

ASSEMBLY BILL

No. 39

**Introduced by Assembly Member Roger Hernández
(Coauthors: Assembly Members Alejo, Campos, and Lara)**

August 18, 2011

An act to add Sections 89516.5 and 92612.5 to the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 39, as introduced, Roger Hernández. California State University and University of California: compensation.

(1) Existing law establishes the California State University under the administration of the Trustees of the California State University, and the University of California under the administration of the Regents of the University of California, as 2 of the segments of public postsecondary education in the state.

This bill would prohibit the trustees from entering into or renewing, and would request the regents not to enter into or renew, a contract that provides for a compensation increase, as defined, for any administrator, as defined, using state moneys or moneys in a fiscal year from tuition or fees if the amount of General Fund moneys appropriated to the respective segment in the annual Budget Act is less than the amount of moneys appropriated to that segment in the annual Budget Act for the immediately preceding fiscal year, or if tuition or fees have been increased in the same fiscal year.

This bill would prohibit the trustees from entering into, or renewing, a contract that provides for the compensation of a president of a campus of the California State University to exceed \$300,000, as adjusted annually by the percentage of inflation, as specified. The bill would

request the regents not to enter into, or renew, a contract that provides for the compensation of a chancellor of a campus of the University of California to exceed \$326,000, as adjusted annually by the percentage of inflation, as specified.

(2) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 89516.5 is added to the Education Code,
2 to read:

3 89516.5. (a) On or after the effective date of this act, the
4 trustees shall not enter into, or renew, a contract that provides for
5 a compensation increase for any administrator using state moneys
6 or moneys from tuition or fees in a fiscal year when either of the
7 following occurs:

8 (1) The amount of General Fund moneys appropriated to the
9 California State University in the annual Budget Act for the current
10 fiscal year is less than the amount of General Fund moneys
11 appropriated to the California State University in the annual Budget
12 Act for the immediately preceding fiscal year.

13 (2) Tuition or fees are increased in the same fiscal year.

14 (b) On or after the effective date of this act, the trustees shall
15 not enter into, or renew, a contract that provides for the
16 compensation of a president of a campus to exceed three hundred
17 thousand dollars (\$300,000), as adjusted on each subsequent
18 January 1 by the percentage of inflation, if any, occurring in the
19 immediately preceding 12 months, specified in the California
20 Consumer Price Index for All Urban Consumers, as published by

1 the Department of Industrial Relations, Division of Labor Statistics
2 and Research, or its successor index.

3 (c) As used in this section, the following terms have the
4 following meanings:

5 (1) “Administrator” includes, but is not limited to, the
6 Chancellor of the California State University, a vice chancellor of
7 the university, an executive vice chancellor of the university, the
8 general counsel of the university, the trustees’ secretary, and the
9 president of a campus.

10 (2) “Compensation” includes salary, benefits, perquisites,
11 severance payments, retirement benefits, or any other form of
12 compensation.

13 SEC. 2. Section 92612.5 is added to the Education Code, to
14 read:

15 92612.5. (a) On or after the effective date of this act, the
16 regents are requested not to enter into or renew a contract that
17 provides for a compensation increase for any administrator using
18 state moneys or moneys from tuition or fees in a fiscal year when
19 either of the following occurs:

20 (1) The amount of General Fund moneys appropriated to the
21 University of California in the annual Budget Act for the current
22 fiscal year is less than the amount of General Fund moneys
23 appropriated to the University of California in the annual Budget
24 Act for the immediately preceding fiscal year.

25 (2) Tuition or fees are increased in the same fiscal year.

26 (b) On or after the effective date of this act, the regents are
27 requested not to enter into or renew a contract that provides for
28 the compensation of the chancellor of a campus to exceed three
29 hundred twenty-six thousand dollars (\$326,000), as adjusted on
30 each subsequent January 1 by the percentage of inflation, if any,
31 occurring in the immediately preceding 12 months, specified in
32 the California Consumer Price Index for All Urban Consumers,
33 as published by the Department of Industrial Relations, Division
34 of Labor Statistics and Research, or its successor index.

35 (c) As used in this section, the following terms have the
36 following meanings:

37 (1) “Administrator” includes, but is not limited to, the President
38 of the University of California; any vice president of the university;
39 the regents’ secretary; the treasurer of the university; the general
40 counsel of the university; the chancellor of each campus of the

1 university; all assistant chancellors, associate chancellors, and vice
2 chancellors of each campus of the university; all provosts and vice
3 provosts of each campus of the university; and the chief campus
4 counsel of each campus of the university.

5 (2) "Compensation" includes salary, benefits, perquisites,
6 severance payments, retirement benefits, or any other form of
7 compensation.

8 SEC. 3. This act addresses the fiscal emergency declared and
9 reaffirmed by the Governor by proclamation on January 20, 2011,
10 pursuant to subdivision (f) of Section 10 of Article IV of the
11 California Constitution.

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