

## ASSEMBLY THIRD READING

AB 1831 (Ahrens)

As Amended May 18, 2026

Majority vote

**SUMMARY**

Repeals and replaces existing executive compensation policies at the California State University (CSU) with a new policy, as defined and institutes a salary freeze for specified CSU employees when certain circumstances are met by the CSU Board of Trustees (CSU BOT).

**Major Provisions**

- 1) Requires the CSU Board of Trustees (CSU BOT) to repeal the existing policy on executive compensation by July 1, 2027.
- 2) Requires the CSU BOT to adopt a new policy on executive compensation that does the following:
  - a) Aligns the initial salary for presidents of CSU campuses with the candidates experience in a similar role with similar responsibilities at comparable institutions of higher education with similar enrollment to the campus the president will oversee; and,
  - b) Authorizes salary increase for presidents of each CSU campus only if the president has met or exceeded the institution and segmental goals for the campus as set by the Chancellor of the CSU and the CSU BOT, as defined.
- 3) Prohibits an increase in the compensation for a chancellor, vice chancellor, or executive president in a year where the CSU BOT has raised student tuition.
- 4) Prohibits a salary increase for a chancellor, vice chancellor, executive president or a member of the management personnel plan staff, if the CSU BOT has not authorized a salary increase for represented staff at the CSU.
- 5) Prohibits the CSU BOT from increasing the salaries of administrators, managers, contracted employees, or other employees who are not represented by an employee organization in a fiscal year where the BOT has authorized an increase in student tuition.

**COMMENTS**

*Recent CSU BOT actions regarding compensation and tuition increases.* The author has indicated recent CSU BOT decisions on compensation for executives, compensation for represented employees, and the increases in student tuition were the impetus for the measure. On September 13, 2023, the CSU BOT approved a multi-year revenue stability plan for systemwide tuition increases. The plan would increase each year by 6%, beginning in the 2024-2025 academic year and ending in the 2028-2029 academic year. The tuition proposal was approved because the State's promised 5% annual increase for base operations was not sufficient to cover the expounding costs of running the CSU system. However, the proposal provided to the CSU BOT only provided a fiscal analysis for the upcoming fiscal year, both in the revenue generated by the new tuition increases and the anticipated expenditures.

In 2022, the Governor entered into a multi-year compact with the CSU where the system would receive a 5% increase to its base operation costs each year in exchange for meeting student success criteria set forth in the compact. For three budget cycles, the CSU received an annual increase of 5% for its base operation funds. However, in 2025-2026 State Budget, the CSU general fund allocation was only increased by 2.4% for a total of \$5.6 billion.

The CSU has collective bargaining agreement with eleven different union for the 78,621 represented employees. The two largest unions are the California Faculty Association (CFA) and the California State Employees Union (CSUEU). In October 2023, CSUEU entered into an agreement with CSU and agreed to the following increase for nonacademic staff: 5% increase in year one, an additional 5% salary increase in year two, and the creation of a salary step schedule where step advancement would be compensated at 2% per step increase in year three. The increases for year two (24/25) and steps in year three (25/26) were conditional upon the State fully funding the CSU in the scheduled year. The CSU has asserted since overall general fund allocations from the State have decreased by approximately \$144 million in the Budget Act of 2025, the CSU is not bound to honor the steps clause in the contract. CSUEU has contended that full funding was provided in the sum of \$133 million in new funding and the acquisition of a state loan for the remaining \$144 million, equaling the full 5% increase as promised by the State. This continues to be an ongoing infliction point between the unions and the administration at the CSU. CFA, which represents faculty, also entered into a multi-year collective bargaining agreement with CSU for a three-year period, covering February 2022 – June 2025. Faculty received 5% salary increases in 2023/2024 and 2024/2025. CFA recently agreed to an extension of the existing contract through March 31, 2026; however, the extension does not include additional salary increases for faculty.

In May 2024, the CSU BOT updated the CSU policy on compensation to limit base salaries of incoming Campus Presidents to no more than 10% above the previous President's salary. In November 2025, after a year of upheaval with multiple Presidents leaving the CSU, the BOT once again sought to overhaul the executive compensation policy. In an effort to recruit and retain talented and qualified Presidents, the Chancellor's Office commissioned a study to review executive salaries.

The study found the CSU's retirement and health benefits were above the market average in competitiveness for Campus Presidents; however, the study found the base salary offered for the position of Campus Presidents were not considered competitive when compared to base salaries of executives in peer industries. Essentially, CSU Campus Presidents were not meeting the market median for salary compensation, and their salaries were considered in the bottom quartile of all salaries examined by the study. Furthermore, the study found that the CSU policy on compensation was not producing competitive or even market-rate salaries when compared to peer higher education institutions.

