Minutes

11:00 Meeting called to order.

Present: Praveen Soni (chair), Steve Browne, Otto Benavides, Erick Eschker, Eileen Klink, Tom Krabacher, Stephen Stambough, Cezar Ornatowski, Ron Vogel

Guests: Via telephone. (See below.)

1. Approval of the agenda – Meeting of January 22, 2014
   - Approved with amendments.

2. Approval of the minutes – Meeting of October 30, 2013
   - Approved unanimously.

3. Chair’s report
   - Faculty trustee. On the BOT agenda; BOT will consider pursuing legislation to allow sitting faculty trustee to extend in office for up to 2 years in case a replacement is not appointed. At present, an FGA resolution is not necessary.
   - Budget. The Governor’s budget proposal for the CSU is short of expectations by $95 million. We’ll discuss this issue with the LAO. $50 million has been designated for improving graduation rates.

4. Other brief reports, if any
   - Tom K. Legislative activity has been quiet. He doesn’t foresee much legislative activity on online education this session.

5. Governor’s preliminary 2014-15 January budget – Discussion with the California Department of Finance (Christian Osmena, Chris Liefs and Molly Quasebarth)
   11:30 call commenced.
   - Question: What is the prospect of gaining $95 million in the budget? Answer: it depends on the revenue projections in the May revise.
   - Question: What are the Governor’s priorities for the increased revenues? Answer: paying down debt and building a reserve. Also, climate change and education are important to him.
   - Question. What is the view on the CSU in the administration? Answer: The Governor would like to encourage increased access by reducing time to graduation without increasing costs. There is significant room for improvement. Large, unrealistic CSU BOT budget requests are frustrating to the Governor’s office. There is no expectation of increased enrollment. The
budget provides additional resources to serve existing students. We want to serve more students, not by increasing enrollments but by making openings by graduating students more quickly.

- Question: What is the model used to determine funding? Answer: The funding model is a simple percentage increase.

- Question: Expectations regarding four-year graduation rate do not fit our students. Will that be factored in? Answer: We know that everyone won’t graduate in 4 years, but the current 4-year grad rate is 16% and there is room for improvement. The administration desires to reduce cost and time to graduation.

- Question: the real problem is in K-12. Our students are not prepared when they arrive. What is being done to improve the quality of incoming students? Answer: That is a problem the administration is concerned about.

- Question: One way to increase efficiency is to eliminate requirements and programs but that is poor service to our students and the state. Answer: We are not focused on efficiency. We want to support solutions determined by the CSU and campuses. We do not want the CSU to dumb down the program.

- Question: What is our comparison group when determining appropriate graduation rates? Answer: You are being compared to your current graduation rates and the CSU will be involved in determining realistic goals.

- Question: We have competing funding issues. Our infrastructure is failing and maintenance has been deferred for years. We also need to increase tenured/tenure-track faculty. How is that going to be addressed? Answer: The CSU will be able to service its own debt.

- Question: Use of proposed $50 million? Answer: Awards for innovation in higher ed, available to the three systems. Priorities: 1) Increase number of bachelor’s degrees. 2) Reduce time to graduation. 3) Improve transfers, ease of access (e.g. online), credit for life experience, reduce cost of degrees, etc. Campuses would apply for awards granted after the fact for successful action taken. Awards granted to campuses or groups of campuses, not to systems.

- Question: would a joint proposal by the systems be acceptable? Answer: yes, if individual campuses were involved. Scalability would be an advantage.

12:10 Call ended.

6. Discussion with the Legislative Analyst’s Office (LAO) regarding the Governor’s 2014-15 budget and other topics – Judy Heiman;

1:30 Call commenced.

- Question: What is your take on the budget? Answer: It is an increase of $11 billion over last year. $8 billion would be used to reduce debt. Much of the rest will be used for one-time expenses. Some funds are available for the Governor’s higher ed plan ($142 million increase). Would move the general obligation debt service to the CSU. $50 million one-time innovation awards for UC, CSU and CCC. $100 million for middle-class scholarship program. $100 million for growing Cal Grant costs. The LAO thinks the funding should be tied to specific expectations / purposes. It would be helpful for the CSU to develop 2 budgets: what we could do if we had more money. The LAO
doesn’t think there is a justification for a long-term tuition freeze. The current level is not excessive.

- Question: Is the current level of funding per student the correct level? How does it compare to other institutions? Answer: CSU’s funding per student is among the lowest in the country. It is time to look at this. We should determine the number of students we should serve and an appropriate amount per student in order to determine the appropriate budget. The current formula locks in place the cuts that occurred. On the other hand, perhaps funding shouldn’t only be linked to enrollment. It is an issue that needs to be examined.

- Question: Is the 4-year graduation rate a valid metric for the awards for innovation? Answer: Probably not, but it could be valid for those students that are intending to graduate in 4 years.

- Question: Will the budget meet the infrastructure problems in the CSU? Answer: The 5-5-4-4 plan is insufficient. We are still determining our position on the plan to transfer the general obligation debt service to the CSU. The CSU’s proposed approach in using bonds for deferred maintenance is unusual and the LAO is still looking at it. A general obligation bond seems unlikely given the Governor’s goal of reducing debt.

- Question: Can you elaborate on the Governor’s plan to reduce the cost of instruction? Answer: This is one of the goals of the innovation awards. It is interesting that this budget doesn’t specify a requirement for online education.

