



## System Executive Market Assessment Methodology Details

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### Challenges in Benchmarking System Executives

- When determining appropriate comparison markets for executives, it is important to consider sources and destinations of executive leadership, including (1) the appropriate industry (or industries) and (2) the appropriate size of those organizations.
- Unlike Presidents whose roles are generally specific to higher education and clearer in scope, system executive roles exist in various industries – state/local government, nonprofits including healthcare, for-profit organizations, and higher education. Furthermore, the scope, responsibilities, and compensation of those can vary greatly based on the organizational structure, operating model, and workforce demographics. Compensation within these various industries varies significantly.
- For the CSU the most applicable comparison market is other public higher education systems/institutions due to the similarity in mission and operations. Recognizing that some system executives may also come from other related industries, the Board has the latitude to consider candidates and applicable benchmarks for those industries should the need arise.
- While higher education institutions are the most relevant markets, benchmarking system executives to similarly sized higher education organizations is challenging. With total expenses at \$8 billion+, ~50,000 employees, and 300,000 students, the CSU system is one of the largest and most complex systems in the country.

### Methodology

- Given the challenges noted above, Segal conducted a custom, in-depth compensation assessment of seven CSU system executives.
  - Executive Vice Chancellor and Chief Financial Officer
  - Executive Vice Chancellor and General Counsel
  - Vice Chancellor and Chief Audit Officer
  - Vice Chancellor for Human Resources
  - Vice Chancellor for Strategic Enrollment Management and Student Success
  - Vice Chancellor, Academic Affairs
  - Vice Chancellor, External Relations & Communications
- **Peers:** System executives were compared to the 21 largest systems or multi-campus public institutions shown below, primarily defined by Total Expenses, with consideration

for Total Employees and Total Student FTE.

#### System Comparators<sup>1</sup>

| System Name                               | Number of Institutions | Sum of Total Employees | Sum of Total Student Full Time Enrollment | Sum of Total Expenses   |
|-------------------------------------------|------------------------|------------------------|-------------------------------------------|-------------------------|
| University of California System           | 11                     | 113,324                | 287,638                                   | \$55,957,381,000        |
| The University of Texas System            | 15                     | 69,689                 | 218,955                                   | \$26,042,546,391        |
| State University of New York System       | 60                     | 47,381                 | 280,891                                   | \$14,689,922,063        |
| Ohio Department of Higher Education       | 35                     | 60,693                 | 212,622                                   | \$14,147,301,379        |
| University of North Carolina System       | 17                     | 50,831                 | 215,355                                   | \$10,585,757,467        |
| The Pennsylvania State University         | 22                     | 21,111                 | 79,480                                    | \$8,100,406,000         |
| University of Washington                  | 3                      | 22,461                 | 57,569                                    | \$8,080,204,974         |
| Texas A&M University System               | 12                     | 20,456                 | 136,389                                   | \$6,963,174,187         |
| University of Wisconsin System            | 16                     | 32,161                 | 140,922                                   | \$6,461,483,455         |
| University of Illinois Board of Trustees  | 4                      | 26,846                 | 84,134                                    | \$6,359,426,713         |
| University System of Maryland             | 13                     | 29,553                 | 125,728                                   | \$6,324,423,239         |
| Rutgers University                        | 3                      | 20,814                 | 60,322                                    | \$4,767,678,000         |
| University of Missouri System             | 5                      | 15,500                 | 55,079                                    | \$4,241,722,320         |
| University of Massachusetts System        | 7                      | 17,844                 | 68,278                                    | \$4,115,971,251         |
| Louisiana State University System         | 6                      | 10,923                 | 50,768                                    | \$3,061,587,302         |
| University of Connecticut                 | 5                      | 9,651                  | 30,211                                    | \$2,848,664,715         |
| University of Pittsburgh                  | 5                      | 14,753                 | 34,157                                    | \$2,810,304,321         |
| The University of Tennessee System        | 5                      | 16,105                 | 52,530                                    | \$2,740,617,134         |
| Nevada System of Higher Education         | 8                      | 11,970                 | 75,530                                    | \$2,264,081,547         |
| Indiana University                        | 6                      | 10,918                 | 57,950                                    | \$2,228,215,670         |
| Minnesota State Colleges and Universities | 34                     | 11,052                 | 99,609                                    | \$2,010,857,000         |
| <b>California State University System</b> | <b>24</b>              | <b>44,099</b>          | <b>413,785</b>                            | <b>\$11,755,491,788</b> |

<sup>1</sup> Source: IPEDS (Integrated Postsecondary Education Data System) FY2023.

