

AGENDA

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

**California State University, Long Beach
University Student Union
1212 Bellflower Boulevard
Long Beach, California**

March 21, 2001--10:45 a.m.

Presiding: Laurence K. Gould, Chair

Call To Order and Roll Call

Chairman's Report

Chancellor's Report

Report of the CSU Alumni Council: President: *Larry Adamson*

Report of the California State Student Association: *Shaun Lumachi*

Report of California Postsecondary Education Commission: *Ralph Pesqueira*

Approval of Minutes of Board of Trustees' Meeting of January 24, 2001

Board Items

1. Election of Five Members to Committee on Committees for 2001-2002

Report of Committees

Committee of the Whole: *Chair—Larry Gould*

4. Amended Policy on Punitive Damages

Committee on Finance: *Chair – William Hauck*

7. Real Property Development Project at CSU Fresno, Fresno Events Center

Committee on Organization and Rules: *Chair—Roberta Achtenberg*

Committee on University & Faculty Personnel: *Chair – Bob Foster*

1. Executive Compensation
2. California State University Healthcare Reimbursement Account Plan

Committee on Collective Bargaining: *Chair – Ralph Pesqueira*

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

Committee on Educational Policy: *Chair – Dee Dee Myers*

1. Review and Recommendation of Honorary Degrees
3. Academic Planning and Program Review

Committee on Campus Planning, Building and Grounds: *Chair – Stanley Wang*

1. Amend the 2000/01 Capital Outlay Program, Nonstate Funded
2. Amend the 2000/01 Capital Outlay Program, State Funded
3. Certify a Final Environmental Impact Report and Approve the Campus Master Plan Revision at San Diego State University
4. Certify a Final Environmental Impact Report and Approve the Campus Master Plan Revision for California Polytechnic State University, San Luis Obispo
6. Preliminary State and Nonstate Funded Five-Year Capital Improvement Program 2002/03 Through 2006/07
7. Approval of Schematic Plans

Committee on Governmental Relations: *Chair – Martha Fallgatter*

1. 2001-2002 Legislative Report No. 2

Committee on Institutional Advancement: *Chair – Ali C. Razi*

1. Naming of Facility—San Jose State University

Communications and Correspondence

Old Business

New Business

Public Comment

Adjournment

**MINUTES OF MEETING OF
BOARD OF TRUSTEES**

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

January 24, 2001

Trustees Present

Laurence K. Gould, Chair
Roberta Achtenberg
William D. Campbell
Daniel Cartwright
Martha C. Fallgatter
Debra S. Farar
Harold Goldwhite
William Hauck
Neel I. Murarka
Dee Dee Myers, Vice Chair
Ralph R. Pesqueira
Frederick W. Pierce IV
Ali C. Razi
Charles B. Reed, Chancellor
Stanley T. Wang

Trustees Absent

Cruz Bustamante, Lt. Governor
Gray Davis, Governor
Delaine Eastin, Superintendent of Public Education
Robert Hertzberg, Speaker of the Assembly
Bob Foster
Murray L. Galinson
Shailesh J. Mehta
Anthony M. Vitti

Chancellor's Office Staff

David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Richard P. West, Executive Vice Chancellor and Chief Financial Officer
Jackie R. McClain, Vice Chancellor, Human Resources
Douglas X. Patiño, Vice Chancellor, University Advancement

Christine Helwick, General Counsel

Chair Gould called the meeting to order at 10:40 a.m.

Chair's Report

Chair Gould nominated the following trustees to serve on the Committee on Committees: Martha Fallgatter to chair, Denny Campbell, Debra Farar, Dee Dee Myers, and Stanley Wang. The vote to approve the committee membership will be held at the March meeting.

Chair Gould announced that, Chancellor Reed will undergo a three-year review in early spring and that the board would welcome comments from anyone who is not contacted directly.

Chair Gould announced that the CSU received the Higher Education Award For Leadership in National Service from the Corporation for National Service.

Chair Gould also noted several positive recent articles on the CSU and acknowledged the Founders Trophy that was awarded to Cal Poly Pomona and Cal Poly San Luis Obispo campuses for their float at this year's Rose Parade.

The chair reported on the successful fundraising effort at Cal Poly Pomona, which recently honored Julia Child with an honorary degree. He also reported that Cal Poly San Luis Obispo received the largest single cash and stock gift in CSU history from Paul Orfalea.

Chair Gould highlighted the unanimous confirmation by the U.S. Senate of CSU Fresno alumnus, Paul O'Neil, as the new secretary of the treasury.

