

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

**Trustees of the California State University
California State University
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802**

November 17, 2004—10:30 a.m.

Presiding: Murray L. Galinson, Chair

Call To Order and Roll Call

Chair's Report

Chancellor's Report

Report of the CSU Alumni Council: *President—Bob Linscheid*

Report of the California State Student Association: *Chair—Manolo Platin*

Report of California Postsecondary Education Commission: *Kyriakos Tsakopoulos*

Approval of Minutes of Board of Trustees' Meetings of September 15 and October 28, 2004

Board of Trustees

1. Appointment of Member to the California State University Headquarters Building Authority

Report of Committees

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

1. Naming of Warrior Arena—California State University, Stanislaus

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

Committee on Finance: *Chair – William Hauck*

2. Approval for a Real Property Acquisition and Purchase of a Student Housing Project and for the Issuance of Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments
3. Expanded Phase of Public/Private Partnership at California State University, Dominguez Hills with the Anschutz Southern California Sports Complex, LLC
4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects

Committee on Campus Planning, Buildings and Grounds: *Chair – Kyriakos Tsakopoulos*

1. Amend the 2004/2005 Capital Outlay Program, Nonstate Funded
2. Approval of Schematic Plans
3. Certify the Final Environmental Impact Report and Approve the Campus Master Plan Revision with Enrollment Ceiling Change at Humboldt State University
4. Certify the Final Supplemental Environmental Impact Report and Approve the Campus Master Plan Revision Enrollment Ceiling Change at California State University, Monterey Bay
5. Approve the Campus Master Plan Revision for the Villas Parkmerced Lot 42 Property Acquisition for San Francisco State University

Committee on Audit: *Chair – Anthony M. Vitti*

Committee on Educational Policy: *Chair – Roberta Achtenberg*

Committee on Governmental Relations: *Chair – Debra S. Farar*

1. 2003/2004 Legislative Report No. 12

Committee of the Whole: *Chair—Murray L. Galinson*

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**

September 15, 2004

Trustees Present

Murray L. Galinson, Chair
Roberta Achtenberg, Vice Chair
Jeffrey L. Bleich
Herbert L. Carter
Carol R. Chandler
Moctesuma Esparza
Debra S. Farar
Bob Foster
George G. Gowgani
Eric Z. Guerra
William Hauck
Raymond W. Holdsworth
Corey A. Jackson
Kathleen E. Kaiser
Shailesh J. Mehta
Jack O'Connell
Frederick W. Pierce IV
Kyriakos Tsakopoulos
Charles B. Reed, Chancellor

Chair Galinson called the meeting to order.

Chair's Report

Chair Galinson congratulated Trustee Esparza, who was confirmed by the Senate on August 27.

He called on the newly appointed trustees who were not present in July to introduce himself briefly.

Trustees Jeffrey L. Bleich, Herbert L. Carter, Raymond W. Holdsworth and Moctesuma Esparza each gave a brief biographical sketch about himself and stated that they were pleased to join the Board of Trustees.

Chair Galinson congratulated them and welcomed them to the Board.

Chair Galinson noted that several CSU students, alumni, coaches and athletic trainers were part of the Summer 2004 Olympics in Athens, Greece, particularly those six of our students or alums who won Gold Medals. These included Cal Poly Pomona student Kim Rhode in women's double trap shooting; Fresno State alumnae Laura Berg and Lovie Jung, and Fullerton alumna Jenny Topping in women's softball; and, Long Beach State alumna Misty May in women's beach volleyball.

Chair Galinson noted that Sonoma State University was ranked 70th in the top 100 by Intel--the computer technology company—as one of the “Most Unwired College Campuses.” By “unwired” Intel means Internet access can be attained without a traditional wire connection.

Chair Galinson announced that the Collective Bargaining Committee ratified the contract with the California State Employees Association, CSU Division and the Union of Physicians and Dentists. He complimented the members of both union bargaining teams and the management bargaining team for successfully concluding the bargaining.

Chair Galinson reported that he had appeared at a press conference with CSSA, which was held to announce a drive to register students to vote.

Chair Galinson noted that the Channel Islands campus celebrated the grand opening of the first student-housing complex on August 29, and that a new three-story apartment complex in Residential Life Village CSU Stanislaus was dedicated on August 27.

Chair Galinson reported that in the prior week he had met with the statewide Academic Senate and thanked them for an enjoyable time with a lot of good give and take.

Chair Galinson reported his participation at the groundbreaking of the new Arts and Letters building at San Diego State.

Chair Galinson announced the naming of the Stanislaus Presidential Search Committee, which will begin the process of searching for a replacement for Marvalene Hughes in the fall. He named Debra Farar to chair the search committee, and Herb Carter and Carol Chandler to join her on the committee.

(The complete text of the Chair's Report is attached as “Exhibit A.”)

Chancellor's Report

Chancellor Reed reported that by the end of the following week the CSU will have welcomed over 400,000 students and about 45,000 faculty and staff back to campuses this year.

