

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

**Trustees of the California State University
Office of the Chancellor
Dumke Auditorium
Long Bach, California 90802**

May 14, 2003—10:15 a.m.

Presiding: Debra S. Farar, 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—Artemio Pimentel*

Report of California Postsecondary Education Commission: *Anthony M. Vitti*

Approval of Minutes of Board of Trustees' Meeting of March 12, 2003

Board Items

1. Conferral of The Title President Emeritus

Report of Committees

Committee on Collective Bargaining: *Chair—Robert G. Foster*

Committee on Campus Planning, Buildings and Grounds: *Chair – Ralph Pesqueira*

1. Amend the 2002/2003 Capital Outlay Program, Nonstate Funded
3. Campus Master Plan Revision at California State University, Sacramento
4. ~~Approval of Supplement to the Final Environmental Impact Report for the Faculty and Staff Housing H-8 at California Polytechnic State University, San Luis Obispo~~
5. Approval of Schematic Plans

Committee on Governmental Relations: *Chair – Murray L. Galinson*

1. 2003/2004 Legislative Report No. 3
2. Education Bond Act: Endorsement by Board of Trustees

Committee on Organization and Rules: *Chair - Harold Goldwhite*

1. Schedule of Board of Trustees' Meetings, 2004

Committee of the University and Faculty Personnel: *Chair – Robert G. Foster*

1. Executive Compensation
2. Executive Compensation: Interim Presidents

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

1. Naming of Facility, California State University, Hayward
2. Naming of Facility, California State University, San Bernardino

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

Committee on Educational Policy: *Chair – Roberta Achtenberg*

1. Campus Options to Achieve California State University Enrollment and Access Goals
2. Recommendations of the California State University Presidents' Commission on Teacher Education

Committee on Finance: *Chair – William Hauck*

2. 2003/2004 State University Fee Increase
3. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects
4. Public/Private Venture to Develop Student Housing on Private Property Adjacent to California State University, San Bernardino
5. Real Property Venture at California State University, Fresno for a Mixed-Use Development Project

Communications and Correspondence

Old Business

New Business

1. Election of Chair and Vice Chair for 2003/2004
2. Election of Members to Standing Committees of the Board of Trustees for 2003/2004
3. Election of Members to the California Postsecondary Education Commission

Public Comment

Adjournment

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

**California State University, Fullerton
Titan Student Union, Portola Pavilions B & C
800 North State College Drive
Fullerton, California**

March 12, 2003

Trustees Present

Debra S. Farar, Chair
Roberta Achtenberg
William D. Campbell
Bob Foster
Murray L. Galinson
Harold Goldwhite
William Hauck
M. Alexander Lopez
Shailesh J. Mehta
Ralph Pesqueira
Frederick W. Pierce IV
Charles B. Reed, Chancellor
Erene S. Thomas
Kyriakos Tsakopoulos
Anthony Vitti

Trustees Absent

Cruz Bustamante, Lt. Governor
Gray Davis, Governor
Ricardo Icaza
Dee Dee Myers
Jack O'Connell, Superintendent of Public Education
Herb Wesson, Jr., Speaker of the Assembly
Martha Walda

Chancellor's Office Staff

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 Farar called the meeting to order at 10:14 a.m.

Chair's Report

Chair Farar thanked President Gordon and his staff for hosting the Board at CSU Fullerton. She reported on the events of the prior evening and said that it was an incredible evening that would be long remembered. She also stated that the Board was thrilled and delighted to have their very own song now. She acknowledged the hard work of the President's staff and thanked them for making the meeting a success.

Chair Farar congratulated Chancellor Reed, who celebrated his five-year anniversary at the CSU. She thanked him for his hard work and the progress that has been made at the CSU under his direction and stated that the Board looked forward to many more years of working with him.

Dr. Farar reported that the CSU continues to hold regular discussions about the state budget crisis. She stated that California expects the CSU to recognize the state's changing needs and to find ways to meet those needs. She stated that in addition to the CSU being accessible, affordable, and accountable, the CSU is also adaptable because the CSU has been very successful at adapting to those changing needs in the past and that this year's budget situation will require us to be more adaptable than ever.

Chair Farar thanked the chancellor and those trustees who worked so hard on the presidential searches at Pomona and Sacramento. At Pomona, Trustees Vitti, Goldwhite, and Pesqueira, and at Sacramento, Trustees Hauck, Campbell, and Walda. She extended special thanks to the students, faculty, and staff on those campuses for their valuable support, advice, and feedback during the search process. She said that the announcement of the final selections would be made very soon.

