

Report of the Meeting of the
Board of Trustees
January 22-23, 2008

Craig R. Smith, CSU Faculty Trustee

HEADLINES: *In re-action to an audit, the Board approved reforms in compensation reporting and hiring.*

Full reports from the Board of Trustees meeting can be found at 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.
- * The Committee of Whole formed an ad hoc committee in November to respond to the state audit report on executive compensation. It approved a number of recommendations to provide more transparency in executive compensation and more diversity in hiring. These included: reforming how compensation to include all benefits, not simply salary; determining ways by which full-time employees would be required to report outside income; improving ways by which hiring pools can be made more diverse. The full board approved these regulations.
- * The Committee on Campus Planning, Buildings and Groups approved the energy infrastructure improvements of \$7.5 million for San Marcos. The governor's budget supported the board request for capital outlay increases, which will allow many campus projects to go forward.
- * The Committee on Governmental Relations heard report number 7. Our coalition has begun running radio ads against proposition 92, the Community College initiative. 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, the Statewide Academic Senate and the CSSA oppose the proposition.

The CSU legislative day has been set for April 28th in Sacramento. Other important dates include January 31, the last date to pass carry over bills from 2007, February 22, the last date to introduce new bills, June 15, target date for budget passage after governor presents May revise of budget.

We are supporting legislation to create a Doctor of Nursing Practice Degree. Senator Scott is slated to help us move this legislation forward.

The Federal CSU agenda remains mainly the same as last year in support of outreach programs, liberalization of Pell Grants, funding for Strategic Language Institute (which was successful) and STEM

field programs. A number of ear-marks for local campuses and the system are also being supported such as the CSU marine research equipment funds. The Re-authorization of the Higher Education Act is still pending, but we are hopeful to get action by summer. Many CSU priorities are included in the act such as year round Pell Grants and aid to universities that enroll large numbers of Hispanics. The old legislation has been extended in the meantime as a stop gap. See also HR2669 which is full of items helpful to the CSU including a new TEACH program.

- * The Committee on Audit heard follow-up reports on various internal campus audits.
- * The Committee on Institutional Advancement approved naming of entities at Fullerton (Mihaylo College of Business) and San Jose (Sbona Honors Program). The Board also accepted the report on External Support to the CSU which shows that fundraising is going very well across the system.
- * The Committee on Education Policy heard a report on our ambitious program to provide college courses to military troops. The Board approved an amendment to Title 5's student code of conduct to bring it into conformance with recent court decisions. Only specific actions can be regulated; calls for "civility", the court ruled, are too broad to assess and could be used in an arbitrary and capricious manner.

Honorary degrees for 2008 commencements were approved.

Long Beach's Better Learning After School Today (BLAST) was used to illustrate productive and effective programs in the CSU for Community Engagement.

The Board reviewed the policy on remediation, which has been tightened in terms of when a student must demonstrate proficiency.

- * Committee on Finance reviewed the sad shape of government revenues. The CSU will work with CFA to have \$386 million restored to the CSU budget. In the meantime, the legislature is dealing with the 2007/08 budget in emergency session under Proposition 58; the governor has requested \$817 million in budget reductions, for example, taking \$400 million from Proposition 98 K-14 funding. The implications for the 2008/09 budget are the following:
 1. As things stand, we need to raise student fees to meet budget demands; however, we will be seeking legislative help on this matter.
 2. We will lobby the legislature to have our budget restored to acceptable levels, which would be \$313 million more than the governor's proposal with no fee buyout and \$386 million more if the fee buyout is included. Currently, we receive \$8,484 per student from the state; then \$3,076 from fee revenue; and \$685 from other fee dollars for a total of \$12,245. That is less than the actual \$14,000 or so that the CSU spends per student. To put it another way, for every student we take in, we run up a debt of \$2,000 that has to be made up in other ways, for example, larger classes. Furthermore, one-third of fee increases are set aside for financial aid to students. In the CSU, 228,324 students receive some form of aid. Of that group, 169,000 students receive an average of \$5,000, which is \$2,000 more than fees. 142,000 students receive loans averaging \$6,700; another 8,222 are on work study. Dependent students' (under 24 years of age by federal rules) needs assessments are based on parents' ability to pay. (Independent students are over 24, veterans, wards, graduate students, and/or married; these

criteria are based on federal rules.) Costs are calculated by federal rules in terms of fees, books, room & board, transportation, and personal needs. Obviously, living at home is less expensive than living off campus or in a dorm. The at-home student estimate cost is \$11,500; \$16,783 is the estimated cost for living on campus; and \$17,587 for living off campus. A financial aid package is then created after subtracting what a family is expected to contribute. The package is composed of Pell Grants (\$4,700), Cal Grants (\$3,000 if qualified), State University Grant (\$3,000), Academic/Smart Grants, Educational Opportunity Grants, loans, and so forth. Any student receiving such aid automatically receives an increase commensurate with fee increases. When scholarships and grants are added up, almost \$2 BILLION is available to students every academic year in the CSU. That explains why student loans have declined to 50% of our student body. 47% of our student receive need-based aid and therefore are NOT subject to fee increases; those increases are automatically added to the aid. The data shows that grants are up, fees are covered, and student loans are down even while student fees have increased. Under these circumstances, it may be very difficult to argue that student fees should not increase.

3. All budgets continue to assume a growth rate of 2.5% in enrollment, which provides new fee revenue and increased support in the budget. The governor's budget retains funding for our future infrastructure needs and financial aid.
4. We can argue that we provided 10,000 full-time equivalent students over our target in 2007/08. Those 10,000 have not been funded. Most of these students are the result of an aggressive outreach program and therefore come from under-represented groups. Unless the budget is restored, we will have to deny entry to another 10,000 qualified students.
5. Our contributions to the state in terms of needed personnel is phenomenal and a very good investment. We provide 87% of the degrees in education; 89% of the degrees in criminal justice; 87% of the degrees in social work; and 82% of the degrees in public administration.
6. The proposed 2008/09 budget would not allow us to serve all qualified students nor keep the compensation pool fully funded.

After the budget and fees report, the Finance Committee approved various projects funded by revenue bonds. These included student housing and a performing arts center for Northridge, the acquisition of Brooks College and a renovation of a dining facility for Long Beach, building for student services and residential life for Stanislaus, and refinance for the College Park Building at Fullerton.

After public comments during the general board meeting, the above recommendations were affirmed and the reports were accepted.

The Chancellor and Chair reported that a new alliance has been formed with the CFA and other unions to present a united front in Sacramento regarding our budget needs.

Campus Visits by Faculty Trustee Smith since last report:

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

Pending visits: Fullerton, East Bay.

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:

<u>Campus</u>	<u>1st Official Visit</u>	<u>2nd Visit</u>	<u>3rd Visit</u>	<u>4th Visit</u>	<u>5th Visit</u>
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/ Senate Exec.		
San Jose	11/05	150 th 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	Guest Lecture
Los Angeles	1/06				

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