

# Business & Finance NEWS

Business and Finance Division

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

## NEWS FROM THE DEPARTMENTS

September 2008

### FINANCIAL SERVICES

*Colleen Nickles, Assistant Vice Chancellor*

<http://www.dot.ca.gov/hq/tpp/offices/bike/safety.html>

Enjoy your ride and stay safe!

### OFFICE OF RISK MANAGEMENT

#### 2008 Fitting the Pieces Together Conference

Mark your calendar to attend this year's Fitting the Pieces Together Conference at the Oakland Airport Hilton, Oakland, CA on November 5 - 6, 2008. The conference features general sessions and education sessions in the areas of Risk Management, Student Activities, Emergency Management, Employee Health and Safety, Worker's Compensation, and Human Resources.

#### **Governor's Employee Safety Awards (GESA):**

Two of the California State University campuses – California Maritime Academy and San Francisco State were recognized for the outstanding achievements of various employees in creating and maintaining a safe work place. Even though the State cancelled this year's award ceremony by due to budget woes, the campuses should be recognized for this terrific achievement and special kudos are due for these employees who met and exceeded goals.

Sessions this year include but are not limited to: "Test Your Worker's Compensation Knowledge", "Responding to a Shooter on Campus – A Primer for Non-law enforcement personnel" and "Looking to the Future – Preparing the Next Generation (CSUF Center for Insurance & Risk Management)". The terrific array of sessions will be complemented by top-notch speakers.

### INFORMATION TECH. SERVICES (ITS)

*Michael McLean, Interim Assistant Vice Chancellor*

On-line registration, the tentative line-up of sessions/speakers and general information is readily available at

### COMMON MANAGEMENT SYSTEMS

**Financials 9.0 Upgrade:** Congratulations to Cal Poly, San Luis Obispo, who became the first campus to go-live on Financials 9.0 on September 9th, 2008! Fresno will be the next campus to go-live in October followed by East Bay, San Jose and Los Angeles in December. The remaining campuses will complete their 2nd and 3rd upgrade passes and move-to-production by April 2009.

[http://www.calstate.edu/risk\\_management/events/fitting\\_the\\_pieces\\_together/](http://www.calstate.edu/risk_management/events/fitting_the_pieces_together/)

**Bicycle Safety:** Though gas prices appear to have "stabilized" the price of a gallon of gas is still at or near historically high levels. Given this and coupled with a national and state emphasis on being "green", "carbon neutral" or "environmentally friendly", many people may decide to ride their bikes to work, on errands, visits with friends etc.. No one is ever too old or experienced to refresh his/her bicycle safety knowledge.

**Human Resources:** The HR Team is collaborating with Student Administration and Finance teams to transition to a new delivery approach for ongoing baseline maintenance updates. The first release under this approach is scheduled for October 3rd. The team continues to support Absence Management, Time & Labor and Benefits Administration campus implementations as they move towards meeting the core functionality implementation deadline. Annual Benefits open enrollment updates have been delivered to the campuses. HR Team members have completed an intense effort in collaboration with resources from 20 CSU campuses to identify a reporting solution that

Get all your bike safety knowledge at one convenient location, courtesy of the California Department of Transportation who has a terrific website at:

will alleviate significant manual effort required to administer salary actions for Temp Faculty.

**Student Administration:** The annual Mentor Maintenance was delivered to the campuses on September 10th for the 2009/2010 Application Processing year when the vendor's, XAP, website opened on October 1st. A record number of campuses, 21 in total, will be live on Campus Solutions Admissions as of October 2008. The SA team has been moving forward with the Upgrade Approach Strategy for the Human Capital Management 9.1 upgrade. At the last Student Administration User Group meeting a review of the upgrade documentation was completed. This provided the campuses and the SA team a direction on deliverables that will be needed at different stages of the upgrade.

