

REVISED

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

**Trustees of the California State University
Office of the Chancellor
Dumke Auditorium
Long Beach, California 90802**

September 17, 2003— 10:30 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—Bob Linscheid*

Report of the California State Student Association: *Chair—José Solache*

Report of California Postsecondary Education Commission: *Ralph Pesqueira*

Approval of Minutes of Board of Trustees' Meeting of July 16, 2003

Board Items

1. Conferral of Title of Faculty Trustee *Emeritus*

Report of Committees

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

Committee on Finance: *Chair – William Hauck*

4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Project at California State University, Northridge

Committee on Governmental Relations: *Chair – Murray L. Galinson*

1. 2003/2004 Legislative Report No. 5
3. California State Ballot Initiative: Opposition by Board of Trustees

Committee on Institutional Advancement: *Chair – Shailesh J. Mehta*

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

Committee on Committees: *Chair – William Hauck*

1. Assignment of Trustee to Standing Committees

Committee on Campus Planning, Buildings and Grounds: *Chair – Ralph Pesqueira*

1. Amend the 2003/2004 Capital Outlay Program, Nonstate Funded
2. Amend the 2003/2004 Capital Outlay Program, State Funded
5. Categories and Criteria for the State Funded Five-Year Capital Improvement Program, 2005/2006–2009/2010
6. State and Nonstate Funded Five-Year Capital Improvement Program 2004/2005 through 2008/2009
7. Certify the Final Environmental Impact Report and Approve the Amendment to the Nonstate Funded Capital Outlay Program and Schematic Plans for the Student Housing North Project at California Polytechnic State University, San Luis Obispo
10. Certify the Final Environmental Impact Report and Approve the Initial Campus Master Plan for the San Diego State University, Imperial Valley Off-Campus Center, Brawley and the Campus Master Plan Revision for the Imperial Valley Off-Campus Center, Calexico
11. Approval of Schematic Plans

Committee on Educational Policy: *Chair – Shailesh J. Mehta*

1. Revision to Title 5: Integrated Teacher Preparation Programs
2. Academic Plan Update for Fast-Track Program Development

Committee of the Whole – *Chair – Debra S. Farar*

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 16, 2003

Trustees Present

Debra S. Farar, Chair
Roberta Achtenberg
Bob Foster
Murray L. Galinson
Harold Goldwhite
William Hauck
Alice A. Huffman
Ricardo Icaza
M. Alexander Lopez
Shailesh J. Mehta
Ralph Pesqueira
Frederick W. Pierce IV
Charles B. Reed, Chancellor
Kyriakos Tsakopoulos

Trustees Absent

Cruz Bustamante, Lt. Governor
Gray Davis, Governor
Dee Dee Myers
Jack O'Connell, Superintendent of Public Education
Herb Wesson, Jr., Speaker of the Assembly
Anthony Vitti

Chancellor's Office Staff

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

Chair Farar called the meeting to order at 11:25 a.m.

Chair's Report

Chair Farar reported on commencements stating that between the Chancellor, Trustees and Vice Chancellors there was coverage at campuses up and down the state.

Chair Farar welcomed and introduced the newly appointed trustee, Alice Huffman, president of the California State Conference of the NAACP and a Sacramento resident. Chair Farar asked Ms. Huffman to make remarks.

Ms. Huffman thanked everyone for the warm welcome she received. She stated that she values public education and looks forward to working with the CSU family.

Chair Farar also noted that Alex Lopez has become the senior student trustee and is now a voting member of the board.

Chair Farar welcomed the new presidents and interim presidents: Mike Ortiz, who succeeds President Bob Suzuki at Cal Poly Pomona; Alex Gonzalez, who transitioned from the presidency of Cal State San Marcos to CSU Sacramento; Scott McNall at CSU Chico; Roy McTarnaghan at Cal State San Marcos; and Joe Crowley at San Jose State. Chair Farar extended best wishes on behalf of the Board to the outgoing presidents and thanked each for his leadership at the California State University.

Chair Farar reported that in early June, Tomás Arciniega announced his retirement from the presidency of CSU Bakersfield a year from now. She indicated that a search for his successor would begin in late fall, bringing to four the total number of presidential searches for the coming year.

Chair Farar also noted transitions for the constituent organizations and welcomed Jose Solache, chair of The California State Student Association; Dr. Bob Cherney, SFSU new chair of the Statewide Academic Senate and Bob Linscheid, alumnus of CSU Chico as the new president of the CSU Alumni Association. Dr. Cherney introduced Bob Snyder from Humboldt, Vice Chair, David Hood, CSULB Secretary, Lynn Cook, CSUN member-at-large; Jackie Kegley, immediate past chair and Ray Boddie a former member of the executive team.

Chair Farar thanked everyone who participated in the morning's budget discussions for their cooperation in making the discussion thoughtful and constructive.

Chair Farar responded publicly to a letter she received from John Travis, the new president of the California Faculty Association. The letter criticized the timing of a June 6 memo sent by Chancellor Reed to campus presidents that outlined what the CSU would need to do to manage approximately \$330 million in cuts to its budget.

Chair Farar stated that the timing of the memo was dictated by the need to provide up-to-date information and direction to the campuses as the state budget negotiations proceed in Sacramento. She pointed out that the CSU could not ignore critical budgetary developments

during the summer months simply because regular academic terms are not in session. Similarly, campus presidents cannot wait until September to begin their planning efforts. She added that the decision to consider a student fee increase at this meeting has hardly been a secret in the CSU because the issue was first raised last January in the governor's budget. She further noted that the CSU administration has facilitated an exhaustive consultative process to discuss all aspects of the budget – including student fees – in forums that have included the students, the Academic Senate, and organized labor. She stated that she was disappointed to learn that Mr. Travis questions the chancellor's commitment – and by extension, the CSU's commitment – to accessibility and affordability. On behalf of the Board and the presidents of the California State University she reaffirmed their commitment to and support for the leadership of Chancellor Reed. Chair Farar finalized her response to Mr. Travis saying that she hopes that all can agree that a common purpose is shared in serving this university and that they can work together from this point forward.

