



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

August 2005



BUDGET DEVELOPMENT

Patrick Lenz, Assistant Vice Chancellor

Governor Schwarzenegger signed the 2005-06 State Budget, which fully funded the Higher Education Compact and provided \$235.2 million to the California State University - a 6.5 percent increase over the previous-year budget. The 2005-06 budget increases CSU General Fund support by 5.4 percent, and provides \$134 million in new revenue. This year's increase is the first following three consecutive years of budget reductions. The CSU's general fund budget for the 2005-06 academic year is \$2.6 billion.

The Governor's budget is consistent with the Board of Trustees' revenue and expenditure assumptions approved last October. These include:

- Increasing enrollment by 2.5 percent to serve an additional 8,103 Full-Time Equivalent Students;
- A set-aside of \$23.3 million for Student Financial Aid for CSU's neediest students;
- \$40.7 million to cover CSU mandatory costs for the first time in the past three years;
- A compensation pool of \$88.1 million; and

- \$7.9 million for long-term needs including technology, libraries, and instructional equipment.

In addition, the Governor restored \$7 million in funding for Outreach and Academic Preparation programs that was deleted in the January budget; funded \$560,000 to expand graduate level nursing programs; and provided \$250,000 to expand CSU's blended programs intended to increase the number of K-12 math and science teachers.

CSU was given the flexibility to use \$26 million in current General Obligation bonds for a Capital Renewal program that will extend the useful life of facilities in order to provide additional classroom space for students. Finally, the budget includes Supplemental Report Language that calls for a review of CSU's state General Fund dollars per student, known as the "marginal cost" methodology. This review could result in greater funding per student beginning in the 2006-07 fiscal year.

CAPITAL PLANNING, DESIGN AND CONSTRUCTION

Elvyra F. San Juan, Assistant Vice Chancellor

Executive: Proposed Legislation Update: AB 961, the Higher Education Omnibus Bill, which had three provisions affecting CPDC, has been amended (May 31, 2005) to strike the provision allowing the CSU to certify its own projects for access compliance. Current law requires that the Department of General Services, Division of the State Architect provides this certification.. The CSU's name will not be added to AB 462 (Tran), a bill written to grant the Department of Transportation the ability to certify its own projects for access compliance. However, Assembly Member Van Tran has committed to work with the CSU next year to write a bill that would provide the same authority to the CSU as AB 462 does for the Department of Transportation.

The remaining two provisions in AB 961 affecting CPDC 1) require contractors to competitively bid

subcontractor work and list the subcontractors for 'design-build' construction delivery systems, and 2) allow CSU Channel Islands to sell a parcel of land, known as the Lemon Orchard, without being impacted by Proposition 60A. AB 961 is currently in the Senate Appropriation Committee. It will be heard in mid-August after the Legislature's summer recess.

Capital Training Program: The last two CPDC training programs for 2005 will occur in September: *Construction Delivery Methods* (September 8), presented by CPDC staff, and *Design Procedures and Building Official* (September 9), presented by CPDC staff and a representative from the Department of the State Architect (DSA). Campus staff who work in the development and management of capital outlay projects are encouraged to attend these trainings. Additional information about these programs is on line at: <http://www.calstate.edu/CPDC/Trg2005.shtml>. CPDC is in the process of developing the 2006 Capital Training Program. Suggestions or recommendations should be forwarded to Nancy Frelander-Paice.

CSU Facilities Management Conference 2005: Planning for the first facilities management conference since 2001 is underway. It will take place at the Paradise Pier® Hotel in the Disneyland® Resort, October 23-26. Sustainability is integrated throughout the conference in keynote speeches, breakout sessions and exhibitions. A tentative conference agenda and online registration will be available on the web site mid-July. Watch for announcements and continue to check the conference web site at: <http://www.calstate.edu/CPDC/2005FPMconference.shtml>. Exhibitor space is still available for Firms whose business is related to sustainability, energy, or plant operations; referrals are particularly encouraged.