### **BUSINESS SERVICES SOLUTIONS**

**Travel Best Practices Initiative:** Vision validation sessions were held over the summer to discuss and consider applicability/adoptability of travel best practices within the CSU. All campuses were invited to attend and participate in the discussion. Several considerations resulted from these sessions and were shared with the FOA, CMS Executive Committee, and CABO groups in August. A policy sub-committee was formed and charged with reviewing and identifying proposed updates to the travel policy.

The project management team is currently reviewing and updating the project plan based on anticipated activities resulting from the vision validation discussions and considerations. Campus pilot and close-follower dates are expected by mid-October.

The CSU intends to implement the Oracle Travel & Expenses module, which CSU already owns, and has held a few configuration and design sessions with the pilot campuses -Long Beach and the Chancellor's Office. The result of these sessions will be shared with close follower campuses in mid-September.

### **INFORMATION SECURITY MANAGEMENT**

**Information Security Policy:** The CSU project manager and consulting team are developing a set of communication materials that will be distributed along with the draft policies and standards. These communication materials are designed to help the campus community better understand the scope of the project.

**Information Security Awareness:** The consultants and the CSU content management team are making good progress towards developing the prototype for the system-wide security awareness training tool. This tool will cover basic areas of information security including but not limited to: Responsibilities of Employees, Account and Password Security, CSU Policy and Guidelines, and Social Engineering.

For more information about these projects, please contact Cheryl Washington at [cwashington@calstate.edu](mailto:cwashington@calstate.edu)

### **ACADEMIC TECHNOLOGY SERVICES**

**Digital Marketplace (DM):** The Digital Marketplace project team presented a one-day briefing at the MERLOT International Conference, August 7th to institutions and companies interested in learning more about the Digital Marketplace. The briefing included a demonstration of the Digital Marketplace prototype which enables faculty to quickly find relevant, vetted, digital learning resources for course development and provides a convenient, "one-stop-shopping" experience for students to acquire those resources via the web. Underscoring the DM's commitment to accessibility, the demonstration included participation by the American Foundation for the Blind which showcased a blind person's use of the DM, in full Section 508 compliance. The plans for pilots and field tests were announced and the DM is working with CSU San Bernardino on continued faculty evaluation of the Digital Marketplace prototype.

**MERLOT:** Over 400 attendees participated in the 8<sup>th</sup> Annual MERLOT International Conference hosted by the Minnesota Colleges and Universities, August 7-10. Recent advances within MERLOT were announced:

- MERLOT has partnered with Research In Motion (RIM), makers of BlackBerry® smart phones, to provide a convenient tool, *MERLOT Mobile Search* that enables users to access MERLOT easily from the Blackberry. Visit <http://mobile.merlot.org> for more information.
- MERLOT now provides additional collaboration tools via **MERLOT Voices** designed to encourage conversations, discussions, debates and social networking, among MERLOT community members interested in teaching and learning with technology. For more information and to join MERLOT Voices, go to <http://voices.merlot.org>

- *Free training for CSU faculty and staff who are MERLOT members will be available:*  
*September 17: Session 1 – Pacific Times offered are 6am, 1pm and 6pm*  
*September 24: Session 2 – Pacific Times offered are 6am, 1pm and 6pm*  
*October 1: Session 3 – Pacific Times offered are 6am, 1pm and 6pm*  
 Participants can register by going to the link below and scrolling to the September 17 date  
<http://www.tltgroup.org/calendar.htm>

September 10 with a press event at a Valley High School in Sacramento.

**Accessible Technology Initiative:** Mark Turner, Director of the Center for Accessible Media, has held two training sessions at UCLA and UC Merced for all UC campus personnel. In the process, he has updated CAM documentation and developed a CAM operations curriculum. This will be a valuable resource for CSU campuses when new staff needs to be trained. UC campuses have begun to add titles to the CAM database.

