



# Business and Finance News

## The California State University

• Business and Finance Division •

Richard P. West, Executive Vice Chancellor and Chief Financial Officer

### NEWS FROM THE DEPARTMENTS

November 2004



#### **BUDGET DEVELOPMENT**

*Patrick Lenz, Assistant Vice Chancellor*

The Board of Trustees has approved the 2005-06 CSU budget to be submitted to the Department of Finance for consideration and inclusion in the Governor's 2005-06 budget. The Governor is constitutionally required to submit a budget to the legislature by January 10, 2005. The Board approved a \$224.9 million increase over the 2004-05 adjusted budget based on anticipated revenue from the state General Fund and student fee revenue, and they approved \$224.9 million in expenditures to begin the recovery from the negative fiscal impact of more than \$522 million due to budget reductions and unfunded mandatory costs over the past three years.

The Board approved budget is consistent with the Compact Agreement for Higher Education that begins with the 2005-06 fiscal year to start recovery efforts to reinvest in the California State University. The 2005-06 CSU budget assumes a 3 percent base state General Fund increase (\$72.8 million), \$50.8 million in state General Fund appropriations for 2.5 percent enrollment growth, and an 8 percent increase in undergraduate and 10 percent increase in graduate

student fee revenue (\$101.3 million). The Board approved funding of mandatory costs (\$41.8 million), enrollment growth of 8,103 FTES (\$63.8 million), a set-aside of 25 percent from increased student fee revenue for financial aid (\$23.3 million), compensation (\$88.1 million), and long-term needs (\$7.9 million). The Board adopted the proposed budget revenue and expenditure assumptions, including the student fee recommendation and the proposed lottery budget (\$41.5 million), on a 15 to 3 vote.

#### **BUSINESS PLANNING & INFORMATION MANAGEMENT**

*Lenore Rozner, Assistant Vice Chancellor*

#### **QUALITY IMPROVEMENT PROGRAMS**

**Participation Encouraged in Performance Management:** The Quality Improvement Program continues to offer and encourage participation in the systemwide collection of data for the various functional performance measures. The functional area performance measures, historically developed by the functional areas, have been made available in the pbviews tool for data collection. Data collection is taking place on a systemwide effort throughout the month of November. The data will be available real-time in pbviews and results will be posted on the QI website in January.

Interest has also been expressed in developing metrics for three new areas - Academic Advising, Library, and Shipping and Receiving.

The QI program remains committed to assisting campuses with integrating the systemwide initiatives with campus efforts such as Balanced Scorecard or Assessment models; all with the goal of aligning efforts and reducing duplicative measurement. The performance measurement initiative can serve to provide the measurement piece for campus

frameworks as well as valuable comparative analysis. Functional representatives have been encouraged to measure only what is important to them in managing their performance and supporting their campus framework.

There are no additional fees for participation for the 14 campuses that have already contributed “full participation” fees in the Quality Improvement Programs. Other campuses may participate in this effort for \$500 per function.

Past results are available at [www.calstate.edu/qi](http://www.calstate.edu/qi). Click on “Results”.

Campuses needing assistance in developing a campus framework or scorecards or in exploring alignment of the available tools with efforts already in place should contact the Quality Improvement staff so that we can develop a customized plan for your campus.

For more information or to participate, please contact Briana Anderson at (562) 951-4552 or [banderson@calstate.edu](mailto:banderson@calstate.edu).

**Quality Improvement Program Launches New and Improved Website:** In October, the QI Program launched a new website. The site is a streamlined, yet comprehensive clearing-house for tools and resources to assist campuses in quality improvement efforts. The website provides intuitive and easy-to-use tools and resources such as a CSU Measure Library, online survey design, WASC and support unit assessment resources, information for those getting started on quality initiatives, and much more. The site is available at [www.calstate.edu/qi](http://www.calstate.edu/qi)

**Biennial Report:** The first QI Biennial Report is being released in November 2004, celebrating the many accomplishments in operational improvements at the 23 campuses and the Chancellor’s Office. A presentation at the November Board of Trustees meeting recognizes the progress of the QI Program and highlights this year’s QI Award Winners. The report is posted on the new website (address above).

