

Report of the Meeting of the  
Board of Trustees  
November 13-14, 2007

Craig R. Smith, CSU Faculty Trustee

**HEADLINE:** *Budget request moves ACR 73 Funding to top of list of proposals beyond the compact: increases request to \$43 Million*

Full reports from the Board of Trustees meeting can be found at [www.calstate.edu/BOT](http://www.calstate.edu/BOT).

The public committee meetings were held with, among others, the CSU presidents, the Lieutenant Governor, and members of the Statewide Academic Senate's Executive Committee in attendance.

- \* The Committee on Bargaining heard from various unions, particularly the staff unions, which complained of low pay in areas of high cost of living.
- \* The Committee of Whole formed an ad hoc committee to respond to the state audit report on executive compensation.
- \* The Committee on Finance reviewed the sad shape of government revenues; the losses will wipe out the government's reserve and produce at least a \$10 billion deficit. We could face a 10% cut of about \$300 million.

The Committee approved the planned augmentation request for the 2008-09 budget. The revenue expected from the state will not cover the state budget. Yet, the Compact will require an increase of \$322.7 million in the CSU budget just to meet health benefits and other contractual obligations. For example, compensation's increase is \$154 million; enrollment growth is \$82.5 million. Beyond that the CSU is requesting an additional \$155 million that includes \$43 million to fund ACR 73 to increase the tenured/tenure track ratio, which is not listed as the first priority above the floor of the compact! This funding would maintain system-wide student faculty ratio average at 20 to 1, on the road to down 18 to 1. The CSU will also request an increase in funded enrollment to 3.5%, 1% more than current 2.5%; even with the fee off-set this will require \$27 million more from the state. (We have been never been compensated for growth over the compact's requirement of 2.5%.) Also, the CSU is asking for funding for an extra 1% to close compensation gaps.

The Lieutenant Governor proposed capping student fees and limiting raises to the rate of inflation. Trustee Carter then presented an amendment, which was approved, to set the student fee raise no later than the March meeting of the Board.

The lottery funding should remain at the same level, that is, \$44.4 million for 2008-09.

The committee reviewed is external funding and approved system-wide revenue bonds for new parking structures at Long Beach and Northridge, and a university police building for Fullerton.

- \* The Committee on Governmental Relations heard report number 6. The Governor signed:
  - AB 262 on sun-shining credit card and other exclusivity arrangements.
  - AB 950 regarding waiver of fees for active duty military.
  - SB 855 strengthening system-wide fiscal management of bonds in the CSU.

The legislature has carried over to the next session the following important bills:

AB 302 and AB 175 on Cal Grant B reform (we are working with Assemblyman Hector De La Torre on this issue.).

AB 35 on environmental standards remains controversial because of cost.

AB 145 San Jose State-National Hispanic U. Collaboration; AB 1038 fixing student fees as a percentage of CSU budget;

AB 1586 setting minimum admissions standards for the UC and CSU; SB 325 provides six key measures of accountability for higher education.

There are many more bills that impinge in minor ways on the CSU and they can be found on the legislative calendar.

Proposition 92, the Community College initiative was discussed. Basically, if passed, the proposition would reduce the amount of non-mandated funds in the state budget; by 2008-09, it would take \$270 million out of these discretionary funds in the coming year, and eventually take over \$400 million off the table. It would also privilege the budget of the Community Colleges by giving them more funds from Proposition 98 funds, and require a super-super majority (80%) to change their budget allocations and fee structures. The funding formulas in the proposition are loaded toward the Community Colleges and do not limit enrollment accounting to credit courses. The proposition would lower the cost of attending CCs from \$20 per unit to \$15 per unit. It places the structure and budget of the Community Colleges into the state constitution. The Board followed the lead of the Statewide Academic Senate and announced its opposition to the proposition.

- \* The Committee on Audit heard follow-up reports on various internal campus audits. A problem at Sonoma has been turned over to criminal investigators.
- \* The Committee on Education Policy heard reports on: the Voluntary System of Accountability regarding access, student learning, and transparency; and textbook affordability.
- \* I chaired the Committee on Institutional Advancement which recognized naming of entities at Fresno, San Diego, and San Jose.
- \* The Committee on Campus Planning, Buildings and Groups approved schematic plans for student housing and a children's center at Fullerton, a natural history museum at Chico, a research center at Humboldt, an alumnae center and a speech and hearing lab at San Diego, children's center for San Francisco, and a public safety building and a parking structure for San Marcos. Capital outlays were approved for energy infrastructure at the Maritime Academy and Sonoma.

