

**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

**California State University, Sacramento  
University Union Ballroom  
6000 J Street  
Sacramento, California 95819**

**March 13, 2002—10:30 a.m.**

***Presiding: Laurence K. Gould, Jr., Chair***

**Call To Order and Roll Call**

**Chair's Report**

**Chancellor's Report**

**Report of the CSU Alumni Council: *President—Wayne Adelstein***

**Report of the California State Student Association: *Chair—Robert Garcia***

**Report of California Postsecondary Education Commission: *William D. Campbell***

**Approval of Minutes of Board of Trustees' Meeting of January 30, 2002**

**Board Items**

1. Election of Five Members to Committee on Committees for 2002/2003

**Report of Committees**

**Committee on Collective Bargaining: *Chair—Ralph Pesqueira***

**Committee of the Whole: *Chair—Laurence K. Gould, Jr.***

**Committee on Institutional Advancement: *Chair – Frederick W. Pierce IV***

1. Naming of Facility at California State University, Fresno
2. Naming of Facility at California State University, San Marcos

**Committee on Organization and Rules**

1. Revision of Standing Orders: Extension of Program Service Areas

**Committee on Audit: *Chair – Shailesh J. Mehta***

**Committee on Finance: *Chair – William Hauck***

2. Approval to Proceed With a New Debt Financing Program for the California State University with Corresponding Revision and Restatement of the CSU Policy on Financing Activities
3. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds Not-to-Exceed \$145,210,000, and Approval of Related Matters
4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Sonoma Housing Project Not-to-Exceed \$42,700,000, and Approval of Related Matters
5. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Northridge Parking Project Not-to-Exceed \$11,280,000, and Approval of Related Matters
7. Conceptual Approval of Private Sector Participation in the Development of a 49.5-acre Avocado Orchard at California Polytechnic State University, San Luis Obispo

**Committee on Campus Planning, Buildings and Grounds: *Chair – Stanley T. Wang***

1. Amend the 2001/2002 Capital Outlay Program, Nonstate Funded
3. Preliminary State and Nonstate Funded Five-Year Capital Improvement Program 2003/2004 through 2007/2008
4. Certify the Final Environmental Impact Report and Approve the Amendment to the Nonstate Funded Capital Outlay Program and Schematic Plans for the Faculty and Staff Housing at Site H-8 at California Polytechnic State University, San Luis Obispo
5. Approval of Schematic Plans

**Committee on Governmental Relations: *Chair – Martha Fallgatter***

1. 2001/2002 Legislative Report No. 7

**Committee on Educational Policy: *Chair – Debra S. Farar***

2. Academic Planning and Program Review
4. Approval of California State University Bakersfield, Antelope Valley Off-Campus Center

**Communications and Correspondence**

**Old Business**

**New Business**

**Public Comment**

**Adjournment**

**MINUTES OF THE MEETING OF  
BOARD OF TRUSTEES**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**January 30, 2002**

**Trustees Present**

Laurence K. Gould Jr., Chair  
William Campbell  
Daniel Cartwright  
Debra S. Farar, Vice Chair  
Bob Foster  
Murray L. Galinson  
Harold Goldwhite  
William Hauck  
Ricardo Icaza  
Dee Dee Myers  
Ralph Pesqueira  
Frederick W. Pierce IV  
Charles B. Reed, Chancellor  
Erene S. Thomas  
Kyriakos Tsakopoulos  
Stanley T. Wang

**Trustees Absent**

Roberta Achtenberg  
Cruz Bustamante, Lt. Governor  
Gray Davis, Governor  
Delaine Eastin, Superintendent of Public Education  
Martha Fallgatter  
Robert Hertzberg, Speaker of the Assembly  
Ricardo Icaza  
Anthony Vitti

**Chancellor's Office Staff**

Louis Caldera, Vice Chancellor, University Advancement  
Christine Helwick, General Counsel  
Jackie R. McClain, Vice Chancellor, Human Resources  
David S. Spence, Executive Vice Chancellor and Chief Academic Officer  
Richard West, Executive Vice Chancellor and Chief Financial Officer

Chair Gould called the meeting to order at 10:50 a.m.

### **Chair's Report**

Chair Gould introduced and welcomed new student trustee Erene S. Thomas. He commented that the Board of Trustees was made up of individuals dedicated to the mission of the California State University. He pointed out that the CSU Board of Trustees is committed and cohesive because they set aside their partisan affiliations and work on how issues affect the CSU's three prongs of accessibility, affordability, and quality. Trustee Gould discussed such issues as benefits for domestic partners and non-resident tuition exemption for California high school students that have been acted upon by the board in a thoughtful and non-divisive manner.