Nancy Frelander-Paice, Executive Program and Fiscal Manager

LAND USE PLANNING & ENVIRONMENTAL REVIEW

Enrollment Ceilings Going Up! Consistent with trustee policy to accommodate the demand for growth in enrollment through expansion of both existing main campus facilities and traditional off-campus centers and smaller satellite education centers, a number of CSU campuses have recently requested increases to their enrollment ceilings. Humboldt, Sonoma, Maritime Academy and Cal Poly SLO have each been approved for increases in enrollment on the order of one to two thousand additional Full-Time Equivalent Students (FTE), while Fullerton will increase from 20,000 to 25,000 FTE. In each case, accommodating the necessary student housing for additional enrollment and addressing the lack of affordable housing for newer faculty and staff present significant challenges for facilities planning and capital development. Efforts

to increase campus enrollment are often questioned, or opposed by local communities concerned that increases in the number of students will negatively impact traffic and other "quality of life" factors. Neighboring cities are also often at odds with CSU efforts because of legal statutes that limit the ability to mitigate the impacts

At the July meeting, the Board of Trustees heard public comment on a proposal by SDSU to increase from their current 25,000 FTE ceiling to 35,000 FTE. This would be the first time a CSU campus has exceeded the traditional ceiling of 25,000 that has been the rule since CSU was consolidated as a single system of higher education. A number of significant issues will be considered by the trustees at their next meeting as part of the move to accommodate the higher enrollment. Traditionally SDSU has been severely impacted by demand. Thousands of students that cannot be accommodated in the existing programs and facilities are turned away. On the July board agenda a ceiling increase was approved for the Chico campus from 14,000 to 15,800 FTE.

Stockton Site Authority: The Site Authority for the Stockton Center has experienced extensive progress in the redevelopment of the site now known as "University Park" through a successful public/private partnership. A unique long-term lease allows the Stockton Unified School District to stay within the budget limitations of existing available funds, and still build a long-planned new K-8 school that supports the educational mission of the CSU. This school is currently under construction on the overall mixed-use site. In addition, the first new facility on the site, a two-story office building, is under construction, and numerous infrastructure upgrades, two new entrances, and significant beautification of the entire site are in progress. Thus far, among the state, the CSU, the City of Stockton, and the private development partner, approximately \$30 million have been invested in the site. Further investment is anticipated as the project takes shape as a welcome addition to the redeveloping urban core of the City of Stockton

David Rosso, Chief of Land Use Planning & Environmental Review

FACILITIES PLANNING

The California State University's proposed 2005/06 Capital Outlay Program was approved at the September 2004 Board of Trustees' meeting. The governor's proposed budget included \$262 million for the trustees' 2005/06 Capital Outlay Program. Funding for the program resulted from the passage of Proposition 55 by the voters on March 2, 2004. The May Revision of the governor's budget was published on May 13, 2005, approving all projects as presented in the May 1st technical letter plus the reversion and refunding of projects for East Bay and Pomona for a

total capital budget of \$343.4 million. The legislature has now approved all projects requested by the trustees and included in the governor's budget proposal and May Revision. Of particular note, the proposal for the May Revision of the 2005/06 Budget Act includes \$26 million from existing General Obligation bonds to fund the Capital Renewal program. The use of bond funds for this purpose will address critical replacements of building and infrastructure systems in 30-50 year-old facilities. Over half of all CSU facilities fall within this age cohort. Projects funded through the Capital Renewal program may be leveraged by co-funding with available energy grants and matching funds.

The web-based Facilities and Custodial Database, Phase IIIA upgrade project has finished production and is in final testing for introduction this fall, when it will be used for updating the 2006/07 campus custodial square footage. This information is a factor used for determination of the overall campus support budget. The web-based data entry feature will streamline the electronic budget preparation process.

Once the Phase IIIA software has been successfully tested and installed, CPDC will introduce the Facilities and Custodial Database, Phase IIIB that will provide campuses with direct web-based data entry, auto data validation, and space update analysis and reporting tools. Campuses' management of their space inventory will now be completely web-based and user-friendly. Annual updates will be entered directly by the campus and approved by CPDC. This will provide greater flexibility and reliability of data for both campus and Chancellor's Office staff. The success of the previously released Space and Facilities Database (SFDB) and the new Custodial Database, Phase III models will be emulated in the design of future web-based facilities management programs to assist campuses in all phases of the capital planning and management process.

Larry Piper, Chief of Facilities Planning

ARCHITECTURE & ENGINEERING

New Campus Master Enabling Agreements in the Works: CPDC is developing a new type of standard agreement, which allows campuses to contract with a professional service provider for multiple individual services over a one-year period up to a set dollar limit. For example, a campus could contract with an architectural firm for design work on a series of small projects by issuing *one* Master Enabling Agreement to the architect. Once the initial agreement with the service provider has been processed and approved by Contracts/Procurement and General Counsel, the campus could issue associated service order authorizations for specific individual tasks over the course of the year, avoiding the procedural hurdles of issuing a new service agreement for every project.

General Counsel would still need to approve individual service order authorizations, but the approval time would be streamlined. A pilot program with CSULB has proven successful and CPCD is planning to issue this model agreement for systemwide use in July.

Tom Kennedy, Chief of Architecture & Engineering

PLANT, ENERGY, & UTILITIES

Sustainability: The 4th Annual Statewide Sustainability Conference sponsored by the UC/CSU/IOU (Investor Owned Utility), Energy Efficiency Partnership, was well attended by CSU staff and students. During the conference the UC/CSU announced that they will purchase 15% renewable electricity as part of the energy purchase agreement with Arizona Public Service Energy Services Company. The combined UC/CSU purchase is the seventh largest commitment to green power nationwide. The CSU will consume approximately 196 million kilowatt hours of electricity (equivalent to powering 200,000 homes) between July 1, 2005 and December 31, 2005, of which 28 million kilowatt hours will be green power. Wind generation comprises 86% of the renewable power and the remainder is recovered landfill gas. The agreement avoids 18,700 tons of greenhouse gas emissions into the atmosphere.

Electricity Purchase: Effective July 1, 2005 billing against the Direct Access energy contract will follow this schedule:

\$0.1375/kWh summer 'on-peak' 12pm – 6pm, M – F,
June 1st - September 30th \$0.055/kWh 'off-peak' all
hours other than 'on-peak' hours
\$0.0742/kWh winter 'on-peak' 12pm – 6pm, M – F,
October 1st – May 31st
\$0.053/kWh winter 'off peak' all hours other than 'on-
peak' hours

Summer Demand Response Program: Thirteen (13) campuses are participating in the statewide Demand Reserves Program (DRP) for a total of 7 megawatts that can be taken off the 'grid' to avoid power outages. Four (4) campuses in southern California have already been called on to reduce load in June and have done so successfully. The campuses are paid by the California Department of Water Resources (DWR) for both maintaining the capacity to respond and for the actual energy that is not used during the curtailment period. This represents an annual cash benefit of approximately \$300,000 to the 13 participating campuses.

Energy Efficiency Partnership and Summer Demand Reduction Incentives: PG&E has made an advice filing with the California Public Utilities Commission (CPUC) to allocate an additional \$1 million for the CSU to install energy conservation

measures that reduce peak demand through the partnership. The CSU solicited projects from the campuses served by PG&E and submitted projects totaling \$2.5 million to secure these incentive funds. Minor capital outlay funds will be used as matching funds for this incentive program. These projects must be in place on or before December 31, 2005.

Len Pettis, Chief of Plant, Energy & Utilities

CONSTRUCTION MANAGEMENT

Owner-Controlled Insurance Program: CPDC and Risk Management have worked with Driver Alliant Insurance Services to establish a master (CSU) policy that provides coverage for all construction projects commencing July 1, 2005. The program is designed to insure direct physical loss to insured projects during course of construction, reconstruction or renovation; i.e. "Builders' Risk" or "Course of Construction" insurance. This program provides up to \$50 million coverage per occurrence. Additional limits are available for more expensive projects upon review by the carrier. For a summary of the insurance provisions, limits, deductibles, etc. and a project enrollment form, contact Construction Management, Jim Corsar at jcorsar@calstate.edu or 562-951-4100.

Jim Corsar, Chief of Construction Management

FINANCIAL SERVICES

Dennis Hordyk, Assistant Vice Chancellor

CONTRACT SERVICES AND PROCUREMENT

Retirement: On July 29th, Haaziq Muhammad retired from the CSU. Haaziq started his career with the CSU in 1981 as a Computer Operator in the CSU data processing center on Wilshire Blvd. Haaziq was promoted several times, being commended along the way, for his service and fire fighting capacity (literally and figuratively). He was promoted through Procurement Data Supervisor, Data Processing Supervisor, and on to Manager of Facilities and Support Services. In 1993, Haaziq joined PPD (now CPDC) specializing in campus and CO construction contracting and joined Contract Services and Procurement in 1996. Haaziq's knowledge of CSU construction law and code is second-to-none!