*Matthew Ceppi, Director*

## **BUSINESS PLANNING**

The first systemwide CSU Impact Report to be completed within the last decade is being published this month, with the highlights shared with the Board of Trustees at their November meeting. Under contract to the CSU, ICF Consulting conducted this study of the

economic and social impact that CSU has on the state of California. The results will support advocacy efforts with legislators, industry leaders and others. The full report will be available on the CSU’s website as of November 16, 2004.

## **CAPITAL PLANNING, DESIGN AND CONSTRUCTION**

*Elyra F. San Juan, Assistant Vice Chancellor*

The dates for the CSU Facilities Management Conference have changed to October 23 – 26, 2005, and will be held at the Paradise Pier property at Disneyland. The educational tracks will be: Planning; Design and Construction; Plant Management; Energy Management; and Property Acquisition and Management. The latter track, property acquisition and management, a first for this conference, is a sign of new directions and challenges for the CSU. Sustainability will be interwoven within all the tracks to reflect its potential impact and importance throughout facilities management.

The CSU Facilities Management Institute’s 2005 Capital Training Program calendar is posted at: <http://www.calstate.edu/CPDC/Trg2005.shtml>. Registration for the Space and Facilities Database training (scheduled for January 27, 2005) will open at the end of November. The latest information for all training sessions is available on the website.

*Nancy Freeland-Paice, Executive Program and Fiscal Manager*

## **FACILITIES PLANNING**

The Facilities Planning staff recently assessed the core business processes of their unit. Among the critical work areas, the key foremost issues were the services involving direct, interactive communication with the campuses. Following this assessment, the planning staff crafted their mission, “Leading the Leaders,” and established these strategic goals:

- Streamline the delivery process that develops and validates new capital outlay projects.
- Link COBCP spreadsheets and expand web-enabled database to include auto data validation and new space analysis and reporting tools.
- Improve the connectivity and comparability of the facilities and academic databases.
- Adapt CPDC’s Capital Project Database to web-enabled data entry.

- Develop project-planning tools on project scheduling, cost estimating and feasibility studies.
- Improve the Post Performance Review process of completed capital projects.

Facilities Planning will initiate strategic measures to guide campuses in delivering successful innovative capital projects.

*Larry Piper, Chief of Facilities Planning*

### **LAND USE PLANNING & ENVIRONMENTAL REVIEW (LUPER)**

LUPER has recently updated its mapping software and staff has received intensive technical training on the software to keep the campus title encumbrance maps as current and accurate as possible. You can find these maps on our LUPER website at <http://www.calstate.edu/CPDC/LUPER/maps.shtml>. Each campus map gives an at-a-glance picture of the campus' title issues and encumbrances that can affect construction sites and lease agreements within the campus boundary.

*David Rosso, Chief of Land Use Planning & Environmental Review*

### **ARCHITECTURE & ENGINEERING**

The Architecture and Engineering unit will be conducting a one-day Design Procedures and Building Official Training seminar in September 2005. The morning session will explore the CSU design process from pre-schematics to bid opening, discussing cost control, project scheduling, and strategies to develop and maintain project quality. An afternoon session will review the responsibilities and duties of campus building officials and discuss public expectations for all those responsible for the construction of capital projects.

Additional program and registration information is available online at:

<http://www.calstate.edu/CPDC/CapProjTrg.shtml>.

*Tom Kennedy, Chief of Architecture & Engineering*

### **CONSTRUCTION MANAGEMENT**

**Construction Manager (CM) at Risk:** Thirteen projects are currently utilizing the CM at Risk with a Guaranteed Maximum Price model. Lower fees proposed by the construction managers are making

these projects more affordable in this period of soaring bid prices.

Construction Manager at Risk (CM at Risk) projects are competitively bid. The CM is issued a service agreement for preconstruction services at the beginning of the project, and works with the architect during the project design performing value engineering, constructability reviews, cost estimating, etc. The desired end result is to produce the optimum project value for the money available and to produce complete and accurate construction documents that the CM can then distribute to the trade contractors to bid in order to secure a Guaranteed Maximum Price (GMAX). Once the CM obtains his/her GMAX bid, the trustees enter into a construction agreement with the CM for the construction phase of the project.