Chancellor Reed reported on the budget and the compact with the Governor. He noted that the legislature and the Governor had worked together to provide the CSU with 40 million more dollars than had been counted on in May. He stated that the compact agreement with the Governor provides a platform that can be used to plan CSU's future and provide stability. He thanked the Board and the Governor for their support of this compact that will provide the stability that is needed. He further stated that he hoped to provide the Board with an economic impact study of California that will show institution by institution the impact of the California State University on the State of California.

The Chancellor stated that the long-term fee policy would be back on the agenda of the October 28, 2004 meeting. He said that this was a very important policy decision for the board that would provide a policy that is predictable, providing advance notice to our students and planning stability for the campuses.

Chancellor Reed thanked Superintendent O'Connell for his partnership with the CSU to establish the improvement of all public education. He stated if the K-12 public schools get better, the CSU would also get better.

Chancellor Reed appointed Don Kassing as the interim President at San Jose State University and thanked him for taking on this challenge. He noted that a search for a permanent president of San Jose State would not begin for another year.

Chancellor Reed asked that Chair Galinson join him at the podium to recognize the Boeing Corporation for its support of the "How to Get to College" posters. He thanked them for their generous financial contribution of 50,000 to produce 500,000 posters on "How to Get to College".

Chancellor Reed congratulated FSU, Fresno State University, for their two great victories against the Universities of Washington and Kansas State.

The Chancellor also congratulated the California State University Fullerton, Titans baseball team for winning the NCAA World Series. He also recognized the Coach George Horton, who was chosen as the Outstanding Baseball Coach of the year by all of his colleagues.

President Gordon introduced the team and Coach Horton along Vice President Bob Palmer, Brian Quinn, Athletic Director, and Phil Vasquez, President of Associated Students. He then asked the Coach to say a few words.

Coach Horton stated that it was a pleasure to be with Chancellor Reed, Board of Trustees and the University Presidents. He thanked his athletic administration, Bob Palmer, Brian Quinn and Steve Ditolla for their hard work and he especially thanked the members of the team.

President Gordon added that nine of the players that played and won the college World Series during the semester that they were winning the World Series had g.p.a.'s of over 3.0 and three of

them had g.p.a.'s over 3.5. For a college sport and the team that won the championship, that is quite an achievement.

Trustee Kaiser noted that while she was in Honolulu the newspapers there were also celebrating the great performance because the catcher is from Honolulu.

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

Trustee Gowgani thanked Superintendent O'Connell for his support and asked that the Chancellor keep agriculture in mind when preparing the economic impact report.

Report of the California State University Alumni Council

Bob Linscheid, president, reported for the Alumni Council.

Report from the California State Student Association

Manolo Platin, chair, reported for the CSSA.

Report of the California Postsecondary Education Commission

Kyriakos Tsakopoulos reported that CPEC met on September 7-8, 2004 and referred the trustees to the summary in their materials.

Approval of Minutes

The minutes of the meeting of the Board of Trustees of July 14, 2004 were approved.

Report of Committees

Committee on Collective Bargaining

Trustee Foster reported the committee ratified new collective bargaining agreements with Union of American Physicians and Dentists and the California State Employees Association. The agreement with the Union of American Physicians and Dentists is for a new three-year contract beginning immediately and the agreement with the CSEA deals with fiscal years 2003/2004 and 2004/2005. The committee also ratified an agreement to recognize the United Auto Workers as the exclusive representative for three classifications of student employees. The committee also heard comments from representatives of the Academic Professionals of California and the California Faculty Association.

Committee on Institutional Advancement

Trustee Tsakopoulos reported the committee addressed three action items as follow:

Naming of a Facility, California Polytechnic State University, San Luis Obispo (RIA 09-04-13)

Trustee Tsakopoulos 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 Engineering/Architecture Renovation and Replacement, Phase II - Non-State, Building 191 at California Polytechnic State University, San Luis Obispo be named the Bonderson Engineering Projects Center (BEPC).

Naming of a Facility, California Polytechnic State University, San Luis Obispo (RIA 09-04-14)

Trustee Tsakopoulos 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 Facility 61, currently known as the Mustang Stadium, at California Polytechnic State University, San Luis Obispo, be named the Alex G. Spanos Stadium

Recognition for Service to California State University, Monterey Bay; Sonoma State University; and California Polytechnic State University, San Luis Obispo (RIA 09-04-15)

RESOLVED, By the Board of Trustees of the California State University that Robert C. Taylor, Jr., attorney-at-law, is hereby recognized and honored for his extraordinary vision, volunteer leadership and gift planning expertise resulting in major private support for the California State University.

Committee on Finance

Trustee Hauck reported the committee heard three information items, Report on the 2004/2005 Support Budget, Report on the 2005/2006 Support Budget, California State University Annual Investment Report and two action items as follow:

Principles Governing a State Funding and Student Fee Policy

Trustee Hauck stated the committee agreed to continue the item to the next board meeting.

Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects (RFIN 09-04-08)

Trustee Hauck moved the projects separately; there was a second. Trustee Pierce abstained from voting on the second portion of the item, the CSU Fresno West Complex - Student Recreation Center Project.

The Board of Trustees approved the following resolutions:

Resolutions were prepared by Orrick, Herrington & Sutcliffe LLP, as bond counsel, for a project CSU Northridge (University Union Renovation, Phase II Project) and CSU Fresno (West Complex - Student Recreation Center Project). The proposed set of resolutions will 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 \$28,505,000 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 will be implemented subject to the receipt of good bids consistent with the projects financing budget.

