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## Another scandal at state universities

The Orange County Register

Last fall Californians learned from a San Francisco Chronicle series that the University of California engaged in exorbitant, dubious and untransparent pay practices for top administrators and some professors. This week, the Chronicle shined a spotlight on California State University compensation, and found significant problems related to top executives there, too, although it did not examine professors' compensation.

And while the compensation scandal at the UC system focused on hiring and salaries, the reported Cal State transgressions center on "golden handshake" retirement deals. Both situations would be addressed to an important degree by a bill pending in the state legislature.

"Millions of dollars worth of extra compensation has been handed out to California State University campus presidents and other top executives as they leave their posts," reported the Chronicle, "without prior knowledge or approval by the governing Board of Trustees," which consists of 25 members. Cal State is governed separately from the UC system, which has its own board of regents.

Californians should object not only to policies and practices that allow the rich retirement agreements, but especially to the failure to routinely disclose such amounts to the public, which foots the bills through taxes and tuition paid by parents and students, or even to the trustees that run the Cal State system.

The Chronicle reported that, in some cases, the CSU chancellor "notified the then-chairman" of the board of trustees "through private correspondence." But the paper said its investigation "found no public record of board discussion, review or approval in those cases. Several trustees said they were not aware of, or could not recall, the special pay and perks being doled out."

One example: Sacramento State President Donald Gerth retired in 2003 with a pension of \$267,000 a year. Then he received \$54,000 a year "to write a historical book about the 23-campus university system," reported the July 19 Sacramento Bee. Not many established authors get an advance like that.

Another: Cal State Bakersfield President Tomas A. Arciniaga left that job in 2004 with a three-year special assignment to "reach out to communities that have traditionally been underserved by the university," reported the Chronicle. The pay: "\$204,156 during the first year of his deal and \$232,128 in the second year." Plus a yearly car allowance of \$12,000.

Why does this happen? The trustees just haven't been attentive, Steven Frates, senior fellow at the Rose Institute of state and local Government at Claremont McKenna College, told us. "Typically, the trustees either don't know what happens, or lack expertise in government compensation," he said. "They're pretty easily manipulated by the university staff."

Assembly Speaker Fabian Nunez on Tuesday called for an audit by the state auditor of the Cal State compensation system. In a statement, Mr. Nunez said he was "deeply troubled" by the allegations about how former Cal State officials were "given dubious positions after their tenures, collecting hundreds of thousands of dollars to do no discernible work while students have seen their tuition rise almost 30 percent in the past three years."

State Auditor Elaine M. Howle in May released an audit of UC compensation which found a need for greater transparency and oversight of compensation. It recommended that the UC president's office "disclose all forms of compensation for university officers and for all employees whose compensation exceeds an established threshold." Although so far the Cal State compensation scandal is more limited in scope, that would be good advice for the Cal State system as well.

A reform bill by state Sen. Abel Maldonado, SB1181, passed in the Assembly on May 30 by a unanimous vote. It currently is in the Senate appropriations committee. It would require the UC, Cal State and community college systems to disclose the compensation for top executives (but not professors), including "transfer agreements, separation agreements, and

settlement agreements."

We urge the Senate to pass the bill when the Legislature returns from its recess on August 7.

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