None of the thirteen projects have yet to reach a GMAX, though at least two of them will be bidding in November. CPDC is working very closely with these first campuses to ensure a smooth delivery of their project and a better model (and guidelines) for other campuses to use.

**Labor Compliance:** CPDC Labor Compliance Managers have been working for the past year on minor capital outlay projects funded from Prop 47 (2002), and recently have begun work on major capital outlay projects (Prop 47). In addition, the labor compliance managers are now working on minor capital outlay projects funded from Prop 55 (2004). After these projects are successfully bid, the managers should be included in the preconstruction meetings.

*Jim Corsar, Chief of Construction Management*

### **PLANT, ENERGY AND UTILITIES**

The CSU campuses consume 2,200 megawatts-hours (2,200,000 kilowatt hours) every day that classes are in session - enough electricity to power 20,000 homes. Although most of the electricity consumed on CSU campuses originates from local utility companies, each succeeding year the CSU generates more clean, ultra-clean, and renewable energy. From San Diego to Humboldt, and many campuses in between, the CSU is generating over 270 megawatt-hours per day. Photovoltaic carport covers at Northridge, rooftop systems at Hayward and Sonoma, and micro-turbine generators and various sized combined heat and power systems at Humboldt, San Diego, and San Jose are some examples of how CSU growing campuses are meeting the ever-increasing demand for electricity.

A 21st century student's thirst for knowledge is fed by electrons – electrical energy consumed by high tech equipment: computers, videos, cell phones, PDA's, and more. In a recent study conducted by the University of Florida, freshman students had on average 18 electrical and electronic devices in their dorm room- nearly four times what it was less than five years ago. At the same time classrooms, libraries, and laboratories contain computers, video, telecommunication equipment, and environmental control systems, are significantly increasing the demand for energy. Although the CSU has reduced overall energy consumption, these new challenges are placing extreme demands on our aging infrastructure.

What is CSU doing about it? As stated in past newsletters, partnerships with the utility companies and the UC save over 22 million kilowatt-hours per year. Many CSU students are participating in the Green Campus Program, an outreach program designed to help educate the community about ways to conserve and use energy wisely.

**Training & Educations Programs Start:** The Energy Efficiency Partnership is pleased to announce the start of a 2004/05 training program being offered in collaboration between the CSU, the University of California, and California's four investor-owned utilities. This two-year training program is being provided without charge to attendees, under a grant from the California Public Utilities Commission.

"Exceeding Title 24 Standards" is the first course offering in a series entitled, *A Higher Standard*. It is designed to assist campus project managers' implementation of UC/CSU sustainability and energy efficiency goals in new construction projects. The course will identify energy efficiency strategies that projects can implement to exceed the upcoming 2005 standards.

Charles Eley, the instructor and a major contributor to the ongoing development of Title 24, will include a brief history of the code and will examine how Title 24 relates to the statewide new construction incentive programs: Savings by Design and the U.S. Green Building Council's LEED rating system. Code compliance issues, including the mandatory measures that all buildings must adhere to, will be presented as they relate to lighting, mechanical, and envelope systems.

All classes will run from 9 am until 4 pm (check-in begins at 8 am). The classes are free of charge to

campus staff and a travel stipend is available. The class will be offered in three locations:

- Friday, November 5, 2004: Southern California Edison Customer Technology Application Center (CTAC), Irwindale
- Tuesday, November 16, 2004: UC Davis, Athletic and Recreation Center
- Wednesday, November 17, 2004: UC Merced - Fresno Center

To attend the Irwindale (CTAC) location, call (626) 812-7537 and refer to course #12321. Alternatively, you may e-mail [ctacsems@sce.com](mailto:ctacsems@sce.com). The e-mail request must include: name (first and last), campus name, campus address, phone number (include area code), fax number, and course name and number.

The UC Davis and UC Merced program registrations will be available on-line. A follow-up announcement will be sent once the site is uploaded. If you have any questions or concerns, please contact Emily Nalvan (510) 987-9287 or e-mail [Emily.nalven@ucop.edu](mailto:Emily.nalven@ucop.edu) at UC PMI (Project Management Institute).

