

AGENDA

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

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

November 14, 2001, 11:00 a.m.

Presiding: Laurence K. Gould, Jr., 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 July 11, 2001

Approval of Minutes of Board of Trustees' Meeting of September 26, 2001

Approval of Minutes of Board of Trustees' Meeting of October 25, 2001

Board Items - Consent

1. Revision of Policies and Procedures for Review of Executives
2. Reappointment of Ad Hoc Committee on Off-Campus Facilities

Report of Committees

Committee of the Whole: *Chair—Laurence K. Gould, Jr.*

Committee on Finance: *Chair – William Hauck*

9. Proposed Revisions of Title 5 Regulations—DVBE Participation Goals for Professional Bond Services

Committee on Campus Planning, Buildings and Grounds: *Chair – Stanley T. Wang*

1. Amend the 2001/02 Capital Outlay Program, Nonstate Funded

2. Certify a Mitigated Negative Declaration, Approve the Campus Master Plan Revision, Amendment to the Nonstate Funded Capital Outlay Program and Schematic Plans for the Student Housing Phase 1 at California State University, San Marcos
3. Acceptance of Gift of Real Property—UNOCAL Pier at Avila Beach, California Polytechnic State University, San Luis Obispo
4. Approval of Schematic Plans

Committee on Governmental Relations: *Chair – Martha Fallgatter*

1. 2001/2002 Legislative Report No. 5A

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

Committee on Collective Bargaining: *Chair – Ralph R. Pesqueira*

Committee on University and Faculty Personnel: *Chair—Murray L. Galinson*

1. Executive Compensation
2. Revision of Title 5, California Code of Regulations, Section 42713, Work Assignments
3. Revision of Title 5, California Code of Regulations, Section 42933, Catastrophic Leave Donation Program
4. Management Personnel Plan Public Safety Employees: 3% at 50 Public Employees' Retirement System Retirement Plan

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

3. Approval of Naming of Facilities, California State University, San Bernardino
4. Approval of Naming of Facilities, California State University, Bakersfield

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

3. Academic Plan Update for Fast-Track Program Development

Communications and Correspondence

Old Business

New Business

Public Comment

Adjournment

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

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

July 11, 2001

Trustees Present

Laurence K. Gould Jr., Chair
William D. Campbell
Daniel Cartwright
Martha C. Fallgatter
Debra S. Farar
Murray L. Galinson
Harold Goldwhite
William Hauck
Shailesh J. Mehta
Ralph Pesqueira
Frederick W. Pierce IV
Charles B. Reed, Chancellor
Kyriakos Tsakopoulos
Anthony 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
Robert Foster
Dee Dee Myers

Chancellor's Office Staff

Christine Helwick, General Counsel
Jackie R. McClain, Vice Chancellor, Human Resources
Louis Caldera, Vice Chancellor, 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 8:47 a.m.

Chair's Report

Chair Gould announced that Trustees Hauck and Tsakopoulos had appeared before the senate rules committee and that both had received unanimous endorsement from the rules committee for confirmation. He further stated that the Board was looking forward to their full confirmation by the state senate in the near future. Chair Gould also announced and welcomed the senior student trustee, Dan Cartwright who is now a full voting member of the board of trustees.

Chair Gould welcomed the two newest presidents and the new systemwide vice chancellor of University Advancement, Dr. Bill Eisenhardt, President of the California Maritime Academy and Dr. Dick Rush, President of the CSU Channel Islands, Mr. Louis Caldera, vice-chancellor of University Advancement.

Chair Gould congratulated Chancellor Reed on his receiving the Lamar Plunket award from the Southern Regional Education Board.

Chair Gould stated that Trustee Harold Goldwhite and Trustee Emeritus Bernie Goldstein had joined him at the annual conference of the Institute of Teaching and Learning that was held at Cal-Poly San Luis Obispo at the end of June. The Chair further stated that the Institute for Teaching and Learning is one more example of how the faculty is keeping on the cutting edge of their profession.

Chair Gould reported his approval of the 2001/2002 operating budget for the State University house. He indicated to the trustees that the \$68,465.00 budget was approved for revisions, supplies, services, insurance, and utilities. He further noted that funding for the state house is non-state money derived from the proceeds of the sale of the previous State University House in Bel Air.

Trustee Gould thanked all the trustees for attending graduations at all the various campuses. He stated that trustees were present at all of our 4-year campuses and at some of our off campus center graduations as well.

Trustee Gould announced that the California State Student Association had elected Robert Garcia as the new President of the CSSA and that Jackie Kegley was re-elected as chair of the Academic Senate.

Trustee Gould also asked that the trustees mark their calendars for the Academic Senate conference that will be held in San Diego on Wednesday through Friday, November 28-30.

Chair Gould introduced Wayne Adelstein, an alumnus of California State University, Northridge, as the new President of the Alumni Council.

That concludes my report.

Chancellor's Report

Chancellor Reed recognized several outstanding past CSU leaders: Jerry Aspland; Handel Evans Ali Razi; Neel Murarka; Larry Adamson; Shaun Lumachi, Chuck Lindahl. The chancellor thanked them again for their service to the California State University.

Chancellor Reed introduced the three newest CSU leaders: Bill Eisenhardt, president of the California Maritime Academy; Dick Rush, president of CSU Channel Islands; Louis Caldera, CSU vice chancellor for advancement.

The chancellor asked Jacquelyn Kegley to introduce the newly elected Executive Committee of the Academic Senate.

Chancellor Reed thanked trustees for attending all of the CSU commencement ceremonies. He noted that this was a successful academic year in which the CSU graduated more than 70,000 students.

Chancellor Reed reported that the CSU had reached agreement with Enron to provide for a two-year extension of the direct access contract. As part of the agreement, the lawsuit against Enron will be dismissed without prejudice and they will dismiss their appeal without prejudice.

Chancellor Reed also reported that two community groups filed lawsuits against the Board of Trustees on the CSU Dominguez Hills sports complex. The lawsuits claim that the environmental impact reports are inaccurate. He stated that this situation would be monitored closely.

Chancellor Reed invited Ali Razi and Chair Gould to join him at the podium to award winners of the 2001 Hearst/CSU Trustees' Award for Outstanding Achievement. This award provides scholarships to CSU students who demonstrate financial need, superior academic achievement, and a commitment to community service. These students also have overcome significant personal challenges. Awards were handed out to the following students: Daniel Cacho, a graduate student of CSU Sacramento; Patricia Cotter, a junior at Chico State; Theresa Devins, a junior at CSU Stanislaus; Jessica Flynn, a senior at Cal State San Bernardino; Terese Ann Howard, a graduate student at San Jose State; Julie D.R.L. Meyer, a senior at Sonoma State. Chancellor congratulated the award winners.

Report of the CSU Alumni Council

Wayne Adelstein, president, 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

Trustee Campbell referred the trustees to the report contained in their packets.

Approval of Minutes

The minutes of the meetings of the Board of Trustees' of May 16, 2001 and June 4, 2001 were approved as submitted.

Board of Trustees

Chair Gould reported the board had five action items for consideration.

Conferral of the Title Trustee Emeritus (RBOT 07-01-05)

Chair Gould moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, Ali C. Razi was appointed to the Board of Trustees of the California State University by Governor Pete Wilson in 1996, and since that time has served in an exemplary fashion as a member of the Board; and

WHEREAS, He has served actively and passionately as a member of the Board, providing strong leadership of the Committee on Campus Planning, Buildings and Grounds as well as serving as chair of the Committee on Institutional Advancement, where he led by example, providing personal funding for the Trustees Scholarship program which targets the most needing and deserving students in the university; and

WHEREAS, He is continuing his productive association with the CSU by serving as a member of the California State University Foundation Board of Governors, where he will contribute his time, talents and vision to the further betterment of the university community; and

WHEREAS, It is altogether appropriate that the California State University recognize those members who have made outstanding 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 confer the title of Trustee Emeritus on Ali C. Razi, with all the rights and privileges thereto.