In addition to his construction contracting work, Haaziq took over the systemwide Disabled Veterans Business Enterprise (DVBE) and Small Business program last year. He made significant inroads with the DVBE community, DGS and the Department of Veterans Affairs greatly enhancing CSU's relations with each. Haaziq is much respected for his sincere interest and diligence in lighting a new fire in the CSU DVBE program.

CSU Policy Manual for Contracting and Procurement: The CSU Policy Manual for Contracting and Procurement has been updated by adding flexibility and emphasis on the use of consortium purchasing models. For many years, the CSU campuses have worked together to leverage the buying power of the system to purchase commodities and services. That model is still in effective use today. Recently, however, group-purchasing organizations (GPO's) have emerged offering competitively-established contracts targeted at higher education. A recent success was the competitively-established systemwide agreement for office products through a GPO. The use of GPO's has been better defined in the policy update. The CSU Policy Manual for Contracting and Procurement can be found at the web site www.calstate.edu/csp. Questions regarding the policy manual should be directed to Eddie Choy at echoy@calstate.edu or (562) 951-4592.

Disabled Veterans Business Enterprises (DVBE): Did you know that under the Military and Veterans Code and the Public Contract Code California state agencies have a goal of expending 3% of all contracts and purchases with DVBE firms? Watch for details of an enhanced DVBE utilization program this fall. For information concerning contracting with DVBE firms, contact Tom Roberts at troberts@calstate.edu or (562) 951-4583.

Systemwide Office Products Agreement with OfficeMax: The current systemwide office products agreement with Office Depot will expire September 30th. This agreement has been in place for seven years and provided substantial discounts for office products to the CSU campuses. Under the direction of Cal Poly Pomona's Don Green, a nine-campus team selected OfficeMax from a field of four major office products vendors as the next systemwide provider of office products to the CSU. Under different contracts, OfficeMax also supplies office products to all UC system campuses and all state agencies. Implementation of the OfficeMax contract will begin in the next 30 days. For information regarding the OfficeMax agreement, contact your campus Procurement and Support Services Officer (PSSO). Questions can also be directed to Linda Masterton, Chancellor's Office PSSO at lmasterton@calstate.edu or (562) 951-4584.

Information on Chancellor's Office and systemwide bids can be found at the web site: <http://www.planetbids.com/csuco/bidframe.cfm>

For additional information, see: <http://www.calstate.edu/csp/> or contact Tom Roberts at troberts@calstate.edu or (562) 951-4583.

SYSTEMWIDE FINANCIAL OPERATIONS

Financial Services Accounting will sponsor two Non-Resident Alien Tax (NRAT) Compliance workshops. The NRAT workshops are designed to provide information related to compliance with non-resident alien tax reporting. Campus staff are invited to attend the first session, which will take place at an LAX Airport hotel.

Additional information will be available at <http://www.calstate.edu/FinancialServices/>. The second workshop will be a conference call for CSU Auxiliary organizations, tentatively planned for September. The AOA Executive Committee will announce the date and location.

*George Ashkar, Senior Director, Controller
Financial Services*

RISK MANAGEMENT

Risk Manager's Affinity Group: In May 2005, the Risk Manager's Affinity Group selected Stephanie Yule, CSU Chico Risk Manager, as their new chair, and Dennis Graham, Vice President of Business and Administration, as the CABO Liaison. The Group has exciting plans for the upcoming year that will impact risk management processes on each campus.

Government Employee Safety Awards (GESA): Based on the recommendations of their supervisors, six employees and one employee group have been selected by the Office of Risk and Insurance Management (ORIM) to receive the Governor's State Employee Safety Award for 2004. On August 26, 2005, these employees will receive special recognition for their outstanding contributions to campus health and safety efforts. The Department of General Services' Director will present the awards at California State University, Sacramento, which has provided the ceremony venue for the past few years. Congratulations to the following CSU campuses: California Maritime, Channel Islands, Chico, Dominguez Hills, Humboldt, Northridge, and Sacramento.

Homeland Security Grant: For the second year, the CSU was awarded a Homeland Security grant to further enhance emergency planning on each campus and at the Chancellor's Office. This latest grant will be administered centrally. Details of how to receive the maximum allocation of \$25,000/campus will be issued shortly. Kudos to Mike Guerin, Chief Public Safety, Pomona, Jackie McClain, Vice Chancellor, Human Resources and all who worked together within a very short time frame to submit this grant proposal.