**UC/CSU Annual Energy & Utility Managers Conference:** The 3<sup>rd</sup> Annual Energy Managers Conference "Control your Destiny" using renewable energy, demand response, and energy efficiency initiatives is being hosted by San Diego State University and APS Energy Services December 1-3, 2004. For information and registration please visit: [www.apses.com](http://www.apses.com).

*Len Pettis, Chief of Plant, Energy, & Utilities*

## **FINANCIAL SERVICES**

*Dennis Hordyk, Assistant Vice Chancellor*

## **CONTRACT SERVICES AND PROCUREMENT**

The following CSP Bulletins have been released since the last newsletter.

•**CSU Buy Recycled Report FY 03-04; CS&P Bulletin 04-11;** We did it again! Thanks to the hard work by campuses, our Buy Recycled Product efforts have again met and exceeded the legislative mandate of 50%.

•**Oracle Training Pricing Agreement; CS&P Bulletin 04-12;** this master pricing agreement for technical training is to provide on-request training to the CSU.

•**Remanufactured Toner Cartridges; CS&P Bulletin 04-13;** Vendor: The Very Last Word; supplier for a large line of remanufactured laser and inkjet toner cartridges. All cartridges qualify for Buy Recycled content and Small Business credit and are guaranteed to perform as good or better than OEM products.

•**Mathematica Software; CS&P Bulletin 04-14;** multi-campus academic site license for Mathematica and webMathematica Amateur for campus-wide use on CSU-owned computers.

•**Oracle Agreement 2004 Implementation; CS&P Bulletin 04-15;** provides for the licensing of certain Oracle software licenses and access to consulting services.

•**Remanufactured Laser Printer and Fax Supplies; CS&P Bulletin 04-16;** Vendor: Faro Communications, Inc., re-manufacturer of “Recycled Content” toner cartridges for laser printers, fax machines and copiers. All products are fully guaranteed to perform and come with a 100% satisfaction policy.

•**Mechanical Systems Review Services – Master Enabling Agreement; CS&P Bulletin 04-18;** seven firms are authorized to perform mechanical systems review services for public works projects submitted by the CSU.

•**Policy Manual for Contracting & Procurement, Revision 10/20/04; CS&P Bulletin 04-19;** changes requirements for contracting with Prison Industry Authority.

The Procurement and Support Services Officers Association will be holding its quarterly meeting December 15 and 16 at the Ayres Suites at the Ontario Mills.

Further information can be obtained at: <http://www.calstate.edu/csp/> or by contacting Tom Roberts at (562) 951-4583.

## **RISK MANAGEMENT**

Effective November 1, 2004, Cathryn 'Kit' Espinosa accepted a new job assignment as Systemwide Emergency Management Coordinator, with an office at CSU Northridge. Kit will serve as the systemwide liaison on emergency preparedness issues, coordinate training programs and emergency operations drills on a

systemwide basis and, when requested by a campus, assist with emergency and mitigation plans and the submittal process for federal and state reimbursement claims for costs incurred during emergency operations. Kit's new telephone number is: (818) 677-5973; FAX: (818) 677-5816

While the Office of Risk Management recruits for a new Associate Director, please forward all risk management, insurance issues/questions to [Charlene Minnick at \(562\) 951-4580 or cell \(562\) 577-1630 or via e-mail cminnick@calstate.edu](mailto:CharleneMinnick@calstate.edu).

*Charlene Minnick, Director*

## **SYSTEMWIDE FINANCIAL OPERATIONS**

**GAAP Audit:** Campuses submitted their initial version of the reporting package to the C.O. during the last week of October and the KPMG systemwide review team finished reviewing campus reporting packages the first week of November. Campuses may be asked to resubmit their reporting package based on the review comments. Consolidation for the systemwide financial statements will begin at the end of November. The final systemwide financial statements and the Single Audit reports (A-133) are scheduled to be issued on January 11, 2005.

**Training:** Two different workshops have been/will be conducted on tax issues as they have received increasing attention from the IRS for colleges and universities in recent years:

- The Non Resident Alien (NRA) Tax Workshop was held at LAX November 8-10 as part of on-going training on the subject.

