

Business & Finance NEWS

Business and Finance Division

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

NEWS FROM THE DEPARTMENTS

CAPITAL PLANNING, DESIGN AND CONSTRUCTION

Elvyra F. San Juan, Assistant Vice Chancellor

EXECUTIVE

Personnel New: With the impending retirement of Jim Corsar, Chief, Construction Management, CPDC has begun the recruitment for his replacement. For specific job information visit: <http://www.calstate.edu/HRS/jobs/000470.shtml>.

CPDC welcomes Mr. Jay Jefferson as the new Construction Manager in the Construction Management unit. Jay, who comes from the Facilities Planning & Construction Management department at CSU Dominguez Hills, will join CPDC in June. The Facilities Planning unit recently hired an Assistant University Planner, Mr. Michael Williams. Michael has planner responsibilities for the Dominguez Hills campus.

2007 Training Program: Systemwide training during July and August will focus on design and construction. A one day course on the new 2006 California Building Code, entitled 'The New Codes are Here! The New Codes are Here!', will be presented in San Francisco (July 18) and Long Beach (July 25). Representatives from the International Building Code will conduct the training.

In the following month (August 1-2 (East Bay/Concord Campus); August 8-9 (Los Angeles), a course on 'Project Scheduling-Primavera Sure Trak Manager 3.0' that includes CSU scheduling requirements, will be taught by representatives from O'Connor Construction Management. This will be a hands-on training in a computer laboratory, coupled with is 'Design-Build and CM at Risk, on the next day' presented by CSU campus staff. The panel of CSU experts will review and compare the two contracting methods and share past experiences and lessons learned. CPDC staff from construction management and architecture will moderate the sessions. The target audience for these trainings is

campus planning and project management staff. Additional information for each training and online registration is available at:

<http://www.calstate.edu/CPDC/Trg2007.shtml>.

Inspire–Innovate–Achieve—A Capital Idea:

Sacramento is the site of the annual CSU Facilities Management Conference, *November 4 – 7, 2007*. The draft schedule of the concurrent sessions, keynote speakers, and sponsors to date are available for viewing on the conference website: http://www.calstate.edu/CPDC/fpm_conference/index.shtml.

Additional information on the conference program, optional activities, accommodations, and registration will be updated as confirmed. Conference registration will open in July.

Nancy Frelander-Paice, Executive Program and Fiscal Manager

FACILITIES PLANNING

2007/08 State Funded Capital Outlay Budget: On May 1 the Education Subcommittee of the Senate Budget and Fiscal Review Committee approved the projects in the 2007/08 governor's budget and the Spring Finance Letters for a total of \$416 million. The Assembly Budget Subcommittee No. 2 on Education Finance approved \$407.3 million in CSU projects and is expected to consider the remaining items before June.

The Spring Finance Letters added \$7 million for the systemwide Minor Capital Outlay Program to address accessibility deficiencies; \$4.2 million to equip the Monterey Bay Library; provided \$9.3 million in construction funds to complete the Telecommunications Infrastructure project at San Francisco State University delayed as a result of contractor termination; and reappropriated funds and extended the liquidation period for several continuing projects.

Five-Year Capital Improvement Program—

2008/09-2012/2013: The Draft CSU Five-Year Capital Improvement program for 2008/09 through 2012/2013 was presented at the May 2007 Board of

Trustees' meeting. State funded projects for the five-year program total \$5.9 billion, while non-state funded projects total \$4 billion. In keeping with the Department of Finance (DOF) cost guidelines, the project cost estimates include a five percent year to year cost escalation from project start to the midpoint of construction. This increase is expected to bring projects budgeted for the 2008/09 Capital Outlay Program in line with current market conditions at the time of bid. Funding for this program depends on California voter approval of a future general obligation bond.

The draft 2008/09 CSU Capital Outlay Program budget requests \$384 million for state funded projects. The draft Capital Outlay Budget Change Proposals for continuing projects will be submitted to DOF starting June 4, 2007 and will be revised pending DOF's issuance of the final California Construction cost Index (CCCI) or Equipment Price Index for 2008/09. The final 2008/09 through 2012/13 Five-Year Capital Improvement Program will be presented for approval by the Board of Trustees at the September 2007 board meeting.