Chair Gould noted that this meeting was the last meeting for Douglas Patiño as Vice Chancellor and extended to him the CSU's deepest appreciation for all his hard work.

Trustee Gould announced the meeting of the statewide Academic Senate at the end of the month in San Diego and encouraged attendance at the CSU Legislative Day on Monday, March 12 and reminded everyone that the next Board meeting would be held on the campus of CSU, Long Beach.

The chair then called on Senate Chair Jackie Kegley to make a presentation.

Senate Chair Kegley read into the record the following commendation to Trustee Stanley T. Wang:

WHEREAS, California State University Trustee Stanley T. Wang has recently given the CSU \$1.2 million to fund a ten-year program that will provide 200 scholarships for CSU students and 40 stipends for CSU faculty members for the purpose of study, teaching, and research in China, specifically,

- Each year during the program, the Wang Family Scholarship will provide ten, \$4,000, one-semester student scholarships to be used for travel and study at the National Taiwan University or the National Tsinghua University and ten similar scholarships for use at universities in the People's Republic of China, and
- Each year during the program, the fund will provide an annual \$10,000 faculty stipend for research and teaching at National Taiwan University and another one for use at the National Tsinghua University and two similar stipends for use at universities in the People's Republic of China; and

WHEREAS, Two years ago, Trustee Stanley T. Wang gave the CSU system \$1 million to create a ten-year program to recognize CSU faculty members and administrators who, through extraordinary commitment and dedication, have distinguished themselves by exemplary contributions and achievements in their academic disciplines and areas of assignment, specifically, to provide each year awards of \$20,000 each to four CSU faculty members and one administrator; therefore be it

RESOLVED: That the Academic Senate of the California State University express its high regard for Trustee Stanley T. Wang and his family and its warmest appreciation for

- their generosity toward the students, faculty members, and administrators of the California State University,
- their dedication to fostering international educational and scholarly experiences for CSU students and faculty members, and
- their commitment to recognizing exemplary contributions and achievements by CSU faculty members and administrators.

Dr. Kegley stated that the Academic Senate approved the commendation by acclamation, January 18-19, 2001. She added that it would be presented to Trustee Wang in parchment form in the near future.

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

Chancellor's Report

Chancellor Reed thanked Governor Davis for the 12% proposed increase in the California State University's general fund 2001/02 budget.

The Chancellor reported on the California State University's bargaining efforts. He stated that recruiting and retaining the best faculty and staff and increasing their compensation continues to be a top priority.

The Chancellor reported that the California State University is continuing to do its part to conserve power during the current statewide energy crisis and summarized the many energy savings projects that are underway at the California State University.

Chancellor Reed spoke about the progress being made by the California State University in remedial education. He complimented the campuses and students on reaching the Board's goal of completing remedial education courses within a year.

Chancellor Reed thanked the advancement division and campus advancement offices for the latest report on external support. The Chancellor thanked the many generous contributors, especially Mr. Paul Orfalea, for his generous contribution to Cal Poly San Luis Obispo.

Chancellor Reed made several announcements including that President Bob Suzuki, California State Polytechnic University, Pomona, was named as the California State University's representative to the California Student Aid Commission; that President Don Gerth, California State University, Sacramento was named Sacramentan of the Year; and that President Alistair McCrone, Humboldt State University received the Distinguished Alumnus Award from the University of Kansas. The chancellor also congratulated the California State University Dominguez Hills soccer team, the Toros, on their first NCAA Division II national championship in December.

Chancellor Reed accepted a \$500,000 check from Ms. Shaun Henry, senior vice president and South Bay Region Executive for the Bank of America. He thanked Ms. Henry and the Bank of America Foundation for their generosity.

Chancellor Reed congratulated President Marvalene Hughes and CSU Stanislaus on its 40th anniversary. President Hughes thanked the Chancellor and the Board of Trustees.

Mr. Chairman, that concludes my report.

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

Report of the CSU Alumni Council

Larry Adamson, president, reported for the Alumni Council.

Report from the California State Student Association

Shaun Lumachi, Chair, reported for the CSSA.

Report from the California Postsecondary Education Commission

Trustee Ralph Pesqueira, CSU representative to CPEC, referred the trustees to the report contained in their packet.

Approval of Minutes

The minutes of the Board of Trustees' meeting of November 9, 2000, were approved as submitted.

Agenda Items for the Board of Trustees

Chair Gould reported there were three items for consideration by the Board of Trustees.

Reappointment of Ad Hoc Committee on Off-Campus Facilities (RBOT 01-01-01)

Trustee Gould called for the motion. The resolution was moved and seconded.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of The California State University, that the Ad Hoc Committee on Off-Campus Facilities be renewed. The membership of this committee shall consist of:

Anthony M. Vitti, Chair
William D. Campbell
Martha C. Fallgatter
Laurence K. Gould, Jr., Chair of the Board, ex officio
Ralph R. Pesqueira
Frederick W. Pierce IV
Ali C. Razi
Charles B. Reed, Chancellor, ex officio

Appointment of Member to the California State University Headquarters Building Commission (RBOT 01-01-02)

Trustee Gould called for the motion. The resolution was moved and seconded.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of the California State University, that Mr. Donald Wallace be appointed a commissioner of the CSU Headquarters Building Authority for the term ending November 30, 2004.

Conferral of the Title, Vice Chancellor *Emeritus* (RBOT 01-01-03)

Trustee Gould called for the motion. The resolution was moved and seconded.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of The California State University, that this board confer the title of Vice Chancellor Emeritus, University Advancement, on Douglas X. Patiño, with all the rights and privileges thereto.

Report of Committees

Report from the Ad Hoc Committee on Off-Campus Facilities

Trustee Bill Hauck reported that the committee heard one item.

California State University, Fullerton Branch Campus at El Toro–Conceptual Plan (RAH 01-01-01)

Trustee Bill Hauck moved the resolution; 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 endorses CSU Fullerton’s efforts designed to meet growing student demand in Orange County; and, be it further

RESOLVED, That CSU Fullerton continue to work with the Orange County Board of Supervisors in their role as the El Toro Marine Corps Air Station base closure Local Reuse Authority toward the objective of securing a portion of the base for the location of permanent California State University facilities; and

The chancellor shall make periodic progress reports to the board on these efforts.

Report of the Committee on Collective Bargaining

Trustee Pesqueira reported the committee took the following actions: Adopted the CSU initial proposals for bargaining with the Statewide University Police Association and the California State Employees Association, ratified the tentative agreements with all CSU unions to recognize March 31, Cesar Chavez Day as a holiday for bargaining unit employees, and ratified the new three year agreement with the Academic Professionals of California.

The Committee also recognized two speakers from the Academic Professionals of California.

Mr. Pesqueira also announced that faculty members would soon see their fiscal year 2000/2001 salaries increase.

The faculty will be receiving full retroactive increases to July 1, 2000 for the general salary increase and eligible faculty will receive service salary increases and their faculty merit increases retroactive to that date as well. The first of these retroactive checks will be issued by the middle of next month.

Report of the Committee on Audit

Trustee Fred Pierce reported that the committee heard four information items and one action item. The information items consisted of the Status Report on Current and Follow-up Internal Audit Assignments, Quality Assurance Review of the Office of the University Auditor, Report of the Systemwide Audit in Accordance with Generally Accepted Accounting Principles Including the Report to Management, and Single Audit Report of Federal Funds. The committee approved the item, Assignment of Functions to be Reviewed by the Office of the University Auditor for Calendar year 2001. No further Board action is required on the committee's action.

Report of the Committee on Finance

Trustee Bill Hauck reported that Subcommittee of Finance considered one information item that consisted of an update from President Lyons on the National Sports Complex at California State University, Dominguez Hills.

Trustee Hauck reported that the full committee heard eight action items and three information items. The information items consisted of: Status Report on the 2001/2002 Support Budget, the California State University Debt Capacity Study, and Auxiliary Organization Tax Exempt Financing for San Diego State University.

Approval of the Implementation of a Commercial Paper Financing Program for the California State University (RFIN 01-01-01)

Trustee Hauck moved the resolution; there was a second.

The Board of Trustees approved resolutions that will achieve the following:

1. Revenue Bond Anticipation Note Resolution authorizing the issuance of The Trustees of the California State University Not To Exceed \$250,000,000 Revenue Bond Anticipation Notes relating to not to exceed \$250,000,000 California State University Institute commercial paper Notes, Series A tax-exempt Notes and Series B Taxable Notes.
2. Resolution Of The Trustees Of The California State University Approving The Form And Authorizing The Execution Of A Letter Of

Credit And Reimbursement Agreement And Certain Other Actions In
Connection Therewith.

The complete text of the resolutions prepared by bond counsel and described above, as distributed to the Board and adopted by the Board, is on file in the office of the Chancellor, Long Beach, California.

Approval for the Issuance of the Debt Instruments Supported by Bonds of the California State University Housing Revenue Bond System For an Apartment Complex at California State University Fullerton (RFIN 01-01-02)

Trustee Hauck moved the resolution; there was a second.

The Board of Trustees approved resolutions that achieve the following:

- (1) Authorize the sale and issuance of the California State University Bond Anticipation Notes and California State University Housing System Revenue Bonds in an amount not to exceed \$25,510,000 and certain actions relating thereto.
- (2) Provide for a delegation to authorize the chancellor, the executive vice chancellor and chief financial officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

The complete text of the resolutions prepared by bond counsel and described above, as distributed to the Board and adopted by the Board, is on file in the office of the Chancellor, Long Beach, California.

Approval for the Issuance of Debt Instruments Supported by Humboldt State University Student Union Revenue Bonds for an Expansion of the Student Union (RFIN 01-01-03)

Trustee Hauck moved the resolution; there was a second.

The Board of Trustees approved resolutions that achieve the following:

- (1) Authorize the sale and issuance of the Humboldt State University Bond Anticipation Notes and Humboldt State University Student Union Revenue Bonds in an amount not to exceed \$4,060,000 and certain actions relating thereto as presented to the board at this meeting.
- (2) Provide for a delegation to authorize the chancellor, the executive vice chancellor and chief financial officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

The complete text of the resolutions prepared by bond counsel and described above, as distributed to the Board and adopted by the Board, is on file in the office of the Chancellor, Long Beach, California.

Real Property Development Project at San José State University for a Classroom and Office Complex Project (RFIN 01-01-04)

Trustee Hauck moved the resolution; 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 support the concept of developing a classroom and office building project at San José State University and authorize the campus in consultation with the chancellor's office to formulate a development plan for the project with the understanding that the development plan; the financial plan; alternative financing mechanisms that consider the consequences on debt capacity and ratings; and additional information will be presented to the trustees for approval at key points in the process.

Real Property Development Project at San José State University for a Campus Housing and Retail Village Project (RFIN 01-01-05)

Trustee Hauck moved the resolution; 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 support the concept of developing a campus housing and retail village project at San José State University and authorize the campus in consultation with the chancellor's office to formulate a development plan for the project with the understanding that the development plan; alternative financing mechanisms that consider the consequences on debt capacity and ratings; and additional information will be presented to the trustees for approval at key points in the process.

Real Property Development Project at California State University, Northridge for the Los Angeles Unified School District Academy High School (RFIN 01-01-06)

Trustee Hauck moved the resolution; 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:

Approve the concept of California State University, Northridge entering into land exchange and operating agreements with the Los Angeles Unified School District to permit the construction of an Academy High School.

Real Property Development Project at California State Polytechnic University, Pomona for the International Polytechnic High School (RFIN 01-01-07)

Trustee Hauck moved the resolution; 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 support the concept of a real property development project at California State Polytechnic University, Pomona, to develop an International Polytechnic High School and authorize the campus, in consultation with the Chancellor's Office, to develop the necessary agreements for the project.

Real Property Development Project at California State University, Hayward for an Internet Switching Center (RFIN 01-01-08)

Trustee Hauck moved the resolution; 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 support the construction of an Internet switching center, parking and infrastructure improvements at California State University, Hayward and authorize the campus in consultation with the Chancellor's Office to execute agreements necessary to implement the development plan for the project.

Report of the Committee on Educational Policy

Trustee Dee Dee Myers reported that the committee heard one action and two information items. The action item dealt with honorary degrees and was conducted in closed session.

Report of the Committee on University and Faculty Personnel

Trustee Fred Pierce reported that the committee heard one action item.

Paid Holidays – Cesar Chavez Day –March 31 (RUF 01-01-01)

Trustee Pierce moved the resolution; there was a second.

Chair Gould called for comments from the public in order to comply with legal requirements that a public hearing must be held on revisions to Title 5. Hearing none, the public hearing was closed.

Chair Gould called for the question; the Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of The California State University, acting under the authority prescribed herein and pursuant to Sections 89030 and 89500 of the Education Code, that the Board hereby amend its regulations in Section 42920, Article 4.1, Subchapter 7, Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

§ 42920. Holidays.

The Chancellor for the systemwide staff and the President for each campus shall be responsible for the administration of paid holidays for the employees under their supervision.

- (a) The following holidays, when not occurring on a Saturday or Sunday, shall be observed on the days specified:
 - (1) January 1
 - (2) Third Monday in January (Martin Luther King, Jr. Day)
 - (3) March 31 (Cesar Chavez Day)
 - (4) July 4
 - (5) First Monday in September (Labor Day)
 - (6) Thanksgiving Day
 - (7) December 25
 - (8) Any other day designated by the Governor of this state for a public fast or holiday.

- (b) The following days are designated holidays which the Chancellor or President may reschedule to another day consistent with the needs of the campus or systemwide offices:
 - (1) Third Monday in February (President's Day)
 - (2) February 12 (Lincoln's Birthday)
 - (3) Last Monday in May (Memorial Day)
 - (4) September 9 (Admission Day)
 - (5) Second Monday in October (Columbus Day)
 - (6) November 11 (Veteran's Day)

- (7) Personal holiday, to be designated by each employee. The employee may be required to supply reasonable advance notice of intent to take the personal holiday.
- (c) Any holiday which falls on a Saturday shall be observed on the preceding Friday and any holiday which falls on a Sunday shall be observed on the following Monday.
- (d) On days when the campuses or systemwide office are observing holidays, particular employees may be required to work to perform necessary services.

NOTE: Authority cited Sections 89030 and 89500, Education Code. Reference: Section 89500, Education Code.

And, be it further

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

And, be it further

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

Report of the Committee on Governmental Relations

Trustee Debra Farar reported that the Committee on Governmental Relations heard two action items.

Adoption of Trustees' Statement of Legislative Principles (RGR 01-01-01)

Trustee Farar moved the resolution; 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 Statement of Legislative Principles as contained in Agenda Item 1 of the January 23-24 meeting of the Trustees' Committee on Governmental Relations be adopted, and be it further

RESOLVED, That the Chancellor is authorized to take positions on pending legislation on behalf of the Board of Trustees, but in taking such positions, the Chancellor shall consult, when practical, with the Chair of the Committee on Governmental Relations, the full Board, or the Chair of the Board of Trustees; and be it further

RESOLVED, That the Chancellor shall keep the Board regularly informed of the positions taken and of such other matters affecting governmental relations as is deemed desirable and necessary.

2001-2002 Legislative Report No. 1 (RGR 01-01-02)

Trustee Farar moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of The California State University, that the legislative proposals described in Agenda item 2 of the January 23-24, 2001 meeting of the Trustees' Committee on Governmental Relations are adopted as the 2001 Board of Trustees' Legislative Program.

Report of the Committee On Campus Planning, Buildings and Grounds

Trustee Stanley Wang reported that the committee heard two information and two action items.

Approval of Schematic Plans (RCPBG 01-01-01)

Trustee Wang moved the resolution; there was a second.

The Board of Trustees approved the following resolutions:

1. California State University, Channel Islands East Campus Residential Development Phase I Faculty and Staff Housing

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

1. The FEIR/SEIR was prepared to include the Specific Reuse Plan for the East Campus Residential Development (150 acres), and more specifically the Phase I Development, and this Board of Trustees concurs with the findings

identified pursuant to the requirements of the California Environmental Quality Act; and

2. Based on the information contained in the subject FEIR/SEIR and the mitigation measures identified therein, the proposed project, Phase I East Campus Residential Development, will not have any additional or previously unknown significant adverse effects on the environment; and
3. Therefore, no additional mitigation measures are hereby adopted or required by the Board of Trustees as the Responsible Agency; and
4. The project will benefit the California State University; and
5. The schematic plans for the California State University, Channel Islands, East Campus Residential Development Phase I Faculty and Staff Housing are approved at an estimated project cost of \$49,250,000 at CCCI 3909.

**2. California State University, Northridge
Western Center for Adaptive Aquatics**

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

1. The board finds that the Categorical Exemption for the California State University, Northridge, Western Center for Adaptive Aquatics has been prepared in accordance with the requirements of the California Environmental Quality Act; and
2. The proposed project will not have a significant effect on the environment; and the project will benefit The California State University; and
3. The schematic plans for the California State University, Northridge, Western Center for Adaptive Aquatics are approved at a project cost of \$4,570,000 at CCCI 3909.

Certify a Mitigated Negative Declaration, Approve the Campus Master Plan Revision, Amendment to the Nonstate Funded Capital Outlay Program and Schematic Plans for the Internet Switching Center Phase 1 at California State University, Hayward (RCPBG 01-01-02)

Trustee Wang moved the resolution; 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 Mitigated Negative Declaration was prepared for the California State University, Hayward, Internet Switching Center, project pursuant to the requirements of the California Environmental Quality Act; and
2. With the implementation of the mitigation measures set forth in the Mitigated Negative Declaration, which are hereby adopted and specifically identified in Attachment C herein, the proposed project will not have a significant effect on the environment, and will benefit The California State University; and
3. The mitigation measures identified shall be monitored and reported in accordance with the plan included as Attachment C herein which meets the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6); and
4. The chancellor is requested under Delegation of Authority by the Board of Trustees, to file the Notice of Determination for the project; and
5. The California State University, Hayward campus master plan revision dated January 2001 is hereby approved.
6. The 2000/01 Nonstate Funded Capital Outlay Program is amended to include \$32,167,000 for preliminary plans, working drawings, and construction, for the Internet Switching Center, Phase 1 and related site development/landscaping.
7. The schematic plans for the California State University, Hayward, Internet Switching Center, Phase 1 project are approved at a project cost of \$32,167,000 at CCCI 3909

Report of the Committee On Institutional Advancement

Trustee Ali Razi reported that the committee heard three information and five action items.

1999/2000 Voluntary Support Raised by the California State University Campuses (RIA 01-01-01)

Trustee Razi moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of the California State University, that the Board adopts the 1999/2000 Annual Report of Voluntary Support for the California State University as contained in

Agenda Item 3 of the January 23-24, 2001 meeting of the Trustees' Committee on Institutional Advancement, for submission, as required by law, to the California Postsecondary Education Commission, the California Joint Legislative Budget Committee, and the California Department of Finance.

Naming of Facility – California State University, Stanislaus (RIA 01-01-02)

Trustee Razi moved the resolution; 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 faculty development center at California State University, Stanislaus be named the John Stuart Rogers Faculty Development Center.

Naming of Facility – California State University, San Bernardino (RIA 01-01-03)

Trustee Razi moved the resolution; 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 second permanent building at the California State University, San Bernardino Coachella Valley Off-Campus Center be named the Indian Wells Center for Educational Excellence.

Naming of Academic Program – California Polytechnic State University, San Luis Obispo (RIA 01-01-4)

Trustee Razi moved the resolution; 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 College of Business at California Polytechnic State University, San Luis Obispo be named the Orfalea College of Business.

Naming of Facility – California Polytechnic State University, San Luis Obispo (RIA 01-01-05)

Trustee Razi moved the resolution; 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 ASI Children's Center at California Polytechnic State University, San Luis Obispo be named the Orfalea Family & ASI Children's Center.

Communications and Correspondence

Old Business

New Business

Public Comments

The board heard comments from Mr. Pat Gantt, Chair, CSU Labor Council.

Adjournment

The meeting adjourned at 11:35 a.m.

BOARD OF TRUSTEES

Election of Five Members to Committee on Committees for 2001/2002

Presentation By

Laurence K. Gould, Jr., Chair
Board of Trustees

According to the Rules of Procedure of the Board of Trustees of the California State University, (Article VI, Item 2) Chair Gould nominated five trustees to serve as members of the Committee on Committees for the term 2001-2002 at the January 24, 2001 meeting of the Board of Trustees.

The following resolution is recommended for approval:

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 2001-2002 term:

Martha C. Fallgatter, Chair
William D. Campbell
Debra Farar
Dee Dee Myers
Stanley Wang

REPORT OF CHAIR LAURENCE K. GOULD, JR.
Board of Trustees
The California State University
January 24, 2001

In accordance with our Rules of Procedure, I am required to nominate at this meeting five trustees to serve on the Committee on Committees. I am nominating Martha Fallgatter to chair and Denny Campbell, Debra Farar, Dee Dee Myers, and Stanley Wang to serve on this Committee. A vote to approve the Committee membership will occur at the March meeting.

In March it will be three years since Dr. Reed first joined us full-time as Chancellor of the California State University. Board policy requires trustees to review a chancellor's performance every three years, just as we do with every campus president. We will commence this process before the next meeting and will be contacting many of you in this room. Some will be contacted by reason of the positions they hold, and others will be selected at random from both within and outside CSU. We would, of course, welcome comments from anyone not contacted directly.

I'm honored to announce that the Corporation for National Service has awarded its Higher Education Award for Leadership in National Service to the California State University. CSU is one of only seven universities receiving this recognition. This award is directly attributable to the 135,000 CSU students who perform more than 33 million hours of community service every year.

Recently, CSU has been receiving a tremendous amount of favorable publicity. The magazine, *Hispanic Outlook in Higher Education*, ranked 19 of our campuses as "Publisher's Picks" -- those colleges that the magazine ranks as offering solid opportunities for Hispanic students. In its first issue this year the magazine also had a feature article on CSU Dominguez Hills describing how that campus, with 4 out of 5 students from a minority group, celebrates the richness of its student body.

Last week when I opened up the *California Historical Society's* magazine, I saw a glowing tribute to CSU Hayward Professor Richard Orsi. He is stepping down after 12 years of editing that magazine, and during that time he edited the very best scholarly materials written as part of the sesquicentennial celebration of California statehood.

On New Year's Day millions around the world watched on television as the Rose Parade awarded its Founder's Trophy to the float sponsored by the two Cal Poly's. That trophy is given to the best float built by volunteers, and it's just one more example of the tremendous volunteer activities undertaken by our students.

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The national spotlight shined on a CSU alumnus when he was selected to be the nation's No. 1 financial officer. Paul O'Neill, who graduated from CSU Fresno where he was a business major, has been tapped as the new Secretary of the Treasury, and last Saturday the Senate unanimously confirmed him for this tremendously important position. Since his signature will start to appear on every piece of paper currency in America, we can only hope that even more of that currency will find its way back into CSU's coffers.

Speaking of donations, two recent fundraising events received tremendous statewide coverage. When Cal Poly Pomona awarded an honorary degree to Julia Child, renowned chefs came from around the world to prepare an exquisite gourmet dinner for her, and that dinner marked the most successful fundraising event ever for the Collins School of Hospitality Management at Cal Poly Pomona. And the same day that was occurring, Cal Poly San Luis Obispo announced the largest single gift of cash or stock in the history of CSU. Mr. Paul Orfalea, the founder of Kinko's, donated \$15 million in company stock to Cal Poly San Luis Obispo, all to support its business school.

When we think of these fundraising milestones, it shows how far we have come. Faced with California's financial crunch in the early '90s, CSU wanted to expand its fundraising, and the person we chose to lead that effort was Douglas Patiño. Today marks his final Board meeting as Vice Chancellor because he'll retire at the end of this month, but while here Douglas put together the infrastructure that allows successful fundraising activities to prosper. While I know -- and Douglas would be the very first person to say -- that our fundraising achievements result from tremendous efforts by our presidents as well as dedicated professors, alumni and of course the University Advancement staff, this could not have happened as well without Douglas' efforts. I like to call Dr. Patiño the "billion dollar man" because during the eight years he's been here, he's helped CSU raise more than a billion dollars in outside support -- a billion dollars that allows us to keep our commitment to quality at CSU.

Just as Douglas knows the importance of raising funds for CSU, he knows that it's equally important to raise friends for CSU. And Douglas is a friend indeed. He always has time to help someone else. Douglas and his charming wife Barbara may only have one son, Victor, but I know -- and so many of you know -- how Douglas helps so many young people. He gives of his time and treasure to ensure that young people have both the encouragement and the resources to attend college, and he's always there to make young people see that college is a realistic possibility in their future. On behalf of the entire CSU family, I extend to you, Douglas, our deepest thanks for everything you have done to advance the university in so many ways. We extend to you this verbal *abrazo*, and we wish you godspeed in all your ventures in the future.

Looking forward, the Statewide Academic Conference will occur at the end of next month in San Diego, and I'm pleased to report that at least nine Trustees will be attending. The CSU

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Legislative Day will be held on Monday, March 12th, and I encourage everyone to participate in this important event.

Remember that, in line with our goal of holding one Board meeting a year on a CSU campus, The March 20-21 Board meeting will be held on the Long Beach campus, and we look forward to President Maxson hosting us there.

Finally, to prove that you can find true love in the CSU system, I'm pleased to offer best wishes to Northridge President Jolene Koester and San Diego State Professor Ron Lustig upon their marriage on January 1st.

Senate Chair Jackie Kegley asked for a moment to express the senate's appreciation to Trustee Wang who donated \$1.2 million to the CSU to sponsor student scholarships and faculty stipends to be used in study and research about China.

That concludes my report.

REPORT OF CHANCELLOR CHARLES B. REED
Board of Trustees
The California State University
January 24, 2001

Thank you Chairman Gould. I want to begin by publicly thanking Gov. Davis for the strong support he has shown for the CSU in his 2001/02 budget. The 12 percent increase he has proposed for our general fund budget demonstrates his strong ongoing commitment to higher education. As you know, state support for the CSU budget has increased by \$843 million over the last three years.

This budget would sustain and advance that investment with strong support in our priority areas:

- Ensuring access for students;
- Maintaining high quality by recruiting and retaining the best faculty and staff;
- Improving student academic preparation through K-12 collaborations;
- Contributing to California's workforce by investing in key academic programs.

We will continue to work with the state to fund several key items that were not included in his proposal, such as:

- An additional two percent faculty and staff salary increase to bring our compensation pool to six percent;
- \$5 million to create an employee housing assistance program;
- \$12 million to improve student services.

Once again, I thank the Governor for his strong support.

With regard to the current energy crisis, the CSU is continuing to do its part to conserve power. As an institution with a \$50 million annual electrical bill and a 600-million kilowatt-hour annual consumption, we are very conscious of the need to conserve. Over the past 20 years, we have implemented energy savings projects that have saved cumulative 123 million kilowatt hours beyond code requirements.

We continue to participate in a contract with Enron Energy Services, through which they are the sole provider of electricity to most of our campus facilities. Over the past three years of this contract, our projected savings totals \$6.3 million.

During the current crisis, I have asked all of our campuses to reduce energy consumption through efforts such as keeping thermostats set at 68 degrees. We have also identified, for the assistant secretary of consumer services, \$185 million in distributed generation and demand reduction

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projects, which could yield 93 megawatts of savings by summer 2002. Over 31 megawatts of that represents permanent demand reductions, with no further utility, operational, or environmental costs. These projects represent a good investment for the state.

As many of you know, the current crisis has been costly for our campuses. The four campuses that are on interruptible service have been assessed penalties totaling about \$3 million over the last six months, due to their need to continue normal operations during energy shortages. These campuses have needed to keep the power on during critical times like finals week, and so they have had to pay steep penalties.

We also need to be aware that natural gas prices have skyrocketed. Campuses are projecting a doubling of the natural gas portion of their utility budgets due to these cost increases. This could lead to an increase of about \$16 to \$20 million for the purchase of gas in 2001. We will continue to discuss this critical issue and look for new solutions to these costly problems.

In the remedial education area, we continue to make progress. It looks like we are making good strides in mathematics. However, while the percentage of students needing remediation in English is still on the decline, it's clear that our students still have English language problems. We will continue working with K-12 schools and students to reduce the need for remedial education.

I want to compliment our institutions and our students on reaching that goal of completing remedial education courses within a year. We raised the bar and our students and institutions rose to meet it. That says a lot about what we can accomplish as a university.

Next, I want to thank our advancement division and campus advancement offices for the good news we received in the latest report on external support. This revenue allows the CSU to provide a margin of excellence in the education it provides to its students. The increases we are seeing in external support reflect a growing confidence in the CSU on the part of its alumni and friends.

I also want to take this opportunity to thank our many generous contributors, especially Mr. Paul Orfalea, whom we honored earlier this morning for his generous contributions to Cal Poly San Luis Obispo.

A few miscellaneous announcements:

- Pres. Suzuki has been named as the CSU's representative to California's Student Aid Commission.

- Pres. Gerth has been named Sacramentan of the Year.
- Pres. McCrone was given the Distinguished Alumnus Award from the Geology Department at the University of Kansas.
- Congratulations to CSU, Dominguez Hills soccer team. The Toros won their first-ever NCAA Division II national championship in December.

Next, I would like to ask Chairman Gould and Ms. Shaun Henry from Bank of America to come up to the podium. Ms. Henry is senior vice president and the region executive for the Bank of America's South Bay Region.

Two years ago, the Bank of America Foundation made an extraordinary commitment to literacy efforts in Southern California. The Bank of America Foundation pledged \$1 million to the CSU to support and expand upon Governor Davis' elementary reading initiatives. With the first installment of \$500,000, the CSU was able to:

- Link faculty expertise with K-3 reading instructional goals;
- Expand service areas of the project;
- Connect community resources more closely with the Governor's reading goals;
- Collect data on schools with successful student achievement in reading.

So far, the Governor's Reading Initiative has helped more than 6,000 teachers add to their expertise in teaching reading. In addition, students in 2nd and 3rd grade have made greater improvements on the SAT-9 test than any other grade level in the state.

Ms. Henry is here to present the CSU with a check for \$500,000, which represents the second installment of this grant.

Ms. Henry, on behalf of the California State University, I want to thank you and the Bank of America Foundation for your generosity and commitment to this important educational initiative. Please extend my gratitude to Bank of America Chairman and CEO Hugh McColl.

Next, I would like to invite President Marvalene Hughes to join me and Trustee Gould up front. President Hughes, we want to congratulate you and your institution on its 40th anniversary.

Over the past 40 years, CSU Stanislaus has grown into an outstanding institution that is distinguished for offering access to excellence. On behalf of the trustees and the entire California State University, I thank you for all that you do for the students of California.

Mr. Chairman, that concludes my report.