- Unrelated Business Income Tax (UBIT) workshops are scheduled for November 15 at the CSU Sacramento campus, and on November 16 at the CSU Chico campus. The workshops will address advanced topics related to UBIT as a follow-up to a workshop provided earlier this year.

*George Ashkar, Senior Director/Controller*

## **INFORMATION TECH. SERVICES (ITS)**

*David Ernst, Assistant Vice Chancellor*

## **ACADEMIC TECHNOLOGY SERVICES**

The Academic Technology Advisory Committee (ATAC) had its first meeting for the 2004-2005

academic year on September 30, 2004. Its next meeting is being scheduled for November 8, 2004.

The Provosts' Technology Steering Committee (PTSC) had its second meeting for the 2004-2005 academic year on October 4, 2004. Its next meeting is being scheduled for December 1, 2004

The Council of Library Directors (COLD) began its strategic planning process for systemwide library services at its recent meeting.

### **Academic Technology Initiatives**

#### **1. Foundational Skills: Part 1 –The Math Success Website**

The CSU Math Success Website is open at [www.csumathsuccess.org](http://www.csumathsuccess.org). The website provides advice and tools for students to plan their successful completion of CSU Entry Level Math (ELM) requirements. High school teachers, parents, CSU faculty and staff, and CSU Early Assessment Program (EAP) coordinators can also use the website to become informed about the CSU ELM requirements and preparations for success in the CSU.

#### **2. E-Learning Framework Initiative – Making usable and effective teaching and learning environments with technology**

##### Accomplishments:

- MERLOT has negotiated formal alliances with WebCT and Blackboard for the integration of MERLOT services into the course management systems used by CSU campuses. MERLOT, WebCT, and the Tennessee Board of Regents will be showcasing an entry-level math course build with MERLOT learning materials. Demonstrations of these capabilities were available at EDUCAUSE 2004 in October.

- A number of campuses have expressed interest in Sentient Discover, which integrates CSU electronic core collection and MERLOT into WebCT and Blackboard. Discussions and evaluation of Sentient are continuing.

#### **3. Digital Marketplace Initiative**

Reduces cost and increases convenience/usability of academic technology content and tools

##### Accomplishments:

- WebCT and Blackboard contracts are expiring 12/31/04. Glenda Morgan (CSU Office of the Chancellor) is leading campus-based committees in reviewing and revising proposed contracts.

- A Digital Marketplace Coordinating Committee has been established and the review of Phase I proposals is underway.

### **TECHNOLOGY INFRASTRUCTURE SERVICES**

Infrastructure Build-Out Project - Stage 1 and Stage 2: Construction for the Phase 1 and Phase 2 campuses continues, with several projects now fully complete, and all but one still expected to be finished by mid-summer 2005.

Among the Phase 3 sites, San Marcos, Bakersfield and San Jose have fully launched into Stage 1 construction, while contractor personnel have arrived at the Fresno and Fullerton campuses and are engaged in their pre-construction preparations. The San Francisco campus is completing its contract and initiating job start activities. San Diego is in the bidding process, with Monterey Bay soon to follow.

All campuses are now fully engaged in Stage 2 activities, including all Phase Three campuses, and are beginning the design and deployment process. CSU is also in the initial stages of designing a methodology to refresh network equipment. Work on refresh parameters will continue throughout the fall.

(As a reminder, the phases group campuses in the order that they undertake the TII project. Stage 1 refers to the physical construction of pathways, spaces and media on campuses; Stage 2 represents the installation of the necessary electronic components.)

**Network Management System (NMS):** NMS, a set of software tools that allows campuses to monitor and measure their network performance and quickly identify points of failure when problems arise, has been installed on all 23 campuses. The next NMS version that will update the network management tools to coincide with current vendor software releases is currently underway.

#### **Network Infrastructure Asset Management System:**

The Asset Management tool is a software application that allows campuses to maintain records of their network infrastructure by tracking cables and equipment locations on campus. The Network Technology Alliance (NTA) Committee's Asset Management Working Group has proposed a model that calls for a centralized datacenter facility capable of supporting all CSU campuses. The proposal also provides an option for larger campuses with more comprehensive requirements and staffing to elect to run their software on a campus-based server. The

NTA Executive Committee has taken the proposal under advisement and is collecting additional data to assist with the analysis.