Chair Farar reported that she had approved the 2003/04 operating budget for the State University House.

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

Chancellor's Report

Chancellor Reed joined Chair Farar in welcoming new trustee, Alice Huffman, and Alex Lopez to the voting status as a student trustee.

Chancellor Reed offered his welcome to the new presidents and stated that although the retiring presidents would be missed, he would continue to count on their counsel and advice. He added that nothing that the Board does is more important than the hiring of exceptional campus presidents and that four presidential searches would make for an interesting year.

Chancellor Reed stated that the longer the Legislature goes without approving a budget the more at risk the CSU becomes. He said that a \$330 million or greater reduction to the CSU's budget is equal to the general fund budgets of San Diego State and Cal Poly Pomona combined.

Chancellor Reed stated that he regretted some information that was presented to the Board this morning about how the CSU administration had not consulted with labor. He noted that he and Mr. West had been scheduled to meet with the Labor Council on March 12 at CSU Fullerton, but that the Labor Council cancelled the meeting at the last minute. He further noted that the Labor Council has two members on the Budget Advisory Committee, which has met almost every month, this past year.

Chancellor Reed reported that to plan for the budgetary reductions, the presidents and the senior staff in the Chancellor's Office has been working on this budget and the downturn for the past eighteen months. He remarked that the presidents and their senior staff have

done an outstanding job on their campuses in serving every student. He further noted that the CSU admitted and served 8,000 more students than the CSU was funded for, and that the CSU has provided almost all of the classes and sections to serve those students. The presidents and their staffs have done this without affecting instruction that much and without laying-off faculty or staff. He stated that a few people had been laid-off, but that the CSU had stuck with its primary goal: To serve as many students as possible with quality, and not to lay off CSU faculty. He stated that he would continue to meet with the presidents, to look at how to put enrollment targets in place as of January 1st, and to anticipate a plan for the next year.

Chancellor Reed reported that the division of University Advancement had been reorganized. He said that the vice chancellor position would not be filled and that half of the Advancement function had been assigned to Richard West and the Chancellor would administer the other half until such time that there is a turnaround with the budget. Chancellor Reed also reported that the funding for two auditor positions had been shifted to all of the auxiliaries to spread that cost out.

Chancellor Reed stated that the CSU was keeping the salary commitments for this year. As of July 1 the CSU is spending \$45.5 million on annualized costs for faculty salary increases and faculty health benefits increases for 2003/04. He also said that no compensation raises would be given to any manager, president, vice chancellor or chancellor this year.

Chancellor Reed congratulated Peter Smith on CSU Monterey Bay recently receiving their full accreditation from WASC.

Chancellor Reed reported that President Koester, CSUN, had renegotiated the agreement with MedTronic/Mini-Med, which is a bio-tech company that manufactures on property leased to them at Northridge. The new contract stipulates that during the next five years they will provide \$200,000 a year for faculty-student research projects and they will complete an endowment of \$250,000 for scholarships. Chancellor Reed asked President Koester to make remarks.

President Koester commented that the original lease's educational partnership provisions were somewhat unspecific, they were the rationale for the university entering into such an agreement, so the additional negotiations include specific dollars coming to the university for the full term of the lease. She further stated that the dollar amounts that the chancellor referenced would also be increased as the CPI increases.

Chancellor Reed announced that the Home Depot Center would host the championship game of the Women's World Cup this October. This event will provide unprecedented worldwide exposure for CSUDH.

Chancellor Reed congratulated the SDSU Foundation, Trustee Pierce and San Diego State University for its Fraternity Row complex for receiving the Gold Nugget Award of

Merit from the Pacific Coast Builder's Conference for the best public/private special use facility in the West.

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

Report of the CSU Alumni Council

Bob Linscheid, president, reported for the Alumni Council.

Report from the California State Student Association

José Solache, chair, reported for the CSSA.

Report from the California Postsecondary Education Commission

Trustee Pesqueira reported CPEC met on June 3, 2003 in Sacramento and referred the trustees to the summary in their materials.

Approval of Minutes

The minutes of the meeting of the Board of Trustees of May 14, 2003 were approved as presented.

Board of Trustees

Chair Farar asked that Chancellor Reed present the Board items relating to the conferral of the Title President Emeritus first. Items 4, 5 and 6 were presented, moved and seconded together. The Board of Trustees approved the following three resolutions:

Conferral of the Title President *Emeritus* (RBOT 07-03-04)

WHEREAS, Manual A. Esteban was appointed President of California State University, Chico in 1993, and has since provided a decade of effective and exemplary leadership; and,

WHEREAS, During his tenure, the university has not only expanded its physical structure, including Nettleton Stadium, Bell Memorial Union/Bookstore, and upcoming Taylor Hall, but has also prepared itself intellectually by developing a comprehensive strategic plan for the university; and

WHEREAS, He has infused a stronger spirit of community into the university, establishing Founders Week and a distinguished alumni program, working actively with the Academic Senate to develop shared governance, and establishing the President's Lecture Series, which has drawn Nobel Peace Prize winners to the campus; and,

WHEREAS, He has strongly encouraged academic improvements with an emphasis on teaching and learning, resulting in higher national rankings for the university; and promoted and rewarded student achievement through the President's Scholars program and a highly successful scholarship fund-raising campaign; and

WHEREAS, He has greatly strengthened the relationship between the university and the surrounding community, through his personal participation on civic boards, speaking before local organizations, and inviting the community to be a more active partner with the university; and

WHEREAS, It is altogether fitting that the California State University recognize those members who have made valuable contributions to their universities and 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 Manuel A. Esteban, with all the rights and privileges thereto.

Conferral of the Title President *Emeritus* (RBOT 07-03-05)

WHEREAS, Donald R. Gerth was appointed president of California State University, Sacramento in 1984, and has since offered nearly two decades of inspired leadership at what he established as "the Capital University"; and,

WHEREAS, He has additionally served as president of California State University, Dominguez Hills, as Associate Dean of Students at San Francisco State University, and as Vice President of Academic Affairs at California State University, Chico, in all providing the California State University system with a remarkable 45 years of dedicated service; and,

WHEREAS, During his tenure at CSU Sacramento, the campus developed greater maturity, with the development of seven colleges, the introduction of the first joint doctoral program in public history, the establishment of the Center for California Studies and the Center for Public Policy Dispute Resolution, the addition of some 1.2 million square feet of facility space, the launch of private fund-raising efforts, and the extension of hours and summer sessions to increase student access; and

WHEREAS, He has provided higher education leadership throughout the state, the nation and internationally, serving on countless committees and study boards, including those which set a joint undergraduate curriculum for California's public universities and which helped preserve the arts requirement for students entering

California's public universities, leaving a wide and lasting legacy to the citizens of this state, and

WHEREAS, He has acted and will continue to act as the unofficial historian of the CSU, making it more than fitting that the California State University should recognize his many personal 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 Donald R. Gerth, with all the rights and privileges thereto.

Conferral of the Title President *Emeritus* (RBOT 07-03-06)

WHEREAS, Bob H. Suzuki was appointed President of California State Polytechnic University, Pomona in 1991, and has since provided a decade of strong and sterling leadership; and,

WHEREAS, During his tenure, the university undertook a \$185 million construction program, the largest in its history, and one drawing strongly on non-state funds, to provide engineering laboratories, restore the Kellogg House, create a new student residence complex, expand the student union and the Collins Center for Hospitality Management, among others, thus providing a modern working and learning environment for the campus community; and

WHEREAS, He has strongly supported the importance of teaching and learning, by establishing the Faculty Center for Professional Development, expanding the teacher preparation programs to meet California's increasing need for teachers, initiating collaborative projects with regional schools and one of the first blended teacher education programs in the California State University, and creating on campus the International Polytechnic High School, which successfully directs a diverse range of local students onto a college-going path; and

WHEREAS, He has helped develop solid ties to the community and the private sector, encouraging community service outreach from the campus, working with the City of Pomona to revitalize the Downtown Center, and launching the Center for Training, Technology and Incubation, which contains business incubators, a technology park, and countless research opportunities for faculty and students; and

WHEREAS, It is altogether fitting that the California State University recognize those members who have made valuable contributions to their universities and 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 Bob H. Suzuki, with all the rights and privileges thereto.

The remaining Board items were presented individually as follows:

Conferral of the Title Trustee *Emeritus* (RBOT 07-03-07)

Chair Farar moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, William D. Campbell was first appointed to the Board of Trustees of the California State University by Governor George Deukmejian in 1987 and reappointed by Governor Pete Wilson in 1995, and since that time has served in several key leadership roles, including Chair and Vice Chair of the Board; and

WHEREAS, During his decade and a half of service, he has helped guide and advise the California State University as it confronted financial restrictions, rapidly changing enrollment, the launching of three new campuses at San Marcos, Monterey Bay, and Channels Islands, and the inclusion of the California Maritime Academy in the CSU family of universities; and

WHEREAS, Through his chairmanship of the Institutional Advancement Committee, he spearheaded the effort to establish goals and create staff positions for the systemwide university advancement effort, resulting in continuing success and growth in private fund raising which has lifted the CSU to record heights, drawing in 2001-02 nearly \$1 billion in outside funding to support the educational mission the university; and

WHEREAS, He has by his wise leadership, broad vision, and personal commitment to the California State University, enriched the lives of countless members of the CSU community; and

WHEREAS, He himself has honored those contributing members of this system of higher education, notably through initiating the Claudia Hampton Scholarship Fund to memorialize a Trustee colleague, it is especially fitting that the California State University distinguish in turn his many contributions; now, therefore, be it

RESOLVED, By the Board of Trustees of the California State University that this board confer the title of Trustee *Emeritus* upon William D. Campbell, with all the rights and privileges thereto.

Conferral of the Title Trustee *Emeritus* (RBOT 07-03-08)

Chair Farar moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, Martha C. Walda was first appointed to the Board of Trustees of the California State University by Governor George Deukmejian in 1987 and reappointed in 1995 by Governor Pete Wilson, and since that time has served in several crucial leadership roles, including as Chair and Vice Chair of the Board, as a member of the Trustees Search Committee for the Chancellor; and

WHEREAS, During her 16 years of service, she has helped guide and advise the California State University as it undertook the development of the university's first strategic plan, confronted a stubborn remediation issue, developed a higher educational compact with the governor to provide stable funding for enrollment, and oversaw the creation of three new campuses; and

WHEREAS, She has used her energy and imagination to spark the board to new heights, including the creation of the Ambassadors for Higher Education program, which links community leaders throughout the state into an effective network of advocates for the California State University, and, in addition, by her personal efforts, including campus visits to all 23 campuses, she helped ensure the successful launch of this vital program; and

WHEREAS, Her effective leadership of the Institutional Advancement Committee and as a member of the CSU Foundation resulted in a restructuring which greatly increased its cooperative role, leading to such innovations as the creation of a systemwide charitable gift annuity program, and other measures which fueled the strong growth in private funding, thus providing CSU students with increased resources and opportunities; 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 confer the title of Trustee *Emeritus* upon Martha C. Walda, with all the rights and privileges thereto.

Commendation For Service (RBOT 07-03-09)

Chair Farar moved the item to confer the title trustee emeritus to Ms. Thomas; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, Erene S. Thomas, having been appointed as a member of the Board of Trustees of the California State University by Governor Gray Davis in 2001 and since that time has served as a member of the Board until her term ended on June 30, 2003; and

WHEREAS, She has been an active voice for the nearly 408,000 students attending the California State University, and has additionally served as a leader on her home campus of California State Polytechnic University, Pomona; and

WHEREAS, it is altogether fitting that the California State University recognize those members who have made notable 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 recognize and commend Erene S. Thomas for her service as Student Trustee and that the board members extend their best wishes for success to her.

Committee on Institutional Advancement

Trustee Pierce reported the committee heard one information item, Recognition of Recipients of 2003/2004 William R. Hearst/California State University Trustees' Award for Outstanding Achievement and action items as follows:

Approval of Naming of an Academic Entity – Sonoma State University (RIA 07-03-08)

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 Lifelong Learning Institute at Sonoma State University be named the Osher Lifelong Learning Institute.

Committee on Collective Bargaining

Trustee Foster reported the committee heard from two representatives of the Academic Professionals of California on budgetary and employee matters. The committee also heard from the newly elected director of the California State Employees Association.

Committee on Campus Planning, Buildings and Grounds

Trustee Pesqueira reported the committee heard three information items: California Environmental Quality Act Annual Report; Annual Report on Active Capital Projects; Status Report on the 2003/2004 State Funded Capital Outlay Program and three action items as follows:

Amend the 2003/2004 Capital Outlay Program, Nonstate Funded (RCPBG 07-03-09)

Trustee Pesqueira moved the item; there was a second.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of the California State University, that the 2003/04 Nonstate Funded Capital Outlay Program is amended to include: 1) \$1,218,000 for preliminary plans, working drawings, and construction for the California State University, Dominguez Hills, Child Development Center and Infant Toddler Center; 2) \$17,100,000 for preliminary plans, working drawings, and construction for the California State University, Fullerton, Parking Structure B project; 3) \$28,581,000 for preliminary plans, working drawings, construction and equipment for the California State University, Hayward, Pioneer Heights Phase II Student Housing project; 4) \$4,954,000 for preliminary plans, working drawings, construction and equipment for the California State University, Long Beach, Parking Office Building; 5) \$38,193,000 for preliminary plans, working drawings and construction for the California State University, Long Beach, Parking Structures 2 and 3; 6) \$1,250,000 for preliminary plans, working drawings and construction for the California State University, Northridge, Academic Support Facility; 7) \$669,000 for preliminary plans, working drawings and construction for the California State Polytechnic University, Pomona, Parking Lot M Expansion project; and 8) \$27,924,000 for preliminary plans, working drawings, construction and equipment for the California State Polytechnic University, Pomona, Parking Structure 1 project.

Certify the Final Environmental Impact Report and Approve the Campus Master Plan Revision at California State University, Long Beach (RCPBG 07-03-10)

Trustee Pesqueira 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 FEIR for the California State University, campus master plan revision was prepared to address the potential significant environmental impacts, mitigation measures, and project alternatives. Comments and responses to comments on the proposed campus master plan revision are included in Appendix J of the FEIR at <http://www.ppfm.csulb.edu>.

2. The FEIR (State Clearinghouse No. 2002071131) was prepared pursuant to the California Environmental Quality Act and the State CEQA Guidelines.
3. This resolution is adopted pursuant to the requirements of Section 21081 of the Public Resources Code and Section 15091 of the State CEQA Guidelines, which require that the Board of Trustees make findings prior to the approval of a project (along with a statement of facts supporting each finding).
4. This board hereby adopts the findings of fact and related mitigation measures prepared for Agenda Item 5 of the July 15-16, 2003 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.
5. Prior to the certification of the FEIR, the Board of Trustees 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 California State University, Long Beach campus master plan revision as complete and adequate in that the FEIR addresses all environmental impacts of the proposed project and fully complies with the requirements of CEQA and the state CEQA Guidelines. For the purposes of CEQA, the record of the proceedings for the project comprised the following:
 - a. The Draft EIR for the California State University, Long Beach, campus master plan revision;
 - b. The FEIR including comments received on the Draft EIR and responses to comments;
 - c. The proceedings before the Board of Trustees relating to the subject project, including testimony and documentary evidence introduced prior to or at the meeting; and
 - d. All attachments, documents incorporated, and references made in the documents as specified in items (a) through (c) above.

All of the above information is on file with the California State University, Office of the Chancellor, Capital Planning, Design and Construction, 401 Golden Shore, Long Beach, California 90802-4210, and California State University, Long Beach, Office of Physical Planning and Facilities Management, 1250 Bellflower Boulevard, Brotman Hall, Suite 370, Long Beach, CA 90840-0127.

6. The board certifies the FEIR for the California State University, Long Beach, campus master plan revision and for the construction of the parking office building, the parking structures 2 and 3, and the recreation center.
7. The board finds that the FEIR has sufficiently analyzed the environmental impacts and mitigation measures for the campus master plan revision, and the parking office building, the parking structures, and recreation center projects. The board shall consider the FEIR in connection with any future project approvals.
8. The mitigation measures identified in the Mitigation Monitoring and Reporting Plan are hereby adopted and shall be monitored and reported in accordance with the Mitigation Monitoring and Reporting Plan, which meets the requirements of CEQA (Public Resources Code Section 21081.6).
9. The chancellor or his designee is requested under Delegation of Authority by the Board of Trustees to file the Notice of Determination for the project.
10. The California State University, Long Beach, campus master plan revision dated July 2003 is hereby approved.

Approval of Schematic Plans (RCPBG 07-03-11)

Trustee Pesqueira moved the item; there was a second.

The Board of Trustees approved the following resolutions:

1. California State Polytechnic University, Pomona—University Village Phase III

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

1. The board finds that the Mitigated Negative Declaration for the California State Polytechnic University, Pomona, University Village Phase III project has been prepared in accordance with the requirements of the California Environmental Quality Act.
2. The proposed project will not result in adverse significant impacts on the environment because potential impacts from construction and operation of the proposed project will be mitigated to less than significant levels.
3. An Addendum dated May 2003 was prepared to address technical changes in the siting of improvements for the University Village Phase III project as a result of the final schematic design in accordance with Section 15164 of the CEQA guidelines.

4. The board hereby concurs with the findings of fact and related mitigation measures of the Mitigated Negative Declaration and the Addendum dated May 2003, that the proposed project will reduce the potential significant effects on the environment to less than significant.
5. No additional mitigation measures are necessary.
6. The Addendum has adequately analyzed the minor changes that this project makes to previous analyses and findings.
7. The project will benefit the California State University in the implementation of its statewide mission to provide postsecondary higher education.
8. The schematic plans for the California State Polytechnic University, Pomona, University Village Phase III project are approved at a project cost of \$27,421,000 at CCCI 4019.

2. California State University, Sacramento—Parking Structure III

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, Parking Structure III 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 the 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 University, Sacramento, Parking Structure III project are approved at a project cost of \$35,854,000 at CCCI 4019.

Committee on Governmental Relations

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

2003/2004 Legislative Report No. 4 (RGR 07-03-07)

Trustee Galinson moved the item; there was a second.

The Board of Trustees approved the following resolutions:

RESOLVED, By the Board of Trustees of the California State University, that the 2003/2004 Legislative Report No. 4 is adopted.

Committee on Audit

Trustee Mehta reported the committee heard two information items: Status Report on Current and Follow-up Internal Audit Assignments; and Status Report on the Bureau of State Audits Report on the Common Management System

Committee on University and Faculty Personnel

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

Proposed Revision of Title 5 Regulations—Amendment of California State University Conflict of Interest Code (RUF 07-03-03)

Trustee Pierce moved the item; there was a second.

Chair Farar stated that because this resolution proposes a change in Title 5 regulation a public hearing must be held. She 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 resolutions:

RESOLVED, By the Board of Trustees of The California State University acting under the authority of Sections 87300 and 87306 of the Government Code and Section 89030.1 of the Education Code, that the Board hereby amends the California State University Conflict of Interest Code in Exhibit "A," "Designated Positions," of Article 20 of Subchapter 7, Chapter 1, Division 5 of Title 5 of the *California Code of Regulations* as specified in Exhibit A to Agenda Item 1 of the July 15-16, 2003, meeting of the Trustees' Committee on University and Faculty Personnel; and be it further

RESOLVED, That the California State University has determined that the amendment of the regulation 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 costs 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 regulation pursuant to Education Code Section 89030.1 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.

Committee on Committees

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

Assignment of Trustee to Standing Committees (RCOC 07-03-05)

Trustee Achtenberg moved the item; there was a second.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of The California State University, on recommendation of the Committee on Committees, that Alice Huffman be appointed to the following Standing Committees for the 2003/2004 year: Capital Planning, Buildings and Grounds, Educational Policy, Institutional Advancement, Organization and Rules, and Governmental Relations; and be it further

RESOLVED, That Kyriakos Tsakopoulos be removed from the Committee on Audit and be appointed to the Committee on Organization and Rules, and that Roberta Achtenberg be appointed as Vice Chair of the Committee on Audit for the 2003/2004 year.

Committee on Educational Policy

Trustee Achtenberg reported the committee heard three information items: California State University Alcohol Policies and Prevention Programs: First Biennial Report; Revision to Title 5: Integrated Teacher Preparation Programs; and Notable Accomplishments in California State University Teaching, Research and Scholarship: The Desert Studies Center, ZZYZX, California.

Committee on of the Whole

Chair Farar reported the committee heard one information item, California State University Campus Secondhand Smoke Policies Update.

Committee on Finance

Trustee Hauck reported the committee heard one information item, Status Report on the 2003/2004 Support Budget and four action items as follows:

2003/2004 State University Fee Increase (RFIN 07-03-10)

Trustee Hauck moved the item; there was a second.