Committee on Campus Planning, Buildings and Grounds

Trustee Tsakopoulos reported the committee heard two information items, Final Report on the 2004/2005 State Funded Capital Outlay Program, California State University Seismic Review Board Annual Report and four action items as follow:

Acceptance of Interest in Real Property (RCPBG 09-04-17)

Trustee Tsakopoulos 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 campus president or designee is authorized to accept on behalf of the Board of Trustees the interest in 190 acres of real property given to the California State University by William and Joan Roth to be included in the Fairfield Osborn Preserve.

Amend the 2004/2005 Capital Outlay Program, Nonstate Funded (RCPBG 09-04-18)

Trustee Tsakopoulos 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 2004/2005 Nonstate Funded Capital Outlay Program is amended to include: 1) \$18,006,000 for preliminary plans, working drawings, and construction for the California State University, Fullerton, University Heights Faculty/Staff Housing, Phase II project; 2) \$8,500,000 for preliminary plans, working drawings, construction, and equipment for the San Diego State University, Swimming Pool Complex project; 3) \$1,341,000 for preliminary plans, working drawings, and construction for the California State University, San Marcos, Transit Station project; and 4) \$7,682,000 for preliminary plans, working drawings, construction, and equipment for the California State University, San Marcos, Center for Children and Families project.

State and Nonstate Funded Five-Year Capital Improvement Program 2005/2006 through 2009/2010 (RCPBG 09-04-19)

Trustee Tsakopoulos 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 final State and Nonstate Funded Five-Year Capital Improvement Program 2005/06 through 2009/10 totaling \$4,319,084,000 and \$2,002,620,000 respectively are approved.
2. The 2005/06 State Funded Capital Outlay Program included in the five-year program distributed with the agenda is approved at \$602,785,000.
3. The 2005/06 Nonstate Funded Capital Outlay Program included in the five-year program distributed with the agenda is approved at \$101,428,000 and the chancellor is authorized to proceed in 2004/05 with design documents for fast-track projects in the 2005/06 nonstate program.
4. 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.

5. The chancellor is authorized to make adjustments, as necessary, including priority sequence, scope, phase, project cost and total budget request for the 2005/06 State Funded Capital Outlay Program within the \$602,785,000.

Approval of Schematic Plans (RCPBG 09-04-20)

Trustee Tsakopoulos 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 California Polytechnic State University, San Luis Obispo, Engineering/Architecture Renovation and Replacement, Phase IIB Addition project is consistent with the campus master plan revision approved in March 2001 and a Letter of Compliance documenting the Finding of Consistency was prepared pursuant to the requirements of the California Environmental Quality Act.
2. With the implementation of the mitigation measures set forth in the master plan previously approved by the Board of Trustees, the proposed project will not have a significant effect on the environment, and the project will benefit the California State University.
3. The mitigation measures shall be monitored and reported in accordance with the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6).
4. The Chancellor is requested under Delegation of Authority by the Board of Trustees to file a Notice of Determination for the project.
5. The schematic plans for the California Polytechnic State University, San Luis Obispo, Engineering/Architecture Renovation and Replacement, Phase IIB Addition project are approved at a project cost of \$19,902,000 at CCCI 4100.

Committee on Governmental Relations

Trustee Farar reported the committee heard one action item:

2003/2004 Legislative Report No. 11 (RGR 09-04-07)

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 2003/04 Legislative Report No. 11 is adopted.

Committee on Audit

Trustee Achtenberg reported heard two information items, Status Report on Current and Follow-up Internal Audit Assignments and Corrective Action Plan for Findings in the Single Audit Reports.

Committee on Educational Policy

Trustee Achtenberg reported the committee heard two information items, Graduation Initiative Update, Status on the May 2003 recommendations based on the CSU President's Commission on Teacher Education Report, "Teachers for Tomorrow: A Collaborative Approach to Secondary Teacher Preparation" and two action items as follow:

Academic Plan Update for Fast-Track Program Development (REP 09-04-05)

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 Academic Plan for California State University, Long Beach (as contained in Attachment A to Agenda Item 4 of the March 16-17, 2004, meeting of the Committee on Educational Policy) be amended to include projection of a Bachelor of Arts with a major in Linguistics, with a projected implementation date of 2005; and be it further

RESOLVED, by the Board of Trustees of the California State University, that the Academic Plan for California Polytechnic State University, San Luis Obispo (as contained in Attachment A to Agenda Item 4 of the March 16-17, 2004, meeting of the Committee on Educational Policy) be amended to include projection of a Bachelor of Arts with a major in Interdisciplinary Studies, with a projected implementation date of 2005 and a footnote indicating that the degree is to be offered through special sessions, and projection of a Master of Arts in History, with a projected implementation date of 2005; and be it further

RESOLVED, that each degree program newly included in the campus Academic Plan is authorized for implementation, at approximately the date indicated, subject 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 program will be available.