**Training:** To coincide with the latest upgrades to the Network Management System (NMS) software, TIS has scheduled training sessions during the first two weeks of November 2004 at the San Jose campus. The goal of the training is to inform campus network staff of the upgrade changes, thereby better preparing them to use all of the new features included in the current vendor software releases.

**Security Incident Response Team:** CSU has entered into an agreement with Carnegie Mellon University's Software Engineering Institute to develop a framework for campus security incident handling. With this agreement in place, CSU has the opportunity to become a national leader in the development of a security incident response team model customized for the university environment, as well as assist in setting a standard that will benefit other institutions of higher education.

A planning meeting and training workshop is being scheduled with the campuses. Requests have recently been sent to campuses to select a point of contact that will be the person(s) primarily responsible for managing the campus response to breaches in computer security.

**Campus Access Infrastructure Initiative (CAI):** The Campus Access Infrastructure Initiative (CAI) is a system-wide program that will install and thereafter maintain the infrastructure required to connect each campus local area network (LAN) to the new CENIC wide-area network backbone (WAN).

CAI will address the CSU's growing requirement for improved network reliability by providing circuit redundancy and path diversity. In addition, network capacity will be dramatically increased, thereby yielding a significant benefit to the campuses. A project plan is now in the review and approval stages. The CAI project is targeted to begin in late 2004.

## COMMON MANAGEMENT SYSTEMS (CMS)

**Finance 8.4 Update:** Three of the fifteen campuses using CMS finance (SLO, Long Beach and San Jose) successfully completed their year-end close process using the new CDIP (Corporate Data Integrity Process) functionality. CDIP was developed as a result of recommendations by the FIRMS Data Integrity Task Force to improve the integrity of CSU's

system wide financial data. These three campuses are now in the process of completing their GAAP submittal through the newly delivered FIS 8.4 on-line reports. In 2005, 21 campuses will be completing their FY 04/05 year-end and GAAP submittals with the new CDIP functionality.

**Student Administration Milestones Continue:** The Chico campus is the 9th campus to go live with CMS Student Administration. They have successfully converted over 4.5 million Bio/Demographic records. Chico's Admissions "go-live" was completed in early October. The Pomona campus rolled out student self-service academic advising in October. In August, the six remaining Banner/SCT campuses formed a Collaborative to jointly implement Student Administration by 2008. The Banner Collaborative held their first official meeting in September. The Collaborative is forming teams to provide the governance structure for the implementation process.

## GOVERNMENTAL AFFAIRS

*Karen Y. Zamarripa, Assistant Vice Chancellor*

This article highlights priority bills that were of greatest interest to the California State University during the 2003-04 Legislative Session, which adjourned in August. 2,621 bills were introduced in the second year of the session, for a total of 5,036 bills that the Legislature considered during the past two years in both the Assembly and Senate. Governor Schwarzenegger, in his first year, signed 954 bills, including the requirement that the CSU purchase vehicles under the supervision of DGS. He vetoed 310 bills, including a mandatory systemwide student fee policy.

The following provides a final outcome for CSU priority bills this year:

### Legislation Signed by the Governor

**Assembly Bill 1969 (Negrete McLeod and Nakano) Courses in Employee Ethics.** AB 1969 essentially codifies existing CSU policy requiring specified employees (required to file a "Statement of Economic Interests") to complete an orientation course on the relevant ethics statutes and regulations that govern the official conduct of university officials.

**Assembly Bill 2469 (Assembly Higher Education Committee) Reports.** AB 2469 is an omnibus bill that delays and/or repeals the submission of numerous statutory reports that are required of the CSU and other public institutions of higher education.

**Assembly Bill 2477 (Liu) Pricing of College Textbooks.** AB 2477 urges textbook publishers to take specified actions aimed at reducing the amounts that students currently pay for textbooks. It also requires the CSU and other public institutions to encourage faculty members, when assigning textbooks, to give preference to practices that are less costly to students.

**Assembly Bill 2615 (Assembly Higher Education Committee) Cross-Enrollment Reporting Requirement.** AB 2615 repeals obsolete reporting provisions associated with current law pertaining to cross-enrollment at public postsecondary institutions in California.