Property Insurance Renewal: CSU successfully renewed its Property insurance program with a few enhancements: increase in terrorism coverage,

increased flood limits, and a loss limit of up to \$1 billion/occurrence.

Charlene Minnick, Director

INFORMATION TECHNOLOGY SERVICES (ITS)

David Ernst, Assistant Vice Chancellor

ACADEMIC TECHNOLOGY SERVICES

Advancing the Planning: The Academic Technology Advisory Committee (ATAC) met on June 3rd, 2005. The Statewide Academic Senate appointed Professor Marshelle Thobaben from Humboldt State University as the new ATAC co-chair to replace Professor David McNeil who will continue to serve on the committee. Herman Lujan, Provost of CSU Los Angeles is the other co-chair.

The Provosts' Technology Steering Committee (PTSC) met on June 15, 2005 prior to the Academic Council Retreat where they hosted a very successful session on academic technology focusing on Learning Management Systems, the integration of library resources and on the use of academic technology to address student foundational skills, among other issues.

Academic Technology Initiatives: The CSU Executive Council formally approved 8 academic technology initiatives recommended by the Academic Technology Planning Committee and gave priority to four of these. See the report at http://its.calstate.edu/academic_technology/ATPC_Report_FINAL_07162003.doc Work has progressed on three initiatives.

1. Foundational Skills – Enabling students to be ready for a successful CSU education with foundational academic skills.

Accomplishments:

- The CSU Math Success Website, available at www.csumathsuccess.org continues to serve students across the state.
 - Thirty-two new customized roadmaps have been created within the improved Roadmap advising tool. These Roadmaps allow students to plan their individualized course of action for completing the ELM requirement.
- The CSU English Success Website is available at www.csuenglishsuccess.org.
 - Eight new customized roadmaps have been created for students within the improved Roadmap advising tool.
- Improvements have been made in the interactivity of the tools and global navigation used by students at both the Math and English Success Websites.

- Progress is being made in integrating the Math and English Success Websites with the CSUMentor site to allow a single sign on for all three sites.
- The EAP (Early Assessment Program) Website is available at <http://www.calstate.edu/eap/>
 - The 12th Grade Expository Reading and Writing Course Website is available at <http://www.calstate.edu/eap/englishcourse> to support EAP-related professional development for English teachers.
 - CSU is making progress on developing communities of practice to encourage sharing of best practices for preparing high school seniors to meet the EPT Requirement.

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

Accomplishments:

- Systemwide strategic planning for the CSU's learning management systems continues and dates have been set for the three "Learning Management Summits" where the provision and implementation of Learning Management Systems (LMS) within the CSU will be discussed. The first of these meetings is scheduled for September 29, 2005. In addition, online focus groups are occurring among constituent groups engaged in using and supporting Learning Management Systems in order to gather data for the Environmental Scan and Usage Study - two of the deliverables of the project.
- Training for those engaged in supporting faculty use of the online plagiarism detection tool Turnitin is being conducted at CSU Long Beach and CSU East Bay in August. The training is free and is open to all CSU staff. It will help campuses realize the full value of their investment in this software tool.

3. Digital Marketplace Initiative - Reduces cost and increases convenience/usability of academic technology content and tools

Accomplishments:

- SWAT –Systemwide Acquisition of Technology – A process for conducting systemwide acquisitions of academic technology is under development
- Digital Marketplace Service: Phase II of the RFP process is near completion. One vendor was eliminated from consideration, leaving two vendors who made final presentations of their proposed solutions to the selection committee on June 23rd 2005. The Digital Marketplace

Committee member's evaluations are being consolidated for the final selection.

COMMON MANAGEMENT SYSTEMS (CMS)

Data Warehousing: The Data Warehouse project started on May 31, with a 2-day Strategy Workshop that included participants from Oracle, CMS Central and the pilot campuses. Once the high-level project plan is finalized, it will be published along with other data warehouse documents on the CMS website (<http://cms.calstate.edu>) under Applications/CMS Data Warehouse. Plans are underway for a webcast that will present the highlights of the project to campus general audiences. Also planned are webcasts from Oracle to provide functional overviews of the human resource, finance and student warehouse modules. The schedule for these webcasts will be posted to the CMS website.

In the initial phase of the project, the CMS Central team and Oracle will install and test a pre-designed solution that extracts information from Oracle/PeopleSoft applications and formats it into user-friendly reporting tables that support operational reporting. Once the solution is completed, the CMS Central team will begin deploying the data warehouse solution at the campuses. The campuses will receive training on maintenance and on how to add data from any electronic source to accommodate local campus needs.