Recommendations of the California State University Presidents' Task Force on Education Leadership Programs (REP 09-04-06)

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 endorses the twelve recommendations included in agenda item 2, Attachment A, of the September 14-15, 2004 meeting of the Committee on Educational Policy; and be it further

RESOLVED, That the Board of Trustees directs the Chancellor to encourage the campus presidents and faculty to pursue actively the recommendations of the California State University Presidents' Task Force on Education Leadership.

Committee of the Whole

Chair Galinson reported the committee heard one information item, Litigation Report No. 20.

Public Comments

The board heard comments from the following members of the public: Charles Goetzl, APC President; Pat Gantt, CSEA; Hylah Jacques, CSEA; Dennis Dillon, CSEA; John Travis, President CFA; Jared Sanchez, SDSU Associated Students Vice President, External Affairs; Agustin Cebada, CSUDH Chicano/a Studies; Saul Figueroa, CSUDH Chicano/a Studies; Xihuan Montalvo, CSUDH Chicano/a Studies; and Luis Garcia, CSUDH Chicano/a Studies.

Chair Galinson concluded the meeting.

REVISED

**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**

October 28, 2004

Trustees Present

Murray L. Galinson, Chair
Roberta Achtenberg, Vice Chair
Jeffrey L. Bleich
Cruz Bustamante, Lt. Governor
Herbert L. Carter
Carol R. Chandler
Debra S. Farar
Bob Foster
George G. Gowgani
Eric Z. Guerra
William Hauck
Raymond W. Holdsworth
Ricardo F. Icaza
Corey A. Jackson
Kathleen E. Kaiser
Shailesh J. Mehta
Frederick W. Pierce IV
Kyriakos Tsakopoulos
Charles B. Reed, Chancellor

Chair Galinson called the meeting to order.

Report of Committees

Committee on University and Faculty Personnel

Trustee Mehta reported the committee heard one action item:

Executive Compensation: San José State University Interim President (RUF 10-04-06)

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 Mr. Don W. Kassing shall receive a salary set at the annual rate of \$230,004, effective August 1, 2004, the date of his appointment as San José State University interim president, and that he shall reside in the official university provided residence as a condition of his employment.

Committee on Collective Bargaining

Trustee Foster reported the committee adopted the California State University's initial proposals for bargaining the initial contract with the United Auto Workers.

Committee on Finance

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

California State University 2005/2006 Support and Lottery Budgets with State University Fee Increase (RFIN 10-04-09)

Trustee Hauck moved the resolutions; there was a second.

The Board of Trustees approved the following resolutions:

1. State Appropriated 2005/2006 Support Budget

RESOLVED, By the Board of Trustees of the California State University, that the 2005/06 Support Budget is approved as submitted by the chancellor; and be it further

RESOLVED, That the chancellor is authorized to adjust and amend this budget to reflect changes in the assumptions upon which this budget is based, and that such changes made by the chancellor be communicated promptly to the trustees; and be it further

RESOLVED, That the chancellor is authorized to comply with requests of the Department of Finance and the legislature regarding establishment of priorities within this budget; and be it further

RESOLVED, That copies of this resolution be transmitted to the California Postsecondary Education Commission, to the governor, to the director of finance and to the legislature.

2. 2005/06 State University Fee Level

RESOLVED, By the Board of Trustees of the California State University, that the following schedule for the State University Fee, which incorporates an eight percent increase for undergraduate, eight percent increase for qualified credential program participants, and ten percent increase for other post-baccalaureate and graduate students, for the 2005/06 academic year, effective fall term 2005 is approved until further amended:

2005/06 State University Fee Schedule (Effective Fall 2005)

All Campuses, except California State University, Stanislaus:

<u>Units</u>	<u>Per Semester</u>	<u>Per Quarter</u>	<u>Per Academic Year</u>
Undergraduate			
6.1 or more	\$1,260	\$840	\$2,520
0 to 6.0	\$732	\$488	\$1,464
Credential Program Participants			
6.1 or more	\$1,461	\$974	\$2,922
0 to 6.0	\$849	\$566	\$1,698
Graduate			
6.1 or more	\$1,551	\$1,034	\$3,102
0 to 6.0	\$900	\$600	\$1,800

California State University, Stanislaus:

<u>Units</u>	<u>Per Semester</u>	<u>Winter Term</u>	<u>Per Academic Year</u>
Undergraduate			
6.1 or more	\$1,147	\$226	\$2,520
0 to 6.0	\$619	\$226	\$1,464
Credential Program Participants			
6.1 or more	\$1,331	\$260	\$2,922
0 to 6.0	\$719	\$260	\$1,698
Graduate			
6.1 or more	\$1,413	\$276	\$3,102
0 to 6.0	\$762	\$276	\$1,800

And, be it further

RESOLVED, That the chancellor may approve individual campus State University Fee rates that do not exceed the maximum fee rates established by this fee schedule, and be it further

RESOLVED, The chancellor is delegated authority to further adopt, amend, or repeal the State University Fee rate increase if such action is required by the budget act approved for 2005/06, and that such changes made by the chancellor are communicated promptly to the trustees and that the trustees should meet as soon as possible to consider ratification of the action.

