

# Business & Finance NEWS

Business and Finance Division

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

NEWS FROM THE DEPARTMENTS

NOVEMBER 2007

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

*Elvyra F. San Juan, Assistant Vice Chancellor*

## **FACILITIES PLANNING / LAND USE PLANNING AND ENVIRONMENTAL REVIEW**

**Town-Gown Relations:** Facilities Planning and Land Use Planning and Environmental Review participated in the joint UC/CSU Conference on *Bridging the Town-Gown Divide* held on October 11-12, 2007 at the UCLA campus. See more about the conference in the Advocacy and Institutional Relations section of this newsletter.

**Campus Tours:** CSU Monterey Bay hosted a legislative site visit focused on the aftermath of the City of Marina v. CSU court decision. Representatives of CSU Advocacy and Institutional Relations, the Legislative Analysts' Office, and the education subcommittees of the state legislature toured the campus with President Dianne Harrison in an all day meeting on Tuesday, October 16, 2007. A representative of the Department of Finance also visited the campus on October 18, 2007. Both tours provided an overview of the fair share negotiations with the Fort Ord Reuse Authority (FORA) and the calculation of potential off-site mitigations related to the campus master plan development. Members of the Legislative Analysts' Office and the Chancellor's Office conducted site visits at CSU East Bay and San Jose State on November 9, 2007. The campus tours provided an overview of current and proposed capital projects supporting the campuses' critical seismic safety renovation and academic support needs. Of special interest this year were demonstrations of recently funded capital renewal projects that have extended the life of aging facilities.

*Larry Piper, Chief of Facilities Planning  
David Rosso, Chief of Land Use Planning and Environmental Review*

## **CONSTRUCTION MANAGEMENT**

**The 2007-08 Schedule of Construction Audits by University Audit:** The following projects comprise the preliminary list of 2007-08 construction audits selected by the University Auditor:

Pomona	Library Addition & Renovation
Channel Islands	John Spoor Broome Library
Los Angeles	Science Replacement Bldg, Wing A
Channel Islands	Student Housing Phase 2
Sacramento	Hornet Bookstore
Bakersfield	Math & Computer Science

## **California Legislative Actions**

**Governor Vetoes Senate Bill No. 18:** Last month Governor Schwarzenegger vetoed Senate Bill No. 18, which would have required CSU to continue its labor compliance program for the Proposition 1D projects—a portion of the Governor's Strategic Growth Plan of 2006 and passed by the voters in November last year. As a result, the CSU Labor Compliance Program will not be reviewing/monitoring projects funded by Prop 1D (K-12 – Higher Education Facilities Bond Act of 2006). The CSU will continue to monitor labor compliance for those projects funded by the Kindergarten-University Public Education Facilities Bond Acts of 2002 and 2004. Related questions may be addressed to Chris Mitrovich, Labor Compliance Manager, [cmitrovich@calstate.edu](mailto:cmitrovich@calstate.edu).

**Governor Signs into Law Senate Bill No. 161:** CSU may now entertain the option of receiving its public works bidding electronically, thanks to the passage of Senate Bill No. 161, authored by Senator Margett. The CSU was previously prohibited from doing so because the bidders' security had to be transmitted with the bid. Public Contract Code Section 10765 has been amended to allow electronic bidding with an electronic facsimile of the bidders' security, followed by the submittal of actual bidders' security within 24 hours of bid

opening. PlanetBids, Inc. made a presentation at the 2007 CSU Facilities Management Conference earlier this month on the logistics of electronic bidding. More information on this exciting turn of events will be forthcoming.

*Jim Corsar, Chief of Construction Management*

## **FINANCIAL SERVICES**

*Colleen Nickles, Assistant Vice Chancellor*

### **Systemwide Financial Services**

All CSU campuses have submitted their Financial Reporting Packages and the Chancellor's Office is preparing the Systemwide Consolidated Financials for the 23 campuses, Chancellor's Office and 91 Auxiliaries. Thanks to the campus reporting teams for their great work this year, particularly in light of the many accounting changes relating to the Revenue Management Program.

