
SENATE COMMITTEE ON EDUCATION

Senator Sasha Renée Pérez, Chair

2025 - 2026 Regular

Bill No: AB 1831 **Hearing Date:** June 24, 2026
Author: Ahrens
Version: June 4, 2026
Urgency: No **Fiscal:** Yes
Consultant: Ian Johnson

Subject: California State University: executive compensation: restrictions.

SUMMARY

This bill revises the California State University's (CSU's) executive compensation framework by requiring the CSU Board of Trustees to adopt a new policy governing presidential compensation, prohibiting compensation increases for certain executive positions during years in which tuition increases are approved, and prohibiting executive and management compensation increases when represented employees do not receive salary increases.

BACKGROUND

Existing law:

- 1) Establishes the CSU and vests the CSU Board of Trustees with broad authority over the management, administration, and control of the university system.
- 2) Authorizes the CSU Board of Trustees to establish, classify, and adjust salaries for academic, administrative, and nonacademic employees, and requires the Board to consider the competitiveness of compensation relative to comparable educational institutions, public agencies, and private employers when recruiting and retaining qualified personnel.
- 3) Requires actions regarding compensation for the Chancellor, vice chancellors, campus presidents, and other principal officers, as well as executive compensation policies, to occur in open session.
- 4) Requires salary determinations and compensation policies to be made within available resources and consistent with applicable collective bargaining agreements.
- 5) Authorizes the CSU Board of Trustees to establish tuition and fee levels for the CSU system, subject to statutory requirements and public meeting procedures.

ANALYSIS

This bill:

- 1) Requires the CSU Board of Trustees, on or before July 1, 2027, to repeal the executive compensation policy adopted in November 2025.
- 2) Requires the Board of Trustees to adopt a replacement executive compensation policy that:
 - a) Aligns the initial salary of campus presidents with their prior experience in comparable leadership positions and with compensation levels at comparable higher education institutions; and
 - b) Conditions annual salary increases for campus presidents on meeting or exceeding institutional and systemwide performance goals established by the Chancellor and the Board of Trustees, including goals related to enrollment, employee evaluations, fundraising, student retention and graduation, student engagement, equity outcomes, and career readiness.
- 3) Prohibits compensation increases for the Chancellor, vice chancellors, and executive presidents during any fiscal year in which the Board of Trustees authorizes a tuition increase.
- 4) Prohibits compensation increases for the Chancellor, vice chancellors, executive presidents, and Management Personnel Plan (MPP) employees during any fiscal year in which represented employees do not receive salary increases.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "...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."
- 2) ***Where is the appropriate balance between legislative oversight and trustee authority?*** The Legislature has historically granted the CSU Board of Trustees broad statutory authority over personnel and compensation matters, including the authority to establish compensation policies and determine salaries necessary to recruit and retain qualified employees. This bill would place specific statutory limitations on how the Board may exercise that authority in the future.

Supporters argue that executive compensation decisions at a public university system are matters of statewide concern, particularly when they occur alongside tuition increases or disputes regarding employee compensation. Opponents contend that compensation policies are core governance functions that should remain within the discretion of the Board of Trustees, which is responsible for

balancing labor market conditions, recruitment needs, institutional performance, and fiscal constraints.

The Committee may wish to consider the extent to which executive compensation policies should be prescribed in statute rather than established through the Board's existing public governance processes.

- 3) ***The bill largely codifies principles already incorporated into CSU's recently adopted executive compensation policy.*** In November 2025, the Board of Trustees adopted a revised executive compensation policy following a public review process that included a study of executive compensation at peer institutions. The Board concluded that CSU presidential compensation had become increasingly disconnected from the broader higher education market due to a prior policy that generally limited salary growth based on predecessor salaries rather than current market conditions. The revised policy shifted toward a market-based framework that considers institutional complexity, candidate qualifications, and national benchmarking when establishing compensation levels. It also established performance-based compensation opportunities tied to institutional and systemwide goals.

Many of the concepts contained in subdivision (a) of this bill, including consideration of comparable institutions, candidate experience, and performance-based evaluations, are generally consistent with elements already reflected in the Board's current policy. As a result, the practical effect of this provision may be less about directing an immediate change in compensation practices and more about placing those principles into statute. The Committee may wish to consider whether statute is necessary where the Board has already adopted similar standards through its existing governance process, and whether doing so could limit the Board's flexibility to respond to future labor market conditions or evolving institutional needs.