Conferral of the Title Student Trustee Emeritus (RBOT 07-01-06)

Trustee Cartwright moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, Neel "Bubba" Murarka, having been selected by his peers, was appointed to the Board of Trustees of the California State University by

Governor Gray Davis in 2000, and since that time has served in a notable fashion as a member of the Board; and

WHEREAS, He has been an active voice for the more than a third of a million students attending the California State University, offering an invaluable perspective to the deliberations of the Board of Trustees in a range of matters; and

WHEREAS, He has also through his service on the Board made a personal contribution to the advancement of education in California; and

WHEREAS, It is altogether fitting that the California State University recognize those members who have made signal 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 confer the title of Student Trustee Emeritus on Neel “Bubba” Murarka, with all the rights and privileges thereto.

Conferral of the Title President Emeritus (RBOT 07-01-07)

Chair Gould moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, Jerry A. Aspland was named in 1996 to the presidency of the California Maritime Academy, the institution from which he graduated in 1962, beginning a second career as an educational leader after his success as a business leader in the maritime industry; and

WHEREAS, During the five years of his tenure, his leadership has provided numerous advances for Cal Maritime, including the near doubling of its enrollment, the improvement of a host of training facilities, including a new state-of-the-art laboratory, and the introduction of a second summer training cruise which greatly expanded student opportunities for hands-on learning; and

WHEREAS, He has also worked tirelessly to create further cooperative ties with the other members of the California State University community, as well as helping to earn expanded accreditation approval for its educational programs, thus raising the profile and increasing the esteem with which this venerable institution is held; and

WHEREAS, It is altogether fitting that the California State University recognize those members who have made valuable 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 confer the title of President Emeritus on Jerry A. Aspland, with all the rights and privileges thereto.

Conferral of the Title President Emeritus (RBOT 07-01-08)

Chair Gould moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, J. Handel Evans has served as the planning president of the fledgling university at Channel Islands since 1996, following three decades of remarkable service and leadership at the campuses of the California State University; and

WHEREAS, During his five-year tenure, he has helped lay the academic, physical, and community groundwork for the new university, overseeing the conversion of Camarillo State Hospital into a functioning academic institution, turning a long-held vision into a concrete reality; and

WHEREAS, He has gained the respect and solid support of his community, spreading recognition of the ever-increasing value of Ventura's first public university; winning friends, and attracting extraordinary contributions, including a major endowment for scholarships as well as funding for a new library, which will be designed by a world-renown architect; and

WHEREAS, It is altogether fitting that the California State University recognize those members who have made fundamental and historic 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 confer the title of President Emeritus on J. Handel Evans, with all the rights and privileges thereto.

Conferral of the Title Associate Vice Chancellor Emeritus (RBOT 07-01-09)

Chair Gould moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, Charles W. Lindahl joined the California State University in 1964 at California State University, Northridge and served CSUN for eight years; and

WHEREAS, Charles W. Lindahl joined the Office of the Chancellor in 1972 as Associate Dean and subsequently served for a total of 29 years as Deputy Dean, Dean, Assistant Vice Chancellor, and Associate Vice Chancellor; and

WHEREAS, Charles W. Lindahl served as Interim Senior Vice Chancellor of Academic Affairs for almost two years 1996 to 1998; and

WHEREAS, during his tenure CSU strengthened its admission standards and enrollment management policies; and

WHEREAS, throughout Dr. Lindahl's career he has advanced the CSU's commitment to educational equity; and

WHEREAS, Dr. Lindahl helped improve and expand teacher education and provided the leadership for the development of CSU's innovative teacher education program, CalStateTEACH; and

WHEREAS, Charles W. Lindahl has represented the CSU system in a number of leadership positions related to the coordination and advancement of intersegmental relations; and

WHEREAS, Dr. Lindahl was a key member of the Cornerstones strategic planning group and served as the central coordinator of the project; and

WHEREAS, It is altogether fitting that the California State University recognize those members who have made fundamental and historic 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 confer the title of Associate Vice Chancellor Emeritus, Academic Affairs, on Charles W. Lindahl, with all the rights and privileges thereto.

Report of Committees

Committee on Educational Policy

Trustee Farar reported the committee heard one information item and three action items. The information item was on the Notable Accomplishments in CSU teaching, research, and scholarships: MERLOT.

Proposed Revision of Title 5 Regulations-Summer Early Entrants (REP 07-01-02)

Trustee Farar moved the item; there was a second.

Chair Gould stated that because this resolution proposes a change in Title 5 Regulations a public hearing must be held. He asked for public comment on the proposed changes in the regulations.

Hearing none the public hearing was closed.

The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of The California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the board hereby amends its regulations in Article 3 of Subchapter 3 of Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

§40700. Matriculation.

Any student enrolling in any ~~semester or quarter term~~, other than ~~summer session or~~ extension or as an auditor without credit, shall meet the standards for admission outlined in this subchapter.

NOTE: Authority cited: Sections ~~66600~~, 89030 and ~~89035~~, Education Code. Reference: Sections ~~66600~~ and 89030, Education Code.

§40701. Summer Early Entrant.

Any student admitted to a fall term may be enrolled in the immediately preceding summer term as a summer early entrant. Summer early entrant students will be regarded as matriculated when they enroll in the fall term for which they have been formally admitted.

NOTE: Authority cited: Section 89030, Education Code. Reference: Section 89030, Education Code.

And, be it further

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

RESOLVED, That the Board of Trustees delegates to the chancellor of the

California State University authority to further adopt, amend, or repeal this revision if the further adoption, amendment, or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action.

Alcohol Policies and Prevention Programs Committee Final Report (REP 07-01-03)

Prior to calling for the motion Trustee Farar called on Jacqueline Kegley, Chair of the Academic Senate.

On behalf of the faculty and the Academic Senate, Chair Kegley expressed appreciation to Chancellor Reed for his leadership in addressing this issue. She further stated that the senate would like to commend President Welty and the committee for a very fine report and that the faculty has pledged to work with them. She also commended the Board for officially recognized student voice.

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 23 campuses adopt and implement the recommendations of the Alcohol Policies and Prevention Programs Committee Final Report in Agenda Item 3 of the July 10-11, 2001, meeting of the Trustees' Committee on Educational Policy consistent with their individual campus missions, and that a report be made to the board every two years assessing the outcomes of their programs; and that the Chancellor report at that time on the success of obtaining external funding for system and campus programs.

Student Participation in Policy Development (REP 07-01-04)

Prior to the motion, Trustee Farar turned the floor over to Trustee Cartwright. Trustee Cartwright commended everyone involved in the development of the student participation policy. He thanked the faculty for their assistance and support on this matter.

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 Student Participation in Policy Development statement developed by the California State University Advisory Committee on Student Participation in Policy Development in Agenda Item 4 of the July 10-11,

2001, meeting of the Trustees' Committee on Educational Policy be approved.

Committee on Finance

Trustee Hauck reported the committee heard two information items. Item one was a status report on the 2001/2002 Support Budget and item three was an update on the Auxiliary Organization Tax Exempt Financing at California State University Los Angeles. The Committee also had one action item.