Finance Update: Campus representatives from Chico, Long Beach, SLO, Sonoma, San Bernardino and CMS participated in an early test of the Finance 8.9 product at the vendor site. Participants reported improvements in the application, such as ease of use, higher performance, stability and standardized processing.

The CMS Executive Committee approved the proposed Finance 8.9 upgrade project. Plans are in process to distribute the project scope, identify the pilot campuses, prepare the high-level project plan and coordinate fit/gap teams with the Finance Users Group (FUG). Planning details will be shared as they develop with the CMS Executive Committee, the Project Directors and User Groups.

The 20 campuses and the Chancellor's Office (CO) that are on Finance 8.4 are preparing to close their books for year-end using the Corporate Data Integrity Package (CDIP). The Finance department at the CO was instructed by the State Controller's Office to complete the closing of their books by July 15th, two weeks earlier than last year. For FY 05/06, all of the CSU campuses will be required to close their books by mid-July 2006.

Student Administration Update: The SA (Student Administration) go-live activity remains on schedule for the campuses. SLO continues preparations for implementation testing, building and training to meet Admissions go-live in October 2005. Long Beach went live with e-Commerce Center in June. Chico is successfully continuing with student registration and summer orientations. Beginning in June, Pomona is providing student transfer credit evaluations and degree audits through Oracle/PeopleSoft. Sonoma is evaluating using Financial Aid Self Service.

Human Capital Management (HCM) 8.9 Upgrade Update: The fit/gap sessions conducted by the CMS HR and SA teams and coordinated with the campuses were completed on schedule in June. The fit/gap documentation was prepared and discussed with user groups and posted to the CMS website. The HCM 8.9 campus upgrade master calendar through August 2007 was also finalized in June. Every upgrading campus has identified its preferred completion date for their move to production with HCM 8.9.

HOSS Data Center Services: To ensure that competing vendors clearly understand key CSU requirements, an additional meeting, which focused on providing additional details and clarification on specific requirements was conducted with each vendor. The vendors were given an opportunity to update their responses to these specific requirements. The Data Center Alternatives Evaluation Committee is in the process of completing its analysis and is scheduled to finish by mid July.

TECHNOLOGY INFRASTRUCTURE SERVICES

Infrastructure Build-Out Project Stage 1: Infrastructure Build-Out Project - Stage 1 and Stage 2: construction for the Phase 1 and Phase 2 campuses continues, with almost 90 percent of the projects now fully complete, and all but one still expected to be finished by mid-summer 2005.

With the recent completion of Monterey Bay's Stage 1 bidding process, all eight of the Phase 3 campuses, San Marcos, Bakersfield, San Jose, Fresno, Fullerton, San Francisco, San Diego and Monterey Bay, have either entered into or are actively engaged in Stage 1 construction.

Stage 2: All Phase 1 and 2 campuses have now either completed or are actively engaged in Stage 2 activities. Within the previous three months, Los Angeles, Long Beach and San Luis Obispo have held their final close-out meetings to mark completion of their projects. East Bay is in the closeout process and is expected to complete its project before fall.

TIS and campus representatives are in the initial stages of designing a methodology to refresh network equipment. Planning for the refresh cycle will continue

throughout 2005 and a pilot implementation will begin in January 2006.

(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. Implementation of the latest NMS version is now complete. This new version updated the network management tools to coincide with current vendor software releases.

NMS consultants are engaged in conducting a "System Health Check" for TIS to determine if there are ways to better use network management software tools in the CSU environment. The first two campus checks have been performed, and the data gathered will be analyzed in the coming weeks.

Network Infrastructure Asset Management System (NIAMS): The TIS staff and Network & Technology Alliance's NIAMS working group have moved ahead rapidly with implementation of the action plan accepted by the Information Technology Advisory Committee (ITAC) at the February meeting. The working group itself has developed the baseline data element list envisioned in the plan, thus completing its final assignment. It will be replaced by a smaller executive steering committee of NTA members to guide overall plan implementation.

Meanwhile, TIS is moving ahead with establishment of the centralized NIAMS application and database support center recommended by the working group as part of the action plan. Server equipment has been procured and configured, the software has been loaded, and a pilot implementation is being planned with the Dominguez Hills campus. The support center is seen as an important element in minimizing campus resource requirements for NIAMS deployment.