- 4) ***The tuition-related compensation restriction would effectively create a multi-year executive compensation freeze under current CSU policy.*** The Board of Trustees approved a five-year tuition plan in 2023, providing for annual systemwide tuition increases through the 2028-29 academic year. The Board justified the tuition increases as part of a broader strategy to provide greater revenue stability and address ongoing costs associated with enrollment growth, student support services, financial aid, facilities, and employee compensation.

Because subdivision (b) prohibits compensation increases for the Chancellor, vice chancellors, and executive presidents during any fiscal year in which tuition is increased, the bill would effectively preclude compensation growth for those positions throughout the remainder of the currently authorized tuition schedule. As a practical matter, the bill would establish a compensation freeze for those positions for multiple years unless the Board were to modify or discontinue the existing tuition plan.

Supporters view this restriction as an important accountability mechanism that ensures executive compensation does not increase while students are being asked to pay more. Opponents argue that tuition policy and executive

compensation serve different purposes and are driven by distinct considerations, including state funding levels, enrollment trends, and labor market conditions.

The Committee may wish to consider whether a multi-year executive compensation freeze is an intended outcome of the bill and whether that outcome appropriately advances the measure's policy objectives.

- 5) ***The bill treats executive compensation differently than compensation for other CSU employees.*** Subdivision (b) prohibits compensation increases for the Chancellor, vice chancellors, and executive presidents during any fiscal year in which the Board of Trustees authorizes a tuition increase. The provision does not apply to represented employees, faculty, or most other CSU employees.

This distinction suggests that the bill is not based on the premise that tuition increases should preclude all employee compensation growth within the CSU. In fact, tuition revenues are generally used to support a broad range of university operations, including employee compensation, student services, financial aid, and other institutional priorities. Rather, the bill reflects a judgment that executive compensation should be treated differently from compensation provided to other employee groups when students are asked to pay higher tuition.

One possible rationale for this distinction is that executive leadership has far greater influence over institutional budget priorities and recommendations presented to the Board of Trustees. However, tuition authority ultimately rests with the Board as a whole, and tuition decisions are typically influenced by numerous factors, including state funding levels, enrollment trends, collective bargaining obligations, and broader fiscal conditions.

The Committee may wish to consider whether the bill appropriately identifies the employees most responsible for tuition-related decisions and whether the proposed distinction between executive and non-executive compensation is supported by the governance structure through which tuition decisions are made.

- 6) ***The labor-related compensation restriction appears to respond to a recent dispute regarding employee compensation.*** Subdivision (c) of this bill would prohibit compensation increases for executive and management personnel during any fiscal year in which represented employees do not receive salary increases.

This provision appears to reflect ongoing disputes regarding compensation for represented employee groups following the 2025-26 budget cycle. CSU and certain labor organizations have disagreed over whether budget conditions triggered provisions of existing collective bargaining agreements relating to salary increases and step advancements. At the same time, the university authorized one-time compensation payments for nonrepresented employees while negotiations regarding represented employee compensation remained unresolved.

Supporters argue that executive and management compensation should not increase when represented employees do not receive comparable salary growth.

Opponents note that the Board has generally sought to align executive salary adjustments with broader employee compensation practices and contend that the bill would codify what is largely an existing governance norm while reducing flexibility to address future circumstances.

The Committee may wish to consider whether executive compensation should be statutorily tied to collective bargaining outcomes and whether compensation decisions for one group of employees should be contingent upon the resolution of negotiations involving another group of employees.

- 7) ***Executive compensation presents competing policy considerations.*** The debate surrounding executive compensation in public higher education often reflects competing policy objectives. On one hand, public institutions are expected to demonstrate fiscal stewardship, maintain public confidence, and ensure that compensation decisions reflect institutional priorities, affordability, and employee morale. On the other hand, universities compete in a national labor market for experienced executive leaders and may face recruitment and retention challenges if compensation levels significantly diverge from comparable institutions.

This bill seeks to prioritize accountability by linking executive compensation decisions to tuition actions, employee compensation practices, and performance outcomes. The Committee may wish to consider whether the bill appropriately balances those accountability objectives with the Board of Trustees' responsibility to recruit and retain leadership necessary to oversee a university system serving nearly half a million students statewide.

SUPPORT

California Faculty Association (sponsor)
California Federation of Labor Unions
California School Employees Association
California State University Employees Union
Teamsters California

OPPOSITION

California State University

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