Larry Piper, Chief of Facilities Planning

LAND USE PLANNING & ENVIRONMENTAL REVIEW

Property Acquisitions: CPDC has recently completed two major campus land acquisitions for a total of \$36 million and a land transfer from the federal government at no cost. The Maritime Academy completed its acquisition of six acres and is in negotiations to acquire two other parcels, which will be used for its new natatorium and other much needed physical education facilities. San Francisco State University acquired 7.61 acres that adds 180 housing units to its faculty/staff/student housing capacity. In addition, the university received 16.62 acres in Tiburon, on San Francisco bay front property, to complete the land transfer from the National Oceanic & Atmospheric Administration for the campus's Romberg Tiburon Center for Environmental Studies.

Near term acquisitions include: 122 apartment units for Humboldt State University at a cost of \$3.9 million; CSU Monterey Bay's five-acre land exchange with Monterey County Water District; and a small parcel from Cal Trans to CSU Los Angeles for its innovative H-2 (Hydrogen) refueling station, an initiative that will provide the campus real world experience with alternative fuel technologies that minimize air pollution and greenhouse gases in the

environment. These transactions reflect various types of conveyances. CSU works cooperatively to acquire property with numerous public agencies and private interests. All of these transactions must follow CSU due diligence procedures and trustee policy to ensure that property acquisitions are not a financial risk for the trustees and do not contain unanticipated liabilities such as hazardous materials or encumbrances that would limit the usability of the property for the intended purpose.

David Rosso, Chief of Land Use Planning & Environmental Review

PLANT, ENERGY, & UTILITIES

CSU leads effort to re-open electric markets:

CSU is a member of the Alliance for Cooperative Energy Solutions (ACES), a coalition of over 200 public and private entities that have petitioned the California Public Utilities Commission (PUC) to re-open Direct Access (D/A). Currently, CSU is eligible under D/A rules to buy power directly from a registered Energy Service Provider (ESP), which has proven to be an overall benefit to the state and saved CSU over \$20 million since 1998. Direct Access also provides the flexibility for campuses to reduce their 'carbon footprint' by purchasing more renewable energy to achieve climate commitments.

CSU develops tools to measure GHG emissions:

Campus energy managers now have tools to calculate carbon (green house gas) emissions based on the California Climate Action Registry protocols. The new tools can be found at <http://calstate.digicality.com>. Campuses desiring to become more green and sustainable can purchase renewable energy or other environmentally friendly contracts termed 'offsets' to become climate neutral. The new tools assist campus energy managers in determining the best way to reduce the campus's carbon footprint.

2007 Wang Family Excellence Award Recipient:

Tom Brown, Executive Director of Physical Plant Management at CSU Northridge, is one of five recipients of the 2007 California State University Wang Family Excellence Award. The Wang award was established in 1998 by CSU Trustee Stanley T. Wang, who provided \$1 million to reward outstanding faculty and administrators over a 10 year-period. The award is designed to "celebrate those CSU faculty and administrators who through extraordinary commitment and dedication have distinguished themselves by exemplary contributions and achievements in their academic

disciplines and areas of assignment.” CPDC would like to congratulate Tom on receiving this honor. Visit

<http://www.calstate.edu/PA/news/2007/wang07.shtm> | to read more about why Tom was selected for the Wang Family Excellence Award.

Plant Directors’ Meeting: The quarterly meeting of the CSU Physical Plant Directors took place March 6, 2007 at CSU Long Beach. Topics discussed at the meeting included Joint CSU/SETC Committee reports; campus electrical safety; Los Angeles Community College District (LACCD) approach to sustainability; and, the annual CSU Grounds and Custodial Conference.

Recently, new concerns have arisen concerning ‘Arc Flash,’ a term used to describe a high intensity momentary discharge of electric current which appears as a bright white flash of light. This highly potent release of energy is capable of causing temporary or permanent eye damage and severe skin burns. Jon Scheffler has led an awareness training program to address this safety issue with the Plant Directors’ Arc Flash subcommittee charged with developing ‘Best Practices’ training sessions and procedural guidelines.

The 6th Annual UC/CSU/CCC Sustainability Conference: The Sustainability Conference, in its 6th year, is being held June 24th – 27th at UC Santa Barbara. The conference addresses many topics under the umbrella of sustainability. Conference information can be found at <http://www.geog.ucsb.edu/sustainability/conference2007/>.