Chair Farar reported that she attended the California State Student Association's CHESS conference in Sacramento along with Chancellor Reed, Vice Chancellor David Spence and chair academic Jackie Kegley.

Chair Farar noted that the students and faculty would be meeting later in the week at the CSU's Budget Summit. She thanked everyone who took the time to participate in these discussions.

Chair Farar announced that the CSU would be holding its annual Legislative Day on March 18 in Sacramento and urged full participation.

Chair Farar thanked the generous contribution of Trustee Shailesh J. Mehta of \$100,000 to CSU Hayward. Chair Farar asked Trustee Mehta to say a few words.

Trustee Mehta thanked everyone and reiterated that he would indeed like to do more

Chair Farar noted the following student and faculty accomplishments: Ronald Paul Larson, graduate student at CSUF, who will report to the *Titan* student paper from his assignment through the State Department, in Kuwait; Mary Sue Woodbury, senior, SFSU recently won first

place in a national student scriptwriting competition sponsored by the Broadcast Education Association for a sample script for the TV sitcom "Frasier;" Professor Benjamin Lee, and Ethan Lipton, CSULA who were honored by the Printing Industries Association of Southern California for their "2 + 4 + Career" program, which gives graphic arts students at Manual Arts High School the opportunity to attend college courses at Cal State L.A. while attending high school.

Chair Farar also congratulated Pat Manarino, the women's softball coach at Cal State Long Beach, who recently earned his 700th career victory. He becomes just the 20th coach in the history of Division I women's softball to reach that mark.

Chair Farar congratulated President Maxson on being the first CSU president with his own "bobble-head."

(The complete text of the Chair's Report is attached marked "Exhibit A.")

Chancellor's Report

Chancellor Reed also thanked President Gordon and his staff for hosting the Board at CSUF. He especially thanked Norma Morris, Judy Burns, and Cassandra Newby for the hard work they did to ensure a smooth board meeting.

Chancellor Reed remarked on his five-years of service at the CSU and stated that it has been an incredible opportunity and a privilege to work and serve the CSU faculty, students, and staff. He thanked the board for the opportunity to serve the CSU. He also thanked the presidents saying that this was the best group of presidents he has worked with in 25 years.

Chancellor Reed reported that the two searches that Chair Farar discussed earlier would come to a conclusion in the next 24 hours. He also said that the search for a president for CSU Chico would begin soon with Trustee Roberta Achtenberg to chair.

Chancellor Reed stated that the budget continues to take the majority of his time and energy. He said that the CSU is looking at a ten percent cut, about \$260 million dollars. He noted that in September 424,000 students would be showing up on the campuses and that the CSU presidents were working hard to ensure effective management of the instructional programs across the entire university.

The Chancellor reported on the consultative process occurring at the CSU to create a budget plan to present to the legislature. He stated that the system-wide budget advisory committee is meeting monthly and that the Finance committee of the Board was also meeting monthly. He also reported that later in the week there would be a budget summit through the shared governance process with all of the Academic Senate chairs throughout the system, presidents of the student body, executive committees of the CSSA and Statewide Academic Senate, and all the presidents.

He stated that those meetings would help to continue to sharpen the plan and to make sure that the CSU gets its point across in Sacramento.

Chancellor Reed commented on Trustee Achtenberg's policy committee discussion on the graduation task force saying that the recommendation of that task force is key to the successful implementation of Cornerstones and really focuses on improving the California State University for students.

Chancellor Reed noted the accomplishments of the community service learning program and urged the presidents, the trustees, and the entire CSU family to promote it. He noted that Erika Randall is recognized as the best leader of community service in the United States and thanked her for all her hard work.

Chancellor Reed congratulated Trustee Shailesh Mehta for receiving the Distinguished Alumni Award for 2003 from Indian Institute of Technology.

(The complete text of the Chancellor's Report is attached marked "Exhibit B.")

Report of the CSU Alumni Council

Wayne Adelstein, president, reported for the Alumni Council

Report from the California State Student Association

Artemio Pimentel, chair, reported for the CSSA.

Report from the California Postsecondary Education Commission

Trustee Vitti reported CPEC met on February 4, 2003 in Sacramento and referred the trustees to the packet in their materials.

Approval of Minutes

The minutes of the meeting of the Board of Trustees of January 29, 2003 were approved as presented.