Systemwide Financial Services welcomes two new employees: Dagoberto Escobedo, Revenue Bond Accountant and Brenda Sum, Assistant Trust Fund Accountant.

*George Ashkar, Senior Director, Controller, Financial Services, Accounting*

### **OFFICE OF RISK MANAGEMENT**

**Emergency Management and Business Continuity:** Two executive orders relating to emergency management and business continuity were issued during the months of September and October. **EO 1013** supersedes and replaces EO 921, which relates to the implementation and maintenance of an emergency management system on each campus that will be activated when an event has the potential for reaching proportions beyond the capacity of routine operations. **EO 1014** delegates to each president or his/her designee, the responsibility for implementing and maintaining an ongoing program on each campus that ensures the continuity of essential functions or operations following or during the recovery phase of a catastrophic event. Both executive orders can be found on <http://www.calstate.edu/EO/>.

**Sport Clubs Project:** In August a new committee was established to work on creating a sport clubs model and/or systemwide policy for CSU Sport Clubs. The committee, comprised of

representatives from campuses and the Chancellor's Office, will be collecting data from all campuses and focusing on key risk areas to provide a tool for the management and operation of sport clubs.

**Fitting the Pieces Together Conference:** The 2007 Fitting the Pieces Together conference was held November 6-8, 2007, in Costa Mesa. Over 175 people attended this year's conference. Conference presentations will be posted on the Systemwide Office of Risk Management's website ([http://www.calstate.edu/risk\\_management/events/fitting\\_the\\_pieces\\_together/](http://www.calstate.edu/risk_management/events/fitting_the_pieces_together/)).

*Charlene Minnick, Chief Risk Officer  
Systemwide Risk Management*

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

*David Ernst, Assistant Vice Chancellor*

### **ACADEMIC TECHNOLOGY SERVICES (ATS)**

**Digital Marketplace:** In December 2007, ATS will be demonstrating the first prototype for "one stop shopping for digital content". The prototype enables faculty and students to search across commercial publishers, CSU library collections, and free digital libraries (e.g. MERLOT, Connexions) with a simple and single search tool. Faculty will be able to organize their selected online materials into a syllabus' resource list. The hit-list of online materials will include descriptions of price (free to fee-based materials) and will illustrate how accessibility information (section 508 compliance) could be displayed. Information about price and accessibility will enable both students and faculty to make better choices of educational content that address their learning and financial needs.

### **Learning Management System Strategic Planning:**

The Directors of Academic Technology (DATs) completed the CSU LMS RFI (CSU Learning Management System Request for Information). The RFI has been sent to Information Technology Advisory Committee (ITAC), Council of Library Directors (COLD), Faculty Development Coordinators (FD), and the Community of Academic Technology Staff (CATS) for their reference. Updates will be provided at the next Academic Technology Advisory Committee (ATAC) and Provost Technology Steering Committee (PTSC) meetings. To date, seven responses to the RFI have been received from LMS providers.

The <http://dat.cdl.edu> web site is available for CSU personnel to post responses as well as to review comments provided on forums. Campuses should review the RFI responses and develop their strategic plans further. The current LMS contract expires June 30, 2008.

**Systemwide Library Systems:** The online CSU Directory of Special Collections has been created and libraries are uploading their collection information. A project of the CSU Library Strategic Plan, the Directory of Special Collections will serve to identify and expand the public use of a wide range of unique library resources found within the California State University library system. An enhanced locator of special collections, with easy online access, the Directory highlights known and less known materials with high research value. The collection can be viewed at <http://dsc.calstate.edu>.