- Question: Isn’t this the best time to issue a bond, given the low interest rate? Answer: The current debt burden is huge and it makes sense to reduce the burden. Concerning handing the debt service to the CSU, policy makers should be responsible for managing state debt in balance with overall state priorities.

- Question from Judy: What is your take on the SB 440 / 1440 transfer program? Answer: Not a big deal from the CSU perspective. It is more of a challenge for the community colleges.

- Question from Judy: What is your opinion about linking the budget to enrollment targets? Answer: We need to focus on providing better service to the students we already have.

2:12 Call ended.

7. Legislative Update – AVC Karen YZ from Sacramento
   2:25 Call commenced.
   - Bills are starting to trickle in. New bills are due February 21st. So far we haven’t seen a lot of alarming legislation. The Block bill (SB 850) regarding bachelor degrees for community colleges will be of interest. We expect BOT appointments in the coming months. The confirmation hearings probably won’t happen quickly, perhaps 2015.
   - Question: What should we focus on in our advocacy? When would talking points be ready? Answer: They should be ready at the end of next week.
   - Question: Do you expect any bills on online education? Answer: Not that I’ve heard of, but people are still interested.
- Question: Can you discuss SB 850? Answer: I understand the CSU’s concern but we should tread lightly so we don’t offend the CCC.
- Question: Can you recommend a date for legislative advocacy? Answer: It depends on the legislative calendar. You should avoid coming immediately before a legislative deadline.

2:40 Call ended.

8. Executive Committee Liaison – Steve Filling
- Steve and Diana will be conducting an online instruction briefing for the legislative staff in the Speaker’s office.
- SB 850 was discussed in extended exec.
- The resolutions that were passed in the past few years are being reviewed to determine what actions have been taken and what still needs to be done. Exec intends to follow-up with the Chancellor to make progress on issues.
- Planning is underway for Academic Conference in November in Long Beach.
- Chancellor will give a state of the CSU address next Wednesday.
- An interesting video related to online education can be seen at 20mm.org.
- Please look at the Extended Ed audit report from December.

9. CFA Report – Andy Merrifield
- Bargaining is going very well to date. It started in December which is the earliest start in years. The bargaining calendar is set until June. It has been collegial and professional. No issue has been settled to date. Three major issues: 1) compensation, 2) work load, and 3) job security. We are hopeful for a timely and fair settlement.
- Politics. We now have the opportunity to spend more time advocating for positive change and less time working against bad ideas. SB 520 is dead. CFA is working on a bill regarding extended education to clarify what is meant by supplanting of state supported academic programs. Students pay more for extended ed classes, but faculty get paid less and don’t get benefits.
- Budget. The Governor’s budget is a small improvement over last year, but $95 million less than the CSU’s request. The Speaker will propose an alternate budget that requests more money for the CSU. The CFA will work to advocate for an increased budget.
- Question: When would a new contract take effect? Answer: July 1st, if all goes well.
- Question: Please elaborate on intellectual property rights. Answer: What faculty develop should belong to the faculty. This is significant in partnerships with for-profit education providers.

- Date: Usually Tuesday or Wednesday after legislative recess. April 22\textsuperscript{nd} or 23\textsuperscript{rd}. Proposed alternate dates: April 8\textsuperscript{th} or 9\textsuperscript{th}. The final date will be determined at the interim meeting.
- Attendees: Usually FGA and Ex Comm. Local senators could also participate.
- California Legislators to be visited: It depends on the proposed legislation and the latest on the budget. Tentatively we should target the senate and assembly leadership, the chairs of the budget and education related committees, representatives that are CSU supporters, LAO.
- ASCSU Brochure: Praveen will update it. Perhaps we can prepare an FAQ handout that addresses current issues.
  - Update graduation rate data.
  - Infrastructure issues.
  - The brochure should have a single focus. Suggestions: quality, innovation, impact. Serving the students better.
  - Should not be defensive.
  - What could we accomplish if we got $95 million?
- Talking Points: To be developed.
- Resolutions: In March we should have a resolution on the ASCSU positions on various bills.
- Information on legislators and their districts etc.: Stephen Stambough will provide legislative history, positions, supporters, etc. Tom K will work with Stephen to develop a list of legislators serving districts with CSU campuses.

11. Online Concurrent Enrollment (OCE) memo from EVC Smith – Discussion about the accounting and financing of the classes and action thereof, if any
   - This is in response to AB 386.
   - Who gets the FTES? The sending campus or the receiving campus?

12. Higher Education Performance plan of the Governor – Discussion about the two documents received from the California Department of Finance and action thereof, if any.
   - $50 million awards for innovation. Ideas:
     - Increase the number of resident students
     - Long Beach promise
     - Mandatory advising at the freshmen level
     - Limit course repetitions
     - Limit undeclared majors
     - Provide advice in how to select the right major
     - Provide pathway programs into degrees
     - Provide training to faculty so that they may maximize the use of classroom technology, such as iPads, for student success.
     - Foster active learning.
     - Find ways to support working students and students with children so they can take full class loads.
   Any other points should be emailed to Praveen.

13. Discussion and action, if any on Global Trends – Cezar Ornatowski
   - None

14. Data needed for legislative advocacy:
- Average age of student
- Average hours worked
- Average units taken
- How many students take 15 or more units each semester
- How many students are attempting to graduate in 4 years
- Composition of student body native students vs. transfer students
- Question to explore: would reducing time to graduation really allow us to serve more students? For example, if our students take more classes each semester, our classes would be more crowded and bottlenecks would increase.

5:22 Adjourned