Board of Trustees

Election of Five Members to Committee on Committees for 2003/2004

Chair 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 following trustees are elected to constitute the board's Committee on Committees for the 2003/2004 term:

Roberta Achtenberg, Chair
William Hauck
Murray Galinson
Shailesh Mehta
Kyriakos Tsakopoulos

Report of Committees

Committee on Collective Bargaining

Trustee Foster reported the committee adopted initial proposals by the CSU for bargaining for fiscal year 2003/2004 compensation with both the California State Employees Association and the California Faculty Association. In addition, the committee heard from many representatives from many campuses of the Academic Professionals of California, who made a thoughtful presentation about the nature of their work at CSU and commented on the challenges facing us as we enter into collective bargaining at a time of great fiscal crises. Trustee Foster thanked the APC for the content, spirit and manner in which their presentation was made. The committee also heard from Pauline Robinson, president of CSEA on similar issues.

Committee on Finance

Trustee Mehta reported the committee heard one information item, Status Report on the 2003/2004 Support Budget and two action items as follows:

Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects

Trustee Hauck moved the item; there was a second.

The Board of Trustees approved the following resolutions:

Resolutions prepared by Orrick, Herrington & Sutcliffe LLP, as bond counsel for the Trustees for Pomona Student Union Expansion and Channel Islands Student Housing, Phase I that achieve the following:

- (1) Authorize the sale and issuance of Systemwide Revenue Bond Anticipation Notes and the related sale and issuance of the Trustees of the California State University, Systemwide Revenue Bonds in an amount not-to-exceed \$22,200,000 and certain actions relating thereto.

- (2) Provide a delegation to 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 are on file and will be implemented subject to the receipt of good bids consistent with the projects' budget.

Educational Partnership and Student Housing Development at California Polytechnic State University, San Luis Obispo

Trustee Mehta 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 Trustees:

1. Approve the concept of a public-private partnership that would provide land and facilities to support the University's educational mission and academic programs, and bring student housing to the campus.
2. Authorize the chancellor to enter into negotiations for agreements as necessary to facilitate the development of campus land as explained in agenda item 3 of the March 12-13, 2003 meeting of the Committee on Finance.
3. Will consider the following additional action items for approval at appropriate times during the process:
 - a) Approval of the development plan negotiated by the campus and the developer with the advice of the chancellor for acquisition of agricultural land and construction of student housing;
 - b) Approval of the master plan amendment;
 - c) Approval of the schematic plans;
 - d) Approval of the EIR; and
 - e) Approval of the financing plan and authorization to issue systemwide revenue bonds

Committee on Campus Planning, Buildings and Grounds

Trustee Pesqueira reported the committee heard two information items, Status Report on the 2003/2004 State Funded Capital Outlay Program and Potential Gift of Real Property and

Conceptual Plan for California State University Sacramento Off-Campus Center in Placer County and three action items as follows:

Amend the 2002/2003 Capital Outlay Program, Nonstate Funded

Trustee Pesqueira 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 2002/03 Nonstate Funded Capital Outlay Program is amended to include: 1) \$17,620,000 for preliminary plans, working drawings, construction and equipment for the California State University, Channel Islands, Student Housing, Phase I project; 2) \$7,258,000 for preliminary plans, working drawings and construction for the California State University, Hayward, Solar Photovoltaic project; 3) \$12,451,000 for preliminary plans, working drawings, construction and equipment for the California State University, San Bernardino, Student Recreation Center, and 4) \$6,500,000 for preliminary plans, working drawings and construction for the San Diego State University, Tennis and Softball Complex.

Preliminary State and Nonstate Funded Five-Year Capital Improvement Program 2004/2005 Through 2008/2009

Trustee Pesqueira 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 Preliminary State and Nonstate Funded Five-Year Capital Improvement Program 2004/05 through 2008/09 totaling \$3,548,052,000 and \$1,240,581,000 respectively are approved.
2. The chancellor is requested to explore all reasonable funding methods available and communicate to the governor and the legislature the need to provide funds for the CSU state funded plan in order to develop the facilities necessary to serve all eligible students.
3. The chancellor is directed to return to the Board of Trustees for approval of the *final* State and Nonstate Funded Five-Year Capital Improvement Program 2004/05 through 2008/09, including the 2004/05-action year request.