Len Pettis, Chief of Plant, Energy & Utilities

FINANCIAL SERVICES

Colleen Nickles, Assistant Vice Chancellor

OFFICE OF RISK MANAGEMENT

2007 Fitting the Pieces Together Conference - Mark your calendar to attend this year's conference at the Hilton Costa Mesa, Orange County, the week of November 5, 2007. The conference features general sessions and educational sessions in the areas of Environmental Health and Safety; Emergency Planning; Human Resources; Risk Management; Student Affairs; and Workers' Compensation. Watch for more announcements or visit the website at

http://www.calstate.edu/risk_management/events/fitting_the_pieces_together/ in the next few months for more information.

INFORMATION TECH. SERVICES (ITS)

David Ernst, Assistant Vice Chancellor

ACADEMIC TECHNOLOGY SERVICES (ATS)

Foundational Skills: The CSU Math and English Success Websites in combination with CSU Fresno's Fast Forward Program won an IMS Learning Impact GOLD Award at the IMS Learning Impact 2007 conference in Vancouver earlier this month. The Learning Impact Awards recognize the use of technology with the most impact worldwide in support of learning. For more information, please visit:

<http://www.imsglobal.org/learningimpact/winners.html>

Transforming Course Design: New web resources are now available to record questions and answers about pending proposals, enable collaboration among interested parties and receive general information and updates.

www.seedwiki.com/wiki/csu_transforming_course_design (for collaboration and Q&A)
www.calstate.edu/ats/transforming_course_design (for general information)

<http://transform.csuprojects.org/> (web 2.0 prototype to enable systemwide interaction)

To date 24 proposals from 22 campuses have been received, five of which involve multi-campus collaboration. Awards will be announced the third week in May.

Textbook Affordability:

www.calstate.edu/ats/textbook_affordability

A systemwide taskforce continues to study the complex issue of textbook affordability.

A final report containing advice to the Executive Vice Chancellor/Chief Academic Officer and the Executive Vice Chancellor/Chief Financial Officer, leading to the implementation of effective measures to reduce the cost of textbook content for CSU students is expected the first week of June.

ELearning Framework:

Systemwide Learning Management System (LMS) strategic planning support is a renewed effort under newly appointed Director of System wide LMS Initiatives, Kathy Fernandes. This planning effort involves six distinct initiatives:

Vendor Partnership: To have a productive and effective partnership between the campuses, the Chancellor's Office and the LMS vendors so that the LMS products work in the most effective manner.

The initiative focuses on contracts and procurement, support and feature/functional requirements issues. *Integration:* To ensure effective use of faculty and staff time in managing LMS courses and workflow by integrating the LMS with CMS/PeopleSoft, Library, Portal, and other third-party vendors.

Opensource: To create a systemwide, LMS open source consortium that will allow interested CSU campuses to pilot, plan and deploy a viable, system-wide, open source LMS solution.

Best Practices: To provide faculty access to discipline based best practices of LMS use as requested by faculty at the LMS summits.

Accessibility: To evaluate accessibility compliance of LMS solutions and provide feedback to vendors regarding CSU accessibility requirements.

Hosting: To identify CSU LMS hosting options and, if feasible, jointly procure a third-party ASP hosting service for those campuses who wish to participate.

INFORMATION SECURITY MANAGEMENT

Information Security Professional Training Event: ITS Information Security Management Group engaged the SANS corporation, an internationally recognized leader in security training, to offer an intensive 4-day training course to the CSU Information Security Officers (ISO) June 11-14, 2007.

The course is designed to help the CSU ISOs acquire a basic understanding of technical and non-technical security-related concepts. The goal of the course is to expose new and experienced CSU ISOs to basic information security concepts that will help them develop and support campus' information security programs; develop and implement good security practices; identify security issues and develop appropriate counter-measures; and, understand the scope and outcome of several important CSU projects currently underway, including but not limited to:

- The ITRP project
- Data and system classification
- Intrusion detection and prevention
- Incident Handling
- Security policy development and implementation
- Monitoring and assessing security related issues.

The course is being offered to the CSU at 30% less than the SANS normal course fees. The Chancellor's Office recognizes the importance of ensuring that the ISOs are properly trained to perform their job functions and will, therefore, pay for the course. Attendees will pay fees to cover logistical costs.