Trustee Hauck called for a roll call vote. Ms. Hernandez called the roll and reported that the motion had passed by a vote of 11 ayes to 2 noes.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of the California State University, that the following schedule for the State University Fee, which incorporates a thirty percent increase for undergraduate and graduate students, for the 2003-04 academic year, effective fall term 2003 is approved until further amended:

2003-04 State University Fee Schedule (Effective Fall 2003)

All Campuses, except California State University, Stanislaus:

<u>Units</u>	<u>Per Semester</u>	<u>Per Quarter</u>	<u>Per Academic Year</u>
Undergraduate			
6.1 or more	\$1,023	\$682	\$2,046
0 to 6.0	\$594	\$396	\$1,188
Graduate			
6.1 or more	\$1,128	\$752	\$2,256
0 to 6.0	\$654	\$436	\$1,308

California State University, Stanislaus:

<u>Units</u>	<u>Per Semester</u>	<u>Winter Term</u>	<u>Per Academic Year</u>
Undergraduate			
6.1 or more	\$931	\$184	\$2,046
0 to 6.0	\$502	\$184	\$1,188
Graduate			
6.1 or more	\$1,027	\$202	\$2,256
0 to 6.0	\$553	\$202	\$1,308

And, be it further

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

Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Project at San Francisco State University (RFIN 07-03-11)

Trustee Hauck moved the item; there was a second.

The Board of Trustees approved the following resolution:

Orrick, Herrington & Sutcliffe LLP, as bond counsel, prepared resolutions for a project at San Francisco State University that:

- (1) Authorize the sale and issuance of Systemwide Revenue Bond Anticipation Notes and the related sale and issuance of the Trustees of the California State University, Systemwide Revenue Bonds in an amount not-to-exceed \$3,865,000 and certain actions relating thereto.
- (2) Provide a delegation to the Chancellor, the Executive Vice Chancellor And Chief Financial Officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

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

Public/Private Venture to Develop Student Housing on Private Property Adjacent to California State University, San Bernardino (RFIN 07-03-12)

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 authorize the Chancellor or his designee to enter into an “Option to Purchase Agreement” and “Affiliation Agreement” consistent with Agenda Item 4 of the July 15-16, 2003 meeting of the Committee on Finance.

Communications and Correspondence

Old Business

New Business

Committee on Committees

Public Comments

The board heard comments from the following members of the public: Charles F. Goetzl, president APC, Chenyn Allen, student, CSULA; Gordon Black; Gil Smith; Danny Vivian, student CSULB; Carlos Illingworth, student, CSULA; Peter Ucovich, student, CSU Sacramento; Neil Gibson, Student, CSU Fresno; Pat Gantt, CSEA

Adjournment

The meeting was adjourned at 12:49 p.m.

BOARD OF TRUSTEES

Conferral of the Title *Faculty Trustee Emeritus*

Presentation By

Debra S. Farar
Chair

Summary

It is proposed that the title of *Faculty Trustee Emeritus* be conferred on Harold Goldwhite.

The following resolution is recommended for approval:

WHEREAS, Harold Goldwhite was first appointed as Faculty Trustee to the Board of Trustees of the California State University in 1998 by Governor Pete Wilson and reappointed in 2000 by Governor Gray Davis, and since that time has served on the Board in several crucial leadership roles; and

WHEREAS, During his five years of service on the board, he has helped guide and advise the California State University as it confronted a complex remediation issue, a developing budget crisis, and a rapidly growing student body; and

WHEREAS, He has long served the CSU as an outstanding faculty member and academic leader, joining the chemistry faculty at Cal State Los Angeles in 1962, serving as Faculty Director of the CSU Institute for Teaching and Learning, and twice serving as Chair of the Statewide Academic Senate; and

WHEREAS, He achieved in his role as Trustee a rare balance between serving as a forceful and reasoned spokesman for the 20,000 faculty members of the CSU while also keeping in mind the larger issues, needs and concerns of the entire CSU community; 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 confer the title of Faculty Trustee Emeritus upon Harold Goldwhite, with all the rights and privileges thereto.

REPORT OF CHAIR DEBRA S. FARAR
Board of Trustees
The California State University
July 16, 2003

Good morning. When we were together last we were anticipating a round of commencement ceremonies and I just want to report to you very quickly that between the Chancellor, Trustees and Vice Chancellors there was coverage at campuses up and down the state. I had the pleasure of participating in the very first commencement at CSU Channel Islands and later at Sonoma State.

This is a time of many transitions for the CSU. I want to take a few moments to recognize some of our newest leaders: First, a formal welcome to our newest trustee, Alice Huffman. Ms. Huffman is president of the California State Conference of the NAACP and is a Sacramento resident. We're very happy your' here and welcome to the board, Trustee Huffman.

HUFFMAN REMARKS: I 'd like to thank all of you who sent me warm congratulatory letters. I thought it was congratulations at the time. I'm not sure anymore after today, but I am very pleased at the warm welcome and I feel like I've joined a very prestigious family here and look forward to working with you and I certainly value public education and hope that I can make the contribution that will be an additive to this board. So I thank you all very much.

FARAR: Thank you and I just want to say you are doing an admirable job to be thrown in here, so we're glad you're here.

Also I am pleased to note that Alex Lopez has become the senior student trustee and is now a voting member of the board.

Next I'd like to welcome our new presidents: Mike Ortiz, who succeeds President Bob Suzuki at Cal Poly Pomona. Dr. Ortiz comes from the Fresno campus where he served as provost. Alex Gonzalez, who has transitioned from the presidency of Cal State San Marcos to CSU Sacramento. He succeeds President Don Gerth. And a warm welcome to our interim presidents: Scott McNall at CSU Chico; Roy McTarnaghan at Cal State San Marcos; Joe Crowley at San Jose State.

Also, in early June, Tomás Arciniega announced that he would step down from the presidency of CSU Bakersfield a year from now. We will initiate the search for his successor in the late fall. hat will bring to four the total number of presidential searches for the coming year. On behalf of the Board of Trustees I want to extend to our outgoing presidents our very best wishes. We thank each of you for your leadership at the California State University.

