

Business & Finance NEWS

Business and Finance Division

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

July 2006

BUDGET DEVELOPMENT

Patrick Lenz, Assistant Vice Chancellor

2006/07 Support Budget

On June 30, 2006, Governor Schwarzenegger signed into law Assembly Bill 1801 (Laird) the 2006 Budget Act consisting of \$131 billion in total funds and including a \$2 billion reserve for economic uncertainties. The budget provides K-12 with nearly \$5.2 billion, reduces community college fees from \$26 to \$20 per unit, prepays \$2.8 billion in budgetary debt, provides \$1.4 billion for transportation and increases funding for CalWORKs and foster care programs. While the budget begins to address the state's ongoing structural deficit it would appear the state General Fund may be short nearly \$3.3 billion in the 2007-08 fiscal year.

The 2006-07 CSU budget revenue includes \$2.7 billion from the state General Fund and just over \$1 billion in student fee revenue. The CSU received a state General Fund augmentation of \$202.3 million representing an increase of 7.8 percent and the CSU will generate \$23.8 million in student fee revenue attributed to the 2.5 percent increase for enrollment. The \$226 million budget augmentation is less than the proposed \$235.5 million budget adopted by the Board of Trustees last fall. However, the BOT budget assumed an increase of 8 percent in undergraduate fees, 10 percent increase for graduate fees, and a set-aside of \$26.5 million for student financial aid grants.

The Governor's January budget included a "buy-out" of student fees, fully funded the Compact for Higher Education, provided funding for a change in the "marginal cost" funding per student, included augmentations for nursing programs and proposed a statutory accounting change which would allow CSU to place student fee revenue in a local trust fund rather than have the money flow through the

state General Fund. In the final budget deliberations, the legislature fully supported the Governor's recommendations for the CSU budget, made some beneficial modifications to the CSU marginal cost formula, and approved additional funding to increase the number of Bachelor of Science in Nursing (BSN) programs.

The 2006-07 CSU budget will reflect increases to the following Trustees' budget priorities:

Employee Compensation	\$ 94.0 million
Enrollment Growth (2.5 percent)	\$ 70.6 million
Mandatory Costs	\$ 34.4 million
Long Term Need	\$ 10.0 million
Academic Preparation & Student Outreach	\$ 7.0 million
Student Financial Aid Grants	\$ 6.4 million
Expansion of Nursing programs	\$ 2.4 million
K-12 Math/Science Teacher Recruitment	\$ 1.1 million
Center for CA. Studies, Capitol Fellows Program	\$ 100,000
CSU, 2006-07 Capital Outlay Program	\$ 239.3 million
(Including \$50 million for the CSU Capital Renewal Program)	

Staffing Announcement: The Budget Office is pleased to announce that Michael Hinojosa has joined our staff as a Budget Analyst. Michael will perform a variety of duties to support the preparation and development of the California State University system budget, as well as collaborate with campus, Chancellor's Office, state government management, and other higher education constituency groups on system wide business and finance matters. Michael has a B.S. degree in Finance from California State University, Long Beach and has several years of work experience in corporate finance.

CAPITAL PLANNING, DESIGN AND CONSTRUCTION

Elvyra F. San Juan, Assistant Vice Chancellor

EXECUTIVE

Capital Training Program: After July, there are three training programs remaining for the calendar year 2006. On September 27-28, a two-day workshop on Capital Outlay Budget Change Proposal, Part I and II, will provide a review of the fundamental planning practices related to the CSU capital outlay budget change proposal (COBCP) development process. All campus planning staff are welcome to attend. The course will present concepts that should be considered when completing a feasibility study in support of a capital outlay change proposal and will provide step-by-step instructions on completing capital planning forms to best present the project for funding.

In October, two favorite trainings will be repeated: The Law of Design and Construction (October 11) and Construction Management Procedures (October 12). Additional information regarding these trainings, as well as online registration can be found at <http://www.calstate.edu/CPDC/Trg2006.shtml>.

Preparation and scheduling of the 2007 training calendar are well underway. Further information will be available shortly on the CPDC website.