**Foundational Skills:** The Campaign for College Opportunity [www.collegecampaign.org/practices/](http://www.collegecampaign.org/practices/) has recently selected CSU-Fresno's Fast Forward Program as a "Practice with Promise." "Practice with Promise" is an initiative of the Campaign for College Opportunity to identify working solutions that are improving college access, success, affordability and efficiency. CSU Fresno's program was selected among 120 submissions from educational institutions throughout the state. Supported in part by Academic Technology Services, CSU Fresno's Fast Forward Program provides online and traditional instruction and counseling focused on decreasing remediation rates for and increasing retention of Latino students entering the university. Evidence of the programs' success includes steadily improving proficiency rates on the Entry Level Math test and the English Placement Test. Data shows a 53 percent increase in math proficiency and a 37 percent increase in English proficiency since the project's inception.

### **COMMON MANAGEMENT SYSTEMS (CMS)**

**Financial Information System:** The FIS team completed the Financials 9.0 System Testing on October 30, 2007 in preparation for the system upgrade from version 8.4 to version 9.0 of the financials application.

As part of the on-going campus relationship effort, FIS representatives visited CSU Fullerton to discuss the campus' recent Financials implementation experience. Fullerton's implementation of FIN 8.4 Baseline has been a great success.

The FIS Team has begun work to develop automatic Electronic File Transfer (EFT) to Wells Fargo Bank for employee reimbursement direct deposit, and automatic email notification to EFT payees. The target date for this enhancement project is December 1.

**Student Administration Update:** The Student Administration application team delivered the annual 2008/09 Mentor Maintenance project to the campuses on 9/13. The project ensures that CMS campuses are well prepared for the start of the fall processing year on October 1st. Go live activities for the SA Collaborative campuses (San Marcos, Bakersfield, Stanislaus, Monterey Bay and Humboldt) continue with active involvement of the SA Student Administration application team.

### **TECHNOLOGY INFRASTRUCTURE INITIATIVE**

**CMS Performance Management:** Ensuring that mission-critical applications, such as CMS, perform to a high standard is an ongoing challenge. Resolving periodic performance problems and optimizing the performance of current and future releases requires the cooperation and collaboration of all involved in the CMS service model: external service providers (Unisys and PeopleSoft), Central CMS (technical infrastructure and applications development), and campuses (local technical and application support). Given the range of stakeholders, success in defining performance metrics and conducting periodic performance measurement and analysis will require an organized approach and a concerted effort by all parties concerned.

To this end, ITS has initiated a Performance Management program focused on measuring current and future CMS performance and ensuring that future performance is maintained at acceptable levels. Specific objectives of the effort will be to:

- Clearly define CMS performance metrics
- Identify more comprehensive performance monitoring and management tools
- Clearly delineate Central CMS and Campus performance management roles and responsibilities
- Identify performance problems and determining their root cause
- Improve the problem resolution processes
- Improve performance-related communication to the CMS community

To meet these objectives, ITS has established a Performance Action Team composed of technical

and application support staff from CMS Central, and augmented with campus staff as needed.

The team will begin by analyzing the CMS components common to all campuses: the Salt Lake City infrastructure and the CMS baseline releases. Specific campus performance issues can be addressed by campuses concurrently with baseline resolution efforts, however dedicating resources to performance analysis of common components first should provide the greatest benefit to the greatest number of users across the system. Focusing on shared resources will also benefit campuses in the long term by providing performance benchmarks for baseline releases that can be used by campuses to assess the performance of local modifications and configurations.

More specifically, the team will review past performance problem tickets to identify performance trends, develop a game plan and prioritize activities; improve performance problem reporting criteria and procedures; establish performance benchmarks for CMS Baseline releases and establish a CMS performance communication plan.

For additional information, contact Mark Crase at [mcrase@calstate.edu](mailto:mcrase@calstate.edu) or Mike Mclean at [mmclean@calstate.edu](mailto:mmclean@calstate.edu).