Selection of Investment Manager and Advisor (RFIN 07-01-13)

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 trustees approve the selection of Metropolitan West Securities as the University's Investment Manager and Advisor for the next three years with optional renewal for additional term(s) based upon acceptable contractor performance.

Committee on Campus Planning, Buildings and Grounds

Trustee Wang reported the committee heard three information items as follows: California Environmental Quality Act Annual Report; Status Report on the 2001/02 State Funded Capital Outlay Program; Progress Report on California State University Capital Outlay Projects. The Committee also considered four action items.

Amend the 2001/02 Capital Outlay Program, Nonstate Funded (RCPBG 07-01-11)

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 be amended to include: \$992,000 for preliminary plans, working drawings, and construction for the California State University, Long Beach, University Office Building; and \$14,000,000 for preliminary plans, working drawings, and construction for the California State University, Northridge, Parking Structure I; and \$1,700,000 for preliminary plans, working drawings, construction and equipment for the San Diego State University, Renovate

Cox Arena and Aztec Recreation Center; and \$14,114,000 for preliminary plans, working drawings, construction and equipment for the Sonoma State University, Recreation Center Building.

Revised California State University Policy on Energy Conservation and Utilities Management and Energy Consumption Reduction Goal for 2004/2005 Compared to 1999/2000 (RCPBG 07-01-12)

Trustee Wang moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, The Board of Trustees of The California State University has historically supported an aggressive CSU energy conservation and utilities management policy and program; and

WHEREAS, CSU campuses have performed admirably in conserving energy resources by reducing their energy consumption by 33% by 1999/2000 compared to base year consumption recorded in 1973/74, thereby avoiding an estimated utilities expenditures of \$350 million; and

WHEREAS, Energy costs in California are projected to increase significantly in the next decade and such increases are estimated to take a greater percentage of the CSU's operating budget, reducing available funds for other essential academic needs and services; and

WHEREAS, Proven opportunities and measures for additional energy conservation and utilities management are available to significantly reduce these costs by instituting and reaffirming sound energy management practices; now, therefore, be it

RESOLVED, By the Board of Trustees of The California State University, that a goal of 15% reduction in energy consumption is hereby established for 2004/2005 compared to 1999/2000 measured in British Thermal Units per Gross Square Foot of building space per year; and be in further

RESOLVED, That the revised CSU Policy on Energy Conservation and Utilities Management in Agenda Item 5 of the July 10-11, 2001 meeting of the Trustees' Committee on Campus Planning, Buildings and Grounds is adopted; and be it further

RESOLVED, That the chancellor or his designee is authorized to take the necessary steps to implement the intent of this policy.

Categories and Criteria for the State Funded Five-Year Capital Improvement Program, 2003/04-2007/08 (RCPBG 07-01-13)

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 Categories and Criteria for the 2003/04-2007/08 State Funded Five-Year Capital Improvement Program in Attachment A of Agenda Item 6 of the July 10-11, 2001 meeting of the trustees' Committee on Campus Planning, Buildings and Grounds be approved; and

The chancellor is directed to use these categories and criteria to prepare the CSU State Funded Five-Year Capital Improvement Program. If this results in an "action year" (2003/04) request beyond reasonable expectation of available funding, the chancellor is delegated authority to adjust the number of campus projects submitted.

Approval of Schematic Plans (RCPBG 07-01-14)

Prior to moving the resolution Trustee Wang turned the floor over to Trustee Fallgatter. Trustee Fallgatter stated to Chancellor Reed that she along with several of her colleagues feel strongly that the ambiance and the integrity of the California mission architecture at Channel Islands be maintained. Trustee Fallgatter asked that the Chancellor personally stay on top of this project and to take her comments into consideration with the oversight of the library project and any future projects at the Channel Islands campus.

Trustee Wang moved the item; there was a second.

The Board of Trustees approved the following resolution:

**1. CSU Channel Islands, John Spoor Broome Library (Information Resources Center)
Project Architect: Leo A. Daly and the Design Architecture Foster and Partners**

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

1. The board finds that the Final Supplemental EIR (SEIR) for the California State University, Channel Islands, certified by the CSUCI

Site Authority, was prepared to include the John Spoor Broome Library project pursuant to the requirements of the California Environmental Quality Act.

2. The project does not propose substantial changes in the original project, which would require revision of the Campus Master Plan SEIR.
3. The project will not be built under substantial changes in the circumstances under which the project Master Plan Program EIR was certified.
4. No new information of substantial importance shows that the project will have one or more significant effects not discussed in the previous Master Plan Program EIR and SEIR.
5. The SEIR was prepared to specifically include the Master Plan for CSUCI development and has been considered as an important part of the planning process.
6. This board hereby concurs with the findings of fact in Attachment A and related mitigation measures in Attachment B of the June 5, 2000, action of the Authority which certified the SEIR, that the proposed project will reduce most of the potential significant effects on the environment to less than significant.
7. The findings in Attachment A and the related mitigation measures in Attachment B of the June 5, 2000, action of the Authority which certified the SEIR are incorporated by reference and concurred with by this board, include findings of specific overriding considerations which outweigh the identified remaining significant impacts.
8. Air quality, agricultural, historical and biological resource impacts will remain significant and unavoidable for which the CSUCI Site Authority, as Lead Agency, has made the required findings of Overriding Considerations.
9. No additional mitigation measures are necessary.
10. The project will benefit The California State University.
11. The previously approved mitigation measures shall be monitored and reported in accordance with the plan approved by the Site Authority as Attachment D, Agenda Item 6, of the June 5, 2000, meeting of the Channel Islands Site Authority, which meets the requirements of the

California Environmental Quality Act (Public Resources Code, Section 21081.6).

12. The chancellor is requested under Delegation of Authority by the Board of Trustees to file the Notice of Determination for the project.
13. The schematic plans for the California State University, Channel Islands, John Spoor Broome Library are approved at a project cost of \$42,712,000 at CCCI 4019.

2. California State University, Los Angeles, Intimate Theater

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, Los Angeles, Intimate Theatre project has been prepared in accordance with 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, Los Angeles, Intimate Theatre are approved at a project cost of \$2,500,000 at CCCI 4019.

3. California State University, Northridge, Sierra Center

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

1. The board finds that the Categorical Exemption for the California State University, Northridge, Sierra Center has been prepared in accordance with 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, Northridge, Sierra Center are approved at a project cost of \$7,858,000 at CCCI 3909.

4. California State University, Northridge, University Student Union Renovation

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

1. The board finds that the Categorical Exemption for the California State University, Northridge, University Student Union Renovation project has been prepared in accordance with 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, Northridge, University, Student Union Renovation project are approved at a project cost of \$14,001,000 at CCCCI 4019.

5. California State Polytechnic University, Pomona, Student Housing Phase I

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

1. The board finds that the Negative Declaration for the California State Polytechnic University, Pomona, Student Housing Phase I project 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 chancellor is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the project.
4. The schematic plans for the California State Polytechnic University, Pomona, Student Housing Phase I project are approved at a project cost of \$28,905,000 at CCCCI 3909.

6. California State University, Sacramento, Modoc Hall

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, Sacramento, Modoc Hall 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 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 State University, Sacramento, Modoc Hall are approved at a project cost of \$19,343,000 at CCCI 3909.

8. California State University, San Bernardino, Student Housing Expansion, Phase II

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

1. The Board finds that the Final EIR for the California State University, San Bernardino Master Plan Revision certified on January 27, 1999, was prepared to include the Student Housing Expansion, Phase II project pursuant to the requirements of the California Environmental Quality Act.
2. Based on the information contained in the approved Final EIR and the mitigation measures identified therein and previously adopted, the proposed project will reduce most noise impacts on the environment to a less-than-significant effect.
3. Air quality, noise, traffic, and circulation impacts identified in the Final EIR will remain significant and unavoidable for which the Board of Trustees has made the required findings of Overriding Considerations.
4. An addendum to the Final EIR confirmed that no new adverse impacts would result from the construction of the Student Housing Expansion, Phase II project.
5. No additional mitigation measures are necessary; and the project will benefit The California State University.
6. The previously approved mitigation measures shall be monitored and reported in accordance with the plan approved by the Board of Trustees as Attachment D, Agenda Item 3, of the January 26-27, 1999, meeting of the Committee on Campus Planning, Buildings and Grounds, which meets the requirements of the California

Environmental Quality Act (Public Resources Code, Section 21081.6);
and

7. The chancellor is requested under the Delegation of Authority by the Board of Trustees to file the Notice of Determination for the project, and
8. The schematic plans for the California State University, San Bernardino, Student Housing Expansion, Phase II project are approved at a project cost of \$16,732,000 CCCI 4019.

Committee on Audit

Trustee Mehta reported the committee heard one discussion item, a status report on current and follow-up internal audit assignments.

Committee on Governmental Relations

Trustee Fallgatter reported the committee heard one action item.

2001-2002 Legislative Report No. 4 (RGR 07-01-05)

Trustee Fallgatter 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. 4 is adopted.

Committee on Collective Bargaining

Trustee Pesqueira reported the committee ratified new three-year contracts with the Statewide University Police Association and the Union of American Physicians and Dentists. It was also reported to the committee that the CSU has reached a tentative agreement with the International Union of Operating Engineers for a new three-year contract.

Committee on Institutional Advancement

Trustee Pierce reported the committee heard one information item consisting of an update on university advancement activities in particular a status report of CSU's efforts towards the development of a systemwide communications plan and two action items.

Naming of Academic Program—California State University, Long Beach (RIA 07-01-09)

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 Italian Studies program at California State University, Long Beach be designated the George L. Graziadio Center for Italian Studies.

Naming of Facility – California Polytechnic State University, San Luis Obispo (RIA 07-01-10)

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 Building 20A at California Polytechnic State University, San Luis Obispo be named the Bert and Candace Forbes Center for Engineering Excellence.

Communications and Correspondence

Old Business

New Business

Public Comments

The board heard comments from Dr. Charles Goetzl, president, Academic Professionals of California; Ms. Pauline Robinson, CSU Division of California State Employees Association; Gwen Hooker Patrick, vice president, California State Employees Association, San Diego State University; and Dr. Susan Meisenhelder president, California Faculty Association.

Chair Gould also called the name of Michael Okereke who was not present.

The meeting adjourned at 10:00 a.m.

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

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

September 26, 2001

Trustees Present

Laurence K. Gould Jr., Chair
William D. Campbell
Daniel Cartwright
Martha C. Fallgatter
Debra S. Farar
Robert Foster
Murray L. Galinson
Harold Goldwhite
William Hauck
Shailesh J. Mehta
Dee Dee Myers
Ralph Pesqueira
Frederick W. Pierce IV
Charles B. Reed, Chancellor
Kyriakos Tsakopoulos
Anthony Vitti
Stanley T. Wang

Trustees Absent

Roberta Achtenberg
Cruz Bustamante, Lt. Governor
Gray Davis, Governor
Delaine Eastin, Superintendent of Public Education
Robert Hertzberg, Speaker of the Assembly

Chancellor's Office Staff

Christine Helwick, General Counsel
Jackie R. McClain, Vice Chancellor, Human Resources
Louis Caldera, Vice Chancellor, 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 telephone conference to order at 9:00 a.m. and asked that Ms. Hernandez call the roll.

Ms. Leticia Hernandez called the roll and reported that there was a quorum.

The service of notice required to be given for Special Meetings of the Board of Trustees, as stated in the Rules of Procedure of the Board of Trustees of the California State University in Article V, Section 2a, was provided to each member of the Board with the Notice of the time, place and purpose of this meeting, by letter addressed to each trustee at his or her last known place of business or residence, and general notice was given as provided in California Government Code Section 11125.

Mr. Gould asked that all those present in the auditorium speak directly into their microphones so that the callers would be able to hear them. He also asked that those board members who were on the phone to identify him or herself so that all would know who was speaking.

Chair's Report

Chair Gould remarked that in the interest of time he would keep his remarks very brief. He announced the CSU Academic Conference, "Quality Education Through Diversity," that is to be held in San Diego on November 28 to 30 and urged as many trustees as possible to attend.

Chair Gould announced that President Alistair McCrone would retire from the presidency of Humboldt State University next summer. He further stated, that a search committee will be initiated later this fall and appointed Debra Farar to chair and Roberta Achtenberg and Bob Foster to join her on that committee.

Chancellor's Report

Chancellor Reed stated that he, too, would give an abbreviated report. He thanked all present for rearranging schedules to allow for the telephone meeting. He further stated that because of the tragic circumstances of Sept. 11 and the postponement of the Sept. 11-12 meeting, time was needed for sensitive items to be taken up by the Board before the next regular meeting of the Board of Trustees.

Chancellor Reed stated that the world changed forever on September 11, 2001. But, he went on to say that the CSU has a major role to play in the future. He stated his belief that universities will be needed more than ever, from language training, to telecommunications, science, and even training teachers. He said that he and the presidents would be reviewing plans that need revising in light of September 11 and bring those back to the Board

Chancellor Reed reported that he and the presidents were working on issues relating to the safety of the CSU's international students. He said that there were 37 sites in 17 different nations and that communications with the directors of all the programs abroad had been initiated. He further stated that a link to our web page was set up so that internationally placed students abroad could watch the web for updates every day.

The Chancellor stated that Executive Vice Chancellor Richard West would talk about the new time of fiscal restraint into which the CSU is entering.

Chancellor Reed stated that the CSU is approximately 2.3% over-enrolled beyond what was anticipated last year and that some campuses are over enrolled by as much as 7.54%. He said that he would continue to work with the presidents to determine how to handle this year's enrollments and how to plan for next year.

Chancellor Reed stated that all the campuses had implemented the alcohol policy adopted by the Board in July. He also reported that he and President John Welty, CSU Fresno, had met with a group, that the Governor's Office had pulled together, that wants to join the CSU as a partner in the alcohol policy implementation. The group includes law enforcement agencies, the alcohol and drug agencies, and the business and transportation departments of California.

Chancellor Reed reported on his continued work at Channel Islands with the architect and the staff on issues relating to the California Mission style architectural theme. He assured board members that the science building now reflects a continuation of the California Mission-style architectural theme. He also stated that further meetings between CSU staff, Pat Drohan, and the architects and President Dick Rush will be held to continue work on the library to make it as close to California Mission-style as possible.

The Chair announced that in order to facilitate the conduct of this business meeting via telephone conference he would offer the following:

Pursuant to Section 4b of Article VI of the Trustees Rules of Procedure, this Board is permitted by a two-thirds majority vote to consider items on today's agenda without first referring them to standing committees which would normally consider them.

Chair Gould asked for a motion to consider the items as a Board rather than first by committees. Trustee Farar called for the motion; Mr. Vitti seconded the motion.

Chair Gould called for a roll call vote. Ms. Hernandez called the roll, and reported that the motion carried unanimously.

Approval of Minutes

Chair Gould called for a motion to approve the minutes of the meeting of the Board of Trustees' of July 11, 2001. The motion was seconded.

Mr. Gould called for a roll call vote. Ms. Hernandez called the roll, and reported that the minutes were approved as submitted by unanimous vote.

Board of Trustees Items

Chair Gould announced that the Board will consider two action items as consent items, and as discussion items, six action items and one information item.

Amend the 2001/02 Capital Outlay Program, Nonstate Funded (RBOT 09-01-10)

With the concurrence of the board, Chair Gould presented this item as a consent action item,

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 be amended to include: \$970,000 for preliminary plans, working drawings and construction for the San Francisco State University, Psychology Building Fifth Floor Addition, and \$33,203,000 for preliminary plans, working drawings, construction and equipment for the Sonoma State University, Student Housing, Phase I project.

Amend the 2001/02 Capital Outlay Program, State Funded (RBOT 09-01-11)

With the concurrence of the board, Chair Gould presented this item as a consent action item,

The Board of Trustees approved the following resolution.

RESOLVED, By the Board of Trustees of the California State University, that the 2001/02 State Funded Capital Outlay Program be amended to include \$1,255,000 for preliminary plans, working drawings and construction for the California State University, Sacramento, Thermal Energy Storage Expansion Project.

State and Nonstate Funded Five-Year Capital Improvement Program 2002/03 through 2006/07 (RBOT 09-01-12)

Chair Gould moved the item; there was a second. Mr. Gould called for a roll call vote. Ms. Hernandez called the roll.

The Board of Trustees approved the following resolution by unanimous vote.

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

1. The Final State and Nonstate Funded Five-Year Capital Improvement Program 2002/03 through 2006/07 totaling \$3,639,601,000 and \$1,687,373,000 respectively are approved.

2. The 2002/03 State Funded Capital Outlay Program identified in Attachment A of Agenda Item 4 for the September 11-12, 2001 meeting of the trustees' Committee on Campus Planning, Buildings and Grounds is approved at \$461,872,000.

Approval of Schematic Plans (RBOT 09-01-13)

Chair Gould moved the item; there was a second. Mr. Gould called for a roll call vote. Ms. Hernandez called the roll.

The Board of Trustees approved the following resolutions by unanimous vote.

1. California State University, Channel Islands—New Science Building Project Architect: BTA Architecture

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

1. The board finds that the Final Supplemental Environmental Impact Report (Final SEIR) for the California State University, Channel Islands, certified by the CSUCI Site Authority, was prepared to include the New Science Building project pursuant to the requirements of the California Environmental Quality Act.
2. The project does not propose substantial changes, which would require revision of the previously certified Campus Master Plan SEIR.
3. The project does not involve any substantial changes in the circumstances under which the Master Plan Program FEIR and Final SEIR were certified.
4. No substantial new information has been identified which shows that the project would have one or more significant effects not discussed in the previous Master Plan Program FEIR and Final SEIR.
5. The Final SEIR was prepared to specifically include the Master Plan for CSUCI physical development and has been considered an important part of the planning process and the deliberations of this board.
6. This board hereby concurs with the findings of fact in Attachment A and related mitigation measures in Attachment B of the June 5, 2000, action of the CSUCI Site Authority which certified the Final SEIR, that the proposed project will reduce most of the potential significant effects on the environment to less than significant.
7. The findings in Attachment A and the related mitigation measures in Attachment B of the June 5, 2000, action of the CSUCI Site Authority which certified the Final SEIR are incorporated by reference and concurred with by this board,

including findings of specific overriding considerations which outweigh the identified remaining significant impacts.

8. Air quality, agricultural, historical and biological resource impacts will remain significant and unavoidable for which the CSUCI Site Authority, as Lead Agency, has made the required findings of overriding considerations.
9. No additional mitigation measures are necessary.
10. The project will benefit the California State University in the implementation of its statewide mission to provide postsecondary higher education.
11. The previously approved mitigation measures shall be monitored and reported in accordance with the plan approved by the CSUCI Site Authority as Attachment D of the June 5, 2000, meeting of the Site Authority, which meets the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6).
12. The chancellor is requested under Delegation of Authority by the Board of Trustees to file the Notice of Determination for the project.
13. The schematic plans for the California State University, Channel Islands, New Science Building are approved at a project cost of \$11,591,000 at CCCI 4019.

**2. Sonoma State University—Recreation Center
Project Architect: Ellerbe Becket, Inc.**

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

1. The Board finds that the Addendum to the Final EIR for the Sonoma State University, Campus Master Plan Revision, approved on May 10, 2000, was prepared to include the Recreation Center pursuant to the requirements of the California Environmental Quality Act.
2. Based on the information contained in the approved Final EIR and the mitigation measures identified therein and previously adopted, and the Addendum to the Final EIR, the proposed project will not have new significant effects on the environment and the project will benefit the California State University.
3. The chancellor is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the project.
4. The schematic plans for the Sonoma State University, Recreation Center are approved at a project cost of \$14,114,000 at CCCI 4019.

**3. Sonoma State University—Student Housing, Phase I
Project Architect: Fisher Friedman**

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

1. The Board finds that the Addendum to the Final EIR for the Sonoma State University, Campus Master Plan Revision, approved on May 10, 2000, was prepared to include the Student Housing, Phase I project pursuant to the requirements of the California Environmental Quality Act.
2. Based on the information contained in the approved Final EIR and the mitigation measures identified therein and previously adopted and the Addendum to the Final EIR, the proposed project will not have new significant effects on the environment and the project will benefit the California State University.
3. The chancellor is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the project.
4. The schematic plans for the Sonoma State University, Student Housing, Phase I project are approved at a project cost of \$33,203,000 at CCCI 4019.

Acceptance of Gift of Real Property for the Proposed San Diego State University, Imperial Valley Off-Campus Center at Brawley (RBOT 09-01-14)

Chair Gould moved the item; there was a second. Mr. Gould called for a roll call vote. Ms. Hernandez called the roll.

The Board of Trustees approved the following resolution by unanimous vote.

WHEREAS, The Board of Trustees of the California State University recognizes the growing need for additional CSU educational services in Imperial County, and

WHEREAS, The San Diego State University, Imperial Valley Off-Campus Center at Calexico has reached its enrollment ceiling, and

WHEREAS, The Board of Trustees has been offered a gift of real property to enhance higher education opportunities in northern Imperial County near the City of Brawley and has entered into a Memorandum of Understanding with the donor to consider options available for serving future education needs; now, therefore, be it

RESOLVED, By the Board of Trustees of the California State University, that the chancellor is hereby authorized, on its behalf, to accept the gift of real property subject to compliance with the policies and procedures issued by the

chancellor for public/private real estate projects consistent with principles contained in board policy RFIN 05-08-00.

2002/03 Support and Lottery Budgets

Executive Vice Chancellor Richard P. West presented the 2002/03 Support and Lottery Budgets as an information item. He stated that the item is scheduled for adoption at the special October budget meeting. Mr. West stated that a draft budget outline has been prepared for discussion with the Executive Council, the System Budget Advisory Committee and other CSU constituencies, which will be used to help establish system budget priorities and form the detailed plan to be discussed at the October board meeting. This draft budget proposal will be developed consistent with the Partnership agreement reached with Governor Davis.

Approval to Issue Debt Instruments Including by Bonds of the California State University, Sacramento Parking Revenue Bond System for Parking Structure II at California State University, Sacramento and Related Matters (RBOT 09-01-15)

Chair Gould moved the item; there was a second. Mr. Gould called for a roll call vote. Ms. Hernandez called the roll.