Nancy Frelander-Paice, Executive Program and Fiscal Manager

FACILITIES PLANNING

Capital Outlay Program: The California State University's proposed 2006/07 Capital Outlay Program budget of \$331.6 million was approved with the passage of the state budget act on June 30, 2006. Funding for the approved program is dependent upon passage of Proposition 1D (Kindergarten-University Public Education Facilities Bond Act) in November 2006. The budget includes \$50 million for the Capital Renewal Program that addresses the replacement of building and infrastructure systems that have exceeded their useful life, prevalent in facilities 30-50 years old. Over half of all CSU facilities fall within this age grouping. Projects funded through the Capital Renewal Program can be further leveraged by available energy grants and campus matching funds.

Beginning with the 2007/08 capital budget year, CPDC is implementing a web-accessible database that enables its staff and campus designees to upload master plan maps, aerial photos, easements, and other land use documents to an online website. This provides a paperless dataflow technology that will help streamline the process of tracking facilities updates and accepting submissions from campuses for the latest versions of campus master plans.

The call letter for the 2008/09 Capital Outlay Program and Five Year Capital Improvement Program 2008/09 through 2012/13 reflects new initiatives in the capital program: 1) The Nursing Facility Improvements Program is designed to address facility deficiencies in existing nursing programs and provide up to date teaching facilities to support the specialized academic program needs. 2) All new project submittals are to be developed based on the Construction Management at Risk (CM@Risk) delivery method, which provides for coordinated design and construction under the aegis of the construction manager. This method affords a more flexible bidding mechanism, an important asset during the current volatile construction market. 3) The CSU cost guide for 2008/09 reflects a five percent increase over the prior budget year. Factors contributing to this increase include the continued nationwide trend of escalation in the cost of energy, construction labor, and building materials; building code changes related to accessibility, plumbing, and telecommunications standards; and added costs required to support long term goals of durability and sustainability.

Space and Facilities Database: In May, CPDC hosted two days of systemwide campus training on the web-based Space and Facilities Database (SFDB) Phase II. The SFDB is the official data warehouse for information on all 65 million square feet of facilities in the CSU system. The reporting window for the 2007/08 SFDB update was moved from fall to spring to provide more accurate facilities updates for the fall course offerings assigned from the Academic Planning Database (APDB). The spring reporting window enables updated classroom and laboratory facilities information to be synchronized with the APDB used by academic space planners. This should result in increased accuracy of space utilization and management reporting. The Phase II SFDB allows campuses direct data entry with automatic data validation and space update analysis and reporting tools. Campus management of space inventories is now completely web-based and user-friendly. Annual

updates are entered by the campus and approved by CPDC, providing enhanced flexibility and reliability of data for both campus and Chancellor's Office staff. The success of the SFDB model will be emulated in the design of future web-based, paperless facilities management programs to assist campuses in all phases of capital planning and management.

Larry Piper, Chief of Facilities Planning

LAND USE PLANNING & ENVIRONMENTAL REVIEW (LUPER)

Land Records Information System: The Land Records Information System (a CPDC developed database) maintains a map for each campus, which plots all record encumbrances. The State Department of Finance (DOF) recently complimented CSU on its nearly complete 2-year campus land title database effort, recognizing the value it brings to state land management. The DOF is completing title due diligence review for 60 prior year lease revenue bond capital projects for possible refinancing. The ability to complete reviews of campus projects in a timely manner to assess the feasibility of refinancing is greatly enhanced by the land records database. It clearly and definitively shows campus properties and any legally recorded rights that other entities, such as utility districts or outside third parties, may have to use certain properties or buildings. Campuses are working with CPDC to compile additional data on all unrecorded title rights before the DOF makes a final decision on going forward with the refinancing. The refinancing of older, higher-rate bond issues to new lower rates would result in significant savings in future interest costs for taxpayers.

Personnel: LUPER is pleased to announce that Ben Morales joined the Land Use Planning and Environmental Review team as the new CAD/GIS Coordinator. Ben came from Cal Poly Pomona and has many years of CAD experience. He will be coordinating the Land Records Information System: updating, refining, and expanding the campus encumbrance maps. In addition, Ben is heavily involved in the transition of the master plan maps to a CAD platform. He presented the master plan map CAD standards and website at the June 2006 Executive Deans meeting. Ben's GIS background will be very valuable in future related systemwide efforts.