- Job Matches:** As noted above, system executive roles vary from institution to institution. To support the most accurate comparison, the scope and responsibilities of each role at each peer were assessed through detailed research. Where there were notable differences from the CSU role, adjustments (i.e., premiums or discounts) were applied as appropriate. For example:
  - Vice Chancellor for Human Resources:* The CSU role includes responsibility for Title IX and labor relations. Many peers do not have these areas within the HR function. In these cases, a 10% premium was applied to account for that additional responsibility.
  - Vice Chancellor, External Relations & Communications:* The CSU role is a combination of government relations, communications, and advancement. At many peers, these responsibilities are split between two or three roles. Where peers' scope of responsibility differed, market data was adjusted upward by 10-15% to account for the difference.

See Appendix for more details.
- Vice Chancellor and Chief Audit Officer:** Segal was unable to collect direct market data for the VC and Chief Audit Officer. The scope of this position at the CSU is fundamentally different than the role at most other institutions and organizations. The Chief Audit Officer role also typically reports through the Chief Financial Officer. Due to the significant difference between the scope of the role at CSU and the organizational structure of the role in the market, no data was reported.
  - Compensation for this position should be set by comparing the role to other system executives at the CSU system and assessing similarity in scope of responsibility and impact compared to that group.
  - The responsibilities and scope of this role at the CSU are most similar to the Vice

Chancellor, External Relations & Communications; therefore, the market data aligns with that role.

- **Geographic Adjustment:** Adjusted data for cost-of-labor differences between peer locations and Long Beach, CA. Geographic data comes from the Economic Research Institute (ERI) database, which has cost of labor data for every zip code in the country and is a universally accepted source of geographic differential information. The methodology was applied to the system executives and not Presidents since CSU system executives do not receive housing or housing allowances.
- **System Scope Premium:** As the CSU is one of the largest and most complex systems in the country, along with University of California System, the University of Texas System, the State University of New York System, Ohio Department of Education, and the University of North Carolina System. A 15% premium was applied to the market data for all other peers, except the largest five university systems, to reflect the significant scope of responsibilities of the CSU system executives.

## Results

### Base Salary and Total Remuneration Spend:

The exhibit below depicts aggregate compensation spend among the CSU system executives compared to what the market spends for the same roles.

CSU versus Comparator Aggregate Spend<sup>1</sup>

|                                    | Base Salary        | Total Remuneration |
|------------------------------------|--------------------|--------------------|
| <b>CSU Total Spend<sup>2</sup></b> | <b>\$2,232,279</b> | <b>\$2,718,061</b> |
| 25th Percentile                    | \$2,549,415        | \$2,711,623        |
| <b>Median</b>                      | <b>\$3,187,333</b> | <b>\$3,354,884</b> |
| 75th Percentile                    | \$3,741,172        | \$4,003,414        |
| <b>CSU Total % of Median</b>       | <b>70%</b>         | <b>81%</b>         |

<sup>1</sup> The market assessment uses research from public sources. Market data were aged to 7/1/25 using a 4.4% annual update factor.

<sup>2</sup> Excludes Vice Chancellor Vice Chancellor of Strategic Enrollment Management and Student Success (vacant).