**Transforming Course Design:** The CSU transforming course design initiative seeks to improve student learning and lower costs in high impact courses i.e., those with high enrollment and poor student performance, throughout the CSU. In January, developmental mathematics and general chemistry courses were selected as the first two courses to be redesigned. Twenty-five CSU math and chemistry faculty members have spent the past six months analyzing their courses, identifying student needs, and developing cost effective strategies to improve student learning. The math and chemistry teams recently completed reports with guidelines and adoption strategies. These strategies will be piloted during the fall semester after which results will be shared extensively throughout the CSU.

- A request for campuses to identify the next two high impact courses for redesign has been distributed with responses expected back by Sept 20, 2008.

#### **Foundational Skills:**

- The [CSU Online Early Assessment Program Math Professional Development Workshop](#) won the 2008 Western Cooperative for Educational Telecommunications WCET Outstanding Work (WOW) Award. This award recognizes outstanding innovation in using educational technology tools, techniques, or services. Developed by the CSU Center for Distributed Learning, the online math program has been used by more than 650 high school math teachers throughout California.
- The Center for Distributed Learning developed an interactive student website in support of the CSU and AT&T [Road to College Tour](#). As part of this initiative, a Road to College bus is traversing the state in a campaign to provide students, parents, teachers, and counselors with information about how to prepare for college. The tour successfully kicked off on

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

#### **Town and Gown Conference**

Cal Poly San Luis Obispo hosted the annual Town and Gown Conference, Thursday, October 16<sup>th</sup> and Friday, October 17<sup>th</sup> at the Embassy Suites in San Luis Obispo. The CSU, in conjunction with the University of California and the League of California Cities are the sponsors. The theme of the conference is “Bridging the Town and Gown Divide” with feature speakers: John Meyer, Vice Chancellor, Resource Management and Planning, UC Davis; Jeff Thompson, Executive Vice President, Peak Learning; and Jack O’Connell, California State Superintendent of Public Instruction.

The Town and Gown Conferences have been about bridging the divide that often exists between colleges/universities and the communities where they reside. John Myer, former City Manager of the City of Davis and currently Vice Chancellor at UC Davis will set the tone of the conference sharing his unique experience, insight and sense of humor. People and organizations today are dealing with unprecedented change, complexity and uncertainty. Those who have the ability to engage others effectively and move them through the “adversity” will increase commitment, improve productivity and strengthen performance.

Jeff Thompson will share his perspective of Adversity Quotient, which is a global predictor based on 20-years of academic and applied research. He will help those attending to achieve what it takes to “Thrive on the Edge!”

As chief of California’s public school system and leader of the California Department of Education, Superintendent Jack O’Connell is a strong supporter and facilitator of partnerships between schools,

businesses, communities and philanthropies in order to engage students with challenging, real world education experiences. Superintendent O'Connell will address issues we collectively face as community and educational leaders related to building cohesive communities.

In addition, there will be breakout sessions on economic partnerships, sustainability opportunities, planning and land use, and communication and relationship building. Over 200 campus leaders, deans, community and governmental relations staff and faculty with expertise in planning, housing and transportation from the CSU and UC. are expected. The cities are inviting elected officials (mayors and council members), city managers, county administrators, and planning/community/economic development staff that have a university campus in their community.

The purpose of the conference is 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, but having processes in place, such as this conference will help to communicate and resolve issues that will lead to better relationships between cities and university campuses.

For more information, please visit [www.towngownconference.com](http://www.towngownconference.com) for conference information and registration.

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

## **SYSTEMWIDE BUDGET OFFICE**

*Robert Turnage, 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/>.

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

*Elvyra F. San Juan, Assistant Vice Chancellor*

**CSU Facilities Management Institute:** The 2008 training program is coming to a close with a final session on Tuesday, November 4, "Construction Insurance, Contracts, Mitigating Risk & Related Issues Workshop." This training will be held at the Oakland Airport Hilton in collaboration with Systemwide Risk Management, preceding its conference, "Fitting the Pieces Together". For information and registration, visit:

[http://www.calstate.edu/risk\\_management/events/fitting\\_the\\_pieces\\_together/](http://www.calstate.edu/risk_management/events/fitting_the_pieces_together/). As a reminder, November 4 is national election day. If attending this workshop, please make plans to vote absentee if necessary.

Development of the 2009 training program and calendar is underway and will be posted on the CPDC website in November.

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

## **FACILITIES PLANNING**

**2008/09 Capital Outlay Program:** The CSU was able to secure Department of Finance (DOF) and legislative support to add \$223.7 million in lease revenue bond (LRB) funding to its program. This amount will be used to fund the following five projects: CI-Classroom/Faculty Office Renovation/Addition; BA-Art Center and Satellite Plant; SL-center for Science; MB-Academic Building II; and MA-Physical Education Replacement. In addition to the existing \$72.2 million in existing bond funds, the 2008/09 capital program totals \$295.9 million assuming agreement by the governor. Facilities Planning and Land Use Planning staff will work with campuses to complete the land due diligence reports necessary to secure LRB financing.

**2009/10–2013/14 Capital Improvement Program:** The 2009/10 state capital outlay program and the 2009/10 through 2013/14 five-year capital improvement program, state and non-state funded, were approved by the trustees at the September 2008 board meeting, \$6.2 billion and \$4.6 billion respectively.

The 2009/10 capital outlay program presentation reflected the uncertainty surrounding the final 2008/09 proposed program. Based on the anticipated 2008/09 outcome, the trustees approved

the remaining priority projects of \$609.6 million for the 2009/10 capital outlay program. Of the \$609.6 million amount, program documentation for 22 projects, including the systemwide Minor Capital Outlay, Capital Renewal and Off-Site Mitigation programs have been submitted to the DOF for inclusion in the Governor's Budget. Of the 22 projects, proposed funding for the six equipment projects is from existing General Obligation bond reserves, so that new facilities nearing completion can be occupied.

The 2009/10 non-state capital program totals \$80.4 million. The non-state projects will be funded through campus auxiliary organizations, donations, grants, and student union and parking programs. The latter two programs rely on user fees to repay systemwide revenue bonds issued by the Board of Trustees.

#### **2010/11–2014/15 Capital Improvement Program:**

The call letter for the 2010/11 capital outlay program and five-year capital improvement program 2010/11 through 2014/15 continues to support sustainable building design, in response to the requirements of enacted legislation AB 32, and the California Supreme Court ruling in the City of Marina v. CSU Trustees. AB 32, the California Global Warming Solutions Act, requires reduction of greenhouse gas emissions to 1990 levels by the year 2020. It is thus appropriate for capital budget requests to plan for a (privately financed) renewable energy generation component to help the CSU achieve the intent of the legislation. With regard to the Marina case, campuses need to consider the off-site mitigation measures that may be necessary as a result of the proposed project and budget accordingly.

*Larry Piper, Chief of Facilities Planning*

#### **ARCHITECTURE AND ENGINEERING**

**CSU Green Buildings:** There has been much popular press on sustainability—An example is the much touted SCE offering of remote peak shut down of residential air conditioners. In reality, sustainability is a broadly encompassing endeavor that requires a multi-faceted program of action to achieve ongoing success. CSU has taken an approach that interweaves sustainability throughout each project's design. Increasingly, sustainability is being recognized both as something that cannot be sprayed on nor should be value engineered out. Sustainable design, construction, and operations are a composite of elements that balance efficiency, economy, and effectiveness.

In past articles we have commented on how individual elements contribute to a sustainable outcome. Energy efficiency can be quantified. However, equally important is the pursuit of functional facilities that are both sustainable and pleasing to be in and around. This last point doesn't show up well in a cost guide or a spreadsheet. However, this critical intangible is a vital element that supports the CSU's academic mission.