EXHIBIT A

Full Board Meeting

September 16-17, 2003

Page 2 of 3

This month also marks a period of transition for our constituent organizations: The California State Student Association has elected its new officers. Mr. José Solache, of CSU Dominguez Hills is the new chair. Congratulations, José, and welcome to you and your fellow student officers. The Statewide Academic Senate has elected its new executive committee. Dr. Bob Cherny of San Francisco State is the new chair. Welcome Bob, to you and your fellow executive committee members.

Dr. Cherny introduced Bob Snyder from Humboldt, Vice Chair, David Hood, CSULB Secretary, Lyn Cook, at-large; and Jackie Kegley, immediate past chair and Ray Boddie a former member. On the Alumni Council, Wayne Adelstein has completed his term as president. The new president is Bob Linscheid, an alumnus of CSU Chico. Welcome to Bob and all of our new leaders. We look forward to working with all of you.

Next I want to shift to the topic of the budget. We have had some very difficult conversations here this morning. I want to thank everyone who participated for your cooperation in making this a thoughtful, constructive discussion.

I also want to take this opportunity to respond publicly to a letter I received last month from John Travis, the new president of the California Faculty Association. I understand that this letter has been distributed to all CSU Trustees and many faculty members. The letter criticized a June 6 memo sent by Chancellor Reed to campus presidents that outlined what the CSU would need to do to manage approximately \$330 million in cuts to its budget. Mr. Travis criticized the timing of the memo, given that many staff were on vacation, and called the memo an "attack" on the university's promise of affordability and accessibility. First let me point out that the timing was dictated by the need to provide up-to-date information and direction to the campuses as the state budget negotiations proceed in Sacramento. This institution cannot ignore critical budgetary developments during the summer months simply because regular academic terms are not in session. Similarly, campus presidents cannot wait until September to begin their planning efforts.

Furthermore, the decision to consider a student fee increase at this meeting has hardly been a secret in the CSU. This issue was first raised last January in the governor's budget. The CSU administration has facilitated an exhaustive consultative process to discuss ALL aspects of the budget – including student fees – in forums that have included the students, the Academic Senate, and organized labor. Last, I think it bears repeating: We have worked through every imaginable scenario to make these cuts with the least possible disruption to our students and our employees. Our commitment to provide access to students is dramatically illustrated by the fact that the CSU has provided admission to 8,000 students for whom we have not received any enrollment funding. Similarly, Chancellor Reed and his staff have demonstrated a commitment to our students and employees by managing the mid-year 2002/2003 budget cuts in a way that protected the institution and avoided the layoff of a single faculty member. Now we have reached a point where our budget cuts are so deep that we have no choice but to take more

dramatic actions. These choices in no way reflect our commitment to the university's promise of affordability and accessibility. In fact, the current budget crisis has made us even more determined to continue to fulfill the mission of the CSU. I am extremely disappointed to learn that Mr. Travis questions the chancellor's commitment – and by extension, the CSU's commitment – to accessibility and affordability. On behalf of the Board and the presidents of the California State University I would also like to reaffirm our commitment to and support for the steadfast leadership of Chancellor Reed. I hope we can all agree that we share a common purpose in serving this university and that we can work together from that point forward.

Finally, this is the time of the year when under trustee policy, the board chair approves and reports on the operating budget for the State University House.

In your packets you will find a budget for the State University House. The 2003/04 operating budget was approved in the amount of \$64,138 with provisions for supplies, services, insurance, and utilities. I would like to note that this budget has been reduced each year for the last two years. The funding, all of which is non-state money, is derived from the proceeds of the sale of the previous State University House in Bel-Air. The trust fund is restricted to supporting the operation, furnishing, and maintenance of the State University House. When the trust was established in 1991, two spending rules were instituted to protect the corpus and ensure that there are sufficient earnings in the future to cover operational and maintenance costs without using General Fund dollars. These two rules are reviewed every three years to determine if any modifications are necessary. This review has been completed and no modifications are recommended. If there are any questions from board members, I would be happy to answer them at any time. That concludes my report. It is now time for the Chancellor's Report.

REPORT OF CHANCELLOR CHARLES B. REED
Board of Trustees
The California State University
July 16, 2003

Chair Farar, I, too, want to join you in welcoming Trustee Alice Huffman and Alex to the voting status as a student. I look forward to working with you this year.

We have several new presidents, and you have introduced them, and I look forward to working with them. I am going to miss the folks that are stepping down or retiring. But I will continue to count on their counsel and advice. This will be an interesting year. We will conduct four presidential searches. Nothing that this board does is any more important than that. We will really step up the work in presidential searches this fall.

As Chair Farar mentioned, this has been an extraordinarily difficult year because of the budget. Richard, the presidents and I have been many, many times to Sacramento. Almost every time we went, the news got worse rather than better. In fact, there was a proposal to cut the CSU an additional \$200 million but it failed yesterday.

However, what is concerning is that the CSU is in the discretionary area of the budget. The first week after this board offered me a job, Bill Hauck and his colleagues brought me to Sacramento and really taught me a lesson. I learned that only 14% of California's budget is discretionary and the remaining 86% of that budget is earmarked. We live along with several other important functions within that 14%. I think that the CSU and the University of California are about 2nd or 3rd in priority, so therefore we will just continue to be at risk until we get a budget. The longer the Legislature goes without a budget, the more at risk we become. So that that's kind of where we are.

Just to put this in perspective – When we talk about a \$330 million or greater reduction, that's an amount equal to the General Fund budgets at San Diego State and Cal Poly Pomona combined. When you think about the total number of students that they have, the number of faculty, staff, their equipment--that's equivalent to the dollar amount that we're taking out of the system this year. So that's not going to be easy.

I regret some information that was presented here this morning about how we have not consulted with labor. Richard and I and others had a meeting set up for the afternoon after this board adjourned at Fullerton. The Labor Council cancelled the meeting at the last minute. And we were prepared to be there the rest of that afternoon. I didn't understand that, but that was their decision. Every month the Budget Advisory Committee has met, and the Labor Council has two members on that committee. So we have continued to do that regardless of what someone said here today.

EXHIBIT B

Full Board Meeting

September 16-17, 2003

Page 2 of 4

Now I need to say this: Our presidents and the senior staff in the Chancellor's Office have been working on this budget and the downturn for the past eighteen months. Generally the presidents come to this office every other month, but that has not been the practice this year. We have brought the presidents to this office four more times this year. And the other two times we have done it by conference call. So about every three or four weeks for the past 18 months we have been planning for this reduction. And in planning for this reduction maybe we have done too good a job. We had a plan last year in September after the legislature adjourned with a budget, knowing that there would be further reductions. Then in December we anticipated what the governor was going to reduce. These presidents and their senior staff have done an outstanding job on their campuses in serving every student. This year we served about 8,000 more students than we were funded for. And as far as I know, we provided almost all of the classes and sections to serve those students. The presidents and their staffs have done this without affecting instruction that much and without laying off faculty or staff. Now we have laid off a few people, but we have stuck with our primary goal: To serve as many students as we could with quality, and not to lay off CSU faculty. And we have held to that for the last 18 months. We will continue next month to meet with the presidents, to look at how we're going to put enrollment targets in place as of January 1st, and to anticipate what we're going to do this next year.

You heard Patrick say this morning that we have reduced the Chancellor's Office budget by 15.1%. By comparison, the reductions at the campuses will probably end up at 11.4% or 11.5%. In addition, we tried to protect Channel Islands and the Maritime Academy because of their size.

Some of the changes at the Chancellor's Office have to do with eliminating positions. You know that Louis Caldera has become the president of the University of New Mexico. We will not fill his position and other positions because we have reorganized the Advancement function. I've assigned half of the Advancement function to Richard and the other half to myself. And we will pick that load up for the rest of this year and until such time that we can see some turnaround with the budget.

Also, we have shifted two of our auditors and the audit functions and we are going to spread that cost out to all of the auxiliaries. That's going to save us another \$188,000. I called Trustees Mehta and Pierce and told them that in these hard times, we need to maintain the current staffing for the audit function. This way we were able to do that. We had made cuts in every department in the Chancellor's Office, but we will shift that cost for the Audit function. In good times, we'll come back and talk about shifting it back the other way, but we needed to do that and I needed to report that to the Board.

Also, we've also kept our salary commitments for this year. As of July 1 we're going to spend \$45.5 million on annualized costs for faculty salary increases and faculty health benefits increases for 2003/04. At the same time, we are not going to provide any compensation raises to any management, to any president, to any vice chancellor or chancellor this year. So that's what we're doing on the budget.

Let me shift gears to some really good news. After about nine years I want to be the first to congratulate Peter Smith on CSU Monterey Bay recently receiving their full accreditation from WASC. The CSU has invested millions of dollars into a new institution with a new outcomes-based academic model. The WASC team wrote in their summary and I quote, "As an institution attempting to build the bicycle while riding it, the university now stands on the verge of being a national model." Ralph Wolfe called me and said he would like for the president and faculty at Monterey Bay to conduct some workshops for people around the country that want to come there to see what they have done. So, Peter, congratulations to you, your faculty and staff.

Next: In 1998, this board provided and delegated the authority to the chancellor, the vice chancellor and the president of CSU Northridge to negotiate an agreement with MedTronic/Mini-Med, which is a bio-tech company that manufactures on some property at Northridge that we have leased to them. President Koester has re-negotiated that lease agreement and the opportunity to do that the lease agreement indicated that they could request additional parking space, and in requesting the additional parking space that gave us the opportunity to open up everything. So we will charge them \$112,000 per year so that they can continue to have that parking that is contiguous to their building. In addition, during the next five years they will provide \$200,000 a year for faculty-student research projects and they will complete an endowment of \$250,000 for scholarships. I think CSU Northridge did as well as you could do in re-negotiating a very difficult contract. President Koester, I invite you to add anything to that.

KOESTER: Just two points of additional clarification. The original lease agreement had an option provision and when we were in discussion on the option provision we took that opportunity to try to give greater definition and specificity to the educational partnership provisions of the original lease. Those educational partnership provisions were somewhat unspecific, they were the rationale for the university entering into such an agreement, so the additional negotiations that were just about ready to sign off on with this company include specific dollars coming to the university for the full term of the lease. And the dollar amounts that the chancellor referenced will also be increased as the CPI increases. We're very pleased that we have some very concrete measurable and in this case, dollars that will come to the university to support the educational partnership with this bio-medical company.

EXHIBIT B

Full Board Meeting

September 16-17, 2003

Page 4 of 4

REED: Next, President Lyons has asked me share this with you. He has confirmed that the Home Depot Center, which is now pretty close to a \$150 million investment on the Dominguez Hills campus, will host the championship game of the Women's World Cup this October. This event will provide unprecedented worldwide exposure for CSUDH. The only thing that President Lyons indicated to me is that if you wanted to get in his box, give him notice early.

Lastly, I want to recognize a recent award given to San Diego State University for its Fraternity Row complex. The facility that this board approved received the Gold Nugget Award of Merit from the Pacific Coast Builder's Conference for the best public/private special use facility in the West. I want to congratulate the Foundation, Trustee Pierce and others for bringing on that development as a model.