## Base Salary Results

| Title                                                                   | Name                    | Base Salary <sup>1</sup> | Market Median Base Salary | Percent of Market Median |
|-------------------------------------------------------------------------|-------------------------|--------------------------|---------------------------|--------------------------|
| Executive Vice Chancellor and Chief Financial Officer                   | Patrick Lenz (Interim)  | \$386,529                | \$651,064                 | 59%                      |
| Executive Vice Chancellor and General Counsel                           | Dawn Theodora (Interim) | \$386,529                | \$559,584                 | 69%                      |
| Vice Chancellor for Human Resources                                     | Frank Hurtarte          | \$360,000                | \$475,197                 | 76%                      |
| Vice Chancellor, Academic Affairs                                       | Junius J. Gonzales      | \$440,000                | \$559,452                 | 79%                      |
| Vice Chancellor, External Relations & Communications                    | Greg Saks               | \$344,321                | \$471,018                 | 73%                      |
| Vice Chancellor and Chief Audit Officer                                 | Vlad Marinescu          | \$314,900                | \$471,018                 | 67%                      |
| Vice Chancellor for Strategic Enrollment Management and Student Success | Vacant                  | N/A                      | \$501,872                 | N/A                      |

- System executive base salary competitiveness ranges from 59% of market median to 79% of market median.

## Total Remuneration Results

| Title                                                                   | Name                    | Total Remuneration <sup>2</sup> | Market Median Total Remuneration | Percent of Market Median |
|-------------------------------------------------------------------------|-------------------------|---------------------------------|----------------------------------|--------------------------|
| Executive Vice Chancellor and Chief Financial Officer                   | Patrick Lenz (Interim)  | \$507,976                       | \$677,664                        | 75%                      |
| Executive Vice Chancellor and General Counsel                           | Dawn Theodora (Interim) | \$496,499                       | \$582,684                        | 85%                      |
| Vice Chancellor for Human Resources                                     | Frank Hurtarte          | \$408,726*                      | \$502,322                        | 81%                      |
| Vice Chancellor, Academic Affairs                                       | Junius J. Gonzales      | \$488,726*                      | \$599,428                        | 82%                      |
| Vice Chancellor, External Relations & Communications                    | Greg Saks               | \$452,507                       | \$496,393                        | 91%                      |
| Vice Chancellor and Chief Audit Officer                                 | Vlad Marinescu          | \$363,626*                      | \$496,393                        | 73%                      |
| Vice Chancellor for Strategic Enrollment Management and Student Success | Vacant                  | N/A                             | \$533,580                        | N/A                      |

<sup>1</sup> CSU base salary is for FY 2024-2025.

<sup>2</sup> An asterisk within the Total Remuneration column indicates the incumbent participates in PEPRA retirement plan. All other incumbents participate in Classic or in Super Classic.

- System executive total remuneration competitiveness ranges from 73% of market median to 91% of market median.
- Higher-than-market retirement at the CSU contributes to an improvement in market competitiveness for Total Remuneration.

## Appendix

- Job Profiles and Adjustments:
  - Vice Chancellor for Human Resources: The CSU role includes responsibility for Title IX and labor relations. Many peers do not have these responsibilities within the HR function. In these cases, a 10% premium was applied to account for that additional responsibility.
  - Vice Chancellor, External Relations & Communications: The CSU role is a combination of government relations, communications, and advancement. At many peers, these responsibilities are split between two or three roles. Where peers' scope of responsibility differed, market data was adjusted upward by 10-15% to account for the difference.
  - Executive Vice Chancellor and Chief Financial Officer: The CSU role includes responsibility for Information Technology, Facilities, and Capital Planning. Many peers do not have these additional responsibilities within the finance function. In these cases, a 10-15% premium was applied (depending on degree of difference in scope) to account for additional responsibilities.
  - Vice Chancellor of Strategic Enrollment Management and Student Success and Vice Chancellor, Academic Affairs: The CSU has two distinct roles for Academic Student Success/Enrollment Management and Academic Affairs. In higher education, academic affairs may or may not include student success and/or enrollment management. Where peers' scope of responsibility differed, market data was adjusted by 10-20% to account for the difference. The Vice Chancellor of Strategic Enrollment Management and Student Success also oversees Athletics. In our experience, this role rarely includes athletics, therefore a 10% premium was added to the market data for the role.