Approval of Schematic Plans

Trustee Pesqueira 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 board finds that the Final Program EIR (FEIR) and the Final Supplemental Environmental Impact Report (Final SEIR) for the California State University, Channel Islands, were prepared to include the Student Housing, Phase I project pursuant to the requirements of the California Environmental Quality Act.
2. The project does not propose substantial changes, which would require revision of the previously certified Campus Master Plan SEIR.
3. The project does not involve any substantial changes in the circumstances under which the Master Plan Program FEIR and Final SEIR were certified.
4. No substantial new information has been identified, which shows that the project would have one or more significant effects not discussed in the previous Master Plan Program FEIR and Final SEIR.
5. An Addendum dated February 2003 to the SEIR has been prepared to address technical changes in the siting of the Student Housing, Phase I project, in accordance with Section 15164 of the CEQA guidelines.
6. The Final SEIR and the Addendum have been prepared to specifically include the Master Plan for physical development and have been considered an important part of the planning process and the deliberations of this board.
7. This board hereby concurs with the findings of fact and related mitigation measures of the June 5, 2000, action of the CSUCI Site Authority, which certified the Final SEIR, and the Addendum providing that the proposed project will reduce most of the potential significant effects on the environment to less than significant.
8. The findings and the related mitigation measures in the June 5, 2000, action of the CSUCI Site Authority, which certified the Final SEIR are incorporated by reference and concurred with by this board.

9. Air quality, agricultural, historical and biological resource impacts will remain significant and unavoidable for which the CSUCI Site Authority, as Lead Agency, has made the required specific findings of overriding considerations, which outweigh the identified remaining significant impacts.
10. No additional mitigation measures are necessary.
11. The Addendum has adequately analyzed the minor changes that this project makes to previous analyses and findings.
12. The project will benefit the California State University in the implementation of its statewide mission to provide postsecondary higher education.
13. The previously approved mitigation measures shall continue to be monitored and reported in accordance with the plan approved by the CSUCI Site Authority as in the June 5, 2000, meeting of Site Authority, which meets the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6).
14. The chancellor is requested under Delegation of Authority by the Board of Trustees to file the Notice of Determination for the project.
15. The schematic plans for the California State University, Channel Islands, Student Housing, Phase I project are approved at a project cost of \$17,620,000 at CCCCI 4019.

Committee on Governmental Relations

Trustee Galinson reported the committee heard one action item as follows:

2003/2004 Legislative Report No. 2

Trustee Galinson 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 2003/2004 Legislative Report No. 2 is adopted.

Committee on Organization and Rules

Trustee Goldwhite reported the committee heard one information item, Schedule of Board of Trustees' Meetings, 2004.

Committee of the Whole

Chair Farar reported the committee heard one information item, Litigation Report No. 17.

Committee on Audit

Trustee Mehta reported the committee heard three information items, Status Report on Current and Follow-up Internal Audit Assignments; Report of the Systemwide Audit in Accordance with Generally Accepted Accounting Principles Including the Report to Management; and Single Audit Report of Federal Funds.

Committee on Institutional Advancement

Trustee Pierce reported the committee heard one information item, University Advancement and two action items as follows:

Approval of Naming of Colleges, Schools, and Other Academic Entities – California State University, Northridge

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 Center for Small Business and Entrepreneurship at California State University, Northridge be named the Wells Fargo Center for Small Business and Entrepreneurship.

Approval of Naming of Facility – California State University, Dominguez Hills

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 Velodrome at California State University, Dominguez Hills be named The ADT Event Center.

Committee on Educational Policy

Trustee Roberta Achtenberg reported the committee heard four information items, Campus Options to Achieve California State University Enrollment and Access Goals; Report of the Second Annual Systemwide Evaluation of California State University Teacher Preparation Programs, Community Service Learning in the California State University; Notable Accomplishments in California State University Teaching, Research, and Scholarship: Study at Sea on the Training Ship *Golden Bear* and two action items as follows:

Facilitating Student Success in Achieving the Baccalaureate Degree: A Report from the California State University Task Force on Facilitating Graduation

Trustee Achtenberg 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 of Trustees endorse the report of the Task Force on Facilitating Graduation included in agenda item 2 of the March 11-12, 2003 meeting of the Committee on Educational Policy; and be it further

RESOLVED, That the Board of Trustees direct the chancellor to encourage the campus presidents and faculty to pursue actively the recommendations of the report and to file periodic reports on campus progress in meeting the goals; and be it further

RESOLVED, That the Board of Trustees further direct the chancellor to implement those recommendations specifically directed to the chancellor; and be it further

RESOLVED, That the Board of Trustees express its appreciation for the work of the Task Force on Facilitating Graduation.

