

AMENDED IN ASSEMBLY MARCH 20, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1561

Introduced by Assembly Member Roger Hernández
(Coauthors: Assembly Members Alejo, Ammiano, Campos, and
Lara Lara, V. Manuel Pérez, and Williams)
(Coauthor: Senator Correa)

January 30, 2012

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1561, as amended, Roger Hernández. California State University and University of California: compensation.

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 from tuition or fees in a fiscal year in which the amount of General Fund moneys appropriated to the respective segment in the annual Budget Act for the current fiscal year 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.~~ *increasing, and would request the regents not to increase, the compensation of an administrator by more than 10% relative to the immediately preceding compensation for that position. Subsequent to this increase, the bill would require, and request, that compensation to only be increased by the percentage of inflation, as specified.*

The bill would prohibit California State University administrators from participating, and would request University of California administrators not to participate, in specified activities.

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 January 1, 2013, the trustees shall not
4 enter into or renew a contract that provides for a compensation
5 increase for any administrator using state moneys or moneys from
6 tuition or fees in a fiscal year when either of the following occurs:
7 (1) The amount of General Fund moneys appropriated to the
8 California State University in the annual Budget Act for the current
9 fiscal year is less than the amount of General Fund moneys
10 appropriated to the California State University in the annual Budget
11 Act for the immediately preceding fiscal year.
12 (2) Tuition or fees are increased in the same fiscal year.
13 (b) ~~On~~ *(1) Except as provided for in paragraph (2), on* or after
14 January 1, 2013, the trustees shall not ~~enter into or renew a contract~~
15 ~~that provides for the compensation of a president of a campus to~~
16 ~~exceed three hundred thousand dollars (\$300,000), as adjusted on~~
17 ~~each subsequent January 1 by the percentage of inflation, if any,~~
18 ~~occurring in the immediately preceding 12 months, specified in~~
19 ~~the California Consumer Price Index for All Urban Consumers,~~

1 as published by the Department of Industrial Relations, Division
2 of Labor Statistics and Research, or its successor index increase
3 the compensation of an administrator by more than 10 percent
4 relative to the immediately preceding compensation for that
5 position.

6 (2) Subsequent to the increase of the compensation of an
7 administrator by no more than 10 percent pursuant to paragraph
8 (1), the compensation of an administrator shall only be increased
9 by the percentage of inflation, if any, specified in the California
10 Consumer Price Index for All Urban Consumers, as published by
11 the Department of Industrial Relations, Division of Labor Statistics
12 and Research, or its successor index.

13 (c) An administrator shall not do either of the following:

14 (1) Participate in the procurement of donations by an auxiliary
15 organization if those donations are used to provide a compensation
16 increase to that administrator.

17 (2) Participate in the bidding or negotiations for services or
18 contracts with an entity that provided funding to an auxiliary
19 organization if that funding is used to provide a compensation
20 increase to that administrator.

21 (e)

22 (d) As used in this section, the following terms have the
23 following meanings:

24 (1) "Administrator" includes, but is not limited to, the
25 Chancellor of the California State University, a vice chancellor of
26 the university, an executive vice chancellor of the university, the
27 general counsel of the university, the trustees' secretary, and the
28 president of a campus.

29 (2) "Auxiliary organization" means those entities defined in
30 Section 89901.

31 (2)

32 (3) "Compensation" includes salary, benefits, perquisites,
33 severance payments, retirement benefits, or any other form of
34 compensation.

35 SEC. 2. Section 92612.5 is added to the Education Code, to
36 read:

37 92612.5. (a) On or after January 1, 2013, the regents are
38 requested not to enter into or renew a contract that provides for a
39 compensation increase for any administrator using state moneys

1 or moneys from tuition or fees in a fiscal year when either of the
2 following occurs:

3 (1) The amount of General Fund moneys appropriated to the
4 University of California in the annual Budget Act for the current
5 fiscal year is less than the amount of General Fund moneys
6 appropriated to the University of California in the annual Budget
7 Act for the immediately preceding fiscal year.

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

9 (b) ~~On (1) Except as provided for in paragraph (2), on or after~~
10 ~~January 1, 2013, the regents are requested not to enter into or renew~~
11 ~~a contract that provides for the compensation of the chancellor of~~
12 ~~a campus to exceed three hundred twenty-six thousand dollars~~
13 ~~(\$326,000), as adjusted on each subsequent January 1 by the~~
14 ~~percentage of inflation, if any, occurring in the immediately~~
15 ~~preceding 12 months, specified in the California Consumer Price~~
16 ~~Index for All Urban Consumers, as published by the Department~~
17 ~~of Industrial Relations, Division of Labor Statistics and Research,~~
18 ~~or its successor index increase the compensation of an~~
19 ~~administrator by more than 10 percent relative to the immediately~~
20 ~~preceding compensation for that position.~~

21 (2) *Subsequent to the increase of the compensation of an*
22 *administrator by no more than 10 percent pursuant to paragraph*
23 *(1), the compensation of an administrator is requested to only be*
24 *increased by the percentage of inflation, if any, specified in the*
25 *California Consumer Price Index for All Urban Consumers, as*
26 *published by the Department of Industrial Relations, Division of*
27 *Labor Statistics and Research, or its successor index.*

28 (c) *It is requested that an administrator not do either of the*
29 *following:*

30 (1) *Participate in the procurement of donations by a UC campus*
31 *foundation if those donations are used to provide a compensation*
32 *increase to that administrator.*

33 (2) *Participate in the bidding or negotiations for services or*
34 *contracts with an entity that provided funding to a UC campus*
35 *foundation if that funding is used to provide a compensation*
36 *increase to that administrator.*

37 (e)

38 (d) As used in this section, the following terms have the
39 following meanings:

1 (1) “Administrator” includes, but is not limited to, the President
2 of the University of California; any vice president of the university;
3 the regents’ secretary; the treasurer of the university; the general
4 counsel of the university; the chancellor of each campus of the
5 university; all assistant chancellors, associate chancellors, and vice
6 chancellors of each campus of the university; all provosts and vice
7 provosts of each campus of the university; and the chief campus
8 counsel of each campus of the university.

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

12 (3) “*UC campus foundation*” means those entities defined in
13 *subdivision (a) of Section 92951.*