

AMENDED IN ASSEMBLY APRIL 23, 2012

AMENDED IN ASSEMBLY APRIL 10, 2012

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, 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~~ *an* 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 mandatory systemwide resident tuition or fees have been increased in the same fiscal year.

This bill would prohibit the trustees from 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 *annually* 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~~ *an* administrator using state moneys or moneys
6 from tuition or fees in a fiscal year when either of the following
7 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) Mandatory systemwide resident tuition or fees are increased
14 in the same fiscal year.

15 (b) (1) Except as provided for in paragraph (2), *and in*
16 *compliance with subdivision (a)*, on or after January 1, 2013, the
17 trustees shall not increase the compensation of an administrator
18 by more than 10 percent relative to the immediately preceding
19 compensation for that position.

20 (2) Subsequent to the increase of the compensation of an
21 administrator by no more than 10 percent pursuant to paragraph
22 (1), the compensation of an administrator shall only be increased
23 *annually* by the percentage of inflation, if any, specified in the

1 California Consumer Price Index for All Urban Consumers, as
2 published by the Department of Industrial Relations, Division of
3 Labor Statistics and Research, or its successor index.

4 ~~(e) An administrator shall not do either of the following:~~

5 ~~(1) Participate in the procurement of donations by an auxiliary~~
6 ~~organization if those donations are used to provide a compensation~~
7 ~~increase to that administrator.~~

8 ~~(2) Participate in the bidding or negotiations for services or~~
9 ~~contracts with an entity that provided funding to an auxiliary~~
10 ~~organization if that funding is used to provide a compensation~~
11 ~~increase to that administrator.~~

12 ~~(d)~~

13 (c) As used in this section, the following terms have the
14 following meanings:

15 (1) "Administrator" includes, but is not limited to, the
16 Chancellor of the California State University; a vice chancellor
17 of the university; ~~an executive vice chancellor of the university,~~
18 ~~the general counsel of the university, the trustees' secretary, and~~
19 ~~the president of a campus;~~ *the president of each campus of the*
20 *university; all assistant presidents, associate presidents, and vice*
21 *presidents of each campus of the university; all provosts and vice*
22 *provosts of each campus of the university; and the chief campus*
23 *counsel of each campus of the university.*

24 ~~(2) "Auxiliary organization" means those entities defined in~~
25 ~~Section 89901.~~

26 ~~(3)~~

27 (2) "Compensation" includes salary, benefits, perquisites,
28 severance payments, retirement benefits, or any other form of
29 compensation.

30 SEC. 2. Section 92612.5 is added to the Education Code, to
31 read:

32 92612.5. (a) On or after January 1, 2013, the regents are
33 requested not to enter into or renew a contract that provides for a
34 compensation increase for ~~any~~ *an* administrator using state moneys
35 or moneys from tuition or fees in a fiscal year when either of the
36 following occurs:

37 (1) The amount of General Fund moneys appropriated to the
38 University of California in the annual Budget Act for the current
39 fiscal year is less than the amount of General Fund moneys

1 appropriated to the University of California in the annual Budget
2 Act for the immediately preceding fiscal year.

3 (2) Mandatory systemwide resident tuition or fees are increased
4 in the same fiscal year.

5 (b) (1) Except as provided for in paragraph (2), *and in*
6 *compliance with subdivision (a)*, on or after January 1, 2013, the
7 regents are requested not to increase the compensation of an
8 administrator by more than 10 percent relative to the immediately
9 preceding compensation for that position.

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

17 ~~(e) It is requested that an administrator not do either of the~~
18 ~~following:~~

19 ~~(1) Participate in the procurement of donations by a UC campus~~
20 ~~foundation if those donations are used to provide a compensation~~
21 ~~increase to that administrator.~~

22 ~~(2) Participate in the bidding or negotiations for services or~~
23 ~~contracts with an entity that provided funding to a UC campus~~
24 ~~foundation if that funding is used to provide a compensation~~
25 ~~increase to that administrator.~~

26 ~~(d)~~

27 (c) As used in this section, the following terms have the
28 following meanings:

29 (1) “Administrator” includes, but is not limited to, the President
30 of the University of California; ~~any~~ a vice president of the
31 university; the regents’ secretary; the treasurer of the university;
32 the general counsel of the university; the chancellor of each campus
33 of the university; all assistant chancellors, associate chancellors,
34 and vice chancellors of each campus of the university; all provosts
35 and vice provosts of each campus of the university; and the chief
36 campus counsel of each campus of the university.

37 (2) “Compensation” includes salary, benefits, perquisites,
38 severance payments, retirement benefits, or any other form of
39 compensation.

1 ~~(3) “UC campus foundation” means those entities defined in~~
2 ~~subdivision (a) of Section 92951.~~

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