### **Infrastructure Build-Out Project - Stage 1 and Stage 2:**

**Stage 1:** The TII Stage 1 infrastructure retrofit program is nearly finished. Only Bakersfield, Monterey Bay and San Francisco have yet to complete the upgrades to their telecommunication rooms and cable infrastructure. The Bakersfield and Monterey Bay projects are now forecasted for completion in late 2007. Work at San Francisco remains suspended indefinitely pending resolution of a contract dispute.

**Stage 2:** All but six campuses have completed their Stage 2 projects. Chico, Fresno, Fullerton, and San Diego are currently deploying network electronics and network management systems, while Bakersfield is in the pre-deployment logical design phase. San Francisco has begun an interim Stage 2 design to accommodate the fact that its capital project progress is suspended.

### **Infrastructure Terminal Resources Project Refresh (ITRP 2):**

**Network Security:** The Phase 1 network firewall implementations are underway at four campuses; deployments of Juniper firewalls are scheduled throughout the remainder of 2007 and migration to the new systems should be complete on all campuses in early 2008. Development efforts are underway for Phase 2, under the guidance of the NTA Network Security working group. In addition, a design architecture will be developed to ensure that campus network security devices are deployed in a manner consistent with the ITRP 2 network security architecture.

Training on the new Juniper equipment continues and the fifth session of customized training will be held November 26-30 at the WestEd ITRP Training room in Los Alamitos. Details have been posted online to the [ITRP training calendar](#).

**Routing, Switching and Wireless (RSW):** The first stage of the ITRP 2 RSW refresh project will upgrade all Phase 1 campuses' core network switches between July 2007 and January 2008. The scope of the program will likely expand to include Phase 2 campuses' switches that are not yet upgraded; Cisco Systems and AT&T will help develop technical processes and procedures to guide the refresh of those remaining campuses. TIS anticipates that the remaining campuses will be completed with refresh within 12 months from the start of the project.

Progress on the wireless front continues. Design plans have been completed by Aruba for seven of the eleven Phase 1 campuses. Aruba wireless starter kits have been purchased and will provide some of the campuses with earlier scheduled implementations the opportunity to obtain hands-on experience with the Aruba technology, prior to ITRP 2 refresh deployment. These starter kits were shipped to appropriate campuses in late September. Aruba training will be a component of ITRP 2 training. There are two prerequisites— offered free of charge— available on the Aruba Networks website. These classes must be taken prior to enrolling in ITRP 2's Aruba "Advanced Design and Operations" class, which has been scheduled for December 11-14, 2007 at the ITRP Training facility at WestEd.

**Network Management:** NTA's ITRP 2 Network Management System and Security Information Management (NMS/SIM) working group has begun writing a Request for Information (RFI) for the next version of ITRP NMS. The first draft was presented at the October 22-23 NTA meeting.

AT&T has successfully completed the upgrade of the ITRP1 NMS servers; documentation has been

prepared to assist campuses in configuring the new systems. Two web-based training courses for CiscoWorks' LMS 2.6 application are being provided to the campuses: one course will cover the differences between earlier and updated versions of the application and will be geared toward experienced users; the other course will cover the entire application (the LMS 2.6 application will be used for inventory validation for ITRP 2).

The Campus Collaboration Center (C3) Team continues to develop the documentation required to implement the pilot Network Management System collaboration effort. The teams would like campuses with Solaris, CiscoWorks and Smarts expertise to consider providing operating system and application management for those campuses identified as the recipients.

**Network Infrastructure Asset Management System (NIAMS):** East Bay, Chico, Northridge and San Jose campuses moved into production on October 29. The delay resulted from the CO NIAMS Team's discovery of a defect in the Planet IRM application release 7.6, during testing. Planet Associates is working on version 7.6.1, specifically to reconcile the findings of the CSU's NIAMS support team. Rollout of Planet IRM 7.6.1 is tentatively scheduled for November/December 2007. Testing will begin soon on Planet Associates' AutoCAD File Converter plug-in, prior to the release of Planet IRM 7.6.1 to campuses using the application.

**Campus Access Infrastructure Initiative (CAI):** The Campus Access Infrastructure Initiative (CAI) is the system-wide program established to install and maintain the infrastructure that connects each campus local area network (LAN) to the California Research and Education Network (CalREN) backbone. Typical campus connections are comprised of a 1 Gigabit managed fiber connection provided by the Corporation for Educational Network Initiatives in California (CENIC) plus a redundant Enhanced Gigabit connection (EGM) provided by AT&T and managed by CENIC.

CENIC's Managed Fiber (CMF) circuit installation phase continues. San Bernardino is scheduled to be completed later this month; San Marcos's installation is in progress and should be completed this winter. Los Angeles and Pomona are scheduled for completion by the summer of 2008. Of 23 campuses, 19 have active dual connections installed, meaning that more than two-thirds of the CSU have both AT&T EGM and CMF active circuits.

These campuses include Bakersfield, the Chancellor's Office, Channel Islands, Chico, Dominguez Hills, East Bay, Fresno, Fullerton, Long Beach, Humboldt, Maritime Academy, Moss Landing Marine Lab, Monterey Bay, Northridge, San Diego, San Francisco, San Jose, Sonoma, Stanislaus, and WestEd.

**Identity and Access Management Initiative (IAM):** The IAM Technical Architecture Group (TAG) met on September 25 to discuss the common attributes, data, and data definitions for the CalStateEduPerson object classification schema. The EduPerson schema is the framework for defining the type of data or attributes that go into a directory that is specifically geared toward the education community (campus name, student name, e-mail address, major, etc.). The CalStateEduPerson schema builds on the generic education schema and adds directory fields that are unique to the CSU. These directories are then used to help us provide digital credentials and otherwise manage digital identities across various electronic systems and applications.

Campuses that have implemented CalStateEduPerson have not yet populated data in the fields since the intent was to define what information needs to be implemented on all campuses in order to administer cross-campus authentication and authorization to services (e.g., Digital Marketplace) using local campus credentials. Discussions included what procedures are needed to implement a CSU Federation. Information on both of these issues will be presented to ITAC in December.

Updates on the three IAM pilot projects:

**Remote Shibboleth Identity Provider (IdP) services for Moss Landing Marine Laboratories:** Shibboleth is an open source tool that enables remote authorization of users so that they can access electronic data repositories or on-line services, based on identity attributes maintained in local campus directories. Moss Landing IdP services have been implemented at the CO and tested with the Moss Landing directory. Additionally, Moss Landing and the CO have joined the higher education federation InCommon, in order to provide authenticated/authorized access to data repositories such as the Elsevier online library service. Testing with InCommon and Elsevier will be completed before allowing Moss Landing users access to the new service,

### **Shibboleth services for Digital Marketplace:**

In order to support a prototyping effort for the Digital Marketplace, a Shibboleth test environment has been created and final set up of the Shibboleth infrastructure is in progress. Fifty (50) demonstration accounts will allow faculty and staff at each of the three test campuses (East Bay, San Luis Obispo and Channel Islands) to log into the prototype for a demonstration of Digital Marketplace functionality.

**Shibboleth services for Aruba wireless networks:** Testing continues on the proof-of-concept for using Shibboleth to authenticate to the new Aruba wireless appliances being installed on campuses as part of the ITRP 2 program. Results will be reported to TAG, NTA, and ITAC once the test is complete.