Chair Gould commended Governors Deukmejian, Wilson, and Davis for the truly outstanding appointees to the Board of Trustees.

Chair Gould commended Trustees Debra Farar, Roberta Achtenberg, Bob Foster and Chancellor Reed for the great job in heading the current presidential search for a new president at Humboldt.

Chair Gould stated that the trustees are strong supporters of Chancellor Reed, Executive Vice Chancellors Richard West and David Spence and Vice Chancellors Louis Caldera in all of their day-to-day efforts to promote CSU's interest with the Governor and with the Legislature. He added that the Governor's budget reflects a commitment to higher education as contained in the partnership and it proposes increases in compensation and student funding for the California State University despite the state's overall financial difficulties. This board has been and remains committed to increased compensation for faculty and staff and the board will continue to work for increased compensation for its employees.

Chair Gould thanked Wayne Adelstein and the Alumni Council for their efforts in planning the CSU alumni day in Sacramento on February 20<sup>th</sup>. He added that the trustees would join with the alumni on that important day.

Chair Gould thanked Robert Garcia and his colleagues at the CSSA for organizing the CNESS conference in Sacramento and taking time out of their school week in early March to go to Sacramento to lobby on behalf of the CSU.

Chair Gould commended the Statewide Academic Senate for the Academic Conference that was held in San Diego in November. He noted that its focus on diversity couldn't have been more timely. He thanked all the trustees who joined the faculty in those discussions.

Chair Gould stated that every year at this time the rules of procedure require that he nominate five trustees to serve on the Committee on Committees. Accordingly, he nominated Martha Fallgatter to chair, Denny Campbell, Debra Farar, Bill Hauck and Dee Dee Myers to serve on that committee. He further stated that the vote to approve the committee membership would be taken at the March meeting.

Chair Gould reminded everyone that President Don Gerth would host the March meeting at the CSU, Sacramento campus.

The Chair recognized Jackie Kegley, chair of the Academic Senate, who reported for the Academic Senate.

### **Chancellor's Report**

Chancellor Reed also welcomed the new student trustee, Erene Thomas.

Chancellor Reed also thanked San Jose State for hosting the first gubernatorial debate and thanked the California Business Roundtable, the California Chamber of Commerce, and the California Correctional Peace Officers Association for their sponsorship of the debates. He announced that the next debate would be held at CSU, Long Beach on February 13.

Chancellor Reed stated that the legislature is set to make cuts totaling \$29.5 million from the CSU's current year budget. He said that was better than the anticipated \$35 million that had been anticipated earlier. Chancellor Reed further stated that the 2002/03 budget reflects \$55 million in reductions, but that the CSU will support the governor's budget recommendations because his proposal fully funds CSU's requested enrollment increase. He explained that this increase is vital for the CSU's capability to fulfill its mission. The Chancellor stated that due to Tidal Wave II and the slowing economy, the CSU had enrolled 8,200 more students than expected and that careful monitoring of enrollment numbers for next fall was crucial.

Chancellor Reed stated that he remains concerned about the amount that the budget allowed for employee compensation. He said that the CSU would be looking at several alternatives such as an equity adjustment and other revenue possibilities so that compensation might be increased by another half a percent.

The Chancellor stated that he was very pleased to report that an agreement had been reached with the California State Employees Association and that salary increases for all CSEA employees would be reflected in the February paychecks.

Chancellor Reed reported that work continues on debt management plans and stressed the importance of getting those in place.

The Chancellor reported that the CSU is holding steady with regard to remedial education, but that more improvement needs to be made. He said that monitoring of remedial education progress will be done on a campus-by-campus basis. He noted that the State Board of Education and the Governor's Office continue to provide assistance in this area.

Chancellor Reed stated that he was pleased to have Louis Caldera at the helm of the CSU's advancement teams. He noted the CSU's new record for external support last year and the returns being made on the CSU's investment in advancement.

Chancellor Reed congratulated CSU San Marcos President Alexander Gonzalez on being named to serve on the President's Commission for Educational Excellence for Hispanic Americans by President George Bush. He also congratulated Pamela Vaughn, a San Francisco State University associate professor of classics and literature, who recently won the 2001 Excellence in Teaching award from the American Philological Association and Richard Birkemeier, a professor of music at Cal State Long Beach, who won the Louis Armstrong Fellowship Award from the International Association for Jazz Education.

### **Report of the CSU Alumni Council**

Wayne Adelstein, president, reported for the Alumni Council

### **Report from the California State Student Association**

Robert Garcia, chair, reported for the CSSA.