The Program for Environmental Responsibility (PER) has been developed by the CSU to implement the Trustee's Policy on Energy Conservation, Sustainable Building Practices and Physical Plant Management for the capital program. PER is based on LEED principles, but whereas LEED is building-centric, PER provides additional emphasis on the fact that CSU projects, by definition, exist within a larger environment, a university community. PER will apply to all new construction and renovation projects, while also promoting operational and maintenance elements for new and existing facilities.

PER incorporates three broad drivers: ecology, economy, and society. and addresses them by defining a series of tangible goals including life cycle cost, environmental stewardship, and student achievement. Various ideas within PER are then promulgated to address these goals and create a framework that defines and programs individual building components such as site, infrastructure and envelope.

PER documents will be available on the CPDC Architecture and Engineering website in early October. A rollout of the PER program for campus and Chancellor's Office staff will occur Tuesday, September 30 in San Francisco, and Thursday, October 2, at the Chancellor's Office in the Wallace Room.

*Thomas Kennedy, Chief of Architecture and Engineering*

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

**AUREO Conference:** LUPER staff attended the 2008 Association of University Real Estate Officials (AUREO) conference in September. This year's conference addressed a number of land planning issues that LUPER encounters on an increasingly more frequent basis. Staff attended sessions that explore the interface between campus foundations

and university real estate; alternative revenue sources for development projects; innovative legal structures that are sufficient for multiple funding sources; appraisal review; and, how to handle holdouts when trying to assemble multiple parcel acquisitions for a project.

**Public/Private & Public/Public Partnerships:**

LUPER, in conjunction with Finance and Treasury, is preparing a presentation on public/private and public/public partnerships for the November Board of Trustees meeting and the upcoming CSU Facilities Management Conference (Wednesday, October 22). This presentation will describe how these partnerships align university development needs with alternate financial resources to provide needed services and development of physical facilities that state resources are unable to provide, as well as revenue for programs that restrictive state budgets cannot afford. These needs and services range from student housing; medical clinic facilities; academic and sports support facilities; and, research incubators, to retail commercial and entertainment venues that support student life on campus. The report will lay out the essential board policies and criteria for these often complex projects, as well as the financial and organizational platforms under which they can operate successfully in partnership with the university and its auxiliary entities. It will also showcase a number of successful projects from across the system, both those completed and those being contemplated.

**CAD/GIS User Group Update:** Ben Morales, LUPER CAD Coordinator, is bringing together the CAD/GIS User Group on October 21, 2008, 1:30–4:30 PM in the Moroccan room at the Millennium Biltmore Hotel, Los Angeles. This meeting precedes the 2008 CSU Facilities Management Conference which officially begins, Wednesday, October 22.

The group's purpose is to optimize CAD (Computer Aided Design) and GIS (Geographic Information Systems) use in support of campus planning, design, and facilities maintenance objectives. Members include campus architects, project managers, planners, IT personnel, CAD technicians and GIS practitioners. Attendees will have an opportunity to learn about the latest and smartest methods to use campus information including facilities space data, utility infrastructure data, and building information modeling (BIM). This group will advance the use of newer technologies in CSU to meet current standards for physical campus information as well as implement new planning tools for initiatives in several areas of campus operations.

The group will be meeting regularly in an effort to organize and synthesize campus facilities information across the CSU system.

For additional information regarding this upcoming meeting please contact Ben Morales ([bmorales@calstate.edu](mailto:bmorales@calstate.edu) / 562.951.4148).

