



THE CALIFORNIA STATE UNIVERSITY

BAKERSFIELD • CHANNEL ISLANDS • CHICO • DOMINGUEZ HILLS • FRESNO • FULLERTON • HAYWARD • HUMBOLDT LONG BEACH • LOS ANGELES • MARITIME
ACADEMY • MONTEREY BAY • NORTHRIDGE • POMONA • SACRAMENTO • SAN BERNARDINO • SAN DIEGO • SAN FRANCISCO • SAN JOSE • SAN LUIS OBISPO • SAN
MARCOS • SONOMA • STANISLAUS

KATHLEEN KAISER

CSU FACULTY TRUSTEE

REPORT OF THE MEETING OF THE BOARD OF TRUSTEES, JANUARY 27-28, 2004

Kathleen Kaiser, Faculty Trustee

The Board of Trustees (BOT) met in closed session on Jan. 27th at the Chancellor's Office in Long Beach at 10 AM on personnel matters, including Executive Review of Chancellor Reed and President Eisenhardt of the California Maritime Academy!

1 PM Committee on Institutional Advancement: Approval of 2002-03 Annual Report on External Support—there was a 7.6% decline in charitable giving, although multiyear giving grew to \$302,150,000. \$538,830,000 came in special revenue, including sponsored grants & contracts. While \$10,500,000 went directly to student aid and over \$14,000,000 was received for scholarship endowments, there was about a \$1,000,000 reduction for scholarships due to the market forces and reduced giving.

Naming approved by first the committee and then the BOT:

CSU Monterey Bay's wing of the Chapman Science Academic Center (Bldg. 53) named as the Hilton & Roberta Bialek Math and Technology Wing.

CSU Northridge's west wing of Oviatt Library named as the Tseng Family Wing and the College of Extended Learning as the Ronald Tseng College of Extended Learning.

CPSU San Luis Obispo named the Cal Poly Theatre, (Bldg. 02) as the Cotchett Education Building. The University Center for Teacher Education and the Cal Poly Theatre, (Bldg. 44) was named as the Faye & Alex Spanos Theatre.

CASE Awards went to CSU Fresno, CSU Fullerton, CSU Northridge, CSU Long Beach, CPSU Pomona, CSU San Bernardino, San Diego State, San Francisco State, San Jose State, and CSU Stanislaus,

1:30 PM Closed Session on Collective Bargaining to be followed by Open session: The contract with the California Faculty Association (CFA) was ratified. CFA President John Travis, Vice Chancellor Jackie McClain and the Chancellor spoke very positively about the mutual cooperation in getting a contract ratified without going through Impasse for the first time in 10 years. All sides expressed hope that this was a new day for all the members in the CSU. There was particular mention made of the change in order of layoff for 3-year lecturers and the ability of FERP faculty to take a leave without pay. Christine McCarthy, Vice President of the Academic Professionals noted that they also wanted to get back to the bargaining table and felt there would be a positive environment. Pat Gantt, Director of CSEA applauded the CFA contract as a model to get agreement for CSEA. They are meeting again on February 4-5th.

2:30 PM Finance- Report on the Support Budget for 2004-05—Information: Executive Vice Chancellor Richard West and Assistant Vice Chancellor Patrick Lenz reviewed the implications for the 2004-05 CSU System Budget, given the Governor's proposed Budget, the current state of the California economy and the political unknowns of the March primary. The CO is recommending that The BOT request an unallocated budget reduction in the best interests of the currently enrolled students in the CSU, rather than the specific reductions targeted by the Governor's budget. The proposed strategy was: 1) Implement a 5% enrollment reduction for 2004-05 (20,000 students)

and start now due to the nature of the Academic Year cycle; 2) Support the continuation of Educational Opportunity Program (EOP) and Academic Preparation programs as very successful and necessary for students; 3) Develop a proposal about how the CSU might redirect the specified 1% of first-time freshmen; 4) Work on a policy regarding excess course units that would not burden or inhibit students from graduating; 5) Defer CMS; 6) Develop a Student Fee and Financial Aid policy for Fall 2004 and notify students in a timely manner. Suggestions were made to look at summer programs; Presidents were given enrollment targets to implement! Failure of the March Bond was seen as very threatening. So far the 3-year (2002-05) impact to the CSU has been a cumulated loss of \$771,000,000 or 28.8%.

The BOT approved the 3rd series of Bonds that, overall, would total \$135,000,000 The CSU will Issue Systemwide Revenue Bond/Debt Instruments for Humboldt Recreation Center & Field House Renovation, Northridge Parking 11, which will not exceed \$31,575,000. For each project, I requested a more complete statement of how sustainability was being addressed.

The Revision to Title 5 Fee Waiver Dependents Deceased/Disabled Veterans was repealed (replaced by Ed Code 66025.3) after an open period for public comment was held.

3:15 PM Campus Planning, Buildings and Grounds-Amend 2003-04 Capital Outlay: Program, nonstate Funded-was Deferred.