3. 2005/2006 Lottery Revenue Budget

RESOLVED, By the Board of Trustees of the California State University, that the 2005/2006 Lottery Revenue Budget totaling \$41.5 million be approved for implementation by the chancellor, with the authorization to make transfers between components of the Lottery Revenue Budget and to phase expenditures in accordance with receipt of lottery funds; and be it further

RESOLVED, That the chancellor is hereby granted authority to adjust the 2005/2006 Lottery Revenue Budget approved by the Board of Trustees to the extent of receipt of greater or lesser lottery revenue than budgeted in 2005/2006 to respond to opportunities or exigencies; and be it further

RESOLVED, That a report of Lottery Revenue Budget receipts and expenditures be made to the Board of Trustees.

Chair Galinson concluded the meeting.

BOARD OF TRUSTEES

Appointment of Member to the California State University Headquarters Building Authority

Presentation By

Richard P. West
Executive Vice Chancellor and
Chief Financial Officer

Background

The State University headquarters building has been financed and operated through a joint powers agreement (commission) with the City of Long Beach. The commission has the responsibility to ensure that the policies and intent of the joint powers agreement are honored. The trustees appoint two members to the commission. The City of Long Beach appoints two members and those four members of the commission appoint the fifth member. The positions are uncompensated and must be held by a registered California voter.

Mr. Donald C. Wallace has served as a CSU appointed commissioner since May 1976, when the commission was formed. He has served as the chair of the commission for over the past decade, most recently overseeing the construction of the new facility. The other CSU appointed commissioner is George Pardon—Vice President, Administration and Finance at Dominguez Hills—who has served since December 1999. The Chancellor recommends that Mr. Wallace be appointed for the term that ends November 30, 2008.

Proposed Resolution

The following resolution is recommended for adoption:

RESOLVED, By the Board of Trustees of the California State University, that Mr. Donald C. Wallace be reappointed a commissioner of the California State University Headquarters Building Authority for the term ending November 30, 2008.

REPORT OF CHAIR MURRAY L. GALINSON
Board of Trustees
The California State University
September 15, 2004

I would like to start by congratulating Trustee Esparza, who made it through the Senate Rules Committee on August 25 and then was confirmed by the full Senate on August 27. We are hoping that you will start a trend among the new trustees and others will follow.

At the July Board meeting I invited the newly appointed members of the Board to introduce themselves and give us a brief background statement. Several of our new members were not present; I would like to call on those four this morning if they would give a brief background.

Trustee Bleich: My name is Jeff Bleich and I am very honored to be a part of the CSU Board. I would like to thank the Board, the chancellor's staff, the presidents, the CSSA, the faculty, the representatives of the various bargaining units all for making me feel so welcome. Very briefly, I am a lawyer and have been a partner with a law firm of Munger, Tolles, and Olson for 10 years. Along the way, I have done a few other jobs. I clerked at the U.S. Supreme Court, and I clerked at the International Court in The Hague. I worked for the White House from 1999 to 2000 directing their Commission on Youth Violence. I was also a student myself for a long time. I obtained a B.A. from Amherst College, a Masters in Public Policy from Harvard University, a J.D. from U.C. Berkeley, Boalt Hall and I also studied international law in The Hague and received certificates for that. I also spent time teaching. I taught at Castleman High School. I taught since 1994 at UC Berkeley's Boalt Hall and I serve on their Board of Alumni Trustees. Of all the positions that I could have held, this is the one that is most meaningful to me. I can't think of any institution that is more important to the future of California and also to young people in California than the CSU system and so I'm very grateful to be a part of this community and hope to work with all of you in the years ahead.

Herbert L. Carter: Thank you very much. I tried very hard to get out of doing this because most of you know me. I spent a quarter of a century as an employee of the CSU system. I started as its first Affirmative Action Officer systemwide and ended my career in the Chancellor's Office as the Executive Vice Chancellor for about seven or eight years. Then decided to retire. I went away hoping that I would never see you again. Except that Charlie found me and prevailed upon me to come back into service, and I spent a delightful year as the interim president of Cal State Dominguez Hills where it was a wonderful experience. And I thought, well that really kind of does it. I started off at the lowest level and wound up as a president of a university and then someone suggested that I might be a suitable candidate for the Board of Trustees. I thought, well I listened to them for twenty-five years, I think I'll go over now on the other side so I can talk to them

EXHIBIT A

Full Board Meeting

November 16-17, 2004

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for awhile about what they should be doing, that is the staff. So I am delighted to be back in the family. I have had nothing but positive experiences in this system. It has been a marvelous set of activities for me for a good portion of my life and I am happy to be back with friends.

Ray Holdsworth: Thank you. I am really pleased and honored to be here, and I have never served on a public board before. My education was a bachelor's degree in English and Psychology in a small school in the Midwest. I spent time in the Navy and went on to Vietnam and then wound up going to grad school and received my M.B.A. I came to California, never having been here before, crossed the Golden Gate bridge in a little MG with the top down. All my experience before that had been on the East Coast and when I came across the Golden Gate, I just said I'm moving to California without a job and I'm going to start and see what it's like and it has been an incredibly enriching experience. Right now I am president of an engineering and architectural firm. We have 18,000 employees worldwide and I tell you if there is anything I can do to help anybody in the university, you have my undying support because I think the most important thing going forward is education. Not only K-12 that gets a lot of attention, but the university students because they are going to make what we believe in California to be what the system is and what the university is forever the most important thing for the state.