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 services that will enhance network capacity and increased stability.

The Technology Steering Committee (TSC) has approved the project, and the contract with CENIC for managed services and installation has been finalized.

The first 11 campus implementations are scheduled to begin in July 2005.

INFORMATION SECURITY

Policies: The CSU has initiated the development of 4 systemwide security policies. These are: *Data Retention; Security Roles and Responsibilities; Acceptable Use, and Access Control.*

Security Plan: A feasibility study report for the development of a systemwide Security Plan has been completed and approved.

Training: ITS has hosted a systemwide training course for the 23 campuses' information security officers (ISO) in the area of security awareness.

OTHER

Executive Council Retreat: The CSU Executive Council Retreat included a half-day session on information technology. Technology Steering Committee members first led discussions about the ubiquity of technology in university life, and challenges brought on by the emerging importance of academic technologies and threats posed by IT security risks. Then, available tools such as the manner in which IT resources are managed on campus and IT funding options were discussed.

ADVOCACY & INSTITUTIONAL RELATIONS

Karen Y. Zamarripa, Assistant Vice Chancellor

Vending Machine Standards Proposed by AOA: Leaders of the Auxiliary Organization Association (AOA), Tom McCarron (Northridge) and Dean Calvo (Los Angeles), have been working with their colleagues throughout the system to examine the issue of vending machine nutritional standards, after working with the CSU's Sacramento office on legislation last year. Senate Bill 74 (Torlakson) of 2004 would have mandated extreme and unnecessary vending machines requirements without taking into account CSU's overall food service programs and options, an adult student body and efforts to raise revenue for programs and services through the auxiliaries. The work AOA has been doing on this issue appears to have paid off. Senator Torlakson made this year's version of the same bill, SB 522, a two-year measure and has begun a productive dialogue with AOA regarding alternatives to a statutory mandate.

A recent meeting with Torlakson, McCarron and Calvo, and system representative Karen Y. Zamarripa resulted in the agreement that vending machine standards for CSU campuses will be implemented and monitored voluntarily by the system. AOA leadership has also agreed to consider further revisions to the

draft standards and to conduct a new campus survey that updates data on snacks and beverages in CSU vending machines. As drafted, the AOA-developed standards would require all campuses to:

Provide that at least 25% of the food and beverages offered through campus vending machines meet accepted nutritional guidelines, as defined below, and to provide consumers, upon request, information about the nutritional value of food and beverages offered through its vending program.

For purposes of this proposal, the following terms have the following meanings:

(1) "accepted nutritional guidelines" as used in this section means the following:

Beverages that are the following or meet the following standards:

- (i) Water.
- (ii) Milk, including, but not limited to, chocolate milk, soymilk, rice milk, and other similar dairy or nondairy milk.
- (iii) Electrolyte replacement beverages that do not contain more than 42 grams of added sweetener per 20 ounce serving.
- (iv) One hundred percent fruit juice.
- (v) Fruit-based drinks composed of no less than 50 percent fruit juice and that have no added sweeteners
Food that meets the following standards:
- (vi) Not more than 35 percent of its total calories are from fat. This subparagraph does not apply to nuts or seeds.
- (vii) Not more than 10 percent of its total calories are from saturated fats.
- (viii) Not more than 35 percent of its total weight is from sugar. This clause does not apply to fruits and vegetables

(2) "Added Sweetener" means any additive that enhances the sweetness of a beverage, including, but not limited to, added sugar, but does not include the natural sugar or sugars that are contained within the fruit juice that is a component of the beverage.

Coordinate an annual summary of compliance review, which will be made available upon request.

AOA will be conducting the campus survey in the next few weeks. Once completed, CSU will meet with Senator Torlakson to discuss the results and reach some agreement on next steps in implementing these standards and deleting CSU from SB 522.

Credit Card Bill Dropped by Author: Senator Debra Bowen has dropped her measure, Senate Bill 860, which would effectively eliminate credit cards as an option for our students unless campuses were willing

to absorb over \$7 million in banking charges from their operating budgets. As introduced, the bill would have prohibited ALL state agencies, including the CSU and the UC from passing on bank charges to students and others who chose to use credit cards on our campuses. It was estimated to cost hundreds of millions of dollars. The bill was sent to the Senate Appropriations Committee suspense file due to its fiscal impact but, to our surprise, moved from the committee after being amended to delete all agencies except CSU and UC, and added the community colleges. CSU calculated over \$7 million in costs to campuses if the bill was enacted, in effect an unfunded mandate to our system.