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

**PLANT, ENERGY & UTILITIES**

**Facility Performance Indicators and Strategic Assessment:** In September, CPDC sponsored the training for campuses to participate in the annual APPA (professional association—to *Educational Facilities*) survey for Facility Performance Indicators (FPI). As budget pressures continue, campuses are faced with ever larger financial and logistical challenges. Knowing where a campus stands in relation to other campuses across the nation can provide vital information for making critical decisions about allocating resources. The survey covers a broad spectrum of topics, from facility Current Replacement Value (CRV); maintained campus area; operating expenditure costs; and, craft service levels; to energy consumption and customer satisfaction. This data is contained in APPA's Strategic Assessment Model (SAM) and provides campuses with collective data in a useful format, enabling them to identify opportunities while addressing deficiencies. This could be the first time all 23 campuses will be participating in the survey and the result of this effort will drive a future Board of Trustees presentation on plant staffing..

**Joint Apprenticeship Committee:** The Joint Apprenticeship Committee (JAC) has made significant strides in developing the framework for a comprehensive systemwide apprenticeship program focused on providing opportunities for employees to develop their skills further and begin to fill the backlog of the soon retiring facilities workforce. Mayra Houston will serve as the interim JAC coordinator to help campuses set up apprenticeship programs in compliance with the Department of Apprenticeship Standards (DAS). Recruitment for this position has begun.

**Direct Access Update:** On September 8, 2008, for campuses on direct access (DA) CSU purchased 80% of their peak power requirements through December 2009 at or below current market prices. This was a timely purchase in the aftermath of hurricane Ike and the turmoil in the financial markets

and results in an average on-peak purchase price of \$85 per megawatt hour (excluding transportation and distribution) for the DA campuses. Campuses retain responsibility to secure the remaining 20% of their electrical needs on a month to month basis, or as they see fit.

**Energy Efficiency Partnership Update:** The California Public Utilities Commission (CPUC) has issued a Proposed Decision (PD) for bridge funding for the 2009–2011 program cycle. This holds both good and bad news. The good news being that funding at the 2008 program level will continue beginning in January 2009 which will enable the CSU and other customers to carry on planning and installing energy efficiency measures, while the bad news is the funding is limited to our past performance levels which in the case of campuses in PG&E service territory means funds will be significantly reduced until the new program structure is in place. Regardless of the current funding situation, campuses are encouraged to maintain a comprehensive list of energy projects that are engineered and ready for implementation.

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

## **CONSTRUCTION MANAGEMENT**

**Complete Plans and Specifications Require Full Disclosure:** Plans and specifications for CSU construction projects are required by law to be complete. This requirement also extends to the owner’s knowledge of the site and existing conditions that could affect the contractor’s bid or execution of the project. Entering into a contract implies a covenant of good faith. Failing to disclose information violates this covenant and could result in liability for damages against the university. When in doubt, disclose.

**Integrated Project Delivery:** The theme of this year’s CSU Facilities Management Conference, “Create Tomorrow Together,” explores opportunities for various disciplines to collaborate in preparation for the future. Integrated Project Delivery is a method of designing and constructing building projects that integrate the efforts of key stakeholders—Owner, Architect, and Contractor—into a single project team. Individual success is achieved through the success of the project. As defined by the AIA, Integrated Project Delivery is a delivery approach that meshes people, systems, business structures, and practices into a process that collaboratively harnesses the talents and insights of all participants to optimize project results;

increase value to the owner; reduce waste; and, maximize efficiency through all phases of design, fabrication, construction, and occupancy. At the core of the process is the multi-party agreement entered into by the Owner, Architect, Contractor and major consultants and subcontractors.

This project delivery method presents a number of challenges and questions that require careful consideration. This next year we will be evaluating this project delivery method to determine if the CSU should adopt (i.e. whole or in part) this method. The systemwide development and use of alternative delivery methods has provided the campuses flexibility in completing the variety of construction projects needed to support the university. Campuses are encouraged to read a guide offered by AIA on their website: [http://www.aia.org/ip\\_default](http://www.aia.org/ip_default).

*Jim Sowerbrower, Chief of Construction Management*

Copies of CSU Capital Planning, Design and Construction reports, schedules, manuals and forms are available on the CPDC website at: <http://www.calstate.edu/CPDC/>

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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)

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