### **Report from the California Postsecondary Education Commission**

Chair Campbell referred the trustees to the report contained in their packets.

### **Approval of Minutes**

The minutes of the meeting of the Board of Trustees of November 14, 2002 were approved as submitted.

### **Report of Committees:**

#### **Committee of the Collective Bargaining**

Trustee Pesqueira reported that staff informed the committee that it had reached agreement with the California State Employees Association to extend the current contract and to provide compensation increases for fiscal year 2001 and 2002. The committee also recognized requests to address the board by representatives of the Academic Professionals of California and the California Faculty Association.

#### **Committee on University and Faculty Personnel**

Trustee Galinson reported the committee heard one action item.

#### **Revision of Title 5, California Code of Regulations, Repeal Section 43101 of Article 6 and Adopt Section 43095 "Military Leave" to Article 5.9 (RUF 01-02-01)**

Trustee Galinson moved the item; there was a second.

Trustee Gould stated that because this resolution proposes a change in Title 5 regulations a public hearing must be held. He asked for public comment on the proposed changes in the

regulations.

Hearing none the public hearing was closed.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the board hereby repeals Section 43101 of Article 6 and adopts Article 5.9, "Military Leave," with Section 43095 of Subchapter 7, Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

**Article 5.9 – Military Leave**

**§43095. Military Leave.**

(a) Any campus or administrative office employee who takes a leave of absence to enter military service shall submit the documents and follow the procedures required by the law governing military leaves. All documents required to effect such a leave for a campus employee shall be submitted by the employee to the campus president or designee for approval. Administrative office employees shall submit the documents to the Chancellor or designee for approval.

(b) An employee is entitled to paid active duty military leave as prescribed by state and federal law. When approved by the Chancellor, an employee on active duty military leave extending beyond the paid entitlement shall receive the difference in pay between military pay and California State University pay for up to an amount of time specified by the Chancellor. The CSU difference in pay acts as a salary supplement to military pay. The limit specified by the Chancellor is in addition to any paid active duty military leave under existing law. If an employee does not return to CSU service within the required time of being released from active duty, the CSU difference in pay salary supplemental shall be treated as a loan that must be repaid to the CSU with interest.

Employees on a difference in pay salary supplement continue to receive CSU provided health, dental, and vision benefits at the level current with the leave for the period of time specified by the Chancellor.

NOTE: Authority cited: Sections 89030 and 89500, Education Code. Reference: Section 89513, Education Code; Sections 395 *et seq.*, Military and Veterans Code.

**~~§ 43101. Military Leave.~~**

~~Any campus or administrative office employee who takes a leave of absence to enter military service shall submit the documents and follow procedures required by the law governing military leaves. All documents required to effect such a leave for a campus employee shall be submitted by the employee to the campus president or designee for approval. Administrative office employees shall submit the documents to the Chancellor directly.~~

~~NOTE: Authority cited: Sections 66600, 89030, 89035, and 89500, Education Code. Reference: Section 89513, Education Code.~~

And, be it further

**RESOLVED**, That the Board of Trustees has determined that the adoption of the proposed revision to Title 5 will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any nondiscretionary cost or savings in federal funding to the state; and will not impose a mandate on local agencies or school districts;

And, be it further

**RESOLVED**, That the Board of Trustees delegates to the Chancellor of The California State University authority to further adopt, amend, or repeal this revision if further adoption, amendment or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action.

### **Committee on Institutional Advancement**

Trustee Pierce reported the committee heard one item on the consent calendar, one information item and one action item.

#### **2000/2001 External Support Report (RIA 01-02-01)**

Trustee Pierce moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, that the Board adopts the 2000/2001 Annual Report on External Support for the California State University distributed as part of Agenda Item 1 of the January 29-30, 2002 meeting of the Committee on Institutional Advancement, for submission, as required by law, to the California Postsecondary Education Commission, the California Joint Legislative Budget Committee, and the California Department of Finance.

## **Committee on Finance**

Trustee Hauck reported the committee heard three information items: Status Report on 2002/03 Support Budget, Auxiliary Organization Tax-Exempt and Taxable Financing at San Diego State University and Development of an Enhanced Capital Management Plan for the Trustees Revenue Bond Program, and one action item

### **Approval to Issue Debt Instruments Including Bonds for the California State University, San Marcos Field House and University Student Union and Related Matters (RFIN 01-02-01)**

Trustee Hauck moved the item; there was a second.