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, Sacramento Bond Anticipation Notes and California State University, Sacramento Parking System Revenue Bonds in an amount not to exceed \$7,005,000 and certain actions relating thereto.
- (2) Provide for a delegation to authorize the chancellor, the executive vice chancellor and chief financial officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

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

Approval to Issue Debt Instruments Including Revenue Bonds for the Sonoma State Student Union Recreation Center, and Related Matters (RBOT 09-01-16)

Chair Gould moved the item; there was a second. Mr. Gould called for a roll call vote. Ms. Hernandez called the roll.

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 Student Union Bond Anticipation Notes and the Sonoma State

University Student Union Revenue Bonds, Series B, in an amount not to exceed \$16,400,000 and certain actions relating thereto.

- (2) Provide for a delegation to authorize the chancellor, the executive vice chancellor and chief financial officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

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

Approval to Issue Debt Instruments Including by Bonds of the California State University Housing Revenue Bond System For an Apartment Complex (Phase II) at California State University, San Bernardino and Related Matters (RBOT 09-01-17)

Chair Gould moved the item; there was a second. Mr. Gould called for a roll call vote. Ms. Hernandez called the roll.

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 Bond Anticipation Notes and California State University Housing System Revenue Bonds in an amount not to exceed \$18,725,000 and certain actions relating thereto.
- (2) Provide for a delegation to authorize the chancellor, the executive vice chancellor and chief financial officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

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

Old Business

New Business

Public Comments

The Board heard comments from Mr. Mauricio Lopez of M.L. Construction Company.

The meeting adjourned at 10:10 a.m.

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

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

October 25, 2001

Trustees Present

Laurence K. Gould Jr., Chair
Roberta Achtenberg
William D. Campbell
Daniel Cartwright
Martha C. Fallgatter
Debra S. Farar
Murray L. Galinson
Harold Goldwhite
William Hauck
Ricardo F. Icaza
Shailesh J. Mehta
Dee Dee Myers
Ralph Pesqueira
Frederick W. Pierce IV
Charles B. Reed, Chancellor
Kyriakos Tsakopoulos
Anthony Vitti
Stanley T. Wang

Trustees Absent

Robert Foster
Cruz Bustamante, Lt. Governor
Gray Davis, Governor
Delaine Eastin, Superintendent of Public Education
Robert Hertzberg, Speaker of the Assembly

Chancellor's Office Staff

Christine Helwick, General Counsel
Jackie R. McClain, Vice Chancellor, Human Resources
Louis Caldera, Vice Chancellor, 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 telephone conference to order at 9:06 a.m. and asked that Ms. Leticia Hernandez call the roll.

Ms. Hernandez called the roll and reported that a quorum was present.

Mr. Gould asked that all those present in the auditorium speak directly into their microphones so that the callers would be able to hear them. He also asked that those board members who were on the phone to identify him or herself so that all would know who was speaking.

Chair Gould welcomed the new trustee, Mr. Ricardo F. Icaza, who joined the meeting via telephone.

Board of Trustees

The Chair asked that Chancellor Reed and Executive Vice Chancellor West comment on the Support Budget for 2002/03 and the 2002/03 Lottery Revenue Budget.

Chancellor Reed thanked the board members for their participation. He stated that traditionally the October budget meeting was a routine meeting to approve the submission of the following year's budget to the Department of Finance, the Governor and to the Legislature, but that given the economic situation, this meeting would be more in depth. The Chancellor explained that there were two portions to the meeting. First, would be Executive Vice Chancellor West's presentation outlining the 2002/03 Budget Request and the Lottery Budget Request and the board's vote. Second, would be a discussion of the economic problems facing California and the California State University.

The Chancellor then turned the meeting over to Executive Vice Chancellor Richard West to outline the 2002/03 Budget Request and the Lottery Budget request that would be submitted to the Governor and to the Legislature.

Mr. West gave an overview of revenue sources and the expenditure strategies associated with the budget request and stated that the budget continues the CSU's emphasis on access to the university.

Mr. West outlined the strategy of the Partnership Agreement, which is now in its seventh year. He noted that the CSU has had an agreement with the state to start the budget process with a proposal that reflects the basic needs of the system.

Mr. West noted that the CSU has experienced significant growth in its budget over the last three years and that is the base upon which the budget is developed. He further noted that there is some significant enrollment growth in the system both in the current year and in the proposed budget year. He said that the CSU expects to be at 7700 FTE's over the budgeted target in 2001/02, which is more than 2% over enrollment targets. The CSU has about 312,000 full-time equivalent students, which represents about 390,000 head count students. He stated that this

budget was built on a 4% enrollment growth of which 2.3% are already enrolled. Students are seeking access to the university and it is a focus on which the budget request is built

Mr. West invited questions from the trustees.

Trustee Pierce asked for clarification on the calculation of the General Fund buy-outs of the student fee increase. Mr. West responded that the calculations had been reviewed quite closely with the Department of Finance. Mr. West asked that Mr. John Richards, Director of the Budget, explain further the answer to the question asked by Trustee Pierce regarding the calculation of fee revenue.

Mr. Richards stated that two major things happened when the fee buyout amounts were calculated. First, the amount necessary from the General Fund to generate the same amount of money as would come from a fee increase would not have to include a component for financial aid. Therefore, the General Fund buyout amount is about 2/3 of the amount that would be generated by a fee increase. Second, either the buyout amount or its General Fund equivalent would not be computed simply by multiplying total fee revenue by a percentage. The method used is to create a new fee schedule using the increase in the California per capital income index – in this case 7.98% -- to determine how much additional revenue would be generated.

Mr. Richards added that the overall increase when fee revenue is included, is 7.8%. The percentage increase depends on what base is used; either General Fund or General Fund plus fee income.

Trustee Icaza asked if the mandatory costs relating to health benefit premium cost increases had already been established or if it was a projection. Mr. West responded that it was a projection effective as of January 1 of the budget year. Trustee Icaza asked what the increase percentage was. Mr. West responded that the cost increase was 10%.

Trustee Icaza sought clarification about the 4% compensation increase that was less than the previous year's request. Mr. West responded that in the previous year the CSU requested a 6% total, which consisted of the 4% included in the partnership agreement plus an additional 2%. This year, the CSU proposed a budget that was based solely on the partnership agreement.

Trustee Pesqueira asked what percentage of the budget the general fund increase of \$245 million dollars represented. Mr. West responded that it was 9.4%.

Trustee Farar asked if the Cal Grant entitlement would have a change or an effect on the State University grants. Mr. West explained that it improves the overall financial aid environment because it is additive. It does not change the amount of revenue that is provided for State University grants. It increases the amount of financial aid available for students and additional grants can be provided to needy students.

Trustee Icaza asked if the Applied Research funding was an increase. Mr. West explained that it is an increase. He further explained that the applied research program is a matching program that must be matched by either federal or private grants and that the program is fairly new, having only been funded by the state in the past 4 to 5 years. Most of the base money, \$4 million, goes to Agriculture and another million is in the base for biotechnology programs. In addition, 600,000 to 700,000 is associated with Marine Sciences at the Moss Landing Marine Laboratories in Monterey.

Trustee Cartwright asked about the \$10 million to improve student advising services and technology-based student administrative services and whether this budget line alleviates what auxiliary organizations are currently paying for the project. Mr. West explained that there are several elements to the implementation to the infrastructure associated with the Common Management Systems. Many campuses have implemented the human resource and the finance systems which may support auxiliaries. Campuses at the discretion to distribute shared expenses of these implementations to auxiliaries if they so choose. The request in this budget is for students systems implementation which is beginning now for the first three campuses.