To address this inequity, the CSU BOT adopted a new executive compensation salary policy, approved raises for an array of vice presidents, and approved salary increases for 13 of the 22 campus presidents. The new executive compensation policy:

- 1) Establishes new ranges for initial salaries for incoming presidents to align compensation with a competitive range – within 85% and 110% of the market median established through comparing salaries against peer institutions nationally, and adjusting the salary within the range based on the candidate's experience, performance, and institutional scope;

- 2) Provides annual increases for incumbent presidents in alignment with the general salary increases provided to faculty and staff. This is generally considered a cost-of-living adjustment; and,
- 3) Provides annual eligibility for a performance incentive salary increases for all incumbent presidents. This will allow Campus Presidents to annually increase their salary up to 15% of the base salary, if the Campus president achieves performance goals directly related to the CSU's strategic priorities. The Chancellor will provide a performance review for each of the presidents and provide recommendations for the increase to the BOT. This is generally considered a merit salary increase, and is meant to promote transparency, accountability, and performance excellence.

Furthermore, the CSU BOT approved salary increases for 13 of the 22 campus presidents an increase in an annual cost of \$565,901 to the CSU.

### **According to the Author**

The author expresses the need for the provision as, "enough is enough: CSU administrators are public civil servants and should not be getting rich on the backs of California families. It is outrageous that the California State University system is approving massive pay increases for administrators already making more than our Governor or the U.S. President while raising student tuition and fees, cutting classes and student services, and not honoring pay agreements made with their staff. AB 1831 (Ahrens) will rein in out-of-control CSU administrator compensation and center the focus of CSU management on California students and families being able to access affordable, quality public higher education."

### **Arguments in Support**

CFA argues the need for the measure as "the lowest-paid full-time lecturer makes just over \$66,000 a year, but most lecturers are not fulltime and make less than half that amount. In comparison, the lowest-paid CSU campus president makes \$370,000 a year and usually receives a housing allowance and/or car allowance on top of that pay. That is a 460% difference, or roughly what five full-time lecturers make. Adding insult to injury, instead of offering CSU employee real raises, CSU management recently proposed giving a paltry one-time bonus equal to 3% of an employee's salary. The California legislature has an opportunity to send a strong message to the CSU about our state's values."

The Teamsters California is supportive of the measure as "AB 1831 is a commonsense reform the ensures the California State University (CSU) priorities student over management."

UAW Local 4123 is in support of the measure as the union represents "10,000 Academic Student Workers who teach, tutor, mentor, and grade across the 23 CSU campuses. Most UAW 4123 members are eligible for and rely on both SNAP and Medi-Cal benefits, while teaching and providing academic support that is crucial to the success of the University. CSU management has proposed only one-time 3% bonuses for Academic Student Workers, while approving salary increases and bonuses for top paid executives who make a minimum of \$370,000 a year. The California legislature has an opportunity to send a strong message to the CSU about our state's values. Do we believe that executive compensation should be paid on the backs of students taking on more debt and the backs of faculty, some of whom earn so little they are housing and food insecure?"

**Arguments in Opposition**

The Chancellor's Office of the CSU respectfully opposes the measure as "the bill would prohibit compensation adjustments for CSU employees who are not represented by a labor union in any year in which tuition is increased. This would impact thousands of employees, including those that work on financial aid, student housing, basic needs and academic programming. Tuition policy and employee compensation are separate governance matters driven by different fiscal and operational considerations."

**FISCAL COMMENTS**

According to the Assembly Committee on Appropriations:

Ongoing General Fund costs of an unknown but significant amount, possibly in the hundreds of thousands of dollars annually, to the CSU. While some cost savings long-term may occur from reduced salaries for executive employees, according to the CSU, if impacted staff and six of the 22 CSU presidents leave employment with CSU for higher compensation elsewhere because of this bill, the bill could expose the CSU to significant General Fund costs associated with the recruitment costs to replace them.

**VOTES****ASM HIGHER EDUCATION: 8-1-1**

**YES:** Fong, Boerner, Jeff Gonzalez, Jackson, Kalra, Muratsuchi, Sharp-Collins, Tangipa

**NO:** DeMaio

**ABS, ABST OR NV:** Patel

**ASM APPROPRIATIONS: 12-0-3**

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

**ABS, ABST OR NV:** Dixon, Ta, Tangipa

**UPDATED**

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CONSULTANT: Ellen Cesaretti-Monroy / HIGHER ED. / (916) 319-3960

FN: 0002872