After a lengthy hearing, the Committee approved a final environmental impact report on enrollment impacts at San Francisco and San Diego.

**After public comments during the general board meeting, the above recommendations were affirmed and the reports were accepted.** The Chancellor reported that Pell Grants have been increased to the tune of \$30 million to the CSU. He re-affirmed his commitment to outreach programs. After the Board adjourned, the Steering Committee on Access to Excellence met to narrow priorities and instruct the staff on the next iteration of the document. There will be more emphasis on what the CSU does right at this time, and how to enhance those things to achieve even higher quality in the system.

**Campus Visits by Faculty Trustee Smith since last report:**

Pomona, Academic Senate Executive Committee Retreat, September 13<sup>th</sup>.

San Francisco, Executive Committee, December 4<sup>th</sup>.

Winter graduations: San Bernardino (Dec. 8) and Sacramento (Dec. 22).

**Board Committee Chairs:**

Ray Holdsworth, Chair, Audit

Robert Linscheid, Chair, Campus Planning, Buildings and Grounds

Lou Monville, Chair, Collective Bargaining

Herbert Carter, Chair, Educational Policy\*

William Hauck, Chair, Finance

Melinda Guzman, Chair, Government Relations\*

Carol Chandler, Chair, Craig Smith, Vice Chair, Institutional Advancement\*

George Gowgani, Chair, Craig Smith, Vice Chair, Organization and Rules\*

Debra Farar, Chair, University and Faculty Personnel\*

\*Faculty Trustee Smith to serve as member.

*My list of completed campus visits follows:*

| <b><u>Campus</u></b> | <b><u>1<sup>st</sup><br/>Official<br/>Visit</u></b> | <b><u>2<sup>nd</sup> Visit</u></b> | <b><u>3<sup>rd</sup> Visit</u></b> | <b><u>4<sup>th</sup> Visit</u></b> | <b><u>5<sup>th</sup> Visit</u></b> |
|----------------------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Humboldt             | 9/05  | Graduation 05                      | 10/06                              |                                    |                                    |
| Chico                | 12/05   | Graduation 07                      |                                    |                                    |                                    |
| Sonoma               | 2/26  |                                    |                                    |                                    |                                    |
| Sacramento           | 12/05   | 8/29/07 Academic Senate Retreat    | 12/22/07 Winter Grad               |                                    |                                    |
| Maritime A.          | 2/06  | guest lecture                      | Graduation 06                      | Graduation 07                      |                                    |
| San Francisco        | 10/05   | 12/4/07                            |                                    |                                    |                                    |
| East Bay             | 11/05   | Workshop                           | President/<br>Senate Exec.         |                                    |                                    |
| San Jose             | 11/05   | 150 <sup>th</sup> Anniversary      |                                    |                                    |                                    |
| Stanislaus           | 9/06  |                                    |                                    |                                    |                                    |
| Monterey Bay         | 2/06  | 1/07                               |                                    |                                    |                                    |
| Fresno               | 10/05   | Graduation 06                      | 9/06                               |                                    |                                    |
| Bakersfield          | 5/06  | Graduation 07                      |                                    |                                    |                                    |
| San Luis Obispo      | 10/06   |                                    |                                    |                                    |                                    |
| Channel Islands      | 4/06  |                                    |                                    |                                    |                                    |
| Northridge           | 11/05   |                                    |                                    |                                    |                                    |
| San Bernardino       | 11/05   | 12/8/07 winter grad.               |                                    |                                    |                                    |
| Fullerton            | 11/06   | Arts Center                        | Alumnae                            | Picnic                             |                                    |

|                 |      |                        |                          |      |                   |
|-----------------|------|------------------------|--------------------------|------|-------------------|
| Los Angeles     | 1/06 |                        |                          |      |                   |
| Dominguez Hills | 5/06 | Tennis Center          | Campus<br>Conversation   |      |                   |
| Long Beach      | 9/05 | 5/06                   | Graduation               | 9/06 | Campus<br>Conver. |
| Pomona          | 4/06 | Campus<br>Conversation | 9/13/07-Exec.<br>Retreat |      |                   |
| San Marcos      | 1/06 | 8/07 Fundraising       |                          |      |                   |
| San Diego       | 1/06 | Graduate Dean          |                          |      |                   |