All campuses are expected to send their designated primary security officer to this training event. If a campus cannot do so, the CIO should contact Cheryl Washington, at cheryl.washington@csueastbay.edu

Information Security Plan: The Information Management Office is working with a variety of stakeholders within the CSU to develop the system-wide information security plan. The objective is to help the CSU preserve the confidentiality, integrity and availability of CSU information assets. This multi-year project will be developed in two phases:

- **System-wide Security Roadmap**

The first phase of the project involves the development of a system-wide roadmap to identify security issues that should be addressed in the short-, mid-, and long terms. The Information Security Management Group will work with the ISO and ITAC teams to develop mitigation strategies to address security issues identified in the roadmap.

- **System-wide Security Policies**

The second phase of the information security plan project is to develop a set of CSU information security policies and standards that are designed to support the strategic objectives of the CSU system-wide security plan. The policies and standards will be largely based on information security industry standards such as ISO 17799:2005, NIST, GLBA, HIPAA, PCI, etc. Staff are in the final stages of developing an RFP to solicit bids from qualified firms to work with the CSU on the development of a systemwide policies and standards.

Technical Security Training: This year, San Jose State will be hosting a technical security training event. A similar event was hosted last year at San Diego State University. SANS is providing hands-on training on securing UNIX and Linux machines. This event is scheduled to take place in June 25-30 2007. Staffs within the technical community are strongly encouraged to take advantage of this

opportunity. For more information about this event, contact Susan Kintana, susan.kintana@sjsu.edu.

System-wide Information Security Awareness Training:

The Information Security Officers are developing an RFP to solicit bids from qualified firms to develop systemwide security awareness orientation courseware that can be hosted in a vendor managed learning management system (LMS). The goal of this project is to ensure that every individual who is granted access to CSU information assets receives the same level of training regarding CSU policies and standards governing the protection of those assets.

COMMON MANAGEMENT SYSTEMS (CMS)

Financial Information Systems Update: The Financial Information Systems (FIS) is on target with the PeopleSoft 9.0 Upgrade Project. Six databases have been built as requested. The FIS Team is finishing up Post Upgrade Tasks in the first Upgrade Database. Design Sessions have been held with Campus Application Teams (CAT) for General Ledger/CDIP, Purchasing, Accounts Payable and Asset Management applications. Accounts Receivable/Billing, the last of the Sessions, is on 5/15/2007. The CAT teams discussed and validated outstanding 8.9 Fit/Gap modifications requests and functionality or report issues, as well as new requests. The CAT Team also eliminated modifications or reports that would not be needed in the 9.0 Baseline. The 8.9 Fit/Gap Sessions and documentation were used as the starting point for the 9.0 Design Sessions. In addition, the Year End Patch 040 has been delivered. It includes SOSS updates to custom functionality or reports and PeopleSoft fixes for reported bugs.

Student Administration Update: The Student Administration application team (SA) continues to support the upgrade process for v8.9 for Northridge, Channel Islands, Los Angeles and San Luis Obispo. Long Beach, California Maritime Academy and Sonoma are the latest campuses to go-live on v8.9. The SA team is supporting the implementation activities of the SA Collaborative campuses (San Marcos, Bakersfield, Stanislaus, Monterey Bay and Humboldt) by participation in Fit Gap sessions and providing knowledge transfer through Breeze webcasts for Financial Aid, Student Financials, Student Records, Academic Advising and Admissions. The SA Collaborative Fit Gap sessions are scheduled through August. The SA Team is continuing to support "go-live" activities surrounding the Facilitating Graduation Initiative. Long Beach

will go live with this functionality with their v8.9 upgrade this month. Pomona, Sonoma & Chico have already implemented this functionality with their recent v8.9 upgrades. The SA team is continuing to support v8.0 and v8.9 "go-live" activities for San Luis Obispo, East Bay, San Bernardino, Los Angeles and Sacramento in their phased implementation cycle for Enrollment, Financial Aid and Academic Advising.

