



The California State University

System Executives Market Analysis

CSU Board of Trustees Presentation

January 26-28, 2025

| Today's Agenda

- **Introduction**
- **Methodology**
- **Analysis Results**

Introduction

- The California State University System (“CSU”) engaged Segal to conduct a total remuneration market competitiveness study for all of CSU’s system executives.
- In November, appointed trustees unanimously approved a new executive compensation philosophy and policy and corresponding presidential compensation increases, with the understanding that the Vice Chancellors would be the next group reviewed.
- 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

Methodology

- **CSU System Executive Comparison Market:** For the CSU, the most applicable comparison market is other public higher education systems/institutions due to the similarity in mission and operations¹.
 - Benchmarking system executives to similarly sized higher education organizations is challenging. With total expenses at \$8 billion+, more than 63,000 employees, and more than 460,000 students, the CSU system is one of the largest and most complex systems in the country.
 - CSU executives were compared to the largest systems or multi-campus public institutions as primarily defined by Total Expenses, with consideration for Total Employees and Total Student FTE. *Shown on the next slide.*
- **Geographic Adjustment**²: Adjusted data for cost-of-labor differences between peer locations and Long Beach, CA³.
- **System Scope Premium:** As the CSU is one of the largest and most complex systems in the country, a 15% premium was applied to the peer market data, except the largest five university systems⁴, to reflect the significant scope of responsibilities of the CSU system executives (the CSU has 1 executive per 59,000 students while the peer average is 1 executive per 13,000 students).
- **Job Matching:** 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. *See Appendix for details.*

¹ 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. 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.

² 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.

³ The methodology was applied to the system executives and not Presidents since CSU system executives do not receive housing or housing allowances.

⁴ 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.

System Executive Comparison Market

CSU executives were compared to the largest systems or multi-campus public institutions as primarily defined by Total Expenses, with consideration for Total Employees and Total Student FTE¹.

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
California State University System	24	44,099	413,785	\$11,755,491,788

¹ Source: IPEDS (Integrated Postsecondary Education Data System) FY2023.

Analysis Results

Base Salary and Total Remuneration Spend – System Executives

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 Spend¹

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

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

² Excludes Vice Chancellor Vice Chancellor of Strategic Enrollment Management and Student Success (vacant).

| Appendix

1. Job Matching Details
2. Market Data Definitions

1. Job Matching Details

CSU System Executive	Match Details
Executive Vice Chancellor and Chief Financial Officer	<ul style="list-style-type: none">10-15% premium applied to account for responsibility for Information Technology, Facilities, and Capital Planning.
Executive Vice Chancellor and General Counsel	<ul style="list-style-type: none">N/A
Vice Chancellor and Chief Audit Officer	<ul style="list-style-type: none">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.This role at the CSU is most similar to the Vice Chancellor, External Relations & Communications; therefore, the market data aligns with that role.
Vice Chancellor for Human Resources	<ul style="list-style-type: none">10% premium applied to account for the responsibility for Title IX and labor relations.
Vice Chancellor for Strategic Enrollment Management and Student Success	<ul style="list-style-type: none">10-20% adjustment applied to account for differences in responsibility. In higher education, academic affairs may or may not include student success and/or enrollment management.
Vice Chancellor, Academic Affairs	<ul style="list-style-type: none">10-20% adjustment applied to account for differences in responsibility. In higher education, academic affairs may or may not include student success and/or enrollment management.
Vice Chancellor, External Relations & Communications	<ul style="list-style-type: none">10-15% premium applied to account for the combination of government relations, communications, and advancement.

2. Market Data Definitions

- **Base Salary:** The most recently available data from employment agreements / contracts, research, or as provided by the institution.
- **Bonus and Incentive Compensation:** The most recently available data from employment agreements / contracts and research; reported maximum opportunity where available. Also includes amortized annual amounts of cash retention awards.
- **Total Cash Compensation:** Base salary plus bonus/incentives.
- **Retirement:** Employer contribution to a defined contribution (DC) or defined benefit (DB) plan. Uses defined contribution formula where available, and defined benefit formula where not available.
 - DC: Annual employer contribution assuming full match
 - DB: Estimated annual value calculated using each institution's defined benefit formula and actuarial assumptions for incumbent age, retirement age, salary growth, and interest rate
- **Deferred Compensation:** Employer contribution to a deferred compensation plan as detailed in the contract.
- **Other Benefits and Perquisites:** The most recently available information from employment agreements / contracts (not included in Total Remuneration).
- **Total Remuneration:** Base salary, bonus/incentives, retirement, and deferred compensation.
- **Percentile:** A leader's competitive position within the peer group. A percentile is a measurement indicating the relative positioning within a group of observations. For example, the 20th percentile is the value below which 20% of the observations may be found.