Montezuma Esparza: Thank you. I already had a wonderful welcome. I want to acknowledge that our chancellor has taken me into his circle and has helped me sponsor a seminar on leadership and entrepreneurship and the president at Cal State LA, President Rosser, has also been extremely supportive. My background is that I am from Los Angeles, born and raised here and went through the public schools in the City of Los Angeles, UCLA bachelors and masters degree in filmmaking and have had a career as a filmmaker, as a producer, probably many people in the community know me for having promoted the careers of Sonia Braga, Halle Berry, and Jennifer Lopez, so it has not been bad. But, I have also been committed to education throughout my life. I am starting a charter school for the performing arts. I received the charter from the City of Los Angeles School Board just about a month ago, and I am deeply involved in the arts. I am chairman of the board of the Latino Theatre Company and on the Board of the National Latino Independent Producers Association and involved in business. I served as the chair of the New America Alliance, a Latino business leaders organization for the last three years, which is the premier national business group and now serve as co-chair of the Marathon Club a joint venture of the New America Alliance and the National Association of Investment Companies. So, I am very pleased to be here and I look forward to making the maximum contribution I can.

I know that I speak on behalf the entire board in welcoming the new members and I will say as a lifelong Democrat, Governor Schwarzenegger made wonderful appointments. I do not think I could find eight better colleagues, including the student member to join us and we are looking forward to working with all of you for many years to come. So, thank you.

Speaking of our family, the CSU family, several CSU students, alumni, coaches and athletic trainers were part of the Summer 2004 Olympics in Athens, Greece. They served in roles ranging from world-class athletes to event judges and everything in between. Five of our students or alums won Gold Medals. These were Cal Poly Pomona student Kim Rhode in women's double trap shooting; Fresno State alumnae Laura Berg and Lovie Jung, and Fullerton alumna Jenny Topping in women's softball; and, Long Beach State alumna Misty May in women's beach volleyball. We are proud of all of them and proud that they are part of our system.

I might add that Intel – the computer technology company – recently announced the top 100 “Most Unwired College Campuses.” By “unwired” Intel means Internet access can be attained without a traditional wire connection to the notebook computer. The ranking is based on the percentage of each campus that is covered by wireless technology, the number of computers, and the number of undergraduates served. Sonoma State is ranked 70th in the top 100 and no other CSU campus was placed in the top 100 this year. We are hoping that in the next ranking we'll have many more campuses.

Yesterday, the Collective Bargaining Committee ratified the contract with the California State Employees Association, CSU Division and the Union of Physicians and Dentists. I want to compliment the members of the both bargaining teams and the management bargaining team for successfully concluding the bargaining. It's sometimes not a very pleasant job, but somebody has to do it and we're delighted that these two units came to such a positive conclusion.

Also, yesterday I appeared at a press conference of CSSA which was held to announce a drive to register students to vote. I applaud their efforts to raise the dismal 32% of those between 18 and 24 years of age who voted in the last presidential election. CSSA will report more on that, but congratulations on what you are doing.

The Channel Islands campus celebrated the grand opening of the first student housing complex on August 29. 350 students will call Anacapa Village their home during the academic year. At CSU Stanislaus a new three-story apartment complex in the Residential Life Village was dedicated on August 27; it will house 296 students and brings the student housing capacity to 650.

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Last week I had the pleasure of meeting with the statewide Academic Senate at the invitation of Chair David McNeil. It was a very enjoyable and interesting time with a lot of good give and take. David, thank you for welcoming me and helping make it an enjoyable hour.

This past week I was at the groundbreaking of the new Arts and Letters building at San Diego State. It will be a great addition to that campus. This weekend I'll be at the celebration of the 10th Anniversary of our Monterey Bay campus. I am looking forward to that happy event.

In late July, President Marvalene Hughes announced her retirement from the presidency of California State University, Stanislaus. And, at the same time she said she would serve as interim president until next June. At the conclusion of this academic year Dr. Hughes will have completed her 11th year as president. That is a real accomplishment by national standards where the average term of a presidency is five years. Whenever one visits the Stanislaus campus, Dr. Hughes always shares her excitement and pride about the accomplishments of students and faculty. A search will be initiated later in the fall. I am naming Debra Farar to chair the search committee, and Herb Carter and Carol Chandler to join her on the committee. To say that Dr. Hughes will be tough to replace is an understatement, probably if not an impossibility, but I am confident the committee, when formed and active will do a great job in that regard.

That concludes my report. It is now time for the Chancellor's Report.

REPORT OF CHANCELLOR CHARLES B. REED
Board of Trustees
The California State University
September 15, 2004

Thank you, Chair Galinson. This is a great time of the year. I always feel like September is a new year, rather than January, because school starts. At the end of next week we will have welcomed back to our campuses over 400,000 students and about 45,000 faculty and staff. So I think there is a great deal of optimism out there because we have moved past the period of budget cuts and we are moving toward a period where we will have some stability.

The budget that we received this year is different from the one a year ago because this budget included about \$40 million that we had not counted on in May. The legislature and the governor worked together at the last minute to add money. Yesterday I said something about the previous year where the legislature actually took \$85 million and gave us 14,000 students at the last minute. The governor's office called us, as did Senator Burton and Speaker Nunez and asked at the last minute if we could take approximately 7,500 students and I said, of course we could. So we are assigned new enrollment targets to our institutions and most of those students will be admitted to our campuses for the spring semester and the winter quarter.

The compact agreement that we have with the governor will provide us a platform that we can use to plan our future and it will provide some certainty. This board will come back together for a one-day meeting on October 28 where we will present an enrollment plan. We will plan to add approximately 10,000 more students next year so that we will be moving in the right direction of access after a year of reducing about 15,000 students and then coming back and trying to add more. That is a tough way for us to plan our business. We will recommend to you a budget that will include a total budget of about \$225 million with the compact. I want to thank this board and the governor for their support of the compact that will provide the stability that we need.

The California State University is the economic engine in this state. I hope to come back in November with an economic impact study that will look at the California State University's economic impact for the entire state. We will then divide the state into three or four regions and be able to show the impact institution by institution. I believe we can show that the California State University gives more than it receives from the state of California.

On the October 28th agenda we will consider the long-term fee policy. This is a very important policy decision for this board. I can't tell you how important it is that we have a policy that is predictable, that we provide advance notice to our students, that we provide some stability as it relates to our planning for our campuses. There is a culture in California that says that everything should be free. It is just not that way anymore. It may have been free fifty years ago. I need to say that if a university does not have resources, you can't have high quality and you

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cannot provide the access that is the mission of this institution. So we will go down that road again on October 28th.

I want to compliment Manolo Platin and all of the students because they have stuck with us all the way with the fee policy. They have not always agreed with us, which is okay. One of the things that Manolo was sharing with me is that you can disagree without being disagreeable, you can also have a different perspective but you can support somebody else's perspective. I really appreciate his participation with his colleagues this year. If we can continue to engage in this process we will have a good policy.

I would like to thank Superintendent O'Connell for his partnership with the CSU and for his commitment to the improvement of all public education. That is our goal also and has been for the seven years that I have been here. Ninety-nine percent of our students come from the public schools of California. If the public schools get better, we will get better. That is the only way that we can really improve and so that partnership has worked extremely well since Jack O'Connell has been in this leadership position.

Four years ago, Dave Spence and I recommended to the board that we change the policy about how long the student can take to complete their remedial courses: one year, three semesters, or a summer and a year. At the time only about 60 percent of the students were completing their remedial work in the three semesters or one year. There was some worry, people thought that we were going to exclude people, but it didn't happen. If you tell students what the standards are, given the chance, they will meet those standards.

In the next week or ten days, the EAP results that Dave was talking about will come out. All I can say is that we don't expect very many high scores. We do expect to be able to send messages to students, principals, and teachers and to parents that here is what a college level education is about and the standards that you need to achieve. If we can hunker down and hold on for two or three years, I think we can make a difference, especially with the work that we want to do with teachers and the principals in the schools. Our outreach is going to change from about 150 high schools in California to 944 high schools in California so our reach is going to be further than it has been in the past. The scores will show that we had to do something different because we had leveled off. We do have extraordinary problems with English language learners, with the social economics of California; we have our work cut out for ourselves.

As Chair Galinson mentioned, we are embarking in a search for a new president at Stanislaus. We will keep you informed of that. Also today I am appointing Don Kassing as the interim president at San Jose State University. Don Kassing has more than 25 years experience in higher education in Illinois, Kentucky, Colorado, and California, and before that he had spent 11 years in financial operation and management in the corporate sector. Don, I want to thank you for taking on this challenge.

Chair Galinson will you join me at the podium?

The Boeing Corporation is and has been a leader in supporting education initiatives throughout the United States. The Boeing Corporation is interested in improving California's educational system because they know that better prepared students will mean better prepared workers for their company. Boeing is particularly interested in partnerships between K-12 and higher education. Last year Boeing generously agreed to give us a financial contribution of \$50,000 to produce 500,000 posters on "How to Get to College." One of the things that I have learned by just walking around with Jack O'Connell in our schools is that there are a lot of students in California that have no idea about how to get to college. The Boeing contribution has allowed us to send all classrooms in California and students this poster. This poster is printed in English, with Spanish on the back. It starts in the 6th grade and it give you a road map on how to get there but even more than that, it tells you when to apply, how to apply, where to apply and how to get financial aid. Steve and I have been talking this year about what Boeing can continue to do to build these partnerships. I would like to announce today that the Boeing Company today is going to give us another generous grant of over \$50,000 for a professional development program for math teachers in California. Knowing the expectation that we have for the results of our EAP math test we think that this is a critical area in education. This will allow our faculty to work with the K-12 math faculty so they then work with their students to improve their math scores. Steve, thank you very much for Boeing's continued support. I might also say that Steve also contributes as a board member of the California State University Foundation Board of Governors.

Next I'm going to switch to the sports section of my report. I do need just to quickly recognize FSU, Fresno State University, who has taken the place of the old FSU, on their two great victories. You saw on Saturday, they beat the University of Washington and Kansas State and that's no easy job. So, John congratulations, and we hope that you can invite this entire board to the Sugar Bowl this year. No pressure.