Human Resources Update: The Human Resource application team continues to support the 8.9 upgrading campuses, including: Long Beach, Humboldt, Northridge, Channel Islands, Maritime, Los Angeles and SLO. In April, they provided support for Monterey Bay and Bakersfield; which successfully completed their 8.9 upgrades: The Absence Management team continues to work closely with the Northridge campus on its implementation of the Absence Management module, scheduled as part of their 8.9 upgrade. The team is completing work on the updates and fixes that will be included in Baseline Release 060; the code freeze for the release was 5/18/07. The team has completed the requirements definition for the Regulatory Reporting and COBRA Modifications, which will be reviewed with HUG subcommittees next week. Additionally, the team has been working closely with HRA to understand the pending R03 contract and to identify systems impact and tools that can be provided to the campuses to support the implementation of the contract. A report/file extract is being developed that will assist the campuses with the processing of the R03 SSI increases. Finally, members of the HR team are participating on the following projects: 21st Century (SCO Payroll) project, Systems Quality & Performance project, Version Control project, and in planning for the 9.0 upgrade.

TECHNOLOGY INFRASTRUCTURE SERVICES

Infrastructure Build-Out Project - Stage 1 and Stage 2: Stage 1: The TII Stage 1 infrastructure retrofit program continues to make satisfactory progress. In summary, 18 of the 22 campus Stage 1 projects in the build-out program are complete, with one campus experiencing delays. Completion of the entire Stage 1 component of the TII retrofit program should occur in mid-2007.

Stage 2: The one campus experiencing Stage 1 delays has begun an interim Stage 2 design to accommodate the fact that its capital project progress is suspended. All of the remaining campuses continue to move forward with their Stage

2 implementations: Bakersfield has completed their physical design phase; Chico, Fresno, Fullerton, Monterey Bay and San Diego are at various points in their implementation phase. The 15 other campuses have all completed their Stage 2 implementations.

(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 Security: The Beta Phase 1 implementations at Sacramento and Los Angeles were successfully completed in late February and early March and the migrations will take place this month. The general roll-out schedule has been created and campuses have signed up for deployment time frames. Development efforts are underway for Phase 2 and Phase 3 and are being guided by the Network Technology Alliance (NTA) Network Security working group.

The second session of the customized network security Juniper training was held in early March at WestEd in Los Alamitos. The beta campuses and early adopter campuses were represented. The next session will occur the week of May 21 at WestEd. Campuses with upcoming deployment dates will receive invitations soon.

Routing, Switching and Wireless: The NTA development working groups for routing, switching and wireless have been combined to reflect the integration of the two technologies from a programmatic perspective. ITRP 2 implementations for the two technologies will be conducted in an integrated fashion to ensure that the routing and switching designs and components accommodate the wireless requirements. Sonoma is serving as the alpha campus for the ITRP 2 Route/Switch and Wireless program.

Network Management: NTA's ITRP 2 Network Management System and Security Information Management (NMS/SIM) working group has been meeting weekly. In the draft scope, the NMS/SIM Working Group recommends postponing SIM development efforts for the next 18 months. The consensus is that SIM should be driven by business requirements developed in concert with the CIOs and ISOs. Campuses need time to learn the capability of the new Juniper and Aruba management platforms. TIS anticipates that in 18

months, campuses will have more experience with both and thus a better idea of deficiencies from a security information management perspective. Staffing required to run an enterprise-level security information management system is not currently available on the campuses.

As the implementation of an ITRP 2 NMS solution is anticipated to be two years in the future, the NTA Change Management Working Group has been developing a plan to upgrade the ITRP 1 NMS applications to better serve campuses in the interim. A CiscoWorks solution is being tested on two campuses and the 7.0 version of the Smarts application will be tested on a campus next month.

The Campus Collaboration Center (C3) Team has identified a potential provider for management of the NMS applications and operating systems for recipient campuses. A draft financial model has been completed and is being refined. The group is still looking for campuses with Sun Microsystems' Solaris operating system expertise to provide operating system management.

Network Infrastructure Asset Management System (NIAMS): Implementation is underway on the first wave of campuses and TIS has established a centralized NIAMS application and database support center to minimize campus resource requirements for NIAMS deployment.

Progress with the NIAMS project continues. A total of 12 campuses have requested, implementation and/or are currently operating Planet in their networking environments.

At the CSU's request, Planet Associates has rewritten their software training manuals in conjunction with their customized, CSU-focused training courses. Additionally, Planet Associates has requested that the CSU collaborate with them on publishing a case study of the CSU implementation. The Planet implementation team continues with business continuity planning, which will be specific to those campuses using Planet Infrastructure Relationship Management (IRM) software.

