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California State University

Stronger Oversight Is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets

Background

With nearly 475,000 students and more than 49,000 faculty and staff at 23 campuses, the California State University (CSU) is governed by a 25-member Board of Trustees (board). The board appoints the chief executive officer—the chancellor—who leads the university system and is one of 30 executives that serve the university system. CSU's workforce includes management personnel, faculty, and nonfaculty support staff, such as payroll technicians, cooks, parking officers, and student workers.

Key Recommendations

- To improve budget oversight, the Legislature should require CSU to submit annual information that demonstrates how its activities meet the State's goals for students.
- The Chancellor's Office should take the following actions:
 - Require that its departments and campuses prepare and maintain written justifications for any proposed new management positions.
 - Ensure campuses create, implement, and adhere to written merit evaluation plans for management personnel.
 - Require campuses to implement budget oversight policies and practices that include periodic comparisons of their actual and budgeted spending levels.
 - Work with the board to develop and implement specific executive compensation policies about what funds can be used for compensation and place a cap on relocation reimbursements.

Key Findings

- While staffing levels and compensation for CSU employees have grown over a nine-year period, the number and compensation of management personnel significantly outpaced those of other types of employees.
 - The six campuses we visited could justify the purpose for the new management personnel they hired but could not adequately justify the number of new personnel they hired.
 - Neither the Chancellor's Office nor the campuses have policies requiring a documented staffing analysis to support the hiring of new management personnel.
 - CSU granted salary increases to management personnel despite the lack of adequate merit evaluation plans.
- Campuses do not adequately oversee their budgets—none of the six campuses we visited had written policies in place that require periodic comparisons of spending levels to budget limits, and only two documented the results for their budget oversight.
- State law exempts CSU from many of the budget oversight mechanisms that apply to other state agencies—CSU does not need authorization to establish new employee positions.
- CSU granted nominal raises to its executives who also receive substantial amounts of other compensation, such as car and housing allowances.
- Board policy does not cap reimbursements for relocation—relocation reimbursements averaged 10 percent of executives' base salaries.

Growth in Management Personnel Positions Outpaced That of Other Employee Groups; Fiscal Years 2007–08 Through 2015–16

