SENATE BILL No. 8

Introduced by Senators Yee and Anderson
(Coauthor: Senator Correa)
(Coauthors: Assembly Members Alejo and Ammiano)

December 3, 2012

An act to add and repeal Section 89500.5 of the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 8, as introduced, Yee. Public postsecondary education: executive officer compensation.

Existing law establishes the University of California, which is administered by the Regents of the University of California, the California State University, which is administered by the Trustees of the California State University, and the California Community Colleges, which is administered by the Board of Governors of the California Community Colleges, as the 3 segments of public postsecondary education in this state. Existing law authorizes the regents, the trustees, and the board to employ officers and other employees.

This bill would prohibit the trustees from, and request the regents to refrain from, increasing the monetary compensation, as defined, of, or approving a monetary bonus for, any executive officer, as defined, of the university within 2 years of a fiscal year in which the mandatory systemwide fees of the university are increased from the immediately preceding fiscal year, or in which the General Fund appropriation to the university in the annual Budget Act is less than, or equal to, the General Fund appropriation to the university in the annual Budget Act for the immediately preceding fiscal year. The bill would prohibit the trustees from, and request the regents to refrain from, providing monetary compensation to an incoming executive officer that exceeds

105% of the monetary compensation of the immediately preceding executive officer of the same classification who the incoming executive officer is replacing. The bill would repeal these provisions on January 1, 2024.

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

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

SECTION 1. Section 89500.5 is added to the Education Code, to read:

89500.5. (a) The trustees shall not increase the monetary compensation of, or approve payment of a monetary bonus to, any executive officer within two years of a fiscal year in which either of the following occurs:

(1) Mandatory systemwide student fees of the California State University are increased from the amount of mandatory systemwide student fees charged in the immediately preceding fiscal year.

(2) The amount of General Fund moneys appropriated to the California State University in the annual Budget Act is less than, or equal to, the amount of General Fund moneys appropriated to the California State University in the annual Budget Act for the immediately preceding fiscal year.

(b) The trustees shall not provide monetary compensation to an incoming executive officer that exceeds 105 percent of the monetary compensation of the immediately preceding executive officer of the same classification who the incoming executive officer is replacing.

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

(1) “Executive officer” includes, but is not limited to, the Chancellor of the California State University, a vice chancellor of the university, an executive vice chancellor of the university, the general counsel of the university, the trustees’ secretary, and the president of an individual campus.

(2) “Monetary compensation” includes, but is not limited to, a salary, a vehicle allowance, and a housing allowance.

(d) Subdivisions (a) and (b) shall apply only to executive officers who enter into or renew a contract for employment with the California State University on or after January 1, 2014.

(e) This section shall remain in effect only until January 1, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2024, deletes or extends that date.

SEC. 2. (a) The Regents of the University of California are requested to not increase the monetary compensation of, or approve payment of a monetary bonus to, any executive officer within two years of a fiscal year in which either of the following occurs:

(1) Mandatory systemwide student fees of the University of California are increased from the amount of mandatory systemwide student fees charged in the immediately preceding fiscal year.

(2) The amount of General Fund moneys appropriated to the University of California in the annual Budget Act is less than, or equal to, the amount of General Fund moneys appropriated to the University of California in the immediately preceding fiscal year.

(b) The regents are requested to not provide monetary compensation to an incoming executive officer that exceeds 105 percent of the monetary compensation of the immediately preceding executive officer of the same classification who the incoming executive officer is replacing.

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

(1) “Executive officer” includes, but is not limited to, the President of the University of California, the chancellor of an individual campus, the chief executive officer of a university hospital or medical center, a vice president of the university, the treasurer of the university, the assistant treasurer of the university, the general counsel of the university, and the regents’ secretary.

(2) “Monetary compensation” includes, but is not limited to, a salary, a vehicle allowance, and a housing allowance.

(d) Subdivisions (a) and (b) shall apply only to executive officers who enter into or renew a contract for employment with the University of California on or after January 1, 2014.

(e) This section shall remain in effect only until January 1, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2024, deletes or extends that date.

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