in a four-year process that . . . will increase on average the salaries of the presidents and executive officers some 46 percent," Garamendi said. "That is a problem."

Some legislators are also critical of the pay increases, including the writers of two executive compensation reform bills – Sen. Leland Yee, D-San Francisco, and Assemblyman Anthony Portantino, D-La Cañada-Flintridge.

The bills, AB 1413 and SB 190, have been passed by the Legislature and are awaiting Gov. Arnold Schwarzenegger's signature. Among other things, the bills would ensure discussions about executive pay are done publicly in the CSU and University of California systems, that boards provide a rationale for compensation approvals, and executives leaving their posts only receive "transition pay" for actual work performed.

Jeffrey Bleich, vice chairman of the board, justified the increase.

He said it's a politically unpopular move, and that the board can put it off. That's how the CSU system ends up with salaries that lag 46 percent behind those at comparable institutions, he added.

“The notion that we're giving lavish pay to executives, that we are giving them the sort of Enron-style perks and CEO pay – no, it's not even close,” Bleich said.

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## CSU leaders to get raises of up to 12%

BY KEVIN BUTLER, Staff Writer  
LA Daily News

Article Last Updated: 09/19/2007 11:37:58 PM PDT

LONG BEACH - Over the objections of some students and faculty, California State University trustees voted Wednesday to boost executives' salaries as much as 12 percent in an effort to make them more competitive with other institutions.

The board's 14-2 vote raised the salary of CSU Chancellor Charles B. Reed from \$377,000 to \$421,500, while Long Beach State President F. King Alexander will get a raise from \$291,208 to \$320,329. All the other campus chiefs got comparable increases except Mildred Garcia, president of CSU Dominguez Hills, who is new to the job.

Trustees said the pay hikes were necessary to recruit and retain high-quality executives, who often can find greater salaries and retirement benefits elsewhere.

"We have suffered because our salaries lag so far behind," said Jeffrey Bleich, the board's vice chairman.

But California Lt. Gov. John Garamendi, who also serves as a trustee, said the raises were a "very serious mistake." He argued that the hikes were excessive and inappropriate at a time when students have faced a recent string of fee increases. He also said he saw no evidence that salary levels were affecting recruiting and retention. "If any of the presidents are leaving, that's news to me," said Garamendi, who joined Trustee Ricardo Icaza in voting against the hikes.

Students speaking at the meeting said the salary increases were unfair considering that they have seen fee increases and overcrowded classrooms.

"We simply do not understand why our funding is lining the pockets of CSU executives instead of investing it in the classroom," said 22-year-old Angela Stubbs, a senior at CSU San Marcos.

The trustees had hired Mercer Human Resources Consulting, which reported in July that the average \$259,435-a-year salary of a CSU president lags 46 percent behind the salaries of 20 other institutions surveyed.

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**September 19, 2007**

## **CSU Regents to Vote on Controversial Presidential Pay Hike**

Elsewhere in the Golden State, the California State University Board of Trustees will vote today on a proposal that would raise the salaries of Chancellor Charles Reed, his four chief deputies, and 23 campus presidents by an average of nearly 12 percent, *The San Francisco Chronicle* [reports](#).

A university spokeswoman told the reporter, Jim Doyle, that higher salaries are needed for the system to stay competitive as chief-executive pay continues to increase at universities nationwide. But some state legislators, CSU faculty members, and students have called the plan excessive and ill-timed, as it comes as “CSU negotiators have turned down a proposed 3.6 percent pay increase for nonteaching staff” and tuition is on the rise, Doyle writes.

If approved, the raises would take effect retroactively on July 1, and Reed and other top administrators would receive lump-sum checks, Doyle writes. “The average salary increase for CSU’s top 28 executives would be 11.8 percent – ranging between 9 and 18 percent. For example, the salary of Robert Corrigan, president of San Francisco State, would rise 10 percent from \$271,590 to \$298,749,” Doyle concludes.

By Gabriela Montell | Posted on Wednesday September 19, 2007 | [Permalink](#)

## Top CSU execs handed raises of as much as 18 percent

Jim Doyle, Chronicle Staff Writer

Thursday, September 20, 2007



The governing Board of Trustees of California State University gave approval Wednesday for executive pay increases ranging from 9 percent to 18 percent for Chancellor Charles Reed, his four top deputies and 23 campus presidents.

Reed, whose salary will go from \$377,000 a year to \$421,500 (plus a \$30,000-a-year retirement bonus), said the latest salary increases are needed to begin to bridge a salary gap with other comparable institutions, public and private.

As of now, Reed's salary is more than double that paid to Gov. Arnold Schwarzenegger, who earns \$206,500 annually. The governor's pay will go to \$212,174 in December.

The trustees voted 14 to 2 to adopt the pay increases, which average 11.8 percent and will be retroactive to July 1. The majority also signaled its intent to raise executive pay by a total of 46 percent in the next four years.

To bolster the case for pay raises, Reed and trustee chairwoman Roberta Achtenberg have often cited a 2006 salary study by San Francisco's Mercer Human Resource Consulting, which has compared the salaries of 20 colleges nationwide, including elite private colleges such as Tufts University and the University of Southern California.