David Rosso, Chief of Land Use Planning & Environmental Review

ARCHITECTURE & ENGINEERING

Sustainability: Sustainability is increasingly being used as a metric to evaluate the success of both new construction and renovation projects throughout the CSU. Once considered optional design features, sustainable principles are now seen as good business practice because they improve both a project's usability and resource efficiency. The CSU incorporates sustainable measures in all of its current projects, of which five are seeking LEED (Leadership in Energy and Environmental Design) Green Building Council sustainability certification. Managing the particulars of sustainable design represents an ongoing component of the work of CPDC. As a requirement of the trustees' Policy on Energy Conservation, Sustainable Building Practices and Physical Plant Management adopted September 2005, CPDC established a Sustainability Advisory Committee to develop a CSU-specific sustainability rating and verification system that will be used for future capital projects. The Sustainability Advisory Committee includes a mix of campus staff, faculty, students, and CPDC staff. Its task is to complete and present a draft version of the CSU sustainability standard by the end of 2006. The committee will be attending a LEED training course on August 10 at the Chancellor's Office.

UC Santa Barbara hosted the fifth annual UC/CSU/CCC Sustainability Conference on June 24-25, where staff and students from all three segments of higher education attended and participated in educational sessions, including representatives from nineteen CSU campuses. A small contingency from CPDC participated as well. As a part of the conference, Assistant Vice Chancellor Elvyra (Vi) San Juan presented Energy Efficiency Partnership Awards to several recently completed CSU projects.

Thomas Kennedy, Chief of Architecture and Engineering

PLANT, ENERGY, & UTILITIES

Plant Directors' Meeting: The most recent quarterly Plant Directors' Meeting took place June 13-14 at CSU Chico. Some of the topics that were discussed included CPDC-sponsored trainings for 2007/08, the Capital Renewal Program, and Pacific Partners Facilities Renewal Model training. John Ferris, Director of Facilities Services at CSU Los Angeles, was selected as the new Plant Directors' representative. The next quarterly meeting is

scheduled to take place September 29 at CSU San Jose. The meeting will coincide with the annual meeting of Pacific Coast Association of Physical Plant Administrators (PCAPPA) that will take place September 30 through October 4 in San Jose. The theme for this year's PCAPPA conference is "Learn – Implement – Evolve."

Flex Your Power Awards: Congratulations to the CSU campuses for their energy efficiency efforts. The CSU was honored at the 4th Annual Energy Summit Awards from Flex Your Power, hosted by SoCal Edison and the Marriott Corporation, garnering two of the prestigious awards. The CSU received honors for overall energy efficiency achievements for systemwide performance against its five year energy goal. CSU San Bernardino received the top award for Education and Leadership for its support of the 'Green Campus Program, which highlighted student-initiated innovative practices that included handing out free compact florescent light bulbs to incoming freshmen to use in their dorm rooms. Governor Arnold Schwarzenegger presided over the ceremony held Friday, June 30.

Len Pettis, Chief of Plant, Energy & Utilities

CONSTRUCTION MANAGEMENT

CSU Labor Compliance Program: The CSU Labor Compliance Program has entered its fourth year of operation. Thanks to the great support of campus staff, CPDC has been able to institute and run an effective program, ensuring that all labor compliance requirements are met.

A groundbreaking development occurred in Labor Compliance with the passage of Senate Bill 759, which became effective January 1, 2006. This law recognizes and validates the "electronic signature," allowing for a unique password to serve the same function as a "wet" signature on Labor Compliance submittals. The passage of this law paves the way for online submittal of Labor Compliance data, a significant advancement in the construction industry that provides numerous benefits to the CSU and its contractors.

After considerable research, CPDC found that the electronic submittal process offers tremendous advantages over a manual audit and is very cost-effective. Therefore, CPDC recently adopted a web-based system called LCPTracker from a company of the same name for the processing of online submittals. Supplemental General

Conditions Section 4.02(c) mandates use of this system on all projects funded by Propositions 47 and 55 (funds 6028 and 6041). The Labor Compliance staff is currently in the process of completing the manual audits on existing projects and instituting the use of LCPTracker on all future bond-funded projects.

Please feel free to contact the Labor Compliance Managers at any time with questions regarding the LCPTracker system or any aspect of the CSU Labor Compliance Program. Many thanks once again to campus staff for embracing this program.