The Board of Trustees approved the following resolutions:

- (1) Authorize the sale and issuance of the California State University, San Marcos Bond Anticipation Notes and California State University, San Marcos Student Union Revenue Bonds in an amount not to exceed \$6,300,000 and certain actions relating thereto.
- (2) Provide for a delegation to authorize the chancellor, the executive vice chancellor and chief financial officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

The resolutions will be implemented subject to the receipt of all construction permits and good bids consistent with the project's financing budget.

## **Committee on Campus Planning, Building and Grounds**

Trustee Wang reported the committee heard two information items: Annual Report on Completed California State University Capital Outlay Projects and Status Report on 2002/2003 State Funded Capital Outlay Program Governor's Budget. The committee also considered two action items

### **Amend the 2001/2002 Capital Outlay Program, Nonstate Funded (RCPBG 01-02-01)**

Trustee Wang moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, that the 2001/02 Nonstate Funded Capital Outlay Program is amended to include: 1)

\$2,900,000 for preliminary plans, working drawings and construction for the California State University, Fresno, Duncan Athletic Building Addition; 2) \$1,300,000 for preliminary plans, working drawings, and construction for the California State University, Fresno, Athletic Strength and Conditioning Center Addition; 3) \$3,450,000 for preliminary plans, working drawings, and construction for the San Jose State University, Moss Landing Marine Lab Ocean Pier Replacement project; and 4) \$68,183,000 for preliminary plans, working drawings, construction and equipment for the California Polytechnic State University, San Luis Obispo, Student Housing II project.

**Certify the Final Environmental Impact Report and Approve the Campus Master Plan Revision, Amendment to the Nonstate Funded Capital Outlay Program and Schematic Plans for the Campus Village Housing, Phase I at San Jose State University (RCPBG 01-02-02)**

Trustee Wang moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University, that:

1. The FEIR was prepared to address the potential significant environmental impacts, mitigation measures, project alternatives, comments and responses to comments associated with approval of the proposed campus master plan revision, as well as the Campus Village Housing and Central Plant expansion projects, and all discretionary actions related thereto, as identified on page 2-1 of the FEIR.
2. The FEIR (State Clearinghouse No. 2001022002) was prepared pursuant to the California Environmental Quality Act and the state CEQA Guidelines.
3. This resolution is adopted pursuant to the requirements of Section 21081 of the Public Resources Code and Section 15091 of the state CEQA Guidelines, which requires that the Board of Trustees make findings prior to the approval of a project (along with a statement of facts supporting each finding).
4. This board hereby adopts the findings of fact and related mitigation measures provided under separate cover for Agenda Item 4 of the January 29-30, 2002 meeting of the Committee on Campus Planning, Buildings and Grounds, which identify specific impacts of the proposed project and related mitigation measures which are hereby incorporated by reference.
5. The board's findings include specific overriding considerations that outweigh certain remaining significant impacts.

6. Prior to the certification of the FEIR, the Board of Trustees has reviewed and considered the above-mentioned FEIR. The board hereby certifies the FEIR for the San Jose State University campus master plan revision as complete and adequate in that the FEIR addresses all environmental impacts of the proposed project and fully complies with the requirements of CEQA and the state CEQA Guidelines. For the purposes of CEQA, the record of the proceedings for the project comprised the following:
  - A. The DEIR for the San Jose State University campus master plan revision;
  - B. The FEIR, including comments received on the DEIR and responses to comments;
  - C. The proceedings before the Board of Trustees relating to the subject project, including testimony and documentary evidence introduced at the proceedings; and
  - D. All attachments, documents incorporated, and references made in the documents as specified in items A through C above.

All of the above information is on file with The California State University, Office of the Chancellor, Capital Planning, Design and Construction, 401 Golden Shore, Long Beach, California 90802-4210, and San Jose State University, Department of Planning, Design and Construction, Corporation Yard Building, Room 103, 404 E. San Fernando Street, San Jose, CA 95192-0010.

7. The board certifies the FEIR for the San Jose State University campus master plan revision, and for the construction of the Campus Village Housing and Central Plant Expansion projects.
8. The board finds that the FEIR has sufficiently analyzed the environmental impacts and mitigation measures for the campus master plan revision, and the Campus Village Housing and Central Plant Expansion projects. The board shall consider the FEIR in connection with any future project approvals.
9. The mitigation measures identified in the Mitigation Monitoring and Reporting Plan are hereby adopted and shall be monitored and reported in accordance with the Mitigation Monitoring and Reporting Plan, which is under separate cover for Agenda Item 4 of the January 29-30, 2002 meeting of the Committee on Campus Planning, Building and Grounds, which meets the requirements of CEQA (Public Resources Code Section 21081.6).
10. The chancellor or his designee is requested under Delegation of Authority by

the Board of Trustees to file the Notice of Determination for the project.