**Senate Bill 1088 (Scott) Grants and Annuities Societies: Investments.** SB 1088 allows a charity to hold up to 50% of its investments backing charitable gift annuities in common stocks, rather than the current limit of 10%.

**Senate Bill 1262 (Sher) Charitable Organizations.** SB 1262 (known as the Nonprofit Integrity Act of 2004) amends the law regulating charitable organizations, commercial fundraisers and fundraising counsel and requires these entities to file reports of their activities with the California Attorney General.

**Senate Bill 1415 (Brulte) Common Course Numbering System.** SB 1415 requires community colleges and the CSU to adopt, and requests the UC and private postsecondary institutions to adopt, a common course numbering system for the 20 highest-demand majors in the respective segments.

**Senate Bill 1757 (Denham) State Procurement: Vehicles.** SB 1757 requires that all contracts for acquisition of motor vehicles or general use mobile equipment for an executive branch officer or agency, including the CSU, to be made by or under the supervision of the Department of General Services, and permits the department to collect a fee to offset the cost of the services provided.

**Senate Bill 1785 (Scott and Alpert) Transfer Requirements.** SB 1785 requires the CSU to establish admissions requirements for community college transfer students in accordance with specified criteria, and requires the CSU to specify (60 units) for each high-demand baccalaureate program major a systemwide lower-division transfer curriculum.

#### **Legislation Vetoed by the Governor**

**Assembly Bill 242 (Liu) Teacher Preparation and University Faculty.** Among other provisions dealing with K-12 emergency teacher permits, this bill would have required CSU to: a) adopt a formal policy on the

balance of permanent and temporary faculty; b) require CSU to pay pro rata compensation to temporary faculty; and c) require CSU examine faculty promotion, tenure and review policies and practices to ensure that teaching excellence is given significant weight in decisions regarding promotion and tenure. The Governor's veto message said: "*Although it is desirable for the State to develop long-range plans for such matter as the preparation and retention of highly qualified teachers, this bill is neither comprehensive nor fiscally feasible.*"

**Assembly Bill 2339 (Negrete-McLeod) Governance: Meetings.** AB 2339 provided that, to the extent possible, the State Board of Education, the CSU Board of Trustees and the UC Board of Regents not meet on the same day. [*Note:* The provision to allow an ex officio member of the Board to designate an employee to attend and vote at BOT meetings in their stead was dropped in a prior version before reaching the Governor's desk.] The Governor's veto message said: "*I see no reason why a bill needs to be enacted into law that dictates the coordination of meeting schedules.*"

**Assembly Bill 2387 (Firebaugh) Admissions Policy.** AB 2387 would have added a provision authorizing the CSU and the UC to consider culture, race, ethnicity, national origin, geographic origin, and household income, along with other relevant factors in undergraduate and graduate admissions decisions, so long as no preference is given. The Governor's veto message said: "*since the provisions of this bill would likely be ruled as unconstitutional, they would be more appropriately addressed through a change to the State Constitution.*"

**Assembly Bill 2637 (Diaz) Whistleblower Protection.** AB 2637 would have required CSU to employ an independent investigator on all whistleblower complaints to determine whether or not an employee has suffered a reprisal, retaliation, threat, coercion, or similar improper act by another employee after filing a written complaint. The Governor's veto message said: "*The existing statutory and CSU executive order frameworks provide adequate protection for those that believe that they have been retaliated against for having reported improper activities.*"

**Assembly Bill 2678 (Koretz) Textbook Rental Library Service.** AB 2678 would have authorized public postsecondary education institutions to establish textbook rental services for students. The Governor's veto message said: "*I am opposed to provisions in the bill that would allow additional fees to be assessed to*

*all students, even those not using the program, in order to keep a textbook rental service financially self sustaining.”*

**Assembly Bill 2710 (Liu) Mandatory Systemwide Resident Student Fee Policy.** AB 2710 would have established policies regarding mandatory systemwide student fees and financial aid for students at public universities. The Governor’s veto message said: *“This bill establishes a resident student fee policy that is inconsistent with the student fee policy provisions of the higher education Compact that I reached with the UC and CSU systems.”*