Jim Corsar, Chief of Construction Management

FINANCIAL SERVICES

Dennis Hordyk, Assistant Vice Chancellor

FINANCING AND TREASURY

Standard & Poor's Upgrades CSU: Standard & Poor's has raised its rating to "A+" from "A" for the CSU's Systemwide Revenue Bonds (SRB), with a stable outlook. In the report, dated June 16, 2006, Standard & Poor's noted that "CSU has managed successfully through a difficult state-funding period in which appropriations declined for three years in a row amid significant demographic and application growth. Throughout this period, CSU demonstrated good institutional characteristics including managing enrollment, often achieving positive operating results, and consistent fundraising results. Just as importantly, CSU is reviewing and implementing changes related to how it manages a range of financial functions, including debt management and campus foundation endowment oversight. The rating also reflects the depth and breadth of this multi-campus system that is the largest in the U.S."

Moody's Investors Service assigns an underlying A1 rating to the CSU SRBs, a rating that is equivalent to S&P's A+. The ratings on the outstanding student union revenue bonds that are not a part of the SRB's was also raised to A from A-.

INFORMATION TECHNOLOGY SERVICES (ITS)

David Ernst, Assistant Vice Chancellor

COMMON MANAGEMENT SYSTEMS (CMS)

Data Warehouse Update: The documentation for the Enrollment Reporting modification to the CMS data warehouse, developed by the Data

Warehouse Advisory Group, is undergoing final review by the committee. Representatives of the Institutional Research Directors and Student Administration User Group will present it to their respective constituents in July. The data warehouse team previewed the Enterprise Performance Management (EPM) 9.0/Campus Solutions (CS) 8.9 deliverables during Oracle's presentation to the Alliance Reporting Product Advisory Group (PAG). The recording was made available to campus stakeholders in June as a precursor to the analysis that will be performed when the software becomes available in July. Performance tuning to the Finance 8.4 data warehouse deliverable was completed with a 3:1 performance gain to the overall processing time, bringing it into the high end of acceptable performance parameters. CSU is participating in the Oracle EPM/CPM/BI (Enterprise Performance Management /Corporate Performance Management / Business Intelligence) Strategy Council, a cross-industry council that is looking at merging product lines into Fusion.

Human Resources Update: The Human Resources team has completed development and testing of the Oracle Absence Management module in coordination with the pilot campus, San Jose. The campus will go live with the new module this month. The team has also been supporting the Dominguez Hills campus with their implementation of the HR application (also scheduled to go live this month). Additionally, the CSU project to integrate with the new State Controller's payroll application (SAP) will be officially initiated this month.

Student Administration Update: The Student Administration (SA) team successfully developed and deployed the first Human Capital Management (HCM) 8.9 baseline release package (8.90.020) to the campuses. The SA Team successfully conducted eight module and information workshops in support of the HCM 8.9 upgrade, including Admissions, Student Records, Financial Aid, Student Financials and Application Security. The Student Administration "go-live" activity remains on schedule for the campuses including, CSU Sacramento, CSU San Bernardino and CSU East Bay. These campuses are on schedule for their HCM 8.9 Student Administration implementation "go lives". The Student Administration team has participated in several on-campus HCM 8.9 upgrade kickoff meetings including CSU Long Beach, Cal Poly Pomona and CSU Chico.

ACADEMIC TECHNOLOGY SERVICES (ATS)

Upcoming Events: The 6th Annual MERLOT International Conference will be August 8-11th at the Ottawa Conference Center, Ottawa, Ontario, Canada. The MERLOT International Conference is designed to foster learning, innovation and practice in the use of information and communications technologies in higher education. It is the venue for educators, administrators, and technologists who have interests and expertise in technology-enabled teaching and learning and who recognize the need to remain current in this rapidly advancing field of educational practice and theory. For more information see <http://conference.merlot.org/2006/>

Foundational Skills

CSU Math and English Success: The CSU Math and English Success website project team is currently developing new functionality to allow high school students across the State to determine their Early Assessment Program (EAP) status online. The benefits of this solution are many:

- Access to EAP results in August for every participating student across California;
- less reliance on the current paper-based distribution model, which is inefficient in many school districts;
- the availability of personalized services connecting the EAP student report with step-by-step, customized advice for preparing for the CSU;
- emphasis on student ownership and responsibility in preparing for college (a central principle of the EAP); and.
- 24x7 access to EAP results throughout the school year to ensure that counselors, CO personnel, and EAP coordinators need no longer track down lost/undistributed reports. This feature will be available in mid-August.