11. The San Jose State University campus master plan revision dated January 2002 is hereby approved.
12. The 2001/02 Nonstate Funded Capital Outlay Program is amended to include \$215,000,000 for preliminary plans, working drawings, construction and equipment for Phase I of the Campus Village Housing project.
13. The schematic plans for the San Jose State University, Campus Village Housing, Phase I project are approved at a project cost of \$215,000,000 at CCCCI 4019.

### **Committee on Audit**

Trustee Wang reported the committee heard two information items and one action item. The information items were: Status Report on Current and Follow-up Internal Audit Assignments, and Report of the Systemwide Audit in Accordance with Generally Accepted Accounting Principles Including the Report to Management. The action item was Assignment of Function to be Reviewed by the Office of the University Auditor for Calendar year 2002. No further Board action is required.

### **Committee on Governmental Relations**

Trustee Farar reported the committee heard one action item.

### **2001/2002 Legislative Report No. 6 (RGR 01-02-01)**

Trustee Farar moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University, that the legislative proposals described in this item are adopted as the 2002 Board of Trustees' Legislative Program.

### **Committee on Educational Policy**

Trustee Farar reported the committee heard four information items and three action items. The information items were: Remedial Education Policy Implementations: Sixth Annual Report , California State University Channel Islands Charter School, Revision of Standing Orders— Extension Program Service Areas. The action items follow.

### **Revision of Title 5—Credit Card Solicitation on Campus (REP 01-02-01)**

Trustee Farar moved the item; there was a second.

Trustee Gould stated that because this resolution proposes a change in Title 5 regulations a public hearing must be held. He asked for public comment on the proposed changes in the regulations.

Hearing none the public hearing was closed.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the Board hereby amends Section 42350.6 of Article 9, Subchapter 5, Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

**§ 42350.6. Commercial Solicitation.**

(a) Commercial solicitation on a campus is prohibited unless prior written authorization has been obtained from the campus president. Permission for commercial solicitation shall be granted by the campus president subject, however, to regulation as to time, place and manner thereof, unless such solicitation for sale would be in violation of law.

(b) Sites available to marketers of student credit cards shall be limited and registered with the campus administration. Those marketers shall be prohibited from offering gifts to students for filling out student credit card applications. As used in this section, "student credit cards" shall have the meaning in Civil Code section 1747.02(m).

(c) All directives issued by the campus president pursuant to this section shall be available to the public at places designated pursuant to Section 42354.

NOTE: Authority cited: Sections ~~66600~~, 89030, and 89031~~and 89035~~, Education Code. Reference: Sections 89031 and 99030, Education Code.

And, be it further

**RESOLVED**, That the Board of Trustees has determined that the adoption of the proposed revision to Title 5 will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any nondiscretionary cost or savings in federal funding to the state; and will not impose a mandate on local agencies or school districts;

And be it further

**RESOLVED**, That the Board of Trustees delegates to the Chancellor of the California State University authority to further adopt, amend, or repeal this revision if further adoption, amendment or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action.

**Revision of Title 5—Nonresident Tuition Exemption for California High School Students (REP 01-02-02)**

Trustee Farar moved the item; there was a second.

Trustee Gould stated that because this resolution proposes a change in Title 5 regulations a public hearing must be held. He asked for public comment on the proposed changes in the regulations.

Hearing none the public hearing was closed.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the Board hereby adopts Section 41906.5 of Article 4, Subchapter 5, Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

**§ 41906.5. Nonresident Tuition Exemption for California High School Students.**

(a) Any student, other than a student who is a nonimmigrant alien under Title 8, United States Code, Section 1101(a)(5)(15), shall be exempt from paying nonresident tuition at any California State University campus if he or she:

(1) Attended high school in California for three or more years.

(2) Graduated from a California high school or attained the equivalent of such graduation; and

(3) Registered for or enrolled in a course offered by a California State University campus for any term commencing on or after January 1, 2002.

(b) Any student seeking an exemption under subdivision (a) shall complete a questionnaire furnished by the California State University campus of enrollment verifying eligibility for this nonresident tuition exemption and may be required to provide verification documentation in addition to the information required by the questionnaire. Nonpublic student information so provided shall not be disclosed except pursuant to law.

(c) In addition to the requirements of subdivision (a), any student without lawful immigration status shall file with the California State University campus an affidavit of enrollment on a form furnished by the campus stating that he or she has filed an application to legalize his or her immigration status or will file such an application as soon as he or she is eligible to do so.

