

Assembly Bill No. 1413

Passed the Assembly September 11, 2007

Chief Clerk of the Assembly

Passed the Senate September 7, 2007

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 66602 of, and to add Sections 66602.8 and 89504.7 to, the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL’S DIGEST

AB 1413, Portantino. Public postsecondary education: California State University: trustees.

(1) Existing law establishes the California State University, under the administration of the Trustees of the California State University, as one of the segments of public postsecondary education in this state.

This bill would express findings and declarations of the Legislature, as well as the intent of the Legislature, relating to executive compensation of top officials of the California State University.

(2) Under existing law, the trustees are composed of a total of 25 members, which include 5 specified ex officio members, a representative of the alumni associations of the university, 16 members appointed by the Governor, subject to confirmation by $\frac{2}{3}$ of the membership of the Senate, for 8-year terms, and 2 California State University students and one California State University faculty member appointed by the Governor for 2-year terms.

This bill would authorize any ex officio trustee to designate a staff person to attend a meeting or meetings of the board in his or her absence, and would prohibit a staff person designated under this provision from attending closed sessions of the board. The bill would prohibit an ex officio trustee from designating more than one staff person to attend board meetings in any calendar year.

(3) Existing law authorizes the trustees to select a chief executive officer for the university, known as the Chancellor of the California State University, to employ other officers and employees, and to delegate powers and responsibilities to these individuals. Existing law authorizes the university to operate 25 institutions of higher education at designated locations throughout the state.

This bill would prohibit the trustees, on and after January 1, 2008, from approving a contract for the hiring of an executive officer, as defined, unless and until that contract and its terms are adopted, by resolution, in a duly noticed meeting of the board.

The bill would require that, to the extent that the trustees provide executive officer compensation in the form of transition pay at the time an executive officer, as defined, ceases to perform his or her regular duties, that transition pay would not exceed the compensation, as defined, being received by that executive officer in the last year of regular duties, and would only be paid for actual duties performed. The bill would provide that, to the extent the trustees provide executive compensation in the form of trustee professorships at the time an executive officer, as defined, ceases to perform his or her regular duties, no compensation, as defined, would be paid unless it is paid in consideration for actual teaching and does not exceed the amount a full professor of the California State University would be paid for a similar teaching assignment. The bill would exempt from these provisions employment agreements approved by the trustees and implemented prior to January 1, 2008.

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares that reports regarding executive compensation for the top officials of the California State University system reveal a need for improved communication between the Trustees of the California State University and the Legislature and the need for immediate reforms related to excess compensation.

(b) Therefore, it is the intent of the Legislature to allow for improved communication between the California State University and the Legislature, and to make some immediate reforms in executive compensation.

SEC. 2. Section 66602 of the Education Code is amended to read:

66602. (a) (1) The board shall be composed of the following five ex officio members: the Governor, the Lieutenant Governor, the Superintendent of Public Instruction, the Speaker of the Assembly, and the person named by the trustees to serve as the Chancellor of the California State University; a representative of

the alumni associations of the state university, selected for a two-year term by the alumni council, California State University, which representative shall not be an employee of the California State University during the two-year term; and 16 appointive members appointed by the Governor and subject to confirmation by two-thirds of the membership of the Senate.

(2) Any ex officio member of the board may designate a staff person to attend a meeting or meetings of the board in his or her absence. A staff person designated pursuant to this paragraph shall not attend any closed session of the board. No more than one staff person may be designated under this paragraph to attend board meetings in any calendar year.

(b) (1) Two students from the California State University, who shall have at least a junior year standing at the institutions they attend, and who remain in good standing as students during their respective terms, shall also be appointed by the Governor for two-year terms.

(2) In the selection of students as members of the board, the Governor shall appoint the students from lists of names of at least two, but not more than five, persons furnished by the governing board of any statewide student organization that represents the students of the California State University and the student body organizations of the campuses of the California State University. Any appointment to fill a vacancy of a student member shall be effective only for the remainder of the term of the person's office that became vacated.

(3) The term of office of one student member of the board shall commence on July 1 of an even-numbered year and expire on June 30 two years thereafter. The term of office of the other student member of the board shall commence on July 1 of an odd-numbered year and expire on June 30 two years thereafter. Notwithstanding paragraph (1), a student member who graduates from his or her college or university on or after January 1 of the second year of his or her term of office may serve the remainder of the term.

(4) During the first year of a student member's term, a student member shall be a member of the board and may attend all meetings of the board and its committees. At these meetings, a student member may fully participate in discussion and debate, but may not vote. During the second year of a student member's

term, a student member may exercise the same right to attend meetings of the board, and its committees, and shall have the same right to vote as the members appointed pursuant to subdivision (a).

(5) Notwithstanding paragraph (4), if a student member resigns from office or a vacancy is otherwise created in that office during the second year of a student member's term, the remaining student member shall immediately assume the office created by the vacancy and all of the participation privileges of the second-year student member, including the right to vote, for the remainder of that term of office.

(c) (1) A faculty member from the California State University, who shall be tenured at the California State University campus at which he or she teaches, shall also be appointed by the Governor for a two-year term. In the selection of a faculty member as a member of the board, the Governor shall appoint the faculty member from a list of names of at least two persons furnished by the Academic Senate of the California State University.

(2) The faculty member of the board appointed by the Governor pursuant to this subdivision shall not participate on any subcommittee of the board responsible for collective bargaining negotiations.

(3) The term of office of the faculty member of the board shall commence on July 1, and shall expire on June 30 two years thereafter.

SEC. 3. Section 66602.8 is added to the Education Code, to read:

66602.8. (a) Notwithstanding any other provision of law, on and after January 1, 2008, the board is not authorized to approve a contract for the hiring of an executive officer unless and until that contract and its terms are adopted, by resolution, in a duly noticed meeting of the board.

(b) As used in this section:

(1) "Contract" means the terms and conditions of employment agreements.

(2) "Executive officer" includes, but is not necessarily limited to, the Chancellor of the California State University, a vice chancellor or an executive vice chancellor of the university, the general counsel of the university, or a president of a campus.

SEC. 4. Section 89504.7 is added to the Education Code, to read:

89504.7. (a) To the extent that the trustees provide executive officer compensation in the form of transition pay at the time an executive officer ceases to perform his or her regular duties, that transition pay shall not exceed the compensation being received by that executive in the last year of regular duties, and shall only be paid for actual duties performed.

(b) To the extent that the trustees provide executive officer compensation in the form of trustee professorships at the time an executive officer ceases to perform his or her regular duties, compensation shall not be paid unless it is paid in consideration for actual teaching. This compensation shall not exceed the amount a full professor of the California State University would be paid for a similar teaching assignment.

(c) As used in this section:

(1) "Compensation" includes, but is not necessarily limited to, salary, pension benefits, and automobile and housing allowances.

(2) "Executive officer" includes, but is not necessarily limited to, the Chancellor of the California State University, a vice chancellor or an executive vice chancellor of the university, the general counsel of the university, or a president of a campus.

(d) Subdivision (a) and (b) shall not apply to employment agreements approved by the trustees and implemented prior to January 1, 2008.

Approved _____, 2007

Governor