Information and Communication Technology Literacy Assessment (ICT): Eighteen grants to campus faculty and librarians have been awarded for exploring the use of the newly developed ICT Literacy assessment and for integrating information literacy into first-year experience programs. The campus grants totaled \$258,000 and were awarded to successful respondents to a system wide request for proposals issued in March. Several of the funded projects will involve longitudinal assessment studies to be conducted over a two-year period. A listing of the projects can be found at <http://www.calstate.edu/ls/infocomm.shtml>.

TECHNOLOGY INFRASTRUCTURE SERVICES

Infrastructure Build-Out Project - Stage 1 and

Stage 2: Stage 1: With two exceptions, progress in the TII Stage 1 infrastructure retrofit program remains satisfactory. Only one of the fourteen Phase 1 and Phase 2 campus projects has not been completed and that campus expects to finish retrofits by summer's end; one is in the process of doing so, and two of the remaining four campuses in that final program phase are continuing their construction schedules. Unfortunately, the remaining two campuses in Phase 3 have encountered difficulties with their general contractors; Stage 1 work at those sites is on hiatus until solutions can be negotiated.

Stage 2: All campuses have now either completed or are actively engaged in their Stage 2 activities. Five campuses are in the design phase; two campuses are currently implementing their new networks and fifteen are completed. San Jose was the most recent campus to have completed their project. All users on that campus have been cut over successfully to the new network.

(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.)

Infrastructure Terminal Resources Project II

(ITRP 2): ITRP 2 is the first refresh cycle for the network electronics installed as a part of Stage 2 of the Technology Infrastructure Build-Out Project. It is intended to enable campus networks to remain current with network technology and address evolving requirements. ITRP 2 will include three technology focus areas:

1. Routing and switching (providing network connectivity and data transfer)
2. Wireless networking
3. Network security (preventing unauthorized network access)

ITRP 2 planning is well underway in all three of these areas, with a primary focus on network security. The Network Technology Alliance's (NTA) network security working group recently completed the 'bakeoff' process and has submitted a recommendation for the manufacturer of security equipment for ITRP 2 to the NTA, which has endorsed the recommendation. It was also

presented to and approved by the Information Technology Advisory Committee (ITAC) on June 15.

NTA's wireless working group has developed a Request for Information (RFI) for their area of focus; the four-week bakeoff process will begin July 10 at the Chancellor's Office WestEd facility in Los Alamitos. A call for campus participation went out to NTA.

Network Management System (NMS): ITRP 2's steering group recently reviewed the direction of network management software tools in the CSU and agreed that in order to find the best tools to manage campus networks, a set of operational needs must be defined. Then, a set of functional requirements will be identified to ensure the support those operational needs. In addition, the steering group will work with the Network Technology Alliance's (NTA) Executive Committee to discuss how the IT Infrastructure Library's (ITIL) processes may play a part in developing a set of common best practices (ITIL is the most widely accepted approach to IT management as it provides a cohesive set of best practices drawn from the public and private sectors internationally).

The steering group determined that that with so many campus staff participants currently focusing on network security, wireless, and route/switch working groups efforts, the current resource pool is rather small. The group concluded that any requests for participation in NMS work would not yield satisfactory results until this fall, when most of the aforementioned projects will conclude.

Network Infrastructure Asset Management System (NIAMS):

The Network Infrastructure Asset Management tool is a software application that allows campuses to maintain records of their network infrastructure by keeping track of where cables and equipment are located on the campus in both a graphical and database format. The Chancellor's Office centralized application and database support center for the tool has recently trained campus users at beginner and advanced levels. After having completed advanced user training and an advanced NIAMS data import workshop in April, the Los Angeles and San Luis Obispo campuses began production efforts in June. The San Jose and Monterey Bay campuses are actively preparing for their NIAMS implementations this fall.

Campus Access Infrastructure Initiative (CAI):

The Campus Access Infrastructure Initiative (CAI), a 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 (WAN) backbone, is well underway. The circuit for Long Beach was put into production on May 27 and circuits for the Bakersfield, San Diego, San Jose and Maritime were put into production in June. The Chancellor's Office and Channel Islands circuit cutovers are planned for late summer and East Bay's is scheduled for late October.