(d) For purposes of subdivision (a), a student who entered the United States as a nonimmigrant alien under Title 8, United States Code, Section 1101(a)(15) shall be deemed to remain a nonimmigrant until he or she applies to the Immigration and Naturalization Service for a change of status to a classification other than nonimmigrant.

(e)(d) A student seeking this tuition exemption has the burden of providing evidence of compliance with the requirements of this section.

(f)(e) Nothing herein modifies eligibility standards or requirements for any form of student financial aid.

NOTE: Authority Cited: Sections 68130.5 and 89030, Education Code. Reference: Section 68130.5, Education Code.

And, be it further

**RESOLVED**, That the Board of Trustees has determined that the adoption of the proposed revision to Title 5 will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any nondiscretionary cost or savings in federal funding to the state; and will not impose a mandate on local agencies or school districts;

And be it further

**RESOLVED**, That the Board of Trustees delegates to the Chancellor of the California State University authority to further adopt, amend, or repeal this revision if further adoption, amendment or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action

### **Revision of Title 5 — Special Session Credit (REP 01-02-03)**

Trustee Farar moved the item; there was a second.

Trustee Gould stated that because this resolution proposes a change in Title 5 regulations a public hearing must be held. He asked for public comment on the proposed changes in the regulations.

Hearing none the public hearing was closed.

The Board of Trustees approved the following resolution:

**RESOLVED**, by the Board of Trustees of The California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the board hereby amends its regulations in Article 5 of Subchapter 2 of Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

**§40407.1. Special Sessions Credit.**

A maximum of 24 semester units in special session course credit earned through state supported or self supported regular course offerings in non-matriculated status may be applied toward the degree. The Chancellor is authorized to establish and revise criteria for application of special sessions credits earned through enrollment in state supported or self supported regular course offerings toward the degree in accordance with applicable law.

NOTE: Authority cited: Section 89030, Education Code. Reference: Sections 89030, 89704, 89708 and 89709, Education Code.

**And, be it further**

**RESOLVED**, That the Board of Trustees has determined that the adoption of the proposed revision will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any cost or savings in federal funding to the state; and will not impose a mandate on local agencies or school districts; and, be it further

**RESOLVED**, That the Board of Trustees delegates to the chancellor of the California State University authority to further adopt, amend, or repeal this revision if the further adoption, amendment, or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action.

**Committee on Organization and Rules**

Trustee Goldwhite reported the committee heard on action item.

**Revision of Standing Orders-Extension Program Service Areas (ROR 01-02-01)**

Trustee Goldwhite moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, by the Board of Trustees of The California State University, that the board hereby repeals subdivision (f) of Section 3 of Chapter III of the Standing Orders of the Board of Trustees, as follows:

~~f. Extension Program Service Areas.~~

~~The Chancellor is authorized to conduct an annual review of the Extension Program Service Areas of the California State University; and, following appropriate consultation to effect such changes in the Extension Program Service Areas as may be deemed necessary. The Chancellor shall report to the Board of Trustees all actions taken pursuant to this provision.~~

## **Communications and Correspondence**

### **Old Business**

### **New business**

### **Public Comments**

The Board heard comments from Charles Goetzl, President, Academic Professionals of California and Dr. Susan Meisenhelder.

Trustees Foster and Hauck responded to comments made by Mr. Goetzl and Dr. Meisenhelder, respectively.

The chair also called the names of Ms. Cynthia Rangel, Ms. Abigail Ramirez and George Kurtz, who were not present.

The meeting adjourned at 1:10 p.m.

**REPORT OF CHAIR LAURENCE K. GOULD, JR.**  
**Board of Trustees**  
**The California State University**  
**January 30, 2002**

First, I'd like to recognize and welcome our newest trustee, Erene Thomas to her first full meeting of the Board of Trustees. I know that I introduced her yesterday, but there are some people here today who were not here yesterday. Erene would you please stand so you could be recognized.

Erene, I would have to say that you are joining a tremendous Board of Trustees, a tremendous group of individuals who are totally dedicated to the CSU. Just one measure of that is the presence here today of Dee Dee Myers who even though she now works and lives in Washington, D.C., got up at the crack of dawn flew out here yesterday morning, and she'll be taking a red-eye to go back to Washington, D.C. tonight to be with her husband and young child. That is the type of dedication and enthusiasm which she's always demonstrated for CSU and is typical of that which all the trustees around this table have for the CSU.