SB 860 was scheduled to be heard in the Assembly Banking and Finance Committee on June 20th but faced increasing opposition. According to legislative staff, the bill did not have the votes necessary for passage. Committee members agreed with opponents that the issue of banking charges needed to be addressed with the banks and not with institutions, such as CSU, that make this convenient payment option available to students and others. Senator Bowen dropped SB 860 just prior to the committee hearing.

Whistleblower Measures Double-Referred: The Senate double-referred the whistleblower measures, AB 706 (Parra), the BOT sponsored measure to protect the CSU against Public Record Act (PRA) requests for investigative audits, and AB 708 (Karnette), CSUEU sponsored measure to require the CSU to employ an independent investigator on all whistleblower complaints to Senate Education and Judiciary Committees. In Senate Education Committee, the CSU took an amendment to make the formal response letter subjected to the PRA. The Senate Education Committee removed the mandate for an independent investigator in AB 708. CSU can employ independent investigators, if it determines it is in the institution's best interest. The CSU has removed its opposition to AB 708.

Both whistleblower measures were heard on July 12, 2005 in Senate Judiciary Committee. The CSU is working with Senate Judiciary Committee to clarify that AB 706 provides protection against PRA requests for investigative audits of whistleblower claims and not whistleblower retaliation claims under the California Whistleblower Protection Act. AIR has been successful in removing the concerns of those opposed to AB 706 and hopes that it will be heard in Senate Appropriations after summer recess in late August.

New Alumni Trustee: Bob Linscheid has been named by the systemwide California State University Alumni Council as the alumni member of the CSU Board of Trustees. He was appointed from a field of four finalists drawn from throughout the state. The Alumni Trustee is directly appointed by the Council, rather

than by the Governor's Office and does not require state Senate confirmation.

Linscheid is an alumnus of California State University, Chico, where he majored in political science and served as president of the Associated Students. He currently is president of the Linscheid Company as well as general manager of the Chico Outlaws, a professional baseball club.

A long-time supporter of CSU Chico, Linscheid has served as a member of the University Foundation as well as president of the CSU Chico Alumni Association. He also has served as president of the systemwide CSU Alumni Council.

In addition to being a graduate of the CSU system, alumni trustees are chosen on the basis of their community involvement, service to higher education, integrity, and professional achievement.

AIR Appoints new Associate Director and Chief of Staff: Kathryn Radtkey-Gaither is the newly appointed Associate Director and Chief of Staff for CSU's Advocacy and Institutional Relations office. In addition to providing policy and legislative advice and analysis, she will be responsible for office operations and will be the chief spokesperson and manager when Karen is unavailable.

Prior to her appointment to the CSU system, Kathryn worked for nearly 20 years at the Department of Finance, 17 of those years focused on education finance and policy for three consecutive Governors. As Program Budget Manager for Education, she worked closely with the Governor and his staff on both higher education and K-12 issues. During that time she worked on significant higher education issues such as the legislation to create the CalGrant entitlement program. In 2001, she was appointed Deputy Director, Budget and Operations. In that role, she had responsibilities for the overall budget development for all areas of government, and was instrumental in negotiating the Higher Education Partnership with the Davis Administration. Because of her significant experience working on both K-12 and higher education policy and legislation, in addition to budget issues, she will bring a level of expertise to AIR that will be important as CSU moves forward on new policy initiatives. In the past two years, she participated as a member of the California Performance Review team, working on Health and Human Services issues, and was appointed by the Governor as Chief Deputy Director of the Department of Child Support Services to assist in the transition to a new director.

Kathryn was born in Cloverdale, California, and received a Bachelor of Science, Business Administration, from CSU Sacramento. She started her government service in the accounting and auditing arena, prior to her tenure at the Department of Finance. She shares her life with her husband Clifford,

their two children, and their very affectionate Golden Retriever.

Copies of CSU Legislative Reports and other legislative information pertaining to the CSU are available on the AIR website at: <http://www.calstate.edu/GA/>

The Business and Finance Newsletter is accessible at: www.calstate.edu/BPIM/Newsletters/NewsLet.shtml

Questions related to receiving the B&F Newsletter or changes in e-mail addresses should be directed to Majjie Smith at (562) 951-4554 or msmith@calstate.edu.