Campus Access Infrastructure Initiative (CAI): The Campus Access Infrastructure Initiative (CAI), the system-wide program that will install and maintain the infrastructure required to connect each campus local area network (LAN) to the CENIC wide-area network backbone (CalREN) consists of

two phases: installing enhanced network cabling and providing managed fiber circuit connections.

Service installation at the Chancellor's Office (Golden Shore location) is still in progress, with fiber installation completed in April. In regard to the CENIC Managed Fiber (CMF) circuit installation phase, Pomona, San Bernardino and Los Angeles are scheduled for completion in late summer and San Marcos in the fall 2007.

Identity and Access Management Initiative (IAM):

The Technical Architecture Core Team (TACT) that oversaw the Burton Group Report has agreed to continue representing the Chancellor's Office and CSU campuses in designing the CSU Central Registry. It should take six to 12 months to develop the detailed design, prepare business rules and to begin production mode.

Discussions regarding the Unique System ID have taken place with the California Department of Education to investigate how the K-12 system identifies students. K-12 uses a collection of custom built applications to assign and regulate usage of IDs, including an annual reconciliation of every ID. Assessments have evaluated the Universities of California and Texas' systems for student identification. Though not completely applicable, lessons learned at those institutions will assist the IAM decision-making process.

In July, IAM will host the 4th Annual Identity and Access Management Conference. Topics will include updates on the initiative's efforts, lessons learned, progress on pilot campuses, and a facilitated discussion on initial services. Those who are interested in the latest IAM information should save July 19 - 20 for this event. Additional conference and registration information will be provided in the coming months.

Emergency Website Project: To date, 21 campuses have implemented emergency websites.

Long Beach and CENIC have successfully performed an activation test on March 11. Channel Islands and the Chancellor's Office successfully performed activation tests on March 18 and April 1 respectively. San Luis Obispo is in the process of scheduling a test activation.

On March 2, a network outage at CENIC's Tustin Data Center resulted in a loss of connectivity between CENIC, Pomona and San Bernardino campuses. Network traffic was automatically

redirected to the emergency website. After publishing appropriate emergency website content, the emergency websites for these campuses were activated.

Unisys Data Center Transition: The CSU's new data center includes simplified architecture to reduce support costs, increased flexibility to meet the various different campus needs, a scalable environment, the same architecture design and hardware for production and non-production and improved security controls.

The final deliverables of the Unisys Data Center Transition have been completed as of February, 2007

INFORMATION AND APPLICATION SERVICES

Systemwide Electronic Information Resources

(SEIR): The Electronic Core Collection (ECC) continues to grow, allowing systemwide access to faculty, students and staff to library e-resources supporting research and study in Chemistry, Nursing, Education, Philosophy, Communications, Psychology, and Sociology. SEIR is currently negotiating terms for new additions to the collection.

The SEIR team continues to collaborate with the Accessible Technology Initiative (ATI) team, participating in a group presentation at the CSUN International Conference on "Technology and Persons with Disabilities", focusing on work with libraries and with publishers. In addition, SEIR facilitated two group discussion sessions on accessible technology and licensed digital resources at the International Coalition of Library Consortia (ICOLC) meeting held in April 2007.

Technology Policy, Planning and Advice

Accessible Technology Initiative (ATI): The Center for Accessible Media (CAM) fully transitioned to the Chancellor's Office from San Bernardino without any incident. The first deliverable of the ATI initiative (campus communiqué about the ATI from the campus president) were received from half the campuses. ATI staff is following up with the remainder.

Twenty-one campuses represented at the CIOs & Executive Sponsors at CSUN conference on Accessible Technology in March.

Measure of Success

The Annual Survey of Campus Technology was released to the campuses in early April. Responses

are due on August 1, 2007. Changes to the survey allow campuses to save work and return to the web-based survey at will – a much requested improvement.

Executive Order 999 – Illegal File Sharing: The EO was issued to make explicit the system's perspective on illegal file-sharing of copyrighted materials. See <http://www.calstate.edu/EO/EO-999.html>

ADVOCACY & INSTITUTIONAL RELATIONS

Karen Y. Zamarripa, Assistant Vice Chancellor

Legislative Update – Priority Measures

Of the almost 4,000 measures introduced so far this legislative session, the California State University's Advocacy and Institutional Relations (AIR) is actively tracking 575 legislative measures. With the June 1 fiscal committee deadline fast approaching, 210 of these measures are still in the possession of either the Assembly or Senate Appropriations committees and 109 are on the Suspense Calendar due to their pending fiscal impact on the state.