Identity and Access Management Initiative (IAM):

The Information Technology Advisory Council (ITAC), in cooperation with the Chancellor's Office, defined the objectives of the Identity and Access Management Initiative (IAM), a system-wide program chartered with developing and defining the architecture for secure access and data management at the campus level. The mission of IAM is to enable users to access and exchange information from campus-to-campus, campus to other institutions (e.g., K-14), and campus to business (e.g., on-line library materials), while maintaining security standards and user accessibility permissions.

The 3rd Annual Identity and Access Management Initiative (IAM) Workshop is scheduled for July 19-20 at the LAX Crowne Plaza. The proposed agenda has been shared with Information Technology Advisory Committee (ITAC), the IAM Technical Architecture Group (TAG) and Information Security Officers (ISOs), with a request that local efforts be made to encourage functional areas to attend. This year's conference focus will be the non-technical (business process and policy) aspects of identity and access management to increase understanding and support outside of the IT areas. The first day, Wednesday, July 19, will highlight the experiences of the University of Florida and Cal Poly San Luis Obispo; most of the second day will feature presentations by an expert from The Burton Group, an IT research and advisory firm.

The Technology Steering Committee (TSC) review of the proposed governance structure for the IAM Initiative is scheduled for the August meeting.

Emergency Website Project: TIS has been assigned the design and implementation of a web-based solution that will allow public information officers/public affairs directors at all CSU campuses to publish communications information for students, CSU employees/staff/faculty, media, and the

general public, in case of an emergency in which the primary campus World Wide Web presence is unavailable. This solution must be easy to use, require little or no specialized client software and be accessible over any internet connection. It also must be active and available any time— 24 hours a day, 7 days a week. If an emergency occurs, the resource will be activated, allowing users attempting to access a webpage of an existing campus to be redirected automatically to the emergency website. This CSU Emergency Communications Website will provide basic communications information and is not a disaster recovery site, nor a complete failover site for the World Wide Web presence of an existing campus.

The Emergency Website project team tested and approved the automatic emergency website activation, based on Border Gateway Protocol (BGP). Campuses will work with CENIC (the statewide WAN provider) to configure their networks appropriately. Long Beach, the first campus selected for implementation, is expected to complete the process by the end of June and the San Luis Obispo and Fullerton campuses are currently being staged.

Enterprise Architecture (EA): The Enterprise Architecture (EA) program will provide a comprehensive technology planning and guidance mechanism, which will help ensure that the CSU is aligned to meet the challenges of expanding needs for data and services, increased requirements for maintenance and support, and emerging technology changes.

This summer, the Enterprise Architecture Steering Committee will focus on conducting an environmental scan and review of business drivers affecting IT. The goal will be to produce a document of commonly shared assumptions about business goals/strategies and environmental factors expected to affect the CSU's collective IT operations and services. This document, with a target completion of January 2007, will be forwarded to ITAC for review and endorsement. A draft will be ready for ITAC's input and revision during the committee's professional development meeting in October.

A new agreement with Gartner Group, a major information technology research and advisory company, will provide the CSU access to two half-day sessions with a Gartner Enterprise Architecture analyst, as well as a set of tools and templates designed specifically for developing enterprise

architecture. Later this summer, TIS will host a workshop on enterprise architecture with Gartner analyst participation. The workshop will be open to anyone involved in architecture projects at a campus or in the Chancellor's Office.

Concurrently with the Enterprise Architecture Steering Committee's strategic technology planning effort, a monthly meeting will be held for CSU technical architects and senior IT staff from campuses and the Chancellor's Office. The purpose will be to begin knowledge sharing and communication among the various IT domains, such as identity management, security, CMS, academic technology, network, etc. The group will identify what planning assumptions are in place for the various domain projects. They will also try to standardize, as much as possible, on templates used to document various architecture components.

Calstate.edu Web Re-engineering Project: The CSU web site is large and comprehensive, encompassing approximately 45,000 URLs when all documents and forms are included. The site is a virtual warehouse containing a wealth of important and useful data, including many hundreds of policies, procedures, executive orders, reports, and other documents necessary for the functioning of a complex and decentralized system of higher education. Because of the importance of the web site in providing information to the CSU system, TIS has partnered with the Chancellor's Office's Communications Department to re-conceptualize and re-engineer it by assessing current capabilities, stakeholder needs and technology trends.