Academic Planning and Program Review

Trustee Achtenberg 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 amended projections on the Academic Plans for the California State University (as contained in Attachment A to Agenda Item 6 of the March 11-12, 2003, meeting of the Committee on Educational Policy), be approved and accepted as the basis for necessary facility planning; and be it further

RESOLVED, that those degree programs included in the Academic Plans are authorized for implementation, at approximately the dates indicated, subject in each instance to the chancellor's determination of need and feasibility, and provided that financial support, qualified faculty, facilities, and information resources sufficient to establish and maintain the programs will be available; and be it further

RESOLVED, that degree programs not included in the Academic Plans are authorized for implementation only as pilot programs, subject in each instance to conformity with current procedures for establishing pilot programs.

Communications and Correspondence

Old Business

New Business

Public Comments

The board heard comments from Dr. Charles Goetzl, President, Academic Professionals of California; Pauline Robinson, CSEA; Mr. Pat Gantt, Dr. Susan Meisenhelder, President, California Faculty Association; Elizabeth Hoffman, CFA; Tony Garanente, CFA; Steve Wilson, CFA; Mayra Besosa, CFA; and John Travis, CFA. The Chair also called the name of Mr. Sammy Rodriguez, who was not present to speak.

Adjournment

The meeting was adjourned at 11:51 a.m.

BOARD OF TRUSTEES

Conferral of The Title President *Emeritus*

Presentation By

Charles B. Reed
Chancellor

Summary

It is proposed that the title of President *Emeritus* be conferred on Robert L. Caret.

Background

In 1971 the Board of Trustees adopted a policy governing the award of the title of *Emeritus* to executives who retire from regular service. The policy set three standards; these are:

- 1) Emeritus status may be granted to an executive upon retirement from regular service in the California State University.
- 2) Recommendations for emeritus status may be made by the Board or by the chancellor to the Board upon receipt of recommendation from constituent groups of the campus, such as the faculty, the student body, or the advisory board.
- 3) The granting of emeritus status carries the title *Emeritus* and courtesies, but no compensation.

On the advice of members of the board and members of the San Jose State University community, Chancellor Reed recommends that Dr. Robert L. Caret be recognized both for his professional career with San Jose State University and his dedicated service to the people of California.

The following resolution is recommended for approval:

WHEREAS, Robert L. Caret was named in 1995 to the presidency of San Jose State University, which he promptly positioned as the Silicon Valley's Metropolitan University while instilling pride among students and faculty in their historic campus; and

BOT

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WHEREAS, During his eight-year tenure, he oversaw the launching of the innovative, joint City-University Martin Luther King Jr. Library, the Campus Housing Village, the renovation of the University House for the student association, and a wide-spread upgrading of the university's infrastructure; and

WHEREAS, He actively addressed the needs of his campus, implementing a President's Scholars Program, creating a Campus Climate Office, helping to streamline the curriculum through a Curricular Priorities effort, creating innovative faculty housing programs, and leading the university into Title IX compliance; and

WHEREAS, He deeply involved himself in the community, actively supporting arts, civic initiatives, and businesses, as well as addressing regional workforce needs, especially in his nationally-recognized "It Takes a Valley" teacher pipeline program; and

WHEREAS, It is altogether fitting that the California State University recognize those members who have made valuable contributions to their universities and to this system of higher education; now, therefore, be it

RESOLVED, By the Board of Trustees of the California State University, that this board confer the title of President *Emeritus* on Robert L. Caret, with all the rights and privileges thereto.

COMMITTEE ON COMMITTEES

Election of The Chair of The Board Of Trustees for 2003/2004

RESOLVED, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees, that the following officer is elected as chair for the 2003/2004 year:

Chair: Debra S. Farar

Election of Vice Chair of The Board of Trustees for 2003/2004

RESOLVED, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees, that the following officer is elected as vice chair for the 2003/2004 year:

Vice Chair: Murray L. Galinson

Appointments To The California Postsecondary Education Commission for 2003/2004

RESOLVED, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees, that the following appointments be made to the California Postsecondary Education Commission for the 2003/2004 year:

Ralph R. Pesqueira (Representative)

Kyriakos Tsakopoulos (Alternate)

COMMITTEE ON COMMITTEES

COMMITTEE ASSIGNMENTS FOR 2003/2004

RESOLVED, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees, that the following appointments be made to the Standing Committees for the 2003/2004 year:

AUDIT

Shailesh J. Mehta, Chair
Kyriakos Tsakopoulos, Vice Chair
Debra Farar
William Hauck
Frederick W. Pierce, IV

CAMPUS PLANNING, BUILDINGS & GROUNDS

Ralph R. Pesqueira, Chair
Anthony M. Vitti, Vice Chair
Murray L. Galinson
Harold Goldwhite
M. Alexander Lopez

COLLECTIVE BARGAINING

Robert G. Foster, Chair
William Hauck, Vice Chair
Roberta Achtenberg
Murray L. Galinson
Ricardo F. Icaza
Shailesh J. Mehta
Ralph R. Pesqueira

EDUCATIONAL POLICY

Roberta Achtenberg, Chair
Shailesh J. Mehta, Vice Chair
Robert G. Foster
Murray L. Galinson
Harold Goldwhite
M. Alexander Lopez
Ralph Pesqueira

FINANCE

William Hauck, Chair
Shailesh J. Mehta, Vice Chair
Roberta Achtenberg
Harold Goldwhite
Ricardo F. Icaza
M. Alexander Lopez
Frederick W. Pierce IV

GOVERNMENTAL RELATIONS

Murray L. Galinson, Chair
Roberta Achtenberg, Vice Chair
Robert G. Foster
William Hauck
M. Alexander Lopez
Ralph R. Pesqueira
Kyriakos Tsakopoulos

INSTITUTIONAL ADVANCEMENT

Kyriakos Tsakopoulos, Chair
Frederick W. Pierce, IV, Vice Chair
Harold Goldwhite
M. Alexander Lopez
Anthony M. Vitti

ORGANIZATION AND RULES

Anthony M. Vitti, Chair
Ralph Pesqueira, Vice Chair
Ricardo F. Icaza
Dee Dee Myers

UNIVERSITY AND FACULTY PERSONNEL

Frederick W. Pierce IV, Chair
Robert G. Foster, Vice Chair
Dee Dee Myers
Kyriakos Tsakopoulos
Anthony M. Vitti

REPORT OF CHAIR DEBRA S. FARAR
Board of Trustees
The California State University
March 12, 2003

Good morning everyone

I want to begin by thanking President Gordon and his staff for hosting us here at CSU Fullerton. Last night was just an incredible evening that we will all long remember and as always Milt, you and Marge are the consummate hosts. Not only were we thoroughly entertained by your very talented students but also we are all still very thrilled and delighted to have a song, our very own song now. We know it takes a great deal of work to coordinate these meetings and accommodate so many visitors. So President Gordon, your team members and you have been so extremely organized, helpful, and gracious in all of your hospitality. Thanks to all of you. You have contributed to making this meeting a success.

Also this morning I want to recognize a very important milestone: Chancellor Reed is celebrating his five-year anniversary at the CSU this month. In the past five years, Chancellor Reed has overseen progress in priority areas across the university system such as: Improving student access through year-round education, evening and weekend courses, and new off-campus centers, encouraging the innovative use of technology, expanding K-12 outreach and improving student proficiency, enhancing teacher preparation programs, offering greater university accountability, improving communications with employees and students, and building the CSU's reputation in California and around the country.

Also, anyone who knows the chancellor knows that he is an expert in working with legislators. I know that he will continue to serve us well in Sacramento, especially during the state's current budget crisis. On a personal note, I know that he comes to this job every day with enthusiasm and determination to do the best for California's students. He makes all of our jobs easier because we can always depend on our chancellor and trust him to lead us in making the right although often very difficult decision for the future of the CSU.

Charlie we thank you for all of your hard work. We look forward to many more years of working with you. I speak for the entire board in saying you are one of the best things that ever happened to the CSU.

We continue to hold regular discussions about the state budget crisis and the outlook for the CSU. As we heard from Richard West yesterday, we continue to face a very difficult budget situation. I know the CSU takes pride in how it is accessible, affordable, and accountable. But I believe we need to add one more A word to that list and that would be adaptable. California expects the CSU to recognize California's changing needs and to find ways to meet those needs.

EXHIBIT A

Full Board Meeting

May 13-14, 2003

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The CSU has been very successful at adapting to those changing needs in the past. This year's budget situation will require us to be more adaptable than ever. We may be charting into unknown territory with some of the proposed changes. But we are a dynamic institution. We need to show California that we can rise to the challenge. No matter what changes may be necessary, we will continue to fulfill our responsibility to California's students.