**Emergency Website Project:** Seventeen campuses have completed the setup process: Channel Islands, Chico, Dominguez Hills, East Bay, Fresno, Fullerton, Humboldt, Long Beach, Los Angeles, Monterey Bay, Pomona, Sacramento, San Bernardino, San Francisco, San Jose, San Marcos and the Chancellor's Office. Ten of those campuses have tested activation of their emergency website (Channel Islands, Dominguez Hills, East Bay, Humboldt, Long Beach, Pomona, Sacramento, San Bernardino, San Jose and the Chancellor's Office). San Marcos is in the process of scheduling an activation test; Stanislaus currently hosts its primary web presence off-campus and cannot use the emergency website at this time. All campuses are encouraged to test activation of their emergency website after setup is complete.

### **INFORMATION SECURITY MANAGEMENT**

**Security Policies:** The systemwide securities policies project is underway. The project team, which includes representatives from CH2MHill and the CSU, has developed a plan and is determining which set of topics will be covered by systemwide information security policies. CH2MHill is planning to deliver an initial set of systemwide security policies to the CSU at the end of December 2007. The CSU will begin reviewing the policies early January 2008.

**Information Security Awareness Training Project:** The goal of the information security awareness training project is to develop a **web based** systemwide awareness training tool that will promote general security awareness throughout the CSU. The project team is comprised of staff from

the Chancellor's Office and eleven (11) information security officers from CSU campuses. This group has been actively developing the requirements for the awareness training tool. It is anticipated the RFP will be released near the end of October 2007.

**Systemwide Security Plan:** Assistant Vice Chancellor for Information Technology Services, David Ernst, has formed an ad hoc Security working group of CIOs and ISOs to advise him and Senior Director, Janice Lim on how best to implement the Unisys recommendations. The working group will also advise on the policies and security awareness projects, and may, with the addition of some core constituent representatives, become a permanent advisory group. The group had its initial meeting in September and met again prior to the ITAC Retreat on October 10<sup>th</sup>.

### **TECHNOLOGY POLICY, PLANNING AND ADVICE**

**Measures of Success (MOS):** The ninth edition of the MOS is in final edit and will be distributed to the Legislature and CSU constituents in December. This is the last MOS that will provide changes to baseline data. The final MOS, in fall 2008, will be a summary of Integrated Technology Strategy (ITS) accomplishments and a look forward at ITS evolution.

**Accessible Technology Initiative:** The California Emerging Technology Task Force (CETF) awarded CSU a \$250,000 grant to work on developing testing rubrics for information technology hardware and software. ATI will work with Center for Usability in Design and Assessment on the grant activities. Preparatory Section 508 Training for CUDA and ATI staff was Nov. 4<sup>th</sup> & 5<sup>th</sup>.

Systemwide 508 training with a procurement focus will be held in January. Campuses have submitted their Web Access Plans and they have been reviewed. A report (currently in draft form) will be forthcoming.

Staffing for the ATI initiative is almost complete. New Director Deborah Kaplan and AT Experts, Sam Ogami and Jean Wells have been hired in the last few months.

## **BUSINESS SOLUTIONS SERVICES & QUALITY IMPROVEMENT PROGRAM**



### **Call For 2008 Quality Improvement Award Nominations**

Every year, the CSU recognizes QI achievements across the system at an annual awards event. The award nomination process is currently open and closes Friday, January 25, 2008. The award selection committee will review submissions and recommend awards for presentation at the 2008 Symposium luncheon scheduled for February 27 at the Paradise Point Resort & Spa in San Diego, CA.

Nominations are invited for the following:

- Distinguished Service in QI Award
- QI Facilitator of the Year Award
- QI Function Chair of the Year Award
- QI Champion of the Year Award
- QI Team of the Year Award
- Innovative Practice Award

Award criteria, nomination forms, and submission instructions can be found at [2008 Quality Improvement Awards Nominations](#).

Early-bird registration is now open for the [2008 QI Symposium](#).