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

During the first segment of the data center transition (January to June 2006), pilot campuses (San Luis Obispo, Fresno, and the Chancellor's office) went live in the new data center over the President's Day holiday weekend (February 18). The remaining campuses migrated to the new data center between the months of March through May, using a "wave" strategy in which there were two to five campuses per "wave." The campus transitions were complete on May 24, with all 23 campuses,

plus the Chancellor's Office migrated to the new data center environment.

The data center transition project is currently in the post-transition stage with resources focused on resolving the development environment performance issues. CMS is working with the pilot campuses to determine the success criteria to measure the improvements.

The methodology for development the Security Plan would includes interviewing of 9 campuses 3 each small, medium and large.

INFORMATION SECURITY

Security Plan: The Statement of Work for the Systemwide Security Plan is being finalized. The tentative start date for the project is late July 2006. The deliverables of the Plan will be:

- Gap Analysis
- Security Roadmap
- Security Foundation and Framework
- Risk Management Tool

TECHNOLOGY POLICY, PLANNING & ADVICE

Measures of Success: Campus responses to the annual technology survey are due on August 1. The Social and Behavioral Research Center will be conducting the biennial staff survey this summer.

Executive Council Retreat: Presidents and CSU Executives engaged in a half day discussion of Information Technology at the recent Executive Council Retreat. The majority of the session focused on improving learning and teaching through academic transformation.

Accessible Technology Initiative: The Accessible Technology Initiative (ATI) Work Plan (currently in draft form) identifies nineteen (19) steps and processes to provide for access to technology and technology-related resources for persons with disabilities, as mandated by current federal and state laws. An implementation plan for the six to twelve months based upon a short list of priorities is currently being drafted and will be shared with the Technology Steering Committee at their upcoming meeting.

Three efforts are being launched to develop tools and resources for ATI implementation:

1. *ATI Website* Staff members from the Long Beach campus (Doug Cox, Gerald Greenridge) and the Chancellor's Office (Kerry Klayman, Phuong Huynh, Alicia Campbell, Christine Destefano) are assisting in the development of the project website that will house resources, documents, and tools for ATI implementation. The timeline for the completion of Phase I of the website is during the fall.
2. *Work Groups:* Three work groups are being formed to address accessibility implications and develop best practices in the areas of emerging technology, learning management systems, and web accessibility. Work group membership is currently being formalized and will consist of staff and faculty from across the system with appropriate expertise and interest. These work groups will commence in August.
3. *Website Evaluation and Monitoring tool:* A request for proposal (RFP) for an enterprise server-based website evaluation and monitoring system is currently being drafted. This tool will greatly assist campuses in monitoring, fixing, and maintaining campus websites to conform to accessibility standards.

Dr. Wayne Dick, Chair of the Computer Science and Engineering Department at Cal State Long Beach has been appointed the Project Coordinator for Academic Technology Accessibility. He will be on a half release-time appointment to the Chancellor's Office and will focus on both Accessible Technology and the Center for Alternative Media (CAM).

SYSTEMWIDE QUALITY IMPROVEMENT

The Quality Improvement Planning Committee is providing all campuses an opportunity to highlight campus quality efforts in a Biennial Report on Quality Improvement in the CSU. This report is currently being developed and will be published in the fall. It will highlight campus quality activities, initiatives, and accomplishments over the past two years. Campuses may want to focus particularly on cost/time savings or redirection, improved services or customer satisfaction, or innovative or model approaches that were developed or adopted. Inclusion of quality activities throughout the entire campus is encouraged.

The Quality Improvement Facilitators (QIF) at each campus have been contacted regarding this effort, and have been asked to submit information via e-mail no later than July 31, 2006 to Katy Rees, Chair, QI Planning Committee, at katyz@csusm.edu.

If you have any questions, please contact Katy Rees at katyz@csusm.edu or at Robyn Pennington at rpennington@calstate.edu.

ADVOCACY & INSTITUTIONAL RELATIONS

Karen Y. Zamarripa, Assistant Vice Chancellor

Legislature Departs for Summer Break— CSU Prepares for Last Month of Session: The Legislature left for their summer recess after hours of hearings to get bills out of their final policy committees for the year. The Legislature will return on August 7th, and attempt to complete their work by the constitutional deadline of August 31st.

CSU continues to have several wins and a few losses at this point and will be preparing for the last month of session and any pending legislative battles on several key issues in the next few weeks. The following is an update on bills of particular interest to the Business and Finance Division.