Campus Master Plan Revision CSU Sacramento was approved with great support from the faculty, students, alumni and community. This is an innovative revision of the center of campus with a "green core" and the containment of traffic to the outskirts of campus: Center for Space Science, Outdoor Amphitheater, Geology Optical lab, Café, Science 11, Engineering 11, Art Complex, Classroom 111, Parking Structure 1V, South Campus Entrance, Performing Arts Center, Classroom Lab Building-Tahoe Hall, Baseball Storage Facility, Classroom Building 1V, Gazebo, Parking Structure V, Eureka Hall Addition, and Administration Building are all included with state funded \$45,000,000 & nonstate funded \$81,000,000.

Status Report on the 2004-05 State Funded Capital Outlay Program--Governor's Budget, Information. The Governor's Budget reduced the prior request by \$7,861,000 by the DOF; Humboldt State University's Forbes PE Complex Renovation was reduced by \$41,365,000 as the campus requested to proceed only with the planning phase for \$1,313,000. BOT priorities 22-28 established at the September 16-17, 2003 BOT meeting were not included but may be resubmitted for 2005-06.

The Committee and then the BOT approved Schematic Plans for CSU, Long Beach-Parking #2 & #3 \$38,193,000; CSPU Pomona-Parking #1 \$32,379,00; San Diego State-Social Sciences/parking #8 \$30,360,000; San Francisco State-Joint Library J. Paul Leonard Library/ Sutro Library \$99,595,000; CPSU San Luis Obispo--Engineering/Architecture Renovation & Replacement Phase 11A \$36,099,000. Again I urged for fuller statements of sustainability to be included in these requests.

3:45 PM University & Faculty Personnel Committee and then the BOT approved Executive Compensation for President Karen Hayes of San Marcos for \$203,376 with housing and \$36,804 annually starting February 1, 2004; housing for President Warren Baker of San Luis Obispo for \$36,804 starting February 1, 2004. Authority was granted to Implement Early Retirement Programs as necessary. They do believe there will be fiscal savings for this.

4:00 PM Organization & Rules-Suggested revision of the BOT Rules of Procedure. This is information only and will appear as action in March. The intent is to update the BOT Rules to conform to current law and practice.

4:15 PM Audit--Status Report on Current & Follow-up Internal Audit Assignments, (Information) There was improvement with a targeted timeframe of 9 months response. Still, questions were raised about a few which either exceeded 9 months or showed no progress. Assignment of Functions to be reviewed by the Office of the University Auditor for Calendar Year 2004-Action was

finalized to be Admissions and Evaluations, Human Relations/Personnel Services, and Student Activities/Organizations. A Report on Construction Auditing in the CSU 2002-03, with 6 audits completed was an information item. Report of the Systemwide Audit in Accordance with Generally Accepted Accounting Principles including the Report to Management, was given as information. The format and thoroughness of this audit function and report was praised as greatly improved and being reviewed as a model by other university systems. Despite significant reductions in budget, the CSU's overall financial strength was sound. Total net assets were increased by \$578,900,000, primarily in capital assets, net of related debt and restricted expendable net assets categories. Single Audit Report of Federal Funds was given as information, wherein out of a total expenditure of Federal awards of \$1,139,433,048 about 1,080,000,000 is in student financial aid.

Jan. 28th

8:00 AM Closed Session on Nominees for Honorary Degrees, this list was moved to Action by the BOT and normally only involves a maximum of two per campus.

8:30 AM Open Session--Remedial Education Policy Implementation: 8th Annual Report- Math & English as information. A great deal of publicity has accompanied this report. The key aspects are 1) The likelihood that the CSU will not reach the BOT goals for levels of preparedness for College Level English and Math for first-time freshmen in 2007 set as 90%. 2) From Fall 1998 to Fall 2003 there has been a 10% increase in the % of fully proficient first-time freshmen. 3) The success rate in remediation within one year is about 82%. 4) There has been greater success in achieving Math than English proficiency. 5) There are 3 major Initiatives underway: Early Assessment program 11th grade testing, early Assessment Program-Senior Year experiences, Professional Development for High School teachers.

Revision of Title 5--Student Discipline & Intellectual Property was moved and passed as Action after Open period for comment was noted. Revision of Title 5--Non-vehicular Transportation and Animals on Campus was moved and passed as Action after an open period for comment was held.

