

AGENDA

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

California State University
Office of the Chancellor
401 Golden Shore
Long Beach, California

May 16, 10:00 a.m.

Presiding: Laurence K. Gould, Chair

Call To Order and Roll Call

Chair'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 March 21, 2001

Board Items

1. Recognition of the Women's Basketball Team at California State Polytechnic University Pomona, *Information*
2. Recognition of the Men's Soccer Team at California State University, Dominguez Hills, *Information*

Report of Committees

Committee of the Whole: *Chair—Larry Gould*

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

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

1. Schedule of Board of Trustees' Meetings, 2002

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

Committee on Finance: *Chair – William Hauck*

2. Approval for the Issuance of Debt Instruments Supported by the Sonoma State University Parking System Revenue Bonds, Series A, and Related Matters
3. Proposed Dissolution of Auxiliary Organization at California State University, Stanislaus-Stockton
4. 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 Polytechnic State University, San Luis Obispo and Related Matters

Committee on Governmental Relations: *Chair – Martha Fallgatter*

1. 2001/2002 Legislative Report No. 3

Committee on Institutional Advancement: *Acting Chair – Roberta Achtenberg*

1. Naming of Academic Program--California State University, Fresno
2. Naming of Academic Program---California State University, Fresno

Committee on Collective Bargaining: *Chair – Ralph Pesqueira*

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

3. Approval of an Amendment to the Nonstate Funded Capital Outlay Program and Schematic Plans for the International Polytechnic High School at California State Polytechnic University, Pomona
4. Certify the Final Environmental Impact Report, Approve the Campus Master Plan Revision, Amend Nonstate Funded Capital Outlay Program and Schematic Plans for the National Training Center/Sports Complex at California State University, Dominguez Hills

Old Business

New Business

- Election of Chair and Vice Chair for 2001/2002
- Election of Members to Standing Committees of the Board of Trustees for 2001/2002
- Election of Members to the California Postsecondary Education Commission

Public Comment

Adjournment

**MINUTES OF MEETING OF
BOARD OF TRUSTEES**

Trustees of The California State University
California State University, Long Beach
University Student Union, Multipurpose Room ABC
1215 Bellflower Boulevard
Long Beach, California

March 21, 2001

Trustees Present

Laurence K. Gould Jr., Chair
Daniel Cartwright
Martha C. Fallgatter
Debra S. Farar
Murray L. Galinson
Harold Goldwhite
William Hauck
Shailesh J. Mehta
Neel I. Murarka
Dee Dee Myers, Vice Chair
Frederick W. Pierce IV
Ali Razi
Charles B. Reed, Chancellor
Anthony M. Vitti
Stanley T. Wang

Trustees Absent

Cruz Bustamante, Lt. Governor
Gray Davis, Governor
Delaine Eastin, Superintendent of Public Education
Robert Hertzberg, Speaker of the Assembly
Roberta Achtenberg
William D. Campbell
Bob Foster
Ralph Pesqueira

Chancellor's Office Staff

Christine Helwick, General Counsel
Jackie R. McClain, Vice Chancellor, Human Resources
Freda H. Otto, Administrative Officer in Charge, University Advancement
David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Richard West, Executive Vice Chancellor and Chief Financial Officer

Chair Gould called the meeting to order at 10:45 a.m.

Chair's Report

Chair Gould thanked President Maxson and his colleagues for their tremendous job of hosting the Board of Trustees at Cal State Long Beach.

Chair Gould noted the importance of faculty in the CSU, and about the effort that the CSU is placing on creating conditions to attract and retain high quality faculty in the future.

Chair Gould spoke about the issue of affordable housing for faculty at CSU and the continuing effort to urge legislators and the Governor to approve CSU's request for \$5 million to establish an employee housing assistance program.

Chair Gould noted the CSU's work to secure solid benefits for all of its employees by getting legislation passed that allows the Board of Trustees to address this issue. He reported that CSU is the first public university in California to offer benefits to domestic partners of CSU employees.

Chair Gould spoke of CSU's efforts to improve facilities though working with private donors as well as state supported construction and maintenance.

The Chair noted the work of each of the University Presidents as well as other staff members who help to secure large gifts such as the \$15 million gift from Paul Orfalea, the founder of Kinko's, to Cal Poly San Luis Obispo.

The Chair reported that the CSU has received a total of \$457 million in grants and contracts from public and private organizations an increase of 90 percent and during the past year alone,

Chair Gould noted that the growth in student population of 30,000 has helped the CSU to keep its commitment to accessibility and affordability. He also noted that student fees have gone down making them one of the lowest of any four-year public university system in the country.

Chair Gould recognized CSU students for the national recognition they have brought to the CSU because of their community service.

Chair Gould spoke of the CSU's continuing commitment and partnership with K-12 schools. This outreach project has been so successful that Gov. Davis has proposed to double this effort this year.

Chair Gould recognized Chancellor Reed, Executive Vice Chancellors West and Spence and their entire team for creating the UC/CSU partnership with Governor Davis that envisions a continuous, stable funding base for this university.

Chair Gould recognized Trustee Ali Razi who is finishing his term on the board. He thanked him for his dedication and commitment to the mission of the CSU and especially to the Trustee Scholarship.

Chair Gould also recognized Trustee Hauck whose term on the board has expired as well. However he noted Trustee Hauck's willingness to be reappointed for another term, and remarked that he will support Trustee Hauck's reappointment.

Chancellor's Report

Chancellor Reed thanked Long Beach State for hosting the meeting. The Chancellor gave special thanks to the staff at Long Beach for their work in hosting a successful meeting.

Chancellor Reed welcomed the faculty, staff, and students who were able to sit in on the meeting.

The Chancellor joined Chairman Gould in his appreciation for Trustees Razi and Hauck.

Chancellor Reed thanked the trustees for their outstanding work in finding two new presidents. He stated that Dick Rush and Bill Eisenhardt are nationally respected leaders who will bring experience and enthusiasm to their new positions at CSU Channel Islands and the Maritime Academy.

The Chancellor reported that The CSU has testified about its 2001/02 budget before the Senate and Assembly budget subcommittees and is waiting to hear what will happen with the May Revise. The Chancellor reiterated the CSU's commitment to push very hard for a total compensation pool of 6 percent. He also noted that the CSU is looking for an additional \$12 million for student services.

Chancellor Reed reported that Proposition 1A, which was a reliable capital outlay funding source runs out next year. He stated that the CSU is requesting authorization for a new four-year bond in 2002.

The Chancellor spoke about the continuing concern about energy costs, particularly the rise in natural gas prices and the increasing stress that it will put on the budget. These and other energy issues could have a major effect on current and future budgets.

Chancellor Reed noted Dr. Spence's presentation on the education doctorate. The Chancellor believes that the CSU can offer the access, affordability, and high-quality expertise that no other college or university in the state can offer.

The Chancellor reported on the Governor's Teaching Fellows program, and expressed his pride that CSU was chosen to administer the program.

Chancellor Reed made several announcements including that President Lyons received the Franklin H. Williams Award from the Peace Corps; that CSU Dominguez Hills received the American Association of Colleges for Teacher Education (AACTE) award for promoting diversity in teacher education; that CSU, Sacramento was chosen, for the second time, to host the U.S. Track and Field Olympic Trials for the 2004 Olympics; and

that the CSU Northridge Matadors and the Fresno State Bulldogs had reached the NCAA Division I basketball championships.

Chair Gould and President Baker joined Chancellor Reed at the podium to recognize Cal Poly San Luis Obispo on its 100 years of academic excellence in serving the state of California.

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

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

Approval of Minutes

The minutes of the Board of Trustees' meeting of January 24, 2001 were approved as submitted

Agenda Items for the Board of Trustees

Chair Gould reported there was one item for consideration for the Board of Trustees

Election of Five Members to Committee on Committees for 2001/2002 (RBOT 03-01-04)

Chair Gould called for the motion; there was a second.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of The California State University, that the following trustees are elected to constitute the board's Committee on Committees for the 2001-2002 term:

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

Reports of Committees

Report from the Committee of the Whole

Trustee Gould reported that the committee heard one action item.

Amended Policy on Punitive Damages (RCOW 03-01-01)

Trustee Gould 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, as follows:

Whenever an award of punitive damages is entered by a judge or jury against any California State University employee, former employee, agent, or member of the Board of Trustees, an investigation shall be conducted into the facts and circumstances giving rise to the claim and the evidence presented at the trial of the action, and a report shall be prepared for the Board. Any Board member who is the object of such an investigation shall not participate in the subsequent decision-making about his or her personal circumstances. The Board shall then reach its own conclusion as to whether all of the following circumstances pertain:

1. The judgment is based on an act or omission of the employee, former employee, agent, or member of the Board of Trustees acting within the course and scope of his or her employment or other function within the California State University.
2. At the time of the act giving rise to the liability, the employee, former employee, agent, or member of the Board of Trustees acted, or failed to act, in good faith, without actual malice and in the apparent best interests of the California State University.
3. Payment of the claim or judgment would be in the best interests of the California State University.

Where all of the above criteria are met, the Board shall either apply to the Legislature for approval of payment of the punitive award in accord with Government Code section 825(b), or use its best efforts to identify a non-state source of funds appropriate to the circumstances presented, including funds held by the various legally separate auxiliary organizations within the CSU, and to encourage payment from those non-state fund sources as an appropriate service to the mission of the CSU.

Committee on Finance

Trustee Hauck reported that the committee heard six information items and the one action item.

Auxiliary Organization Tax Exempt Financing at California State University, Fresno for the Save Mart Center (RFIN 03-01-09)

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 The Save Mart Center at California State University, Fresno and authorize the campus in consultation with the Chancellor's Office to execute agreements necessary to implement the development plan for the project.

Committee on Organization and Rules

Trustee Farar reported that the committee heard one information item.

Committee On University And Faculty Personnel

Trustee Pierce reported that the committee heard two action items.

Executive Compensation (RUF 03-01-02)

Trustee Pierce 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 Dr. William B. Eisenhardt shall receive a salary set at the annual rate of \$185,004 effective July 1, 2001, the date of his appointment as president of the California Maritime Academy and he shall be required to occupy the official CMA presidential residence (Residence #2) as a condition of employment; and that Dr. Richard R. Rush shall receive a salary set at the annual rate of \$200,004 and a housing allowance set at the annual rate of \$28,752, June 1, 2001 or soon thereafter, effective with his appointment as president of the California State University, Channel Islands.

CSU Health Care Reimbursement Account Plan (RUFP 03-01-03)

Trustee Pierce 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 CSU Health Care Reimbursement Account Plan be made available to executives of the California State University effective June 1, 2001.

Committee On Collective Bargaining

Trustee Fallgatter reported that the committee took the following actions: Adopted the CSU initial proposals for bargaining with the Union of American Physicians and Dentists, the State Employees Trades Council, and the International Union of Operating Engineers; and ratified the tentative agreements with all CSU unions to provide healthcare reimbursement accounts.

Committee On Audit

Trustee Pierce reported that the committee heard one discussion item.

Committee On Educational Policy

Trustee Myers reported that the committee acted on an item dealing with honorary degrees in closed session. Trustee Myers also reported that the committee heard one information item, and one action item.

Academic Planning and Program Review (REP 03-01-01)

Trustee Myers 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 amended projections on the Academic Plans for the California State University (as contained in Attachment A to Agenda Item 2 of the March 20-21, 2001, meeting of the Committee on Educational Policy), be approved and accepted as the basis for necessary facility planning; and be it further

RESOLVED, that those degree programs included in the Academic Plans are authorized for implementation, at approximately the dates indicated, subject in each instance to the chancellor's determination of need and feasibility, and provided that financial support, qualified faculty, facilities,

and information resources sufficient to establish and maintain the programs will be available; and be it further

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

Committee On Campus Planning, Buildings And Grounds

Trustee Wang reported that the committee heard one information item, and six action items.

Amend the 2000/01 Capital Outlay Program, Nonstate Funded (RCPBG 03-01-03)

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 the 2000/01 Nonstate Funded Capital Outlay Program is amended to include \$500,000 for preliminary plans, working drawings, construction, and equipment for the San Francisco State University, Residence Dining Center Addition.

Amend the 2000/01 Capital Outlay Program, State Funded (RCPBG 03-01-04)

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 2000/01 State Funded Capital Outlay Program is amended to include \$5.2 million for preliminary plans, working drawings, construction, and equipment for the California State Polytechnic University, Pomona, Center for Animal and Veterinary Science Education, Phase Ia project as Priority 27.
2. CSPU Pomona will include the balance of funding required for Phase Ia in a future capital outlay budget request based on campus priorities.

Certify a Final Environmental Impact Report and Approve the Campus Master Plan Revision for San Diego State University (RCPBG 03-01-05)

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 FEIR and the Addendum to the FEIR (collectively “the FEIR”) for the SDSU campus master plan revision was prepared to address the environmental effects, mitigation measures and project alternatives associated with approval of that project, and all discretionary actions relating thereto, and that project consists of the following project components: (1) two academic/research buildings, a performing arts complex, a science research building, a physical plant and an addition to the North Life Sciences Building; and (2) a faculty office/classroom/gallery building and parking structure, an addition to the communication building, a new campus childcare center, an addition to the International Student Center and a central park.
2. The FEIR (State Clearinghouse No. 2000051026) was prepared pursuant to the California Environmental Quality Act (CEQA) and the state CEQA Guidelines.
3. This resolution is adopted pursuant to the requirements of Section 21081 of the Public Resources Code and Section 15091 of the state CEQA Guidelines, which require that the Board of Trustees make findings prior to approval of a project (along with statements of facts supporting each finding).
4. This board hereby adopts the findings of fact and related mitigation measures provided under separate cover for Agenda Item 3 of the March 20-21, 2001 meeting of the Committee on Campus Planning, Buildings and Grounds, which identify specific impacts of the proposed project and related mitigation measures and which are incorporated by reference; and the findings of fact and the related mitigation measures are incorporated by reference.
5. The board’s findings include specific overriding considerations that outweigh certain remaining significant impacts.
6. The FEIR has been prepared to address the environmental impacts, mitigation measures, project alternatives, comments and responses to comments associated with the approval of the SDSU campus master

plan revision pursuant to the requirements of CEQA and the state CEQA Guidelines.

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

All of the above information is on file with the California State University, Office of the Chancellor, Capital Planning, Design and Construction, 401 Golden Shore, Long Beach, California, 90802, and San Diego State University, Office of Facilities Planning and Management, Administration Building, Room 130, 5500 Campanile Drive, San Diego, California 92182-1624.

8. The board certifies the FEIR for the SDSU campus master plan revision.
9. The mitigation measures identified in the Mitigation Monitoring Plan are hereby adopted and shall be monitored and reported in accordance with the Mitigation Monitoring Plan, which is under separate cover for Agenda Item 3 of the March 20-21, 2001 meeting of the Committee on Campus Planning, Buildings and Grounds, which meets the requirements of CEQA (Public Resources Code Section 21081.6).
10. The SDSU campus master plan revision, dated March 2001, is hereby approved.
11. The chancellor or his designee is requested under the Delegation of Authority granted by the Board of Trustees to file the Notice of Determination with respect SDSU campus master plan revision.

the requirements of the California Environmental Quality Act.

2. The proposed project will not have a significant effect on the environment, and the project will benefit The California State University.
3. The chancellor is requested under Delegation of Authority by the Board of Trustees to file the Notice of Determination for the project.
4. The schematic plans for the California Maritime Academy, Engineering Renovation/Addition are approved at a project cost of \$7,249,000 at CCCI 3909.

Committee On Governmental Relations

Trustee Fallgatter reported that the committee heard and approved one action item.

2001-2002 Legislative Report No. 2 (RGR 03-01-03)

Trustee Fallgatter moved the resolution; there was a second.

The Board of Trustees moved the following resolution:

RESOLVED, By the Board of Trustees of the California State University, that the 2001-02 Legislative Report No. 2 is adopted.

Committee on Institutional Advancement

Trustee Razi reported that the committee approved one item on the calendar and heard one information item and one action item.

Naming of Facility – San José State University (RIA 03-01-06)

Trustee Razi moved the resolution; there was as second.

The Board of Trustees approved the following resolution

RESOLVED, By the Board of Trustees of the California State University, that the new athletic conditioning, strength-building and rehabilitation facility at San José State University be named the Koret Athletic Training Center.

Communications and Correspondence

Old Business

New Business

Public Comments

The board heard comments from the following individuals who requested to speak before the board:

1. Charles Goetzl, President of the Academic Professionals of California.
2. M.J. 'Kip' King, Service disabled veteran.
3. Dr. Rita R. Boggs, Carson, CA resident
4. Royce Love, Carson, CA resident
5. Rev. Patrick McPolin, Casa Claret
6. Susan Meisenhelder, CFA President
7. Harry Barron, Carson, CA resident
8. Tony Brock, Safe Passage Tennis Program
9. Margo Kasdan, CFA Association Vice President
10. Mike Raspberry, Carson, CA resident
11. Dr. Rudy Vanterpool, CSUDH Professor
12. Rick Price, University Heights Homeowners' Association, Carson, CA
13. Thomas Clayton, Carson, CA resident
14. Ardrall Johnson, Carson CA resident
15. Stuart Pardau, Esq. Representing Carson Harbor Village
16. H.R. Norwood, Carson, CA resident
17. Ledgis Williams, Carson, CA resident
18. Robert Lesley, Carson, CA resident
19. Rova Williams, Carson, CA resident
20. Ms. Cindy Grager, Carson, CA resident
21. Walter "Ray" Winbush, Carson, CA resident
22. Halleemon Anderson, ASI President, CSUDH

Adjournment

The meeting adjourned at 12:15 p.m.

Certify a Final Environmental Impact Report and Approve the Campus Master Plan Revision for California Polytechnic State University, San Luis Obispo (RCPBG 03-01-06)

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 FEIR for the Cal Poly campus master plan was prepared to address the potential significant environmental effects, mitigation measures and project alternatives associated with approval of the proposed campus master plan, and all discretionary actions relating thereto, including the component construction projects as identified on Page 230, Project Description, of the FEIR.
2. The FEIR (State Clearinghouse No. 2000081102) was prepared pursuant to the California Environmental Quality Act (CEQA) and the state CEQA Guidelines.
3. This resolution is adopted pursuant to the requirements of Section 21081 of the Public Resources Code and Section 15091 of the state CEQA Guidelines, which require that the Board of Trustees make findings prior to the approval of a project (along with statements of facts supporting each finding).
4. This board hereby adopts the findings of fact and related mitigation measures provided under separate cover for Agenda Item 4 of the March 20-21, 2001 meeting of the Committee on Campus Planning, Buildings and Grounds, which identify specific impacts of the proposed project and related mitigation measures which are hereby incorporated by reference.
5. The board's findings include specific overriding considerations that outweigh certain remaining significant impacts.
6. The FEIR has been prepared to address the environmental impacts, mitigation measures, project alternatives, comments and responses to comments associated with the approval of the Cal Poly campus master plan revision pursuant to the requirements of CEQA and the state CEQA Guidelines.
7. Prior to certification of the FEIR, the Board of Trustees has reviewed and considered the above-mentioned FEIR. The board hereby certifies the FEIR for the Cal Poly campus master plan

revision as complete and adequate in that the FEIR addresses all environmental impacts of the proposed project and fully complies with the requirements of CEQA and the state CEQA Guidelines. For the purpose of CEQA, the record of the proceedings for the project comprises the following:

- A. The DEIR for the Cal Poly campus master plan revision;
- B. The FEIR, including comments received on the DEIR and responses to comments;
- C. The proceedings before the Board of Trustees relating to the subject project, including testimony and documentary evidence introduced prior to or at the meeting; and
- D. All attachments, documents incorporated, and references made in the documents as specified in items A through C above.

All of the above information is on file with the California State University, Office of the Chancellor, Capital Planning, Design and Construction, 401 Golden Shore, Long Beach, California 90802-4210 and California Polytechnic State University, San Luis Obispo, Department of Facilities Planning and Management, 1 Grand Avenue, San Luis Obispo, California 93407.

- 8. The board certifies the FEIR for the Cal Poly campus master plan revision, including its component construction projects.
- 9. The board finds that the FEIR has sufficiently analyzed the environmental impacts and mitigation measures for the campus master plan revision, including the component construction projects identified in the FEIR, and that the resolutions and approvals being provided by the board apply to the construction of these component projects. The board shall consider the FEIR in connection with any approvals of the component projects.
- 10. The mitigation measures identified in the Mitigation Monitoring and Reporting Plan are hereby adopted and shall be monitored and reported in accordance with the Mitigation Monitoring and Reporting Plan, which is under separate cover for Agenda Item 4 of the March 20-21, 2001 meeting of the Committee on Campus Planning, Buildings and Grounds, which meets the requirements of CEQA (Public Resources Code Section 21081.6).

11. The Cal Poly campus master plan revision, dated March 2001, is hereby approved with the goal of serving 17,500 full-time equivalent students.
12. The chancellor or his designee is requested under the Delegation of Authority granted by the Board of Trustees to file the Notice of Determination with respect to the Cal Poly campus master plan revision.

Preliminary State and Nonstate Funded Five-Year Capital Improvement Program 2002/03 Through 2006/07 (RCPBG 03-01-07)

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 Preliminary State and Nonstate Funded Five-Year Capital Improvement Program 2002/03 through 2006/07 totaling \$3,552,135,000 and \$1,697,373,000 respectively are approved.
2. The chancellor is requested to explore all reasonable funding methods available and communicate to the governor and the legislature the need to provide funds for the CSU state funded plan in order to develop the facilities necessary to serve all eligible students.
3. The chancellor is directed to return to the Board of Trustees for approval of the *final* State and Nonstate Funded Five-Year Capital Improvement Program 2002/03 through 2006/07, including the 2002/03-action year request, no later than the November 13-14, 2001 board meeting.

Approval of Schematic Plans (RCPBG 03-01-08)

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 Negative Declaration for the California Maritime Academy, Engineering Building Renovation/Addition has been prepared in accordance with

REPORT OF CHAIR LAURENCE K. GOULD, JR.
Board of Trustees
The California State University
March 21, 2001

Every year we like to hold a Board of Trustees meeting on a California State University campus. Last year we were at San Jose. Next year we'll be at Sacramento. This year we're at Long Beach. GO BEACH!

Haven't President Maxson and all of his colleagues done a tremendous job of hosting us at this meeting? Thanks to all of you.

Because we have so many members of the California State University community in attendance, today I want to focus on the nature of this university, on some of the challenges facing California State University, and on how we've met some of those challenges in the past and plan to deal with others in the future.

First of all, there's no doubt about it. California State University is simply America's finest university. With our unwavering commitment to access, affordability and high quality, we have a mission and a record to match any other university - bar none. I am so proud of the California State University. And each and every one of you has a right to be proud of everything you do to ensure the successes of California State University.

The California State University faculty is the heart and soul of this institution. Every one of my colleagues on this Board knows that, and we value our faculty tremendously. California State University's faculty is teaching the next generation of California's leaders, and for that we - and all of California - are greatly indebted to you.

California State University has taken, and is taking, many steps to put in place conditions that will retain our excellent faculty and will help attract high quality faculty to replace those who are retiring - one of the great challenges facing the university. We have made a priority of increasing salaries. California State University asked for and received a 6% compensation increase for faculty this year, and we have requested another 6% increase for the next fiscal year. If we receive the six percent this year, it will bring the total increase over the past five years to nearly 31%. In the past three years alone, the California State University faculty salary gap has been reduced by about half, to 3.9 percent.

Two weeks ago at California State University's annual Legislative Day in Sacramento, the number one message we gave to Legislators was how important it is for California State University to receive the additional two percent compensation increase for faculty and staff over

and above the four percent increase already recommended by Gov. Davis. I think that message went through loud and clear. We are committed to increasing faculty and staff salaries, and I want to commend publicly Trustee Vitti for all of his leadership in this effort. He has been steadfast and a stalwart.

We know that affordable housing continues to be one of the major issues facing our current and future faculty and staff members. At Cal State Channel Islands I sit on the site authority that is building housing that will be sold and rented at affordable prices. We will use the availability of this affordable housing to attract high quality faculty to this campus. Trustee Farar and I just returned from a visit to California State University Monterey Bay. There we saw a superb program of affordable housing for faculty, staff and students. No doubt, the affordable housing on that campus attracts quality faculty to teach at Monterey Bay. During yesterday's discussions we heard about Cal State Fullerton's successful plans to build 86 new homes in Buena Park for university employees. That's just the beginning. Cal State Fullerton is cooperating with several other local cities to build affordable housing for faculty and staff, and we hope those plans come to fruition. We're trying to replicate these and other efforts as best we can on all of our campuses. We have asked all of our campus presidents to reexamine the local housing situation and assess what the university can do to help. In Sacramento, we will continue to urge our legislators and the governor to approve California State University's request for \$5 million to establish an employee housing assistance program.

We strive to provide our faculty, staff and students with better support and facilities. In our libraries all the campuses now bid together to subscribe to the periodicals students and faculty use most. This joint approach has saved us money and frees up other dollars to obtain other books and journals for students and scholars. Many of California State University's physical facilities are aging. We have finally turned the corner on deferred maintenance and are augmenting state construction funds with support from private donors.

California State University has received record amounts of external support in the last two years. Our presidents and advancement personnel work day and night and during the majority of their mealtimes every week garnering this support. But we all know that advancement is not the province of University Advancement or the presidents alone. Faculty and staff members are also great contributors to our fundraising efforts.

