

CRP Spring 2019 Convention - Bylaw Proposal #9
Bylaw proposal submitted by Harmeet Dhillon

CAGOP -- Proxy Bylaw Change Proposal – submitted by Harmeet K. Dhillon, RNC
Committeewoman, San Francisco

2.05.04

~~((G) Compensation Committee. The Board, minus the Chairman, Vice Chairman, and any other board member to whom the CAGOP is paying a salary, shall constitute the Compensation Committee. appoint as members of the Compensation Committee five persons, one person designated by each of the following: (a) Team California; (b) the California Congressional Delegation; (c) the Senate Republican Leader; (d) the Assembly Republican Leader; and (e) a member of the Board of Directors other than the Chairman or State Vice Chairman, designated by the Board. The Compensation Committee will recommend appropriate compensation for the Chairman of the Committee. Compensation shall be set no lower, for full-time employment, than the minimum amount required by law for exempt employment classification. Salary may be a flat amount or structured as a minimum base plus bonus compensation for achieving fundraising, electoral, or other milestones set by the Compensation Committee. which shall be based on standard corporate executive compensation setting practices. The recommendations of the Compensation Committee shall include (a) a specific salary recommendation; and (b) recommended budgeting of the Chairman's Compensation as provided in Article 3, section 3.04(D)(3). The Committee shall establish a Chairman's Compensation Account. The Compensation Committee shall select from its membership the signers or cosigners on the Chairman's Compensation Account, and notwithstanding section 2.05.02(E) and 3.04(E) of these bylaws, shall have the power to approve expenditures and or to disburse funds from this account in compliance with applicable laws and the provisions of the bylaws referred to in this subsection. The Chairman's employment shall be on an at-will basis and shall be in the form of IRS W-2 employment. In the event that the party's finances do not allow for the continued employment of the Chairman at the originally authorized and budgeted amount, then the Compensation Committee shall have the authority to reduce the Chairman's hours and compensation to a part-time basis, such that the compensation remains in compliance with wage and hour laws.~~

~~The Chairman shall inform the Compensation Committee in writing, as promptly as possible, of the details of any anticipated or existing additional employment or consulting arrangements of a political advice, consulting, or services nature, so that the Compensation Committee may evaluate any perceived or actual conflicts of interest, or necessity of adjusting the Chairman's compensation to reflect less than full-time devotion to the party's affairs. The Chairman shall also inform the Compensation Committee of his or her taking of any preparatory steps to run for political office, for the similar purpose of evaluating conflicts and/or compensation adjustment.~~

Commentary

~~The bylaw change is proposed because the language as drafted does not reflect the reality that the board should set the compensation, including incentive compensation, and monitor performance. The party also needs the flexibility to accommodate situations where the funds are not in hand to pay the originally set salary, without running afoul of wage and hour laws. The compensation~~

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should be specified as full time, withheld salary because the party's expectation is that the compensated chairman's main, if not exclusive, occupation shall be as party chairman. The party has never operated a separate Chairman's compensation account, and so this language is eliminated as superfluous. Executive compensation must be on an at-will and not contractual/set-term basis, to accommodate the possibility of funds not being available to pay the originally set salary.

The second paragraph of the bylaw amendment reflects a concern that the chairman's compensation reflects an intention that the office of chairman be the primary, if not exclusive, professional political occupation of the chairman during his/her term. Disclosure of potential conflicts is a sound governance practice for any organization. Moreover, disclosure is a best practice from a campaign finance perspective, as a first step toward mitigating risk that the party may be accused of supporting some other political cause by providing compensation to a chairman playing a dual role, such as advisor to a political candidate, or to a political candidate him/herself.