As the Committees meet and consider the fiscal impact of the measures they will start weeding out those bills that have higher costs and/or are not considered a priority this year. During the last week of May both house's hear their suspense calendar, and will announce whether a measure is being amended to reduce costs, approved as is, or is being held due, which essentially defeats the bill for the year.

Some of the highlights of the 109 measures that AIR is tracking on the suspense files to date are:

AB 152 (Beall) - Postsecondary Education: Golden State Scholarshare Trust: California Prepaid Tuition Program: Would establish the California Pre-Paid Tuition Program under the authority of the Scholarshare Investment Board. Recent Commission policy supports tuition guarantee models that lock in four years of level tuition for entering freshmen.

Assembly Appropriations estimated a start up cost of \$450,000 for staff, plus several million dollars in up front investment in order to cover withdrawals starting two years after commencement of the program. The consultant also suggested that there was significant potential future state costs to the extent the value of tuition units redeemed by program participants are less than the actual cost of a UC tuition unit at the time of redemption.

CSU Position: No Official Position, currently advocating for AB 302 as a higher priority.

AB 175 (Price) - Cal Grant B Awards: Access Costs: This measure, which is sponsored by the University of California Students Association (UCSA) would increase funding for the Cal Grant B Entitlement Awards to \$1,551 in 2008/09 and by at least an additional 5 percent per year thereafter until it has increased by 20 percent of the measured access costs. Assembly Appropriations staff estimated a General Fund cost increase to the Cal Grant B program of \$10 million to \$20 million in 2009/10, with annual increases of \$10 million to \$20 million for several years on.

CSU Position: No Official Position, currently advocating AB 302 as a higher priority.

AB 302 (De La Torre) - Cal Grant B Entitlement Awards: Award Amount: This Board of Trustee-sponsored measure seeks to provide Cal Grant B recipients with fees/tuition in their first academic year targeting greater aid to lower income students who need assistance to pursue their college objectives. It was estimated that to provide all Cal Grant B recipients funds in their first year would cost \$78 million.

CSU Position: Support, is the priority financial aid bill for CSU for 2007

AB 365 (Portantino) - Postsecondary Education: Task Force on State Workforce Needs: This measure calls for the California Postsecondary Education Commission (CPEC) to convene a taskforce by March 1, 2008, in cooperation with the Labor and Workforce Development Agency, and including the Department of Finance, the Legislative Analysts Office, the University of California, the California State University, the California Community Colleges, private and independent California colleges and universities, and stakeholders from labor and business to answer four questions related to future workforce needs and postsecondary programs. While the report itself was not deemed excessively expensive (\$80,000), it is a taskforce/study measure and in light of California's on-going fiscal issues went to suspense.

CSU Position: No Official Position

AB 1038 (Feuer) - Postsecondary Education: Student Fees: This measure sets the student fee at a fixed percentage of the CSU budget, using the fee structure for 2007/08 as an on-going guide. AB 1038 would also not allow student fees to be increased by more than 7 percent for any year. Finally, this measure does not contain a statutory

commitment by the State to ensure continued funding for the CSU. This measure would have cost the CSU more than \$500 million if it had been enacted prior to this most recent budget crisis

CSU Position: Oppose

AB 1168 (Jones) - Social Security Numbers: This measure would require the CSU along with the UC, and community colleges to truncate Social Security Numbers in electronic records so that only the last 4 digits of a number would be displayed. The CSU estimated that this would cost \$10 million to modify its computer program and \$5 million in on-going costs.

CSU Position: Support in Concept

AB 1343 (Mendoza) - Public Postsecondary Education: Faculty and College Excellence Act: This measure enacts the Faculty and College Excellence Act, which express the intent of the Legislature that at least 75 percent of the full-time equivalent faculty of the California State University and the California Community Colleges be tenured or on the tenure-track. The CSU used the ACR 73 study prepared by the system with the Academic Senate and the California Faculty Association to estimate costs of at least \$150 million dollars to fully implement.

CSU Position: Oppose

AB 1400 (Richardson) - State Contracts: Report: This measure mandates that the CSU report on contracts it enters into including detailed data by each campus, and the potential erosion of our authority to enter into contracts without justifying those contracts to the Department of General Services (DGS). The CSU estimated that this measure would cost approximately \$5 million to set up the reporting requirements for all 23 campuses plus the Chancellor's Office. The on-going cost of reporting would be approximately \$650,000 per year.