CSU Sponsored Bills: All three sponsored bills – AB 2597 (revenue bonds), AB 2813 (financial aid) and SB 1724 (CSU omnibus) were approved by policy committees last week and will be before their designated house Appropriations Committees in early August.

AB 2813 (De la Torre) - Student financial aid: Ortiz-Pacheco-Poohigian-Vasconcellos Cal Grant Act: This bill is a jointly sponsored bill with the California State Students Association to assist students in getting the grant aid they need to succeed in college. The bill focuses on adjusting the age limit for Cal Grant B students from 24 to 27 in order to help more students be eligible for aid.

AB 2597 (Pavley) - California State University: State University Revenue Bonds: This is CSU's proposal to enhance the university's ability to use systemwide bonds for future projects, and to potentially lower interest costs, particularly for student housing, parking facilities and student union projects. Despite last minute opposition from the Treasurer, the bill, thus far, has been passed unanimously.

SB 1724 (Runner) - California State University Omnibus Bill: This bill proposes to improve efficiency and reduce costs to the CSU in the following areas: (1) Tort and Contract Claims: authorize the CSU to handle tort claims directly rather than through the Statewide Government Claims, which costs the CSU up to 15% of each settlement amount; and (2) Retailer Sellers Permit: exempt CSU from the statutory requirement to collect California retailers' seller's permits in order to contract for purchases.

AB 2748 (Jones) - Public postsecondary education student housing reports: This bill would request the CSU and the UC, to each prepare a report containing specified data relating to various aspects of campus student housing and its impacts. The bill would request the regents, and require the trustees, to submit the reports to the Legislature on or before March 31, 2007. The measure was amended last week and eliminates prior language that would have negatively impacted CSU's financing programs.

SB 1604 (Margett) - Public Contracts: Bids & Disputes: This proposal was defeated earlier in the Assembly Business & Professions Committee, but the author agreed to delete the onerous provision that prohibits the CSU from requiring bidders on public works contracts to submit proposed substitutions of products or materials called in the bid specifications prior to the award of the contract. The deletion of this section should remove CSU's opposition to the measure.

Ongoing Issues: CSU has resolved many issues since January. At this point there are a handful of bills (see below) that AIR staff will be working on in the final weeks of the 2006 legislative year:

AB 2951 (Goldberg) - Capital Facilities Fees: This measure would fundamentally change current law regarding the imposition of capital facilities fees on the CSU. It will increase CSU's facilities-related charges by up to 35 percent which will cost the CSU almost \$4 million each year and significantly impact the system's ability to continue to provide high-quality education to students.

CSU will be coordinating with the campuses next week on work they need to do with their legislator's home in the district for summer recess. The bill has been referred to Senate Education and will be heard on August 9th.

AB 2355 (Negrete McLeod) - Public Employees' Retirement: Service Credit: California State University Academic Employees: This measure, sponsored by California Faculty Association, would allow an academic employee to "buy back" service time at the cost of the employer. For the Academic Year 2005/2006, the CSU estimates that these costs could be as high as \$600,000.

AB 2992 (Evans) - Competitive bidding: This measure would require the CSU to prequalify any mechanical subcontractor on a construction project in which the cost of the subcontractor's work exceeds \$1 million. This bill was ALMOST dead when the chair of the Senate Education Committee recommended it be held in his committee. However CSU was told that Senate Leader, Don Perata wanted the bill to move out and it did so with a narrow vote margin.

SB 1181 (Maldonado) - Public Postsecondary Education: Supplemental Report on Academic and Executive Salaries: As amended this bill would require the University of California, the California State University, and the California Community Colleges, on or before March 1 of each year, to prepare and submit to the Chairperson of the Joint Legislative Budget Committee, the Chairpersons of the appropriate legislative budget subcommittees, and the Director of Finance a report on the total compensation of specified executive-level and senior-level administrative positions at both the systemwide and campus levels with respect to the University of California and the California State University, and, with respect to the California Community Colleges, at the systemwide level only, the policies for setting and adjusting compensation and approving transfer agreements, separation agreements, and settlement agreements for all employees, and mechanisms in place to ensure compliance with compensation policies and any sanctions administered for breach of compliance. CSU will continue to work in August to amend the bill to remove the CSU altogether from the reporting requirement.

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/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.