For additional information, contact Larry Kimaara at [lkimaara@calstate.edu](mailto:lkimaara@calstate.edu)

### **ADVOCACY & INSTITUTIONAL RELATIONS** *Karen Y. Zamarripa, Assistant Vice Chancellor*

#### **CSU Wins Back Authority to Purchase Vehicles:**

This October, Governor Arnold Schwarzenegger acted on numerous legislative proposals, including Assembly Bill 262 by the Honorable Joe Coto of San Jose. This measure became one of the Board of Trustees's (BOT) sponsored measures. It originally addressed only credit card solicitation on campuses, which is consistent with our current practices. At the request of the CSU, the measure was amended to allow the system to act independently and to be fiscally responsive by returning to it the right to purchase our own vehicles.

In 1986, the Legislature provided the CSU with the independent authority to conduct all procurements and contracts, including purchasing vehicles. In 2003, legislation by Senator Jeff Denham was enacted that subjected the CSU to a new and duplicative process for the purchasing of vehicles through the DGS Fleet Management process. This legislation has cost the CSU over \$340,000 per year to support the Department of General Services' (DGS) Fleet Management division, and has led to unreasonable delays in purchasing.

After months of negotiations with Senator Denham, and DGS, the office of Advocacy and Institutional Relations (AIR) was able to reach a compromise with all parties. AB 262 will rescind DGS authority over the CSU of for purposes of purchasing vehicles, for an initial period of five years and will mandate certain reporting requirements..

The measure will also extend the sunset date from January 1, 2008 to January 1, 2013 for the CSU Board of Trustees to adopt regulations necessary for self-governance. For more than a decade, the BOT has had the authority to adopt regulations without being subject to the processes of the Office of Administrative Law. This gives the CSU a more simplified and efficient administrative process.

#### **Revenue Bonds Improvement Bill Signed by**

**Governor:** On October 8, the Governor signed SB 855 (Ridley-Thomas), California State University's (CSU) bill to improve its revenue bond processes. This is the second year the CSU sponsored this proposal. The first effort was last year under AB 2597 (Pavley); the bill got sidelined in the Senate Rules Committee due to a disagreement with the State Treasurer' Office over one section. For 2007, the CSU moved ahead without that controversial section, and was ultimately successful in getting this important cost-saving bill enacted.

Over the past five years the CSU has consolidated and improved the management of the capital planning and financing of its non-state funded projects. As the result, the CSU now takes a more strategic systemwide approach to this process, using more sophisticated planning and financing methods that significantly strengthen its credit quality and provide significant cost savings. However, some changes to current law were needed to allow the CSU greater success in the program.

SB 855 will:

- 1) Authorize the payment of interest on a basis other than semi-annual or annually to accommodate issuance of variable rate debt.
- 2) Authorize the Board of Trustees (BOT) to issue commercial paper directly by including commercial paper within the statutory definition of notes and revenue bond anticipation notes.
- 3) Authorize the CSU to loan or advance proceeds from its revenue bonds or revenue bond anticipation notes to third parties (e.g. auxiliary organizations) through a loan agreement, for projects approved by the BOT.

These changes will streamline the external bond financing and treasury processes at the CSU, eliminating unnecessary steps, and cutting costs in financing transactions for projects. They will also help simplify the process of financing projects for auxiliaries and other related entities under the System wide Revenue Bonds, thereby saving the CSU and the auxiliaries' significant money over time. This should translate into lower costs for students and other users of these projects.

**Town and Gown Conference Report:** The second annual Town and Gown Conference, "Bridging the Town-Gown Divide." was held at UCLA, October 11-12. It had excellent CSU representation. The conference was sponsored by the California State University, University of California, League of California Cities and other local government groups.

The purpose of the conference was to encourage positive dialogue and partnerships between California's colleges and universities and their host communities. Local community desires are sometimes at odds with university mandates. Events such as the conference will help to articulate and resolve issues and will lead to better relationships between cities and university campuses.