I simply want to say that I am thankful for and I want to commend Governor Deukmejian, Governor Wilson and Governor Davis for the truly outstanding and high quality and caliber of all of their appointees to this Board of Trustees. Every trustee is totally dedicated to our mission of accessibility and affordability and high quality. And as Bill Hauck used to say when he was occupying this seat, you can listen to our trustees' comments on the various issues we have. But when you hear what we have to say you can't tell which speaker might have been registered in one political party or which in another. I think that the reason for that and the cohesiveness that results from that is that when we as trustees look at issues we assess them by how that issue affects our three prongs of accessibility, affordability and quality. I can think of how other boards have approached issues, some of the very ones we've confronted and they've resulted in divisive discussions or results that ended up being adopted on divided votes.

Thinking back to the issue of benefits for domestic partners, for example. We realized that with many of our competing institutions offering domestic partner benefits, we would be at a disadvantage in attracting all the high quality personnel that we wanted, if we didn't do the same thing, and offering them was the right thing to do. And so with the first board meeting after enabling legislation was passed, we adopted domestic partner benefits and we did so unanimously. Take the matter of non-resident tuition exemption for California high school students. We supported this from the beginning. It was part of the legislation we sponsored and the first reports I've read indicated recently that another board was considering this issue had quite a divisive discussion regarding it. It ultimately adopted that exemption, but only after a divided vote. When this board considered the issue in the Committee on Educational Policy earlier this morning, the exemption was adopted unanimously. And I anticipate that we will

have a similar result when the full board considers this later. I think that we are approaching this issue as we do so many others from how this issue affects this university's mission of accessibility and affordability. And since this change will make CSU much more accessible and affordable for otherwise fully qualified high school graduates, its something we can embrace.

The dedication that CSU Trustees have for this institution is probably best exemplified by the tremendous amount of time and effort that the trustees spend in seeking to recruit absolutely the very best individual to serve as presidents of our various campuses. I know that Debra Farar, Roberta Achtenberg, Bob Foster and Chancellor Reed have been doing a great job spear heading the current search we have for a new president at Humboldt. It is because of their dedicated efforts that I'm confident that we will secure another great president for this institution.

The trustees are strong supporters of Chancellor Reed, Executive Vice Chancellors Richard West and David Spence and Vice Chancellors Louis Caldera in all of their day-to-day efforts to promote CSU's interest with the Governor and with the Legislature. While working out the compact under Governor Wilson and later the partnership with Governor Davis, we have sought to secure a continuous funding base consistently for this university. When I look through this year's difficult budget, I saw many other agencies were faced with either freezing in their funding or actually cut. The Governor's budget however reflects a commitment to higher education as contained in the partnership and it proposes increases in compensation and student funding for CSU despite the state's overall financial difficulties. This board has been and remains committed to increased compensation for our faculty and staff and the board will continue to work for increased compensation for our employees.

I want to thank Wayne Adelstein and the Alumni Council for all their hard efforts in planning the CSU alumni day in Sacramento on February 20<sup>th</sup>. The trustees are going to be there to join with our alumni and all of our supporters of the university in telling our story to the legislature on that important day.

I think perhaps the legislators listen more to the students than to anybody else. When the students go to Sacramento and they advocate various numbers in our budget they make those dull numbers come alive because they are telling the legislators what those numbers mean in terms of campus facilities, quality teaching, and class availability. So I want to thank Robert Garcia and his great group of colleagues at CSSA for organizing the CHESS conference in Sacramento and for taking time out of their school week in early March to go to Sacramento to lobby for our needs. I'm going to be there to join you.

Most of our trustees have full-time jobs, yet we make time in our busy schedules to participate in these events that are so important in the life of CSU. I have to say that the Academic Conference with the Statewide Senate held in San Diego in November was just such an important event. Its focus on diversity couldn't have been more timely. I want to thank all the trustees who joined the faculty in those discussions.

Every year at this time the board chair is required by our rules of procedure to nominate five trustees to serve on the Committee on Committees. Accordingly, I am nominating Martha Fallgatter to chair, Denny Campbell, Debra Farar, Bill Hauck and Dee Dee Myers to serve on that committee. The vote to approve the committee membership will be taken at the March meeting.

Remember that if you come here to Long Beach for the March meeting you're going to be in the wrong place. Erene, every year we move one meeting to a campus in order to bring this board closer to the students, the faculty and the staff. In March we are looking forward to President Gerth hosting us as California State University, Sacramento.

So Erene, welcome to this board. It's the finest board on which I've ever served. It is this board working together with the fine individuals here in this Chancellor's Office; working together with the great group of presidents that we have; working with a superb faculty that is supported by tremendously dedicated staff; working together with some of the finest students in America; working with our great alumni supporters and those in the community, it is all of us working together that makes the California State University America's finest university.