CSU Position: Support in Concept

AB 1413 (Portantino) - Public Postsecondary Education: California State University: Trustees: This measure (sponsored by California Faculty Association) proposes to add two new members to the Board of Trustees, each appointed by the Senate and the Assembly. It also would allow the ex-officio members to send an employee in their place to serve as their proxy. In addition to these changes to the Board of Trustees composition, the Master Plan for Education calls for the Board of Trustees to be a lay board. The measure also places restrictions on employment contracts for the

California State University (CSU) executive officers and requires that any contract and its terms be adopted by resolution at a board meeting of the CSU Trustees, which is essentially current law. The measure also calls for a comprehensive review of faculty compensation and requires the CSU to make numerous financial reports.

The Assembly Appropriations staff reported that if expenditure reporting requirements are incompatible with what the segments' current reporting systems, there could be significant costs, in the millions of dollars for UC, CSU, and the CCC, to modify those systems or otherwise collect the required expenditure data. It also noted that the CSU could incur millions of dollars in costs to gather information on pay and benefits for various employee categories, as well as for comparison institutions (\$14.4 million to \$24 million).

CSU Position: Oppose

AB 1548 (Solorio) - Public Postsecondary Education: Transparency in College Textbook Publishing Practices Act: This bill prohibits the CSU, the California Community College (CCC) and the University of California (UC) from buying, selling, or allowing the sale of textbooks from publishers who have not posted specified information about textbooks on their websites.

This measure would have a one-time administrative cost of \$50,000 per CSU campus to implement new requisition processes for textbooks. It also represents a potential revenue loss in the millions of dollars if faculty chose non-complying textbooks, which students then purchased off-campus. Finally this measure exposes the CSU to significant litigation costs because of its enforcement clause.

CSU Position: Oppose

SB 160 (Cedillo) - Student Financial Aid: Eligibility: California Dream Act: This measure would provide that students who are eligible for a non-resident fee waiver under current law are also eligible to participate in all state institutional financial aid programs, to the extent allowed by state and federal law. Senate Appropriations estimated that this measure could cost the CSU \$6 million dollars in additional grants if implemented.

CSU Position: Support

SB 259 (Negrete McLeod) - Public Employees' Retirement: Service Credit: California State University Academic Employees: This measure would permit a faculty member of the CSU who is granted a reduced pay leave sabbatical to receive

the full service credit if the member elects to contribute to the retirement fund the amount that would have been contributed by the member and employer. This measure was placed on the suspense calendar as it has significant costs.

CSU Position: No Official Position

SB 946 (Scott) - Community College Early Assessment Pilot Program: This measure states the intent of the legislature to establish a Community College Early Assessment Pilot Program for the purpose of providing high school pupils with an indicator of their readiness for transfer-level English and mathematics at the end of grade 11 and allowing high schools to work with pupils in grade 12 to elevate the skills of these pupils to a level commensurate with transfer-level English and mathematics.

SB 946 was placed on the suspense calendar due to a reported cost by the community colleges of over \$2.1 million dollars annually.

CSU Position: Support

2007 Town and Gown Conference

Mark your calendar for the second annual Town Gown Conference on October 11-12, 2007 at UCLA (Covel Commons) entitled "*Bridging the Town-Gown Divide: Issues of Economic Development, Planning and Land Use Management, and Student Life.*"

Last year's conference at UC Davis sold out quickly and brought together more than 150 participants from universities and cities around the state, as well as some business and governmental representatives. The theme of this year's conference will focus on "best practices" in areas such as economic development strategies, land use planning and student life issues. A series of panels and invited speakers will address these areas and describe their experiences and successes to allow attendees to replicate positive examples.

This conference is geared for campus leaders, deans, community and governmental relations, and staff and faculty with expertise in planning, housing and transportation. The cities are inviting elected officials, city managers, county administrators, and planning/community/economic development staff. Be on the lookout for more information and registration materials that will be distributed in early July!

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/>

BUDGET OFFICE

Patrick Lenz, Assistant Vice Chancellor

Copies of CSU budget reports and other budget information pertaining to the CSU are available on the Budget Office website at:

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

The Business and Finance Newsletter is accessible at: www.calstate.edu/BF/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.