This year, the California State University Fullerton, Titans baseball team won their fourth national championship – the NCAA World Series. It doesn't get any better or any bigger than that. The students celebrated yesterday with a big rally on campus and today I am very pleased to have the members of the team here. President Gordon, I would like to invite you to come forward and introduce the team. I can't tell you how proud I was because after the second game, after this team won its championship, they showed the greatest sportsmanship. The team that they were playing, the University of Texas, didn't show the greatest sportsmanship. They forgot to congratulate these young men for what they had accomplished. I was proud that all the sportscasters talked about the sportsmanship of this team. Congratulations to all of you.

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President Gordon: I would like to make just a few comments. In the room with us this morning, because we combine our academic and our athletic programs, is Dr. Robert Palmer, Vice President for Student Affairs, to whom our Department of Athletics reports and Brian Quinn, our Director of Athletics. Our students are one of the greatest supporters of athletics at Cal State Fullerton. They always have been strong supporters of our athletics programs. Here with us this morning representing our more than 32,000 students is Philip Vasquez, President of our Associated Students, Inc.

The Cal State Fullerton NCAA College World Series Championship Team is really a very special team. I've watched many teams on their field of competition over the years. This is a team that, as you probably know, in the month of April did not have a successful record. The players and the coaches got together at some point in the spring, and to the best of my calculations after that meeting this team won essentially almost nine out of every ten games they played from that point on. The Cal State Fullerton baseball team beat every major college baseball team, including all of the number one teams. I've often thought one of the greatest strengths they had is the belief in themselves and each other.

They always felt that one or more of the players would be able to do what was necessary to do to win the game. I consider them one of the most courageous athletic groups with whom I have participated. Some teams have an ability to have a certain electricity or magnetism. I really feel they did this year. I was there in 1995, when we won, but I've never received so many compliments as this year. There were so many people following this particular team. I received e-mails, calls, letters, they were following them any way that they could. I think they actually deserved whatever the final result would be.

I, too, was there in Omaha and I told the team, Saturday morning before the first game with Texas, that I considered them one of the most courageous programs that I've had the pleasure of watching. I was watching one of the national television stations on Saturday evening, I think it could have been CNN or one of them, and they said, "Guess What? What team is one game away from winning the Collegiate Baseball Championship?" and the announcer said, "Cal State Fullerton." I have to tell you that I was never prouder of a team or a program than this particular group here today. So when I say, the 2004 National Collegiate Baseball Champs in Division I, this indeed is the team and they deserve all the recognition they can get. Chancellor Reed was right, Coach George Horton, who has been with the team for many years, was a first baseman on our baseball team in 1975, and now as our head baseball coach, was named NCAA Division I Coach of the Year and he, too, deserves all the recognition that he can get. So it is now my pleasure to introduce Coach George Horton and ask him to make a few comments. Thank you very much.

Coach Horton: It's a pleasure to be here. I can tell you that I am really nervous with all the educators and people that have meant so much to me, Chancellor Reed, the Board of Trustees,

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university presidents, thank you for honoring us today. I am very proud of the young men that I was so blessed to be able to be around last year. I think Chancellor Reed and Dr. Gordon grasped the character of this group very, very well. I won't bore you with the details, but I am proud to play my role in this organization. I want to thank Dr. Palmer, as well, like Dr. Gordon did for his great leadership in providing an opportunity for us to compete at the national level. We all know how important that is. Thanks to my athletic administration, Brian Quinn and Steve Ditolla, for directing me to make the right decisions with these young men and also providing me with the opportunity to be successful. But again, I only play a small role in this. The head coach sometimes gets too much of the honors and accolades. I share this award with my coaching staff, of whom I'm very proud. They are all alumni of the Cal State system who played for me. Two of them have taken opportunities at UC Irvine and will be competitors now and we'll look forward to that. In the eight years that we were together we went to Omaha four times and it culminated into what I like to talk about the National Coach of the Year Award as the staff coach of the year award. The last two years we were successful as a staff in being deemed the best coaching staff in the country in the sport of baseball. As far as the players, I can only thank them for how they represented all of us as Chancellor Reed and President Gordon stated on the playing field, in sportsmanship, in the classroom, in the hospitals, to bus drivers, to maids. They not only are national champions in the sport of baseball, they're national champions in the game of life. This is an educational process and even though it's an athletic endeavor and they taught me more about life and relationships than any group I've ever been around. I'm very proud of them for that and I thank them for that. And I thank you again for honoring us today.

President Gordon: If I might, I would like to make one more comment. We always like to talk about access with quality. Nine of these players that played and won the 2004 NCAA College World Series during the semester that they were competing and then winning the World Series, they had grade point averages of over 3.0 and three of them had grade point averages over 3.5. For a college sport and the team that won the championship, that is quite an achievement.

Trustee Kaiser: If I could just add, I was in Honolulu coming off the cruise with the training ship Golden Bear, for the CSU Maritime Academy and because the catcher is from Honolulu, the newspapers there were also celebrating the great performance. So we had a sister state celebrating with us as well.

Chancellor Reed: Chair Galinson that concludes my report.