With that I would like to recognized one of our finest, the chair of our Academic Senate who has something to share with us.

Remarks by Jackie Kegley.

That concludes my report.

**REPORT OF CHANCELLOR CHARLES B. REED**  
**Board of Trustees**  
**The California State University**  
**January 30, 2002**

Thank you, Mr. Chairman. I want to join you in welcoming our new student trustee, Erene Thomas. Erene, we are glad to have you with us and we look forward to working with you.

I also want to thank San Jose State for hosting the first gubernatorial debate last week, and also our sponsors: the California Business Roundtable, the California Chamber of Commerce, and the California Correctional Peace Officers Association. That event brought a great deal of state and national recognition to the CSU. Thank you, Bob (Caret), and thanks to your staff for all of their hard work.

We will all look forward to the next debate at Cal State Long Beach on February 13.

I want to start with the budget, which continues to be a concern for everyone. As for the current year budget, the legislature is set to make cuts totaling \$29.5 million from our budget. That is slightly better than the \$35 million we had anticipated earlier, but it is still going to hurt. As for the 2002/03 budget, you saw Richard West's presentation yesterday, so you know what the situation looks like. It reflects \$55 million in reductions. But we are going to support the governor's budget recommendations. We are very pleased that his proposal fully funds our requested enrollment increase. At a time when we are staring down Tidal Wave II and when more workers who were laid off are returning to higher education, we need this funding. It is a critical part of our ability to fulfill our mission. This year, due to Tidal Wave II and the slowing economy, we enrolled 8,200 more students than we expected. So we are going to have to watch our enrollment numbers for next fall very closely.

I remain concerned about the amount that this budget allows for employee compensation. Also on compensation, I am very pleased to report that all CSEA salary increases will be reflected in employees' paychecks by February.

Also, you heard an update yesterday on debt management plans. I just want to say once again how important it is that we get those in place.

As you heard this morning, we are holding steady on remedial education. But we need to see more improvement than we are seeing. We have contacted all of the presidents and provosts on each campus. We're going to look at this campus-by-campus. And I want to say that we are getting tremendous support from the State Board of Education and the Governor's Office on this. I continue to believe that outreach is the most important step we can take. We spent \$9 million

EXHIBIT B  
Full Board Meeting  
March 13, 2002  
Page 2 of 2

last year on our Collaborative Academic Preparation Initiative, and we have gotten a lot out of that \$9 million.

Our campuses built partnerships with 172 of the California high schools that send us the most students needing remediation. Plus, nearly 200 CSU faculty members and 2,400 K-12 teachers participated in “faculty-to-faculty alliances” to align CSU and high school standards in English and mathematics. As we look ahead, one thing that will make a big difference is if we can combine our entrance exams with the California Standards Test in the 11<sup>th</sup> grade. That will help identify students’ areas of weakness earlier. But I want to say for the record that we have done more than just about any other university in the country when it comes to K-12 outreach. We have made it a priority and we will continue to do so.

As you heard yesterday, the CSU set a new record for external support last year. As Louis Caldera told us, we are seeing great returns on the investment that we have made in advancement. Our advancement teams, which are relatively new and are still growing, have done a remarkable job so far. I am very pleased that we have Louis Caldera at the helm. I know he will be helping us take a good look at how we can continue to grow and improve in this area.

I want to close with a few words about some appointments and awards: On Monday, President Bush named CSU San Marcos President Alexander Gonzalez to serve on the President's Commission for Educational Excellence for Hispanic Americans. The commission was created last October to form a multi-year plan to close the educational achievement gap between Hispanic American students and their peers. President Gonzalez is one of 17 leaders selected from around the country to serve on the commission. Congratulations, Alex.

Two of our faculty members have also received important recognitions. Pamela Vaughn, a San Francisco State University associate professor of classics and literature, recently won the 2001 Excellence in Teaching award from the American Philological Association. This is the most coveted teaching award for a classics scholar in the United States. Also, Richard Birkemeier, a professor of music at Cal State Long Beach, recently won the Louis Armstrong Fellowship Award from the International Association for Jazz Education. He was honored for establishing the Compton After-School Jazz Program. Through that program, he has brought music instruction to the Compton middle schools after budget cuts forced the schools to cancel programs. He will use the award to purchase much-needed musical instruments for the students.

I very am proud of both of these faculty members. They exemplify the best of what the CSU has to offer – outstanding teaching and dedication to students.

Mr. Chairman, that concludes my report.