9:45 AM Governmental Relations--2003/04 Legislative Report No.7 was presented by Assistant Vice Chancellor Karen Y. Zamarripa and moved first by the Committee and then the BOT to Action. The central points of Karen's presentation were as follows. This is the 2nd year of a 2-year session, which means much greater deadline pressure. Two freshmen legislators (McCarthy & Nunez) are leading the CA Assembly and have put together new teams to lead their respective caucuses with 12 new leaders in the Republican caucuses, 6 are CSU grads. The Senate is more stable until the November elections; her overview was that the legislature is divided over the implications of the Recall. They are hopeful for the Prop 55 Bond for Higher Ed but polls show 70% of voters think the government could give them the same level of service for less cost. 13 different initiatives may qualify for the March ballot. AB 825 (Firebaugh) initial review showed cost at \$41,000,000. Now they are just examining the policies, which restrict access to Cal Grant Program. New for 2004 is the Authority to Pursue False Claims (UC has this) but we would have to wait for the Attorney General to determine that they will not pursue. All of the Joint Master Plan bills are currently in a holding pattern, no one is sure what the details will be. This report was accepted by the Committee and then BOT as Action.

CSU Federal Agenda for 2004 was presented by James Gelb, Assistant Vice Chancellor, where the central focus of activity had been on the reauthorization of the Higher Education Act, which is not in a final stage and may be extended for a year, covering \$90,000,000,000 to Higher Education mostly in student grants and loans of which CSU gets \$1,000,000,000. The areas of review are: teacher preparation & retention, access to Higher Education, college affordability, international education, graduate postsecondary improvement, accountability & student financial assistance. In 2003 the CSU received about \$30,000,000 in Federal funding for research and infrastructure initiatives. 6 of 13 items received funding, plus CSU supported campus priorities. Among them, fiscal year 2004 contains \$2,500,000 for the coastal research initiative, CI-CORE. Campuses are encouraged to pursue proposals in: Federal legislative & regulatory policy and CSU projects for

direct Federal Funding (as long as they are consistent with CSU core objectives); preserving access; providing quality instruction and preparing students for the workforce. These items from 2003 Federal Agenda are still being pursued: campus-based programs allocation formula (EOP, Work-Study, Perkins Loans); Community Service; Early Intervention (GEAR UP & TRIO); International Education; (HEA); Science; Technology; Engineering & Mathematics (STEM) fields; Developing & Hispanic Serving Institutions (including graduate); Federally supported research. 60 projects have been submitted for 2004, with emphasis in two categories, first is broad-based, multi-campus initiatives (Agricultural Research Initiative-ARI) CSU Program for Education & Research in Biotechnology (CSUPERB) and CI-CORE. Second is campus-oriented projects, (endorsed & prioritized by the campus President) meeting a major need or campus priority which are well developed, suited to Federal appropriations process and fits a balanced set of requests for CSU. This report was moved and accepted as Action.

The failure of both the Proposition 57 and Proposition 58 to pass was presented as an extreme fiscal situation for the CSU and so the BOT endorsed them both. Economic Recovery Bond (Prop 57) & California Balanced Budget (Prop 58) moved to Action.

10:30AM--Committee of the Whole- George Pardon was reappointed as a commissioner of the CSU Headquarters Building Commission for a succeeding 4-year term.

10:45 AM Meeting of the BOT called to order. Chair Debra Farar's Report included mention of the Award won in the Rose Bowl Parade by the CPSU San Luis Obispo float. She noted that the Presidential Search for Bakersfield had its first meeting on January 18, 2004 and was proceeding. The San Jose search is continuing and the BOT encourages anyone who knows of a highly qualified candidate to contact the BOT or the Chancellor. She noted that she had attended by invitation the Academic Senate CSU (ASCSU) meeting the prior week and how significant the ASCSU was to the CSU and to the BOT. Eric Guerra, Student Trustee was the focus of an article in the December 2003 California Journal. She noted the Governor's 2004-05 Budget would entail significant cuts and enrollment decreases, which discussion she deferred to the Chancellor. Through good financial planning the CSU had a \$12,000,000 savings in energy efficiency. She also nominated 5 Trustees to become members of the Committee on Committees, Kyriakos Tsakopoulos, Murray Galinson, Roberta Achtenberg, Shailesh Mehta, and Bill Hauck.

The major item was the report of the BOT on the Chancellor's 6th year review. The review team was lead by Dr. James McCormick, Chancellor of the Minnesota State Colleges & Universities; Dr. Robert Caret, President of Towson University; Mr. Denny Campbell, Trustee-Emeritus of the CSU; Ms. Roberta Achtenberg, Trustee and Debra Farar as Chair of the BOT. The established areas of review were: General Administrative Effectiveness (including the management of human, fiscal, & physical resources); Working Relations; Educational Leadership & Effectiveness; Community Relations; Major Achievements of the CSU and the Chancellor; and Personal Characteristics of the Chancellor. The review was conducted based on the established procedure of the BOT, in which interviews were conducted by each of the five team members (48), covering leaders from the faculty, current and past BOT members, labor, legislators, staff, and from the educational and corporate world. There was no solicitation of letters. However, each interviewee was judged to have personally worked with the Chancellor and to have personal knowledge of him. The Chancellor also wrote a 6-year Report to the BOT. As is customary, reviews are developmental, but the conclusion as presented by the Chair was that the Chancