

**REVISED**

**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

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

**May 15, 2002—9:45 a.m.**

***Presiding: Debra S. Farar, Chair***

**Call To Order and Roll Call**

**Chair's Report**

**Chancellor's Report**

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

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

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

**Approval of Minutes of Board of Trustees' Meeting of March 13, 2002**

**Board Items**

1. Recognition of California State University Bakersfield Men's Swim Team, *Information*
2. Recognition of California State Polytechnic University Pomona Women's Basketball Team, *Information*
3. Recognition of the Model United Nations and Model League of Arab States Teams at California State University San Bernardino, *Information*
4. Conferral of Title Trustee Emeritus, *Action*
5. Conferral of Title Trustee Emeritus, *Action*

**Report of Committees**

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

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

1. 2001/2002 Legislative Report No. 8
2. Education Bond Act: Endorsement by Board of Trustees

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

2. Non-Resident Tuition Fee Rate Increase
4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects
5. Private Sector Participation in the Development of a 49.5 Acre Avocado Orchard at California Polytechnic State University, San Luis Obispo

**Committee on Campus Planning, Buildings and Grounds: *Acting Chair – William Campbell***

1. Amend the 2001/2002 Capital Outlay Program, Nonstate Funded
3. Certify the Final Environmental Impact Report and Approve the Campus Master Plan for the California Maritime Academy
4. Approval of Schematic Plans

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

1. Recognition of Donors to California State University Stanislaus

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

1. Schedule of Board of Trustees' Meetings, 2003

**Committee on University Faculty and Personnel, *Chair – Murray L. Galinson***

1. Executive Compensation

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

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

**Communications and Correspondence**

**Old Business**

**New Business**

- Election of Chair and Vice Chair for 2002/2003
- Election of Members to Standing Committees of the Board of Trustees for 2002/2003
- Election of Members to the California Postsecondary Education Commission

**Public Comment**

**Adjournment**

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

**Trustees of the California State University  
California State University, Sacramento  
University Union Ballroom  
Sacramento, California 95819**

**March 13, 2002**

**Trustees Present**

Laurence K. Gould Jr., Chair  
Roberta Achtenberg  
Cruz Bustamante, Lt. Governor  
Daniel Cartwright  
Martha Fallgatter  
Debra S. Farar, Vice Chair  
Bob Foster  
Murray L. Galinson  
Harold Goldwhite  
William Hauck  
Shailesh J. Mehta  
Ralph Pesqueira  
Frederick W. Pierce IV  
Charles B. Reed, Chancellor  
Erene S. Thomas  
Kyriakos Tsakopoulos  
Stanley T. Wang

**Trustees Absent**

William D. Campbell  
Gray Davis, Governor  
Delaine Eastin, Superintendent of Public Education  
Ricardo Icaza  
Anthony Vitti  
Herb Wesson, Jr., Speaker of the Assembly

**Chancellor's Office Staff**

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

Chair Gould called the meeting to order at 11:00 a.m.

## **Chair's Report**

Chair Gould thanked President Gerth and all of his team at Cal State Sacramento, California's Capital University for hosting the Board.

President Gerth welcomed everyone and took the opportunity to introduce his wife Bev, who was involved in the preparation of this meeting.

Chair Gould highlighted the importance of the board holding a meeting on a campus and thanked everyone, staff, faculty, and students for the remarkable job they did to make the meeting a success. He gave special thanks to all of the shuttle drivers and to the student hosts.

Chair Gould stated that the value of holding a board meeting in the state's capital was that it allows the members of the board to impress upon governmental leaders the needs of the CSU. He noted that this was the third time in the past month that the board had been to Sacramento. These visits included attending CSSA's CHESS conference and the Alumni Council's Legislative Day

Chair Gould reported on the Board's retreat held in early March, and thanked Jackie Kegley for her participation and contributions to the discussions. He stated that so long as the Board and the University continue to focus on quality, CSU's future will be secure.

Chair Gould reported on the search for a new president at Humboldt and thanked trustees Farar, Achtenberg and Foster for their dedicated efforts to secure a superb individual to be the new president.

Chair Gould noted that his term as well as that of Trustee Stanley Wang was expiring. He praised Trustee Wang for his commitment to the California State University by not only giving of his time, but giving of his wealth. He thanked Trustee Wang for his generous contributions in establishing the Wang Family Excellence Awards for faculty and the scholarship program for students.

Trustee Wang thanked Chair Gould for his kind remarks and spoke briefly about his time on the board.

Chair Gould noted the number of peoples' lives affected by the California State University. He remarked upon the "myriad examples of excellence" that included the accomplishments of outstanding faculty, staff, and students that he met during his tenure and stated that, "It's this kaleidoscope of thousands of examples of excellence that make CSU the nation's finest university. What ever the future holds for Stanley and me, we will share in the pride that all of us have for the California State University. And, we know that everyone of you will be striving to make CSU an even finer university and in those endeavors we wish you Godspeed."

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

## **Chancellor's Report**

Chancellor Reed thanked President Gerth and his team for hosting a wonderful meeting in Sacramento.

Chancellor Reed joined Chair Gould in expressing gratitude to Stanley Wang for his service, generosity and his support of the board. He also thanked Trustee Gould for his service and leadership as chair of the board. He stated that the Board would formally honor both Chair Gould and Trustee Wang at its May meeting with a resolution, and he invited them to come to the July board meeting where they would be presented with the resolutions.

Chancellor Reed noted the tentative agreement reached by the California State University and the California Faculty Association. He thanked everybody at California Faculty Association and the CSU who worked hard to find the common ground leading to the tentative agreement. He further stated that the CFA would vote on the agreement through March 21 and expressed his hope of securing a final agreement.

Chancellor Reed reported that the CalStateTEACH program had been fully accredited by the California Commission on Teacher Credentialing.

Chancellor Reed announced that CSU Dominguez Hills had received full WASC accreditation and congratulated President Jim Lyons for his hard work toward achieving that goal.

Chancellor Reed announced that President Suzuki of Cal Poly Pomona, and President Maxson of Cal State Long Beach were both celebrating ten years of presidential leadership. He also noted that President Welty at Fresno State was completing his tenth year.

Chancellor Reed reported that President Jolene Koester, CSUN represented the California State University at the White House conference on preparing teachers for tomorrow.

Chancellor Reed congratulated Professor Robert Blackey, CSUB on receiving the Eugene Asher Award for distinguished teaching from the American Historical Association.

Chancellor Reed presented President Arminana with a plaque on Sonoma State's 40<sup>th</sup> year.

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

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

Ash Hayes, secretary, reported for the Alumni Council

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

Robert Garcia, chair, reported for the CSSA.

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

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

## **Approval of Minutes**

The minutes of the meeting of the Board of Trustees of January 30, 2002 were approved as corrected.

## **Board of Trustees**

Chair Gould presented on action item on the Committee on Committees.

## **Election of Five Members to Committee on Committees for 2002/2003 (RBOT 03-02-01)**

Chair Gould moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University, that the following trustees are elected to constitute the board's Committee on Committees for the 2002/2003 term:

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

## **Report of Committees:**

### **Committee on Collective Bargaining**

Trustee Pesqueira reported that the CSU had reached agreement with the California Faculty Association on a new three-year contract including the compensation increases for fiscal years 2001/02 and 2002/03. The committee approved the initial proposals from CSU for bargaining with the skilled trades unit number 6. The committee also recognized requests to address the committee by representatives of the Academic Professionals Association and the California State Employees Association.

### **Committee on Institutional Advancement**

Trustee Pierce reported the committee heard one information item which was a report on expenditures for advancement activities. The committee also considered two action items:

**Approval of Naming of Facility – California State University, Fresno (RIA 03-02-02)**

Trustee Pierce moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, that the clock tower and grand foyer of the Save Mart Center at California State University, Fresno be named the Larry A. Shehadey Tower.

**Approval of naming of Facility – California State University, San Marcos (RIA 03-02-03)**

Trustee Pierce moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, that the Field House/University Student Union at California State University, San Marcos be named The M. Gordon Clarke Field House/University Student Union.

**Committee On Campus Planning, Buildings And Grounds**

Trustee Wang reported the committee heard on information item on the 2002/03 State Funded Capital Outlay Program. The committee heard four action items as follows:

**Amend the 2001/2002 Capital Outlay Program, Nonstate Funded (RCPBG 03-02-03)**

Trustee Wang moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, that the 2001/02 Nonstate Funded Capital Outlay Program is amended to include: 1) \$25,261,000 for preliminary plans, working drawings, construction and equipment for the California State University, Dominguez Hills, Loker University Student Union Remodel/Addition project; 2) \$1,000,000 for preliminary plans, working drawings, and construction for the California State University, Fresno, Planetarium Museum; and 3) \$1,500,000 for preliminary plans, working drawings, construction and equipment for the California State University, Sacramento, Academic/Administrative Support Building.

**Preliminary State and Nonstate Funded Five-Year Capital Improvement Program 2003/2004 through 2007/2008 (RCPBG 03-02-04)**

Trustee Wang moved the item; there was a second.

The Board of Trustees approved the following resolution:

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

1. The Preliminary State and Nonstate Funded Five-Year Capital Improvement Program 2003/04 through 2007/08 totaling \$3,411,976,000 and \$1,387,757,000 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 2003/04 through 2007/08, including the 2003/04-action year request.

**Certify the Final Environmental Impact Report and Approve the Amendment to the Nonstate Funded Capital Outlay Program and Schematic Plans for the Faculty and Staff Housing at Site H-8 at California Polytechnic State University, San Luis Obispo (RCPBG 03-02-05)**

Trustee Wang moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University that the Board of Trustees, upon consideration of the information provided in the FEIR, approves the following actions and makes the following findings:

1. The Final Environmental Impact Report (FEIR) for the California Polytechnic State University, San Luis Obispo, Faculty and Staff Housing at Site H-8 project (State Clearinghouse No. 2001041121) was prepared to address the potential significant environmental effects, mitigation measures, and project alternatives, associated with the approval of the proposed Faculty and Staff Housing at Site H-8, and all discretionary actions related thereto.
2. This board hereby adopts the findings of fact and related mitigation measures prepared for Agenda Item 4 of the March 12-13, 2002 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 hereby incorporated by reference.

3. Prior to certification of the FEIR, the Board of Trustees has reviewed and considered the above-mentioned FEIR and finds that the FEIR reflects the independent judgment of the Board of Trustees. The board hereby certifies the FEIR for the proposed project as complete and adequate in that the FEIR addresses all significant environmental impacts of the proposed project and fully complies with the requirements of CEQA and the State CEQA Guidelines. For the purposes of CEQA and the State CEQA Guidelines, the record of the proceedings for the project comprises the following:
  - A. The Draft EIR for the Cal Poly, San Luis Obispo, Faculty and Staff Housing at Site H-8 project.
  - B. The FEIR, including all comments received and responses to comments.
  - C. The proceedings before the Board of Trustees relating to the subject project, including testimony and documentary evidence introduced at such proceedings.
  - D. All attachments, documents incorporated, and references made in the documents as specified herein.
4. The board adopts the published findings prepared for Agenda Item 4 of the March 12-13, 2002, meeting of the Committee on Campus Planning, Buildings and Grounds, including its rejection and modification of mitigation measures and the other findings. The board specifically finds that the rejected and unmodified mitigation measures were not feasible for the reasons stated in the FEIR, and describes the reasons for modifying these measures in the findings.
5. The board hereby certifies the FEIR for the California Polytechnic State University, San Luis Obispo Faculty and Staff Housing at Site H-8, and directs that the FEIR be considered in any further actions on the project.
6. The board adopts the Mitigation Monitoring Plan and the mitigations prepared for Agenda Item 4 of the March 12-13, 2002, meeting of the Committee on Campus Planning, Buildings and Grounds, and which meets the requirements of CEQA (Public Resources Code, Section 21081.6).
7. All of the above records referred to in this resolution are on file with the California State University, Office of the Chancellor, Capital Planning, Design and Construction, 401 Golden Shore, Long Beach, California 90802,

and California Polytechnic State University, San Luis Obispo, Office of Facilities Planning (Building 70), San Luis Obispo, California 93407.

