PRESENT: Chairman Lawrence D McHugh, Karl J. Krapek, L. David Panciera, Ronald J. Pugliese, Richard J. Balducci, Angelo Messina, John Doyle, Theresa Eberhard-Asch

ABSENT: L. David Panciera, Angelo Messina

CSUS: Chancellor David Carter, Dr. Louise Feroe, David Trainor, Pamela Kedderis, Erin Fitzgerald, Jill Ferraiolo

Chairman McHugh called the meeting to order at 10:35 a.m.; noting all committee members were present, it was determined a quorum was present.

APPROVAL OF MINUTES
The corrected minutes of the November 7, 2008 meeting and the January 8, 2009, meeting were unanimously approved as presented on a motion by Trustee Balducci and seconded by Trustee Doyle.

FOUNDATION ANNUAL REPORTS/INDEPENDENT FINANCIAL AUDIT REPORTS FY08
The Executive Committee accepted the independent financial audit reports of the four university Foundations as presented. The Committee requested the Chancellor direct staff to develop a template which could be utilized by the independent auditors to provide for consistency in reporting requirements. Further, the Committee members expressed displeasure with several areas of concern noted in one of the audit reports and directed the Chancellor to address with the university president.

LEGISLATIVE ISSUES
AVC Ferraiolo provided an update on state and federal legislative matters.

REVISIONS TO HR POLICIES FOR CSUS CHANCELLOR AND UNIVERSITY PRESIDENTS
Deferred Compensation – AVC Trainor noted that in reviewing the retention award/performance recognition procedure as outlined within the Human Resources Policies for the CSU Chancellor and University Presidents, it was determined that a change was appropriate in order to fully update and simplify the compensation system and eliminate the final vestiges of the previous compensation pool. The proposed change would simply the program, eliminate the reference of “retention” and preserve the deferred compensation aspects of
the compensation program in an amount to be determined annually by the Executive Committee of the Board of Trustees. Following general discussion and consent by all members the following AMENDMENTS to the existing Deferred Compensation policy (BR#01-61) was unanimously approved on a motion by Trustee Balducci and seconded by Trustee Pugliese.

IV. Performance Recognition/Retention (Deferred Compensation) Fund:

A performance recognition/retention (deferred compensation) fund equal to 10% of the total Chancellor and University Presidents’ salaries for the prior fiscal year is established and will be awarded annually on the following basis:

Retention Award (Deferred Compensation):

On the pay period that includes January 1 of each year, deferred compensation, in an amount determined by the Executive Committee of the Board, following a recommendation by the Chancellor for the presidents and following a recommendation by the Chairman of the Board for the Chancellor, 2001 and each subsequent pay period that includes January 1 thereafter, 10% of this fund shall be awarded as deferred compensation to each Chancellor and President who has performed satisfactorily during the preceding fiscal year, under such terms and conditions as are outlined below.

Such awards shall be made as deferred compensation which the recipient shall receive at retirement separation from CSUS, provided that such retirement separation is after the age of 62, or upon incapacity due to illness or injury to perform duties as Chancellor/President. In the event of death prior to attaining eligibility the total amount in any such account shall be paid to the deceased’s estate. Should the Chancellor/President separate from CSUS prior to attaining eligibility, the accrued value of the fund shall be paid to the Chancellor/President upon reaching the age of 62.

All such deferred compensation shall be forfeited in the event the Chancellor/President voluntarily or involuntarily leaves position, except for illness or injury.

Deferred compensation awards for each eligible Chancellor/President shall be maintained in a separate account and invested under the direction of the CSUS Board of Trustees Executive Committee, as permitted by state law. A report shall be made annually to each Chancellor/President on the status of his/her account and payment of the total Principal and Earnings in each account shall be made to the eligible recipient anytime within 12 months after his/her becoming eligible at the recipient’s discretion.

Performance Recognition Award – Chancellor Carter noted that in light of the current state of the economy, it was his recommendation that a decrease in the percentage range associated with the performance recognition award was appropriate. Following general discussion and consent by all members the Chancellor’s recommendation as detailed below was unanimously approved on a motion by Trustee Balducci and seconded by Trustee Eberhard-Asch.
Objective Score + Overall Performance Score = Total Score

The maximum score available would be 130 and would provide the greatest recognition. The score totals and commensurate performance recognition in the form of a lump sum payment not included as part of the base salary is as follows:

115-130 – 9% - 11% (previously 15%)
100-114 – 6% - 8% (previously 10% to 12%)
85-99 – 3% - 5% (previously 5% to 8%)
84 and below – NO performance recognition (no change)

10% REDUCTION IN MANAGEMENT & CONFIDENTIAL STAFF EFFECTIVE FY2011
Following general discussion and consent by all members the following was moved on a motion by Trustee Balducci and seconded by Trustee Eberhard-Asch: Chancellor is directed to issue notification of 10% reduction of management/confidential staff effective no later than July 1, 2010

FY10 SALARY ADJUSTMENT FREEZE FOR MANAGEMENT & CONFIDENTIAL STAFF
Following general discussion and consent by all members the following was moved on a motion by Trustee Balducci and seconded by Trustee Doyle: Chancellor is directed to freeze management/confidential salaries at current levels effective July 1, 2009 for FY09-10.

OTHER ISSUES

Renaming of Trustee Research Award – Following remarks by Trustee Doyle, the members gave their consent to the naming of the Trustee Research Award in honor of a long-serving, distinguished faculty member, following that individual’s retirement.

Universities/System Office – Chancellor Carter and AVC Trainor provided brief information regarding several HR-related matters at the universities and System Office.

ADJOURNMENT

The meeting adjourned at 12:16 p.m. on a motion by Trustee Pugliese and seconded by Trustee Doyle.

The next meeting of the Executive Committee for the CSUS Board of Trustees is scheduled for Thursday, April 2, 2009, at 10:30 a.m. at the Connecticut State University System Office in Hartford.