Several CSU campus representatives shared their perspective of best practices in breakout sessions that focused on planning land use and management, economic development and student conduct issues. Derek Aitken from San Francisco State University, described elements of the campus' technology partnerships with the City and County of San Francisco and their Institute for Next Generation Internet. Jeff Gordon of San Jose State University shared the incubator partnership models between

the SJSU research foundation and the City of San Jose. Johanna Madjedi from Cal Poly San Luis Obispo teamed with the City of San Luis Obispo and presented on their fiber infrastructure partnership. Mo Tidemanis of CSU Long Beach shared creative ways in which the campus is using their resources when land is no longer an option.

In addition, there were three keynote speakers that shared some interesting perspectives:

Deborah Reed, Public Policy Institute of California, presented the findings of her recent report: "*Can California Import Enough College Graduates to Meet Workforce Needs?*" The report highlights the disconnect of economic projections and educational attainment for the future population trend towards a more highly skilled economy, and how higher education provides added economic value to communities with campuses in their area. She shared the fact that migration growths in California's population will be unlikely to fill skilled workforce gaps projected for 2025, when 41 percent of jobs will require an undergraduate degree. Higher education in California will only produce 32 percent of college degrees. Today, over 90 percent of the fastest-growing jobs require postsecondary education or training, yet a staggering 60 percent of Americans have no postsecondary credentials.

Joseph Cortright, an economist with Impresa, a Portland Oregon consulting firm specializing in regional economic analysis, innovation and industry clusters shared his perspective of the role and place of cities in providing key economic advantage for consumers. These are: a wider range of choices; more convenience; discovering new things; and, greater economic opportunity. He pointed out that these attributes underpin urban success, and strengthening these assets helps build metro economies in this state. He also stated that "variety" in cities offer a wide range of choices of the goods, services and amenities that consumers and citizens value, raising their satisfaction and standard of living. Variety attracts talented workers, fueling economic growth. He said that "convenience" of density means more goods, services and people are close at hand, meaning people can travel shorter distances and spend less time searching and traveling to acquire any given set of goods, services and interactions. Another important attribute is that "discovery" in and around cities exposes people to more opportunities to discover new goods, services and experiences. Cities need to provide new markets for new and innovative products. Finally, he indicated that "opportunity" offers cities a wider

variety of jobs and facilitates acquiring additional skills to move among jobs. Cities attract young workers looking to upgrade their human capital.

Michael Young, vice chancellor for student affairs, University of California at Santa Barbara shared some interesting perspectives of Millennials at college and what the workplace implications are as the Millennial Generation joins the workforce in increasing numbers. Dr. Young indicated that many Millennial students are over-programmed and over-stressed. Rising competition for college slots means growing numbers of students must work to afford college tuition, and they also face rising expectations for extracurricular activities. He pointed out that this generation is America's most ethnically and racially diverse generation: one in five has at least one immigrant parent; one in ten has a non-citizen parent (in California 30 percent of Millennials have a non-citizen parent); 35 percent are non-white or Latino minority; and one in ten does not speak English at home. Finally, he shared some interesting traits of Millennials as they move into workforce including: career mobility (also manifested as quick turnover in entry-level jobs); informal approach to work environment (informality with supervisors and perception of irrelevance of hierarchy); expectations of work-life balance; postponement in taking on "adult" responsibilities (there is no stigma to moving back home with parents if career plans don't pan out). Millennials seek team approach to work environment; they are innovative and enthusiastic; are optimistic with high self-esteem (employers should be concerned with potential for over-confidence); have technological sophistication (potential for excessive personal use of technology in the work place); and the ability to multi-task (potential for lack of focus and attention to detail).

Remember to save the date for next year! The third annual Town and Gown Conference will be October 16-17, 2008 at San Luis Obispo with Cal Poly SLO hosting the conference.

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/>

## **SYSTEMWIDE BUDGET OFFICE**

***Patrick J. 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/>.

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The Business and Finance Newsletter is accessible at: [www.calstate.edu/BF/Newsletters/NewsLet.shtml](http://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](mailto:msmith@calstate.edu).