**Assembly Bill 2923 (Liu) California Postsecondary Education Commission.** AB 2923 would have restructured CPEC’s duties, membership, priorities, and policy responsibilities. The Governor’s veto message said: *“When I signed the Executive Order in February of 2004 creating the California Performance Review, its mission was to make fundamental changes in state government, establish new procedures to create greater efficiencies, prioritize government functions, create true accountability over the fiscal management of state.....among its recommendations, the CPR advocates for a more comprehensive approach to higher education governance restructuring.”*

**Assembly Bill 3010 (Laird) Community College Facilities: Field Act.** AB 3010 would have required the DGS (Division of the State Architect) and the CCC Board of Governors to enter into a collaborative process to improve the quality and efficiency of the design and construction of community college buildings. The Governor’s veto message said: *“Working with the community colleges on a collaborative basis to modify the current plan review and approval process is a commendable goal, but this can be achieved more effectively and efficiently if addressed administratively, rather than statutorily.”*

**Assembly Bill 2849 (Lowenthal) Trustees of the California State University.** AB 2849 would have increased the membership of the Board of Trustees by requiring the Governor to appoint a non-faculty union employee of the university for a two-year term. The Governor said in his veto message: *“I find no compelling reason for increasing the membership of the CSU Board of Trustees specifically to appoint a non-faculty union employee.”*

**Senate Bill 1331 (Alpert and Scott) California Postsecondary Education Accountability Act of 2004.** SB 1331 would have established a California

Postsecondary Education Accountability (CPSEA) structure to provide an annual assessment of how the state is meeting identified statewide public policy goals for all of higher education. The Governor’s veto message said: *“this bill mainly establishes only a reporting structure for four broad policy goals rather than providing for outcomes, such as performance based measures, historically associated with accountability systems.”*

**Senate Bill 1851 (Bowen) State Building Standards.** SB 1851 would have required ALL new public buildings, except publicly funded K-12 school buildings, to exceed the minimum building energy-efficiency standards mandated by the California Building Code, among other provisions. The Governor’s veto message said: *“this bill is similar to the executive order passed in the prior administration, which directed all state agencies to improve energy efficiency in all state buildings. This order has not been rescinded and is still in effect.”*

### **Master Plan Legislation**

AB 1550 (Goldberg) Public Education Facilities, AB 2727 (Daucher) Schools Uniform Complaint Process, AB 3001 (Goldberg) Teachers, SB 6 (Alpert) Public Education Governance, and SB 550 (Vasconcellos) Education Policy were amended late in the session to become vehicles to implement the “Williams Settlement” pertaining to the adequacy of funding and facilities at public K-12 schools, as a result none of the recommendations in the final committee report were enacted.

### **Significant Bills Dropped or Failed Passage**

**Assembly Bill 2902 (Hancock) CEQA: Project Approvals.** AB 2902 would have allowed local governments to levy special assessments on CSU campuses to pay for off-campus infrastructure improvements. The bill would have pre-empted a pending Supreme Court case (City of Marina vs. CSU Monterey Bay) and forced public institutions of higher education to foot the bill for a wide variety of local infrastructure improvements. [*Held in Senate Environmental Quality Committee.*]

**Assembly Bill 3036 (Yee) Capital Facilities Fees.** AB 3036 would have fundamentally changed current law regarding the imposition of capital facilities fees on public agencies, including the CSU. It would make the CSU, and others, the “deep pockets” for public utilities seeking to fund their infrastructure improvement projects. [*Held in Senate Appropriations Committee at the request of the Governor, who indicated that he*

would veto the bill. The CSU fought vigorously to keep this bill bottled up in committee.]

**Senate Bill 74 (Torlakson) Vending Machines on State Property.** SB 74 would require each vendor that operates or maintains a vending machine on designated state property, including the CSU, to satisfy the requirement that at least 50% of the food and beverages offered in the vending machine meet accepted nutritional guidelines. [*Failed Passage in the Assembly Business and Professions Committee. AOA was a key partner with CSU on this issue, providing the system with critical analyses of the potential impact that the bill would have had on auxiliary operations.*]

Copies of CSU Legislative Reports and other legislative information pertaining to the CSU are available on the OGA website at:

<http://www.calstate.edu/GA/>

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