8. The board amends the 2001/02 Nonstate Funded Capital Outlay Program to include \$16,155,000 for preliminary plans, working drawings, construction and equipment for the California Polytechnic State University, San Luis Obispo, Faculty and Staff Housing at Site H-8 project.
9. The board approves the schematic plans for the California Polytechnic State University, San Luis Obispo, Faculty and Staff Housing at Site H-8 project at a project cost of \$16,155,000 at CCCI 4019.
10. The board directs the chancellor or his designee under the Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the California Polytechnic State University, San Luis Obispo, Faculty and Staff Housing at Site H-8 project.

#### **Approval of Schematic Plans (RCPBG 03-02-06)**

Trustee Wang moved the item; there was a second.

The Board of Trustees approved the following resolutions:

#### **1. California State University, Fullerton—Fine Arts/Auditorium Project Architect: Hardy Holzman Pfeiffer Associates**

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

1. The board finds that the Negative Declaration for the California State University, Fullerton, Fine Arts/Auditorium project has been prepared in accordance with the requirements of the California Environmental Quality Act.
2. No new potential adverse environmental impacts have been identified, and therefore no new mitigation measures are required.
3. The proposed project will not have a significant effect on the environment; and the project will benefit the California State University.
4. The schematic plans for the California State University, Fullerton, Fine Arts/Auditorium project are approved at a project cost of \$44,546,000 at CCCI 4019

#### **2. California State University, Sacramento—Academic Information Resource Center Project Architect: Dreyfuss and Blackford**

**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, Sacramento, Academic Information Resource Center has been prepared pursuant to 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 schematic plans for the California State University, Sacramento Academic Information Resource Center is approved at a project cost of \$28,881,000 at CCCI 4019.

**3. California State University, San Bernardino, Permanent Coachella Valley Off-Campus Center—Phase II Development  
Project Architect: Lee, Burkhardt, Liu, Inc., Architecture, Planning, Interiors**

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

1. The FEIR was prepared to include the conceptual master plan for the 200 acres, including the Phase II development.
2. Based on the information contained in the subject FEIR and the mitigation measures identified therein, the proposed project will not have a significant effect on the environment.
3. No additional new impacts have been identified that would require additional mitigation measures.
4. The project will benefit The California State University.
5. The schematic plans for the California State University, San Bernardino, Permanent Coachella Valley Off-Campus Center, Phase II Development are approved at a project cost of \$12,230,000 at CCCI 4019.

**Committee on Audit**

Trustee Mehta reported the committee heard one information item on current and follow-up internal audit assignments.

**Committee on Finance**

Trustee Hauck reported the committee heard two information items and five action

items. The information items were Status Report on 2002/03 Support budget and Auxiliary Organization Financing at California State University, Sacramento. The actions items were as follows:

**Approval to Proceed With a New Debt Financing Program for the California State University with Corresponding Revision and Restatement of the California State University Policy on Financing Activities (RFIN 03-02-02)**

Trustee Hauck moved the item; there was a second.

The Board of Trustees approved the following resolution:

**California State University Policy for Financing Activities  
Board of Trustees' Resolution**

**WHEREAS**, The Board of Trustees of The California State University (“the Board” or “the Trustees”) finds it appropriate and necessary to use various debt financing programs afforded to it through the methods statutorily established by the legislature, and to use to its advantage those programs available to it through debt financing by recognized auxiliary organizations of the California State University; and

**WHEREAS**, The Board wishes to establish and maintain policies that provide a framework for the approval of financing transactions for the various programs that enable appropriate oversight and approval by the Trustees; and

**WHEREAS**, Within a policy framework the Board desires to establish appropriate delegations that enable the efficient and timely execution of financing transactions for the California State University and its recognized auxiliary organizations in good standing; and

**WHEREAS**, The Board recognizes that there is a need from time to time to take advantage of rapidly changing market conditions by implementing refinancings that will lower the cost of debt financing for the California State University and its auxiliary organizations and that such refinancings could be better implemented by reducing the time required to authorize such refinancings; and

**WHEREAS**, The Board finds it appropriate to establish the lowest cost debt financing programs for the California State University, and to use the limited debt capacity of the California State University in the most prudent manner; and

**WHEREAS**, There are certain aspects of the tax law related to the reimbursement of up-front expenses from tax-exempt financing proceeds that would be more appropriately satisfied through a delegation to the Chancellor without affecting the Trustees' ultimate approval process for such financings; now, therefore be it

**RESOLVED**, by the Board of Trustees of The California State University as follows:

Section 1. General Financing Policies

- 1.1 The State University Revenue Bond Act of 1947 (Bond Act) provides the Board of Trustees with the ability to acquire, construct, or refinance projects funded with debt instruments repaid from various revenue sources.
- 1.2 The long-term debt programs of the Board of Trustees established pursuant to the Bond Act shall be managed by the Chancellor to credit rating standards in the “A” category.
- 1.3 The intrinsic rating of any debt issued by the Trustees shall be at investment grade or better.
- 1.4 The Trustees debt programs should include the prudent use of variable rate debt and commercial paper to assist with lowering the overall cost of debt.
- 1.5 The Trustees programs shall be designed to improve efficiency of access to the capital markets by consolidating revenue bond programs where possible.
- 1.6 The Chancellor shall develop a program to control, set priorities and plan the issuance of all long-term debt consistent with the five-year non-state capital outlay program.
- 1.7 The Chancellor shall annually report to the Trustees on the activity related to the issuance of long-term debt.

Section 2. Financing Program Structure of the California State University’s Debt Program

- 2.1 To use the limited debt capacity of California State University in the most cost effective and prudent manner, all on-campus student, faculty and staff rental housing, parking, student union, health center, and continuing education capital projects will be financed by the Trustees using a broad systemwide multi-source revenue pledge under the authority of the Bond Act in conjunction with the respective authority of the Trustees to collect and pledge revenues.

Other revenue-based on-campus and off-campus projects will also be financed through this program and the Bond Act unless there are compelling reasons why a project could not or should not be financed through this program (See Section 3 below).

- 2.2 The Chancellor shall establish minimum debt service coverage and other requirements for Bond Act financing transactions and/or for the related

campus programs, which shall be used for implementation of the Trustees' debt programs. The Chancellor shall also define and describe the respective campus program categories.

2.3 The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized and directed, for and in the name and on behalf of the trustees, to take any and all actions necessary to refinance any existing bonds issued pursuant to the Bond Act of 1947 if the refinancing transaction will result in net present value savings, as determined by an Authorized Representative of the Trustees and which determination shall be final and conclusive. Authorized Representatives of the Trustees are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, bond indentures, official statements and all other documents, certificates, agreements and information necessary to accomplish such refinancing transactions.

### Section 3. Other Financing Programs

3.1 The Board recognizes that there may be projects, or components of projects, that a campus wishes to construct that are not advantaged by, or financing is not possible, or is inappropriate for the Bond Act financing program. A campus president may propose that such a project be financed as an auxiliary organization or third party entity financing if there is reason to believe that it is more advantageous for the transaction to be financed in this manner than through the Bond Act financing program.

3.1.1 Such financings and projects must be presented to the Chancellor for approval early in the project's conceptual stage in order to proceed. The approval shall be obtained prior to any commitments to other entities.

3.1.2 These projects must have an intrinsic investment grade credit rating, and shall be presented to the Trustees to obtain approval before the financing transaction is undertaken by the auxiliary organization or other third party entity.

3.1.3 If a project is approved by the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the

Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to assist with the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

- 3.2 The Chancellor may require campus presidents to establish campus procedures applicable to campus auxiliary organizations for the issuance of debt instruments to finance or to refinance personal property with lease purchase, line-of-credit, or other tax-exempt financing methods. The procedures issued by the Chancellor need not contain a requirement for approval of the Trustees or the Chancellor but may include authority for campus presidents to take all actions to assist the auxiliary organization on behalf of the Trustees to complete and qualify such financing transactions as tax-exempt.

#### Section 4. State Public Works Board Lease Revenue Financing Program

- 4.1 The authorizations set forth in this section shall be in full force and effect with respect to any State Public Works Board project which has been duly authorized by the Legislature in a budget act or other legislation and duly signed by the Governor and which is then in full force and effect.
- 4.2 The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all construction agreements, equipment agreements, equipment leases, site leases, facility leases and other documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to provide for the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

#### Section 5. Credit of the State of California

- 5.1. The delegations conferred by this resolution are limited and do not authorize the Chancellor or other Authorized Representatives of the Trustees to establish any indebtedness of the State of California, the Board of Trustees,

any CSU campus, or any officers or employees of any of them. Lending, pledging or otherwise using the credit established by a stream of payments to be paid from funds appropriated from the State of California for the purpose of facilitating a financing transaction associated with a capital project is permitted only if specifically authorized by a bond act or otherwise authorized by the legislature.

## Section 6. Tax Law Requirement for Reimbursement of Project Costs

6.1 For those projects which may be financed under the authority of the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized to make declarations on behalf of the Trustees solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the U.S. Treasury Regulations; provided, however that any such declaration:

6.1.1 Will not bind the Trustees to make any expenditure, incur any indebtedness, or proceed with the project or financing; and

6.1.2 Will establish the intent of the Trustees at the time of the declaration to use proceeds of future indebtedness, if subsequently authorized by the Trustees, to reimburse the Trustees for expenditures as permitted by the U.S. Treasury Regulations.

## Section 7. Effective Date and Implementation

7.1 Within the scope of this financing policy, the Chancellor is authorized to further define, clarify and otherwise make and issue additional interpretations and directives as needed to implement the provisions of this policy.

7.2 This resolution supercedes RFIN 11-98-18 and shall take effect immediately. However, the Chancellor shall have the authority to authorize on a individual basis, auxiliary organization projects that are in the planning stage as of the adoption of this policy to proceed under the previous policy in order to prevent situations that would result in additional project costs or additional time-to-completion.

## **Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds Not-to-Exceed \$145,210,000, and Approval of Related Matters (RFIN 03-02-03)**

Trustee Hauck moved the item; there was a second.

The Board of Trustees approved the resolutions by unanimous vote prepared by Orrick, Herrington & Sutcliffe LLP as bond counsel for the Trustees. The resolutions are on file and:

- (1) Authorize the sale and issuance of the Trustees of the California State University, Systemwide Revenue Bonds and certain actions relating thereto in an aggregate amount not-to-exceed \$145,210,000 for eight previously approved projects described in this agenda item. This resolution will be effective to replace each former bond resolution for a project at the time new Systemwide Revenue Bonds are issued for that project.
- (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 revenue bonds.

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

**Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Sonoma Housing Project Not-to-Exceed \$42,700,000, and Approval of Related Matters (RFIN 03-02-04)**

Trustee Hauck moved the item; there was a second.

The Board of Trustees approved the resolutions by unanimous vote prepared by Orrick, Herrington & Sutcliffe LLP as bond counsel for the Trustees. The resolutions are on file and:

- (1) Authorize the sale and issuance of the Sonoma State University Housing Bond Anticipation Notes and authorize the related sale and issuance of the Trustees of the California State University, Systemwide Revenue Bonds and certain actions relating thereto in an amount not-to-exceed \$42,700,000, and certain actions relating thereto. This authorization would be combined with other financing authorizations to sell bonds at the most opportune time and in the most cost effectively sized transaction.
- (2) Provide for a delegation to authorize the chancellor, the executive vice chancellor and chief financial officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

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

**Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds**

**and Related Debt Instruments for a Northridge Parking Project Not-to-Exceed \$11,280,000, and Approval of Related Matters (RFIN 03-02-05)**

Trustee Hauck moved the item; there was a second.

The Board of Trustees approved the resolutions by unanimous vote prepared by Orrick, Herrington & Sutcliffe LLP as bond counsel for the Trustees. The resolutions are on file and:

- (1) Authorize the sale and issuance of the California State University, Northridge Bond Anticipation Notes and authorize the related sale and issuance of the Trustees of the California State University, Systemwide Revenue Bonds and certain actions relating thereto in an amount not-to-exceed \$11,280,000 and certain actions relating thereto. This project would be combined with other financing authorizations approved at this meeting or in the future to sell bonds at the most opportune time and in the most cost effectively sized transaction.
- (2) Provide for a delegation to authorize the chancellor, the executive vice chancellor and chief financial officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

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

**Conceptual Approval of Private Sector Participation in the Development of a 49.5-acre Avocado Orchard at California Polytechnic State University, San Luis Obispo (RFIN 03-02-06)**

Trustee Hauck moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University, that the board supports the concept of an Educational Program Agreement with Mission Produce at California Polytechnic State University, and authorizes the campus with participation and counsel from the chancellor's office as required in the Trustees policy on Real Property Development Projects (RFIN 05-08-00) and Executive Order No. 747, to negotiate and develop the necessary agreements to complete the development plan for the program, with the understanding that the development plan supported, by the finalized agreements, will be presented to the Trustees for approval prior to the execution of any commitments for use of the property.

## **Committee of the Whole**

Chair Gould reported the committee heard a welcome to CSU Sacramento and were presented with a semi-annual litigation report.

## **Committee on Governmental Relations**

Trustee Achtenberg reported the committee had one action item as follows:

### **2001/2002 Legislative Report No. 7**

Trustee Achtenberg moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of the California State University, that the 2001-02 Legislative Report No. 7 is adopted.

## **Committee on Educational Policy**

Trustee Farar reported the committee heard two information items and three action items. The information items were Community Service Learning in the California State University and Notable Accomplishments in California State University Teaching, Research, and Scholarship: California State University Sacramento, Center for California Studies. The first action item was heard in closed session and was a review and recommendation of nominees for Honorary Degree. The two other action items follow:

### **Academic Planning and Program Review (REP 03-02-04)**

Trustee Farar moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, by the Board of Trustees of the California State University, that the amended projections on the Academic Plans for the California State University (as contained in Attachment A to Agenda Item 2 of the March 12-13, 2002, 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.

**Approval of California State University Bakersfield, Antelope Valley Off-Campus Center (REP 03-02-05)**

Trustee Farar moved the item; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University that this board approves the establishment of a permanent off-campus center operated by CSU Bakersfield in the Antelope Valley.

**Communications and Correspondence**

**Old Business**

**New business**

**Public Comments**

The Board heard comments from Charles Goetzel, President, Academic Professionals of California; Dr. Susan Meisenhelder, President, California Faculty Association; and Pat Gantt, CSU Labor Council.

Trustees Galinson responded to comments made by Mr. Goetzel.

The meeting adjourned at 12:10 p.m.

**BOARD OF TRUSTEES**

**Recognition of California State University Bakersfield Men's Swim Team**

**Presentation By**

Charles B. Reed  
Chancellor

Tomás A. Arciniega  
President  
CSU Bakersfield

**Summary**

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

**BOARD OF TRUSTEES**

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

**Presentation By**

Charles B. Reed  
Chancellor

Bob H. Suzuki  
President  
CSPU 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 fifth national title and the first since 1986. Members of the team will be recognized.

**BOARD OF TRUSTEES**

**Recognition of the Model United Nations and Model League of Arab States Teams at California State University San Bernardino**

**Presentation By**

Charles B. Reed  
Chancellor

Albert K. Karnig  
President  
CSU San Bernardino

**Summary**

Members of the Model United Nations and Model Arab States Teams from California State University San Bernardino will be recognized for their notable achievements. For the seventh consecutive year the Model United Nations team from San Bernardino was selected for an Outstanding Delegation Award. In competition in the Model League of Arab States their peers selected the team as an Outstanding Delegation. Dr. Ralph Salmi, associate professor of political science, teaches and prepares both teams.

**BOARD OF TRUSTEES**

**Conferral of the Title Trustee Emeritus**

**Presentation By**

Debra S. Farar  
Vice Chair

It is proposed that the title Trustee Emeritus be conferred on Stanley T. Wang to recognize him for his dedicated service to the California State University and to the citizens of California.

The following resolution is presented for approval:

**WHEREAS**, Stanley T. Wang, first appointed to the Board of Trustees of the California State University in 1994 by Governor Pete Wilson, has since served in a variety of leadership roles, including Chair of the Committee on Campus Planning, Buildings and Grounds, Committee on Audit, and the Committee on Organization and Rules; and

**WHEREAS**, During his tenure, he has helped guide and advise the California State University, helping it to maintain high standards as it faced challenging times, a budget crisis, technological change, and booming enrollment, and

**WHEREAS**, He has personally launched and funded a splendid and precedent-setting \$1 million program of recognition for outstanding faculty and staff, the Wang Family Excellence Awards, which for a decade will reward and publicly honor five talented members of the CSU community each year; and

**WHEREAS**, He has always quietly advanced the cause of the university, not seeking personal credit for his generous gifts but rather applauding the mentors and educators who inspired him and who today guide students to a better future, and

**WHEREAS** it is altogether fitting that the California State University distinguish those members who have made significant contributions to this system of higher education; now, therefore, be it

**RESOLVED**, By the Board of Trustees of the California State University, that this Board express its thanks to Stanley Wang for his many years of service to the people of this state and the members of this great university, and confer on him the title of Trustee Emeritus with all the rights and privileges pertaining thereto.

**BOARD OF TRUSTEES**

**Conferral of the Title Trustee Emeritus**

**Presentation By**

Debra S. Farar  
Vice Chair

It is proposed that the title Trustee Emeritus be conferred on Laurence K. Gould, Jr. to recognize him for his dedicated service to the California State University and to the citizens of California.

The following resolution is presented for approval:

**WHEREAS**, Laurence K. Gould, Jr., first appointed to the Board of Trustees of the California State University in 1996 by Governor Pete Wilson, has since served in a variety of leadership roles, including Chair of the Committee of Organization and Rules and Vice Chair of the committees of Finance and Institutional Advancement, and culminating in serving two distinguished years as Chair of the Board, and

**WHEREAS**, During his tenure, he has helped guide and advise the California State University as it confronted the many challenges facing the state and its public universities, bringing to its discussion his calm and experienced leadership, and

**WHEREAS**, He has brought a special concern for and dedication to the aspiring students of this university, visiting, listening, and involving himself in campus activities across the state, and

**WHEREAS**, He has ably represented the California State University before both state and federal lawmakers, pressing the case for university programs and priorities that benefit students, faculty, and staff; and

**WHEREAS**, It is altogether fitting that the California State University distinguish those members who have made significant contributions to this system of higher education; now, therefore, be it

**RESOLVED**, By the Board of Trustees of the California State University, that this Board express its thanks to Laurence K. Gould, Jr. for his years of service and leadership, and confer on him the title of Trustee Emeritus with all the rights and privileges pertaining thereto.

**COMMITTEE ON COMMITTEES**

**ELECTION OF THE CHAIR OF THE BOARD OF TRUSTEES FOR 2002/2003**

**RESOLVED**, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees, that the following officer is elected as chair for the 2002/2003 year:

Chair: Debra S. Farar

**ELECTION OF VICE CHAIR OF THE BOARD OF TRUSTEES FOR 2002/2003**

**RESOLVED**, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees, that the following officer is elected as vice chair for the 2002/2003 year:

Vice Chair: Murray L. Galinson

**APPOINTMENTS TO THE CALIFORNIA POSTSECONDARY EDUCATION COMMISSION FOR 2002/2003**

**RESOLVED**, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees, that the following appointments be made to the California Postsecondary Education Commission for the 2002/2003 year:

Anthony M. Vitti  
Ralph R. Pesqueira (Alternate)

**COMMITTEE ASSIGNMENTS FOR 2002/2003**

**RESOLVED**, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees, that the following appointments be made to the Standing Committees for the 2002/2003 year:

**AUDIT**

Shailesh J. Mehta, Chair  
Kyriakos Tsakopoulos, Vice Chair  
William Hauck  
Dee Dee Myers  
Erene S. Thomas  
Anthony M. Vitti

**CAMPUS PLANNING, BUILDINGS & GROUNDS**

Ralph R. Pesqueira, Chair  
Kyriakos Tsakopoulos, Vice Chair  
Roberta Achtenberg  
William Campbell  
Murray L. Galinson  
Harold Goldwhite  
Erene S. Thomas

**COLLECTIVE BARGAINING**

Robert G. Foster, Chair  
William Hauck, Vice Chair  
Roberta Achtenberg  
William D. Campbell  
Martha Fallgatter  
Ricardo F. Icaza  
Shailesh J. Mehta  
Ralph R. Pesqueira  
Frederick W. Pierce IV

**EDUCATIONAL POLICY**

Roberta Achtenberg, Chair  
William D. Campbell, Vice Chair  
Martha Fallgatter  
Harold Goldwhite  
Murray L. Galinson  
William Hauck  
Shailesh J. Mehta  
Ralph Pesqueira  
Kyriakos Tsakopoulos  
Anthony M. Vitti

**FINANCE**

William Hauck, Chair  
Shailesh J. Mehta, Vice Chair  
Murray L. Galinson  
Harold Goldwhite  
Dee Dee Myers  
Frederick W. Pierce IV  
Erene S. Thomas  
Kyriakos Tsakopoulos  
Anthony M. Vitti

**GOVERNMENTAL RELATIONS**

Murray L. Galinson, Chair  
Martha Fallgatter, Vice Chair  
Roberta Achtenberg  
Robert Foster  
Dee Dee Myers  
Ralph R. Pesqueira  
Frederick W. Pierce IV

**INSTITUTIONAL ADVANCEMENT**

Frederick W. Pierce, IV, Chair  
Anthony M. Vitti, Vice Chair  
Roberta Achtenberg  
Martha Fallgatter  
Harold Goldwhite  
Shailesh J. Mehta  
Dee Dee Myers  
Erene S. Thomas

**ORGANIZATION AND RULES**

Harold Goldwhite, Chair  
Anthony M. Vitti, Vice Chair  
William Campbell  
Robert G. Foster  
Ricardo F. Icaza  
Erene S. Thomas

**UNIVERSITY AND FACULTY PERSONNEL**

Martha Fallgatter, Chair  
William D. Campbell, Vice Chair  
Robert G. Foster  
Murray L. Galinson  
William Hauck  
Ricardo F. Icaza  
Shailesh J. Mehta  
Kyriakos Tsakopoulos  
Anthony M. Vitti

**REPORT OF CHAIR LAURENCE K. GOULD, JR.**  
**Board of Trustees**  
**The California State University**  
**March 13, 2002**

First of all I'd like to express to President Gerth and all of his team here at Cal State Sacramento, California's Capital University, our deepest appreciation.

President Gerth: This gives me the opportunity to repair something I didn't do a long time ago and you've given me a couple of chances to fix it. You've even reminded me. I used the word team this morning in describing the leadership of this university, including our faculty, students and staff. There is one person I left out and that is my team-mate, my wife Bev, who is sitting back here. The two of us come as a team. She has been very much involved, not only in the preparation of this meeting, but in the life of this university for a long time.

We do thank Team Gerth. It really is important for the board to come out once a year, we'd like to do it more often. It is important for us to be on a campus with the faculty and the staff and the students so they can see what we are doing and we can see what they are doing. CSU Sacramento has been a tremendous host and we thank you again.

You know board meetings like this just don't happen. I was going to go through and thank many of the same people that you thanked last night. Since so many people were individually listed last night, I am not going to repeat them again. I'm just going to thank all of them and want to give special thanks in particular to all of the shuttle drivers and to the student hosts who have been so exemplary during this time period. Thanks to all of you.

There couldn't be a better place to hold a board meeting than in Sacramento given the budgetary difficulties that are facing the state. It's tremendously important for us to focus upon the governmental leaders and focus them upon the CSU's needs and priorities. By inviting us to be here at Cal State Sacramento, President Gerth has allowed us an opportunity to host a reception for the legislature on Monday evening. That marked actually the third time within the last month that the CSU family has come to Sacramento to emphasize our needs. A week ago Monday our students leaders lobbied the legislature following a very successful CHESS conference. And just ten days before that, the Alumni Council hosted us for CSU Legislative Day, where again we emphasized the importance to provide the CSU with the financial resources to accomplish our mission. And a day after the students were here lobbying to preserve our budgetary resources, the Board held a two day retreat in Los Angeles, and I was particularly glad that Jackie Kegley joined us and I want to thank you, Jackie, for your participation and your contributions to our discussions. I can report that the Board discussed the tremendous challenges facing the university. What struck me most, and in my opinion I think, the most important aspect of our retreat was that every time on every issue that we discussed the discussion always came back to

how does a particular issue affect the quality of education at CSU. When we were discussing growth we focused on measures we need to take to ensure that our increasing number of students receive a high quality education. We discussed high housing costs in terms of its affect on our ability to attract and retain high quality faculty. And we discussed the achievement in fund-raising in terms of the ability to provide additional resources to maintain or increase the quality of our educational programs. So long as this Board and this University continues to focus on quality, our future will be secure.

This Board and this Chancellor continue to work together to attract high quality personnel for the CSU. I can report that the four finalists in the search for a new president at Humboldt were outstanding individuals. I want to thank trustees Farar, Achtenberg and Foster for all of their dedicated efforts to secure a superb individual to be the new president. I know that the new president will become part of a truly outstanding team of twenty-three presidents who are all so dedicated to fostering the highest quality possible in our mutual educational endeavor.

Now for those of you who are clock watchers. You may have noticed that the terms for Stanley Wang and me to serve as trustees are expiring. There is no higher quality trustee, no finer individual who has served as a trustee than Stanley Wang. Stanley is a man of few words, but when he speaks, he speaks with high eloquence. Several years ago he called the Chancellor and he said, "Charlie, aside from my parents, the people who had the greatest influence on my life were my teachers and I want to do something to honor outstanding teachers in the CSU." With that he gave birth to the Wang Family Excellence Awards. Stanley and his family are giving one million dollars so that for ten years, CSU can give fifty awards of twenty-thousand dollars each to some of our outstanding teachers and administrators and especially those who mentor students. A couple years later he called me and he said, "Larry, I want to do for students what I did for the faculty." And with that he established a \$1.2 million fund that every year for 10 years will send 5 students and one professor to each of four Chinese universities. Stanley has given greatly of his treasure in support of the CSU, but he has also given of his time. No trustee comes to this meeting better prepared than Stanley Wang. No one watches our financial resources better than he. And more than once I can recall various items being held up until Stanley's questions as to per square footage costs were answered. This board has benefited from your wisdom. This university, its faculty and students will benefit for years to come from your outstanding generosity. Stanley you are trustee's trustee. Thanks to you and Franny for all you have done for the California State University.

#### Remarks by Stanley Wang

First of all Larry, I thank you for your kind remarks. Seven and a half years is a long time. To me it seems like it was just yesterday just like the old saying, "Time flies when you are having fun." More importantly I not only had fun during the past seven and a half years, I learned a lot. You taught me devotion and dedication to the CSU. We share the same vision and dream to

build a better CSU for serving students, faculty and community. I'll treasure all the moments that we worked together and the memories were great over the past 7 ½ years. My body is leaving this board, but you know that my heart will always be with the CSU. I believe your friendship and your guidance have enriched and brightened my life. For that I want to thank you so much. Thank you.

Stanley and I share a common characteristic. Neither of us graduated from the California State University. I recall how I came up here when I had just been appointed a trustee. I came to my very first legislative day and there was Martha Fallgatter and she had a bunch of trustees around her and she was talking about how wonderful it was that so many of us trustees were CSU Grads. She went around and said how both she and Ralph were from San Diego, Bill Hauck from San Jose and Jim Gray from Long Beach and Joan Otomo-Corgel from Fresno. Then she looked at me and said, "and Larry, oh Larry, you just couldn't get in." And since I couldn't get in I went to another university on the East Coast that just is celebrating this year its 300<sup>th</sup> anniversary. I got to thinking over this past weekend, in the last 100 years; I reckon that my alma mater has just about given 120,000 degrees to undergraduates. Compare that to the CSU. We have about 400,000 students here all at one time seeking their degrees. The number of peoples' lives that we affect is one factor that makes the California State University Americas' finest university. But what really makes us America's finest university is the myriad examples of excellence that I've seen all across all our campuses. It's the outstanding performances by our students singing and dancing, for example, at CSU Fullerton's Front and Center event. A performance that Walter Cronkite said was better than any musical he had seen on Broadway. It's the fine young woman, who is a cadet at the Maritime Academy, taking me from the bilge to the bridge on the training ship Golden Bear; or its our film program at Northridge that rated even better at number one over the outstanding film programs at USC or UCLA; or its Robert Garcia and all of his cohorts last year giving the Board such a warm welcome at Long Beach; or its Milke, and JJ and Eric and Hans and David and Ryan and all the other student hosts up here at Sacramento giving us such a wonderful welcome here. It is the truly superb achievements of so many of our outstanding faculty members that I got to see close up and learn about in great detail when I served on the Wang Family Excellence Award Committee. It is opening up Fortune or Time magazine and seeing color photographs of students like Bubba Murarka and reading about their great futures and learning about all the wonderful opportunities that are available. It's this kaleidoscope of thousands of examples of excellence that make CSU the nation's finest university. What ever the future holds for Stanley and me, we will share in the pride that all of us have for the California State University. And we know that everyone of you will be striving to make CSU an even finer university and in those endeavors we wish you Godspeed. That concludes my report.

**REPORT OF CHANCELLOR CHARLES B. REED**  
**Board of Trustees**  
**The California State University**  
**March 13, 2002**

I would first like to thank President Gerth and his team for hosting us here and making this a wonderful meeting in Sacramento. President Gerth, you did an outstanding job and I know that some of your colleagues are shuddering about hosting us next year and having to meet these standards. So thank you very much.

I want to echo Trustee Gould's remarks and express my gratitude to Stanley Wang. Stanley, thank you for your service, generosity and your support of this board. I am privileged to have had the opportunity to go with Stanley and Franny to Taiwan and walk on the campus of National Taiwan University where Stanley got his undergraduate degree. I then had the opportunity to go to China with Stanley and Larry to visit the institutions that Stanley is going to be helping our students and faculty attend. Stanley, thank you again for sharing your wisdom, experience, and generosity with us.

In addition, I know that everyone joins me here in thanking Larry for his service and leadership as chair of this board. Larry, you have given me great counsel, wisdom, good friendship, and support. I appreciate that very much. Also you have had a very special relationship with the students of the California State University. You have taken the time to visit all of our campuses and on each of your visits, you have met with the students and provided a thoughtful way for them to feel a part of the family of the California State University. I appreciate that and I know that the student leaders know what your commitment is to the CSU. You too will be missed, but you will be with us, as Stanley said, all the time.

This board will formally honor both of you at its May meeting with a resolution, but we want to especially invite you to come to the July board meeting where we can give you the resolutions and break bread together. Thank you to both of you again.

As was discussed earlier, the California State University and the California Faculty Association have reached a tentative agreement. I am very pleased with the agreement and that we were able to find a common ground and I want to thank everybody at California Faculty Association and their staff and our staff who worked hard to reach this good agreement. I know that the CFA will be voting on the agreement through March 21<sup>st</sup>. I hope that we can secure a final agreement so that we can resume our focus on working together, working collaboratively, and working to improve the quality, access, growth and resources that we need. We can only do that together here in Sacramento. I believe that if we are not together, especially now in a period of scarce resources, that those resources will just go somewhere else.

EXHIBIT B  
Full Board Meeting  
May 15, 2002  
Page 2 of 3

I would like to report on a couple of things that have occurred in the last few weeks. First of all the California Commission on Teacher Credentialing has fully accredited the CalStateTEACH program. CalStateTEACH is a program that we asked our faculty to put together to meet the needs of California teachers who hold emergency certificates. This program allows them to receive their credential at the same time that they are working. The CTC gave the CalStateTEACH program a straight "A" in every category that they looked into. They talked about the well-qualified faculty, the faculty mentors, the personalization of the program in the public schools and they also talked about the very high degree of satisfaction that the principals and the teachers in the schools had with the program. I know that this is a very high quality program but it is very good news to hear that from the CTC. We just need to figure out how to market it better and to be able to get it to more teachers.

As Delaine [Eastin] said, the president signed the new Elementary and Secondary Education Act about a month ago. That act says that all teachers in every state shall be certified by 2005. Now, I don't know how they are going to do that, but somebody has got to figure out how to do it because the penalty is no Title 1 funds if the school does not have certified teachers. That is billions of dollars at risk. We will try to help out in any way that we can.

Second, just this last week, Jim Lyons called my office and said, "I have something that I want to hand to you myself," Jim Lyons and the faculty have been working to get Dominguez Hills re-accredited ever since he arrived in 1999. This past week, they got a wonderful letter that said that they had full WASC accreditation.

Jim, thank you. You and the faculty have worked long and hard to accomplish this task and you started from a tough place. You said that you were going to do it and this was your top priority, and you have done that, so thank you.

Today I also need to point out that this is the tenth year for presidential leadership of two of our presidents. President Suzuki of Cal Poly Pomona, who is at the National Science Foundation board, and President Maxson of Cal State Long Beach have both just celebrated their tenth anniversaries. In addition, President Welty at Fresno State is completing his tenth year. John, thank you for your leadership.

Last Tuesday and Wednesday, the White House had a conference on preparing teachers for tomorrow. I asked President Jolene Koester if she would represent the California State University. The President had lunch with the people that were invited and I can say that Jolene represented us well. In addition, San Francisco State University was a focus of part of the program, so the California State University was very visible nationally this past week.

I also would like to congratulate California State University, San Bernardino Professor Robert Blackey who has earned the Eugene Asher Award for distinguished teaching from the 15,000 member American Historical Association.

Last but not least, I would like to ask President Ruben Arminana to come up to the podium because we have something special to present.

Over the past forty years, Sonoma State University has grown from a small college in portable buildings on a former seed farm to a first-rate public liberal arts and science institution supporting the needs of students throughout the state of California. The university's many community supporters have helped build such world-class facilities as the Jean and Charles Schulz Information Center and have helped the university develop its focus on the future through information technology.

President Arminana, on behalf of the California State University, we congratulate you and your university on forty years of service to California. We wish you many more years of service and appreciate what you have done.

Mr. Chairman, that concludes my comments.