Next, I want to report on our presidential searches in Pomona and Sacramento. I want to thank the chancellor and those trustees who have put a great deal of time into those searches: At Pomona: Trustees Vitti, Goldwhite, and Pesqueira, and at Sacramento: Trustees Hauck, Campbell, and Walda. And I especially want to thank the students, faculty, and staff on those campuses that have given us valuable support, advice, and feedback during the search process. We are expecting to announce the final selections very soon. But let me say that we had an outstanding group of finalists for both searches. We were fortunate to have attracted such high-caliber candidates for these positions.

Last month I attended the California State Student Association's CHESS conference in Sacramento along with Chancellor Reed, Vice Chancellor David Spence and chair academic Jackie Kegley. The conference offered a very comprehensive and timely agenda about student leadership and the budget process.

Also, our students and faculty are going to have a chance to meet later this week at the CSU's Budget Summit. I want to thank everyone who has taken the time to participate in these discussions. The better informed we are, the better prepared we will be to present a strong case for our budget in Sacramento.

Speaking of Sacramento, I hope to see many of you there on March 18 for the CSU's annual Legislative Day. We are looking forward to a full day of activities, including the chancellor's "State of the CSU" address, the legislative honors luncheon, and an opportunity to share all of the wonderful things about the CSU with our legislators.

Every week we hear about more amazing accomplishments by members of the CSU family. I'd like to finish up by taking a few moments to highlight several recent student, faculty, and staff accomplishments.

But even before that I would like to recognize an accomplishment by one of our trustees. Trustee Shailesh Mehta has generously made a One hundred thousand dollar gift to CSU Hayward. Shailesh your generosity will benefit and make a difference for our students. Shailesh has indicated to me that he does not intent to stop there and I said it publicly. We are all very grateful for your gift and we want to offer our heartfelt thanks.

Remarks by Trustee Mehta:

Thank you very much. As I said, yes, I would like to do more. Once again, it's a privilege to do that.

Remarks by Trustee Farar:

Thank you so much. Now I'm going to talk about a few students accomplishments. At CSU Fullerton graduate student Ronald Paul Larson is heading off to Kuwait this month as a writer for the *Daily Titan* student newspaper. Ron secured his media credentials through the State Department and was assigned to the Coalition Forces Land Component Command in Kuwait. His stories will be published in the *Daily Titan* and may be transmitted by news wire services to other college newspapers around the country.

Also, San Francisco State senior Mary Sue Woodbury recently won first place in a national student scriptwriting competition sponsored by the Broadcast Education Association. She won the award for a sample script for the TV sitcom "Frasier." I should note that San Francisco State's Broadcast and Electronic Communications Arts Department has a history of success in television. Peter Casey, the executive producer and co-creator of "Frasier," is a graduate and a longtime supporter of that department.

The Printing Industries Association of Southern California recently honored two Cal State L.A. faculty members as its Educators of the Year. Benjamin Lee, professor of technology and coordinator of the graphic communications/printing management program, and Ethan Lipton, professor of technology and associate dean for the College of Engineering, Computer Science, and Technology. The professors were honored for their "2 + 4 + Career" program, which gives graphic arts students at Manual Arts High School the opportunity to attend college courses at Cal State L.A. while attending high school. The association wrote: "The success of this program is obvious, but it would not exist without your hard work, open-mindedness and willingness to give inner-city students a chance to succeed."

Last but not least, congratulations to Pat Manarino, the women's softball coach at Cal State Long Beach, who recently earned his 700th career victory. He becomes just the 20th coach in the history of Division I women's softball to reach that mark.

And speaking of Cal State Long Beach, I want to congratulate President Maxson on being the first CSU president with his own "bobble-head." President Maxson, that bobble-head is destined to be a collectors' item. Maybe someday we will be able to collect bobble-heads from all 23 CSU presidents.

That concludes my report.

REPORT OF CHANCELLOR CHARLES B. REED
Board of Trustees
The California State University
March 12, 2003

Thank you, Chair Farar.

I want to join you in thanking President Gordon and his staff for hosting us here. It is no small duty to host a board meeting. Milt, I especially want to thank you, Norma Morris, Judy Burns, and Cassandra Newby. I know that they have done most of the work under your supervision.