The Mercer study concluded that the salaries of top CSU executives lagged behind their counterparts at public and private colleges by 46 percent; but when the total compensation packages - including salaries, retirement benefits and perks such as free housing - were compared, CSU executives only lagged by 12 percent.

Two trustees voted against the salary hike. Lt. Gov. John Garamendi, an ex officio member of the board, called the raises offensive and untimely. Ricardo Icaza, of Los Angeles, said it was absurd to raise executive salaries while some students are working more than one job to pay for their education.

"The board's vote today for executive compensation is unconscionable and further increases the wage disparity between CSU executives, and faculty and staff," said Garamendi, who is paid \$154,875 annually as lieutenant governor. "At a time when students have seen a 94 percent increase in fees since 2002, the CSU Board of Trustees have given the executives another lavish pay raise."

Student fees were \$1,428 in 2002; this year they are \$2,772.

"Just last January, I was the sole vote against a 4 percent retroactive increase for these same 28 executives," Garamendi said. "I think this policy is wrong-headed, ill-timed and will ultimately lead to further increases in student fees."

He said there has been no indication in recent years that "any executive is leaving for lack of pay or that we're having trouble finding quality executives at the presidential level or the system level."

The board's action came one day after Garamendi appealed to his fellow trustees to delay their vote on executive pay until after Gov. Arnold Schwarzenegger decides whether to sign reform legislation that aims to increase public scrutiny of the CSU's executive pay decisions, including the award of contracts and extra compensation after executives leave their jobs.

Speculation that students would protest the pay raises failed to materialize. Only a handful of student leaders and faculty members spoke against the plan.

The California Faculty Association agreed last spring to a four-year contract totaling 24 percent in pay increases. As part of that deal, the faculty has thus far received about 7.75 percent in salary increases, including a 3 percent raise that was made retroactively effective on July 1, 2006.

Garamendi pointed out that a \$40,000 or so salary increase for a top executive is greater than the annual pay of a non-tenured assistant professor or a groundskeeper at the university.

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# Cal State managers win hefty raises

## TRUSTEE GARAMENDI CALLS 12% PAY HIKES 'JUST OUTRAGEOUS'

By Matt Krupnick  
MediaNews  
San Jose Mercury News

Article Launched:09/20/2007 01:33:23 AM PDT

California State University's best-paid managers won hefty raises Wednesday as trustees said they should not have to sacrifice quality leaders because of political pressure.

The board of trustees voted 15-2, to give the chancellor, campus presidents and other executives raises of \$30,000 to \$45,000 per year, averaging nearly 12 percent.

The board members meeting in Long Beach dismissed concerns of faculty members and other employees, students and legislators.

"You can't have good institutions without being able to retain the best or recruit the best," said trustee Jeff Bleich.

Repeating points he made in a letter to Chancellor Charles Reed, Lt. Gov. John Garamendi, who is also a trustee, urged the board to hold off.

"I think it is a very serious mistake in public policy," Garamendi said. "I know everybody would like a pay increase, but . . . this is just outrageous."

The vote followed criticism from student, faculty and employee leaders, who told trustees the raises would be wrong, given the political climate. Legislators repeatedly have taken the university to task over the past year because of its compensation practices.

Reed told the board the 23-campus system increasingly has had trouble attracting executives who would be paid significantly more in other states. New executives are being offered more money by Cal State than is earned by presidents who have been with the university for many years, he said.

Raises will help the university partially overcome a 46-percent pay gap between Cal State's executive salaries and those at 20 comparable universities, Reed said.

"I have been turned down numerous times because of the compensation lags in California," he said.

The raises "will help us avoid having vice presidents making more than some presidents."

The raise boosts Reed's salary to \$421,500, while four campus presidents will make at least \$300,000. No presidents made that amount before the vote, although they had a raise less than a year ago.

The vote came as Gov. Arnold Schwarzenegger considered two bills that would open Cal State pay policies to greater scrutiny. Garamendi and other speakers urged the board to delay its vote until the governor had made his decision.

Some trustees said there is never a good time to raise executive salaries, but that it needed to happen.

Despite a need for qualified leaders, university administrators make easy targets for Cal State critics, said Bleich.

"They are not starving," he said. "They're just an easy symbol to attack based on what we dislike about society generally."

But student leaders said the board instead should decrease student fees or raise faculty salaries, which lag about 15 percent behind those at comparable schools. Recent faculty raises haven't done enough to support professors, said Adam Haverstock, student body president at Cal State-Northridge.

The executive raises are "neither timely nor appropriate," he said. "Increasing the faculty's pay was about giving faculty the ability to raise a family in California."

During a separate discussion on increased graduate student fees, Garamendi also pleaded for an end to student fee hikes, which

have ranged between 7 and 10 percent per year for undergraduates. Both the Cal State and University of California systems were considering graduate fee increases this week.

"For God's sake, tax the corporations, don't tax the students," said Garamendi, who also is a UC regent.

"We've got to get the courage as trustees and regents to say enough already. We are no longer a public institution."

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## Cal State OKs execs' pay hikes

By Matt Krupnick, MediaNews Staff  
Inside Bay Area

Article Last Updated:09/19/2007 07:01:08 PM PDT

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