Cal Poly San Luis Obispo just received a \$15 million gift--the largest gift in California State University history--from Kinko's founder Paul Orfalea. Mr. Orfalea, who is not an alumnus, became interested in the university after striking up a conversation with Tom Dalton, a senior research associate in the College of Liberal Arts, when they were both at a local car dealership. After this staff member told him about Cal Poly, Mr. Orfalea was intrigued and wanted to learn more. He visited the campus, talked with faculty, students, and administrators and then decided

to make a major contribution to the university. But his initial contact came through a staff member. Many foundations make grants to universities not simply because of the institution itself but because of the presence of outstanding faculty members. Let me give just one example. The internationally famous Robert Wood Johnson Foundation just gave \$12-1/2 million to San Diego State University, and it did so because Professor James Sallis is at that campus. He will use that grant to develop a healthy living program. This external support is extremely important for the California State University.

Since I became a trustee in 1996, California State University has grown by more than 30,000 students. We have kept our doors open and we are now serving all of those students. We are keeping California State University's commitment to accessibility. At the same time, we are also keeping our commitment to affordability. In fact, California State University's system-wide student fees are 10 percent lower than they were in 1996. At \$1,428 per academic year, California State University has the one of the lowest system-wide fees of any four-year public university in the country. In addition, California now offers what is probably the best financial aid program of any in the country--the new Cal Grant program. California State University - and especially our Chancellor and his staff - played an essential role in the negotiations that led to the final passage of this program, and we can be proud of that.

Our students are always a great source of pride for this university, and this year our students brought national recognition to California State University because of their community service. More than 135,000 students throughout the California State University system perform a total of 33.6 million hours of community service every year. At a minimum wage rate, that equals \$193 million of service.

Everyone in this room shares California State University's commitment to access, affordability and high quality. From the Chancellor to the custodian, we all share a love for the mission of this university. Faculty makes this mission come alive every day as they teach. California State University's accessibility and affordability make the mission real for our students. The worth of the mission is expressed by so many alumni who have told me, "Larry, California State University made college accessible for me - and gave me a superb education." And no one holds the mission of this university dearer than the Trustees.

Indulge me a moment or two. Today marks the last meeting for two of our trustees under their current terms. One is Trustee Ali Razi. Trustee Razi has declined to submit his name to the Governor for possible reappointment, but I want to tell you about this gentleman. When he was first asked by the Governor to be a Trustee, he said he didn't want to serve on the Board unless he was sure that mission was important. He investigated and now he is always the first to say that California State University is so important because it's mission is so important. And when he got on the Board, he found out that the funds for Trustee scholarship had run out. So he rolled

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up his sleeves, twisted all of our arms and raised the funds so that we could not only continue the awards but double the number of scholarships. Ali, thank you for everything you do.

And the other Trustee whose term is expiring is Bill Hauck. Bill is a living, breathing California State University success story. A San Jose State grad who was essentially held Shaun Lumachi's current position some time ago, Bill now is tremendously admired in Sacramento as head of the California Business Roundtable and he is always tremendously helpful in our dealings with the Legislature. I understand that Bill has indicated to the Governor that he would be willing to continue serving on this Board, and as I have said to you before, I'm ready to support or oppose your reappointment - whatever will help you most.

California State University functions so well as a system because we have so many capable individuals who all work together for the benefit of the university. I am honored to be a part of this institution, and I thank every one of you for all you do to make this America's finest university.

REPORT OF CHANCELLOR CHARLES B. REED
Board of Trustees
The California State University
March 21, 2001

Thank you Chairman Gould. I appreciate that report and your kind words.

I also want to thank Long Beach State for hosting us this morning. Bob – please give special thanks to all of your staff that worked so hard to host a successful meeting here on campus.

To the faculty, staff, and students who are able to join us today – welcome.

I also want to join Chairman Gould in his appreciation for Trustees Razi and Hauck. Ali, You have served us well and we are grateful for your generosity and commitment. Your help with the Trustees' Scholarship has inspired all of us.

Bill, we have been honored by your service and we hope that we will be seeing you here again.

I want to thank our trustees for the outstanding work they did in finding us two new presidents. Dick Rush and Bill Eisenhardt are nationally respected leaders who will bring experience and enthusiasm to their new positions at CSU Channel Islands and the Maritime Academy. We look forward to welcoming them to the CSU family.

The CSU has testified about its 2001/02 budget before the Senate and Assembly budget subcommittees. We are waiting to hear what will happen with the May Revise.

We are continuing to push very hard for an additional 2 percent increase for faculty and staff compensation (above the 4 percent proposed by Gov. Davis) to bring our total compensation pool to 6 percent. We're also looking for an additional \$12 million for student services.

Proposition 1A, which was a reliable capital outlay funding source for four years, runs out next year. We are requesting authorization for a new four-year bond in 2002 – ideally on the March 2002 ballot. We are looking for a bond that would provide the CSU with at least \$330 million each year – a total of \$4 billion to serve the three higher education segments for four years. This bond will help us with badly needed renovations, repairs, and new construction.

We are still concerned about the future of our energy costs. You may have seen some news articles about our contract with Enron Energy Services. We have a good relationship with Enron, and Enron and their corporate leadership have committed, as far as the cost of electric power to us, through the term of the contract of March 2002. But we have a disagreement about direct access, which includes their meter on our campuses. We are going to continue to work

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that through. The UC is very concerned about their future energy costs if they lose the direct access. We are working to ensure that Enron honors its commitment to the fourth year of its contract.

Also, we continue to be concerned about the rise in natural gas prices. Potentially this is going to eat away at our budget faster than anything else. We have asked the governor and legislature for a total of \$41.1 million to recognize increased natural gas prices for the current year and for 2001/02. These and other energy issues could have a major effect on current and future budgets.

As you heard in Dave Spence's presentation, the CSU has launched an effort to secure the right to grant an education doctorate (Ed.D.). We know that California needs more Ed.D.s in its K-12 schools, community colleges, and university schools of education. Our state's existing private and public programs tend to be costly, inaccessible to working students, and lacking in diversity. We believe that the CSU can offer the access, affordability, and high-quality expertise that no other college or university in the state can offer.

Last Friday in San Jose we joined Gov. Davis in honoring the first Governor's Teaching Fellows. This program offers \$20,000 fellowships to students to pursue a teaching credential, as long as they teach for four years in a low-performing school. The CSU was proud to be chosen to administer this program. We selected 250 fellows this year. From now on we will choose 1,000 fellows per year.

I want to thank President Welty and his staff for their work on the event center in Fresno.

Congratulations to President Lyons for receiving the Franklin H. Williams Award from the Peace Corps. The award is given to those who served admirably in the Peace Corps and then went on to serve their communities. Dr. Lyons served in the Peace Corps in Ecuador in the late 1960s.

Congratulations to CSU Dominguez Hills for receiving an award from the American Association of Colleges for Teacher Education (AACTE) for promoting diversity in teacher education.

Congratulations to Sacramento State for being chosen to host the U.S. Track and Field Olympic Trials for a second time. They will host the trials for the 2004 Olympics.

Congratulations to the CSU Northridge Matadors and the Fresno State Bulldogs for reaching the NCAA Division I basketball championships. These teams represented us well on the national stage – at the “big dance.”

Next, I would like to ask Chairman Gould and President Baker to join me up at the podium. Over the past 100 years, Cal Poly San Luis Obispo has served the state of California and its

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students with academic excellence. Cal Poly has earned a national reputation as a university that offers outstanding academic programs at an affordable price. Through its teaching, research, and outreach to the community, Cal Poly exemplifies the best that the CSU has to offer. President Baker, on behalf of the California State University, I would like to congratulate you and your university on its 100th anniversary. We wish you many more years of success.

Mr. Chairman, that concludes my report.

BOARD OF TRUSTEES

**Recognition of the Women's Basketball Team at California State Polytechnic University,
Pomona**

Presentation By

Charles B. Reed
Chancellor

Bob H. Suzuki
President
California State Polytechnic University Pomona

Summary

During the current academic year, the women's basketball team at California State Polytechnic University, Pomona won the National Collegiate Athletic Association Division II tournament. This is their fourth national title and the first since 1986. Members of the team will be recognized.

BOARD OF TRUSTEES

Recognition of the Men's Soccer Team at California State University Dominguez Hills

Presentation By

Charles B. Reed
Chancellor

James E. Lyons, Sr.
President
California State University Dominguez Hills

Summary

During the current academic year, the men's soccer team at California State University, Dominguez Hills won the Division II, National Collegiate Athletic Association tournament. Members of the team will be recognized.