As Chair Farar said, I have passed the five-year mark at the CSU. It's been an incredible opportunity and a privilege for me to work and serve the CSU faculty, student, and staff. After five years I still love getting up early every day and going to work, and I want to continue to do that. I want to personally thank this board for giving me this opportunity and for giving me your confidence and your support. I'll probably need your confidence and support in the next few months as we go through some tough budget times together.

In my estimation, this is the best board I have ever worked with and I mean that. The mix of business, education, and political experience that this board brings certainly makes my job more enjoyable. It makes it easier and it gives me confidence to do what I think I need to do. So I want to thank you for that.

I also want to thank all of the presidents. This is the best group of presidents that I have worked with in 25 years. They work very well together. They are trying to build the system knowing that the better the system is, the better their institution is. They do a great job representing their institution and keeping the diversity among and between those institutions strong. I want this board to know that they're the best in this country. They have my full confidence in what they do every day.

As Debra also mentioned, we hope to come to conclusion in the next 24 hours with two presidential searches. We have another that we are going to begin at CSU Chico that Roberta Achtenberg is going to chair, so we'll keep the board apprised of that.

The budget continues to take the majority of my time and energy. When I came here five years ago it was quite a different picture. I would say that we have done a 180-degree turn and headed straight south in the last few months.

We are looking at a \$260 million cut at best, which is about a ten percent cut. We are expecting 424,000 students to show up on all of our campuses next September. We are going to welcome these students next August because we have sent out our letters of admission. What is really

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important for us and for the campuses is that they show effective management of the instructional programs across the entire university. Plus, we need to receive the funding for the new students and the fee increases assumed in the governor's budget.

If we don't do all three of those things it could be devastating to the CSU. The reason that I say that is that I don't anticipate the legislature is going to finish on time. Because of that timing we will have all of those new students and we will need to provide classes for them. If we receive any future reduction, we'll have to make it up in the second semester. When you do that you have to cut levels to make up for what you have not been able to reduce as the academic year starts. So that would really be a huge challenge.

During these difficult times, it is essential to have a plan. That's one of the problems with our state government: There is no plan. But we know that we can't go to Sacramento without a plan. We also know that we can't go Sacramento and just simply say, "Don't cut me, cut everybody else," because that's not going to work.

When you have a \$35 billion deficit everybody in California is going to suffer. The health and welfare programs, transportation, public schools, and community colleges – everybody will feel this reduction. We have tried hard in our office to make this a consultative process. Our system-wide budget advisory committee is meeting monthly. The finance committee of this board is meeting monthly. Richard and I had put on our schedule a meeting this afternoon with the Labor Council, but I was told this morning that it has been canceled and I regret that.

Later this week we are going to hold a budget summit through the shared governance process with all of the Academic Senate chairs throughout the system, presidents of the student body, executive committees of the CSSA and Statewide Academic Senate, and all the presidents.

From those meetings we hope to continue to sharpen our plan and to make sure that we are able to tell our story in Sacramento. Most of you will be going to Sacramento next week and that is very important. We will continue to keep this board informed on a monthly basis as things progress. We were told last week in my first appearance before the Senate not to expect a whole lot until after the May Revise occurs. We will continue to participate in hearings between now and that time.

Another topic I want to mention is Trustee Achtenberg's policy committee discussion on the graduation task force. When I came here this board directed me to implement the Cornerstones plan. The recommendation of that task force is key to the successful implementation of Cornerstones. It really focuses on improving the California State University for students.

You also heard this morning about community service learning. That is something that I would like all of our presidents, all of our trustees, and all of our CSU family to promote. The

California State University is the best in the United States at community service learning. As Erika Randall said, we provided over 34 million hours of service to the citizens of this state last year. Our students who have jobs and families stop and give something back every week to their communities. No other university does it as well or to the extent that our students do in the California State University.

Erika is an outstanding leader. She didn't take credit, but Erika raises about \$2 million a year outside of what the state provides to help run these programs and Erika is recognized as the best leader of community service in the United States.

I also want to recognize Trustee Shailesh Mehta for something that he has done. Many of you may have seen that piece that 60 Minutes did a week ago on the Indian Institute of Technology. The Indian Institute of Technology is one of the most prestigious and selective universities in the world, equivalent to MIT, Harvard, Yale, and Princeton all put together. Well, that's not bad. What I want to share with you is that the Indian Institute of Technology has given Trustee Mehta the Distinguished Alumni Award for 2003. They do not give this award very often and they have recognized one of their own. Congratulations, Shailesh.

Chair Farar, that concludes my report.