Trustee Cartwright asked for further clarification about the 4% increase for compensation. Mr. West reiterated that in recognition of the state's fiscal environment, the CSU agreed to propose a Partnership budget, which allows for a 4% compensation increase.

Trustee Cartwright asked where this would put the CSU with regard to the salary lag from CPEC. Mr. West stated that it would not change very much. It would not deteriorate or improve significantly and that more information would be available in early December as updates from other institutions are received.

Trustee Mehta asked if the \$10 million for student advising was an increase or if it reflected the amount actually spent. Mr. West stated that it was strictly an increase. Trustee Mehta then asked what the current amount spent on student advising was. Mr. West stated that it was probably in the range \$400 million dollars.

Trustee Mehta then asked for clarification on what student advising entailed. Mr. West explained that the money was spent to make sure that programs are consistent with degree requirements, that the course selections are in the context of their degree requirements and that there is good counseling.

Trustee Galinson asked whether the CSU conferred with the various unions about what compensation amount would be requested in the budget. Mr. West stated that part of the process was consultation throughout the year with the Systemwide Budget Advisory Committee, which is made up of all the CSU constituencies including representatives from the Labor Council, Academic Senate, the statewide student representatives, several presidents and vice presidents.

Trustee Galinson asked if there is a buy-in from the members of the committee. Mr. West stated that there are always some differences of opinion, of emphasis and there is not necessarily

unanimity, but there are perspectives expressed and there is a clear statement of what the preferences are from all the constituencies.

There being no further questions from trustees, Chair Gould stated that in addition to the budget, trustees had been provided with material on the Lottery Budget request and asked Mr. West to make comments.

Mr. West emphasized that a status quo Lottery Budget request was recommended. He explained that the Lottery Budget comes from lottery revenue that is generated and dispersed on a quarterly basis based on the volume of lottery earnings. In a downturn, these earnings are decreased so the CSU has been conservative and has recommended the status quo. If there would be additional revenue it would be considered in the next fiscal year.

2002/03 Support and Lottery Budgets (RBOT 10-01-18)

Chair Gould called for a motion to approve the 2002/03 Support Budget. Trustee Hauck called for the motion, there as a second.

Chair Gould called for a roll call vote. Ms. Hernandez called the roll, and reported that the motion carried unanimously.

The Board of Trustees approved the following resolutions.

2002/2003 Support Budget

RESOLVED, By the Board of Trustees of the California State University, that the 2002/2003 Support Budget is approved as submitted by the Chancellor; and be it further

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

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

RESOLVED, That copies of this resolution be transmitted to the California Postsecondary Education Commission, to the Governor, to the Director of Finance and to the Legislature.

2002/2003 Lottery Revenue Budget

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

2002/2003 Lottery Revenue Budget totaling \$42.8 million be approved for implementation by the Chancellor, with the authorization to make transfers between components of the Lottery Revenue Budget and to phase expenditures in accordance with receipt of lottery funds; and be it further

RESOLVED, That the Chancellor is hereby granted authority to adjust the 2002/2003 Lottery Revenue Budget approved by the Board of Trustees to the extent of receipt of greater or lesser lottery revenue than budgeted in 2002/2003 to respond to opportunities or exigencies; and be it further

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

Chair Gould called upon Chancellor Reed to make some comments and begin a discussion regarding economic issues that the California State University is facing that impact the budget.

Chancellor Reed noted that the veteran members of the board have experienced budgetary problems earlier in their terms on the board. Before September 11, this state was entering a mild recession. He stressed that the Partnership contained elements that allowed the CSU to build quality and access. After September 11, the mild recession turned into a free fall in the economy as businesses cut production and workforce. Dr. Reed said the state had to pay back a bridge loan used to purchase electricity earlier in the year.

On top of the weak fiscal situation, the enrollment in the current year is 7,700 full-time equivalent student more than anticipated. A struggle for the university will be maintaining access and being able to offer the class sections. Dr. Reed said there will be a continuing conversation with the board over the next eight to ten months about the priorities for the CSU. He added that the CSU will need to come together as a team to get through the next two to three years.

The Chancellor then asked Executive Vice Chancellor Richard West for comments.

Mr. West reminded the board that this is the first step in the budget process that takes about eight months to complete. He described the components of the budget review process.

Mr. West spoke about the magnitude of the state's fiscal shortfall and the consequences. A 1% General Fund reduction for the CSU would be 26 million dollars. He recalled the reductions in support in the early 1990s were absorbed by raising student fees by 4% and 20% in successive years and in reducing enrollment for 45,000 FTE. Mr. West described some approaches to taking a 15% reduction in the current budget. One example was a 30,000 FTE decrease in service levels affecting administration to instructional support.

Information was distributed about program areas with budget deficiencies and the use of new funds received between 1995/96 and 2001. During this period, 535 million dollars went into compensation improvements and 300 million dollars for enrollment access.

Mr. West said there would be continuing discussion with the board and with state policy makers during the budget process. He concluded saying the university is a very labor intensive organization, with 78 to 80% of the budget being used to support personnel.

Mr. West invited questions from the Trustees.

Trustee Vitti commented that this was déjà vu for many board members because the CSU is now going through the same issues and territory from years past. He stated that the Board was going to have to make difficult decisions with regard to cuts, especially with respect to compensation. Trustee Vitti suggested that a subcommittee of the Committee on Finance be established immediately to begin the task of looking at where some initial moves can be made that are the least damaging to the system and emphasized the need to be proactive instead of reactive in the CSU's response to the budget crisis. He stated that the trustees had to keep in mind that quality and access cannot be sacrificed.

Trustee Farar agreed with Trustee Vitti that the formation of a subcommittee was in order. She suggested that the board include as its members, trustees, faculty, staff and students, particularly those who have lived through this type of budget crisis. She mentioned that during her visit to the San Diego State campus she and Trustee Gould heard from many that had been through this type of budgetary situation in the past..

Trustee Campbell agreed with Trustees Vitti and Farar, particularly with Trustee Vitti's comment that the Board should be proactive in its response. Trustee Campbell suggested that fees be raised, sooner rather than later, and suggested that a 10% increase now would be a predictable fee increase. He further stated that the one third of the dollars that go to student aid was a policy created by the board before the state implemented a lot of different grant and aid policies and said that he was not sure the policy applies any longer in the same way it did and questioned whether the new Cal Grant would supplant the need for CSU to have an internal aid mechanism.

Trustee Pesqueira stated the campuses themselves have to be a vital part in any planning. He also stated that the Board needed to look at the mission of the CSU to ensure that confidence in the CSU is maintained by both the state legislature and the public at large.

Trustee Mehta concurred with the idea that planning begin early and that the Board put together a task force or advisory committee made up of the right people to look at the problem in a very careful manner to prepare for the challenges outlined by Chancellor Reed and Executive Vice Chancellor West.

Trustee Hauck stated that this process has already begun. He agreed that planning must begin, because there is the real possibility of additional cuts in the current year beyond the 150 million announced by the Governor. Trustee Hauck stated that the numbers that are being worked with at the state level are not in the single digit range and that the budget situation facing the entire

state budget is grim. He went on to say that while the CSU has been through this before, there are even more complicating issues here and the numbers could get even higher.

Chair Gould stated that a Task Force would be named between now and the next Board of Trustees meeting in November.

Mr. Vitti suggested the subcommittee be composed of the various CSU constituencies, including faculty, students, and staff. He stated that everyone is going to be impacted, so this is not merely a trustee issue.

Mr. Caldera asked Mr. West if the total budget deficiency was one-time money or if it was a combination of one time and recurring monies. Mr. West responded that it is a combination. Something like deferred maintenance could be solved with one time money of 339 million, but the compensation number would require permanent money and would change yearly depending on the funding level.

Old Business

New Business

Public Comments

The Board heard comments from Mr. Teven Laxer , Senior Labor Relations Representative for the California State Employees Association, Local 1000 of the Service Employees International Union and David Hawkins, Legislative Director for the California Faculty Association.

The meeting adjourned at 10:25 a.m.

BOARD OF TRUSTEES

Revision of Policies and Procedures for Review of Executives

Presentation By

Christine Helwick
General Counsel

Summary

Recent court decisions necessitate an update in the currently stated performance criteria for the Chancellor, Vice Chancellors, and Presidents.

Background

There are now two decisions interpreting California's Proposition 209: Hi-Voltage Wire Works, Inc. v. City of San Jose, 24 Cal. 4th 537 (Nov. 2000) and Ward Connerly v. State Personnel Board, et al., 2001 WL 1003304 (Sept. 4, 2001). Both suggest that an adjustment in the current performance criteria for the Chancellor, Vice Chancellors, and Presidents is called for.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University that the following policies and procedures for review of executives in the California State University be amended:

1. RBOT 09-87-06, "Policies and Procedures for Review of the Chancellor," is amended in paragraph V section A addressing "Criteria" as follows:

General administrative effectiveness, including the management of human, fiscal and physical resources. Evidence in CSU operations of effective planning and decision making; development of and delegation to a management team; accomplishment of plans and objectives; flexibility in approach to solving problems and willingness to change programs and methods to keep up with current needs and developments; commitment to ~~affirmative action~~ equal employment and programmatic opportunities and wise utilization of faculty and staff.

2. RBOT 09-87-06, "Policies and Procedures for Review of Vice Chancellors," is amended in paragraph V section 1 addressing "Criteria" as follows:

Board of Trustees

Agenda Item 1

November 13-14, 2001

Page 2 of 2

General administrative Effectiveness, including the management of human, fiscal and physical resources. Evidence in CSU program operations of effective planning and decision making; development of and delegation to a management team, accomplishment of plans and objectives; flexibility in approach to solving problems and willingness to change programs and methods to keep up with current needs and developments; commitment to ~~affirmative action~~ equal employment and programmatic opportunities and wise utilization of staff.

3. RUF 01-94-01, "Policies and Procedures for Review of Presidents," is amended in paragraph V section 1 addressing "Criteria for Presidential Assessment" as follows:

1. **General Administrative Effectiveness Including Management of Human, Fiscal and Physical Resources:**

Evidence in campus operations of effective planning and decision making; development of and delegation to a management team; accomplishment of plans and objectives; flexibility in approach to solving problems and willingness to change programs and methods to keep up with current needs and developments; commitment to ~~affirmative action~~ equal employment and programmatic opportunities and wise utilization of faculty and staff.

BOARD OF TRUSTEES

Reappointment of Ad Hoc Committee on Off-Campus Facilities

Presentation By

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

In January 2001, the board confirmed the continuation of the appointment of the ad hoc committee. In accordance with the Trustees' Rules of Procedure, Article VI, Section 6, this item will renew the appointment of the Ad Hoc Committee on Off-Campus Facilities for an additional year.

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

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

REPORT OF CHAIR LAURENCE K. GOULD, JR.
Board of Trustees
The California State University
September 26, 2001

Chair's Report

In the interest of time I am going to keep my remarks very brief. First of all in the trustee packets that were sent out there's a four-page memo printed on blue paper with a peach colored cover memo on it about the CSU Academic Conference that is to be held in San Diego on November 28 to 30. The theme of this conference is, "Quality Education Through Diversity." On Thursday night, Chancellor Reed has graciously agreed to host a reception for all those in attendance. It will be a very good opportunity for trustees and faculty, and all those in attendance, to have an informal chance to get together. I would urge each of the trustees to speak with Leticia Hernandez in order to register for this conference. We would like to have as many as possible in attendance at the Academic Conference.

Chair Gould noted the announcement of President Alistair McCrone of his intention to retire from the presidency of Humboldt State University next summer. At the conclusion of this academic year he will have completed 28 years as president of Humboldt State. It's a real accomplishment by national standards especially with the average term of a president is five years. And when people think of Humboldt State people think of Alistair McCrone, they are practically synonymous. A search committee will be initiated later this fall and I'm asking Debra Farar to chair and Roberta Achtenberg and Bob Foster to join her on that committee.

That concludes my report.

REPORT OF CHANCELLOR CHARLES B. REED
Board of Trustees
The California State University
September 26, 2001

Thank you Mr. Chairman. I, too, will give an abbreviated report.

First, thank all you for rearranging your schedules to allow for this telephone meeting. Because of the tragic circumstances of Sept. 11 and the postponement of our Sept. 11-12 meeting, we needed time for sensitive items to be taken up by the Board before our next meeting.

I have been visiting several campuses since September 11 and I was in Washington the last two days. I want to just say this: The world changed forever on Sept. 11. And I think that our universities have a major, major role to play in the future. I believe that universities are going to be needed more than ever for what we do, from language training, to telecommunications, science, and even training teachers, which is what we do best on our campuses. We're going to begin a process with our presidents to start to look at those plans that need to be reviewed in light of Sept. 11, so that we can bring them back to the Board.

Another thing that I want to report to the Board is that we have worked with all of the presidents on issues relating to our international students and their safety. Our campuses have programs at 37 sites and in 17 different nations. We have been in communications with the directors of all of our programs abroad. We have set up a link to our web page and we have asked all of our internationally placed students abroad to watch our web page every day. We are going to have to learn as a system and a university about how to operate in this new and changed world.

Later this morning Richard West is going to be talking about entering into a new fiscal restraint time. I believe that is going to be with us for some time.

But let me just briefly say this is a kind of good news/bad news report and Richard will talk a little bit more about this when he brings up our budget for this year and next year.

On a very preliminary basis, based upon this week and last week with our quarter campuses starting it appears that we are approximately 2.3% over-enrolled beyond what we had anticipated last year. That is about 7000 more students than we had anticipated who are not funded in this most current budget. This has resulted in part because of the downturn in the economy, and with dot-coms and other companies laying off workers, more students have come back to school.

Tidal Wave II is not coming...it has washed up over the beach. And so, 11 of our institutions are over enrolled by as much as 7.54%. We only have two institutions that have not met their enrollment target this year. So we will be working with the presidents to figure out how to handle this enrollment this year, and how to plan for continuation next year.

EXHIBIT B
Full Board Meeting
November 14, 2001

Briefly, in other news, this Board in July adopted an alcohol policy and asked all the campuses to implement that policy that fall. All campuses are doing that. In addition to that, the Governor's office contacted us and last week, John Welty and I met with the group that the Governor's office had pulled together from the law enforcement agencies, the alcohol and drug agencies, and the business and transportation department of California. They want to join the CSU as a partner in the alcohol policy implementation, and we will continue to work with them.

Also, very briefly, in July the Board asked me to continue to work at Channel Islands with the architect and the staff on issues relating to the design of the library. On our agenda today, we are asking for approval of the science building. And, I can assure you that the science building now reflects a continuation of the California Mission-style architectural theme. There will be a meeting tomorrow, Sept. 27, between our staff, Pat Drohan, and the architects and CSUSI President Dick Rush. They will continue to work on the library to make it as close to California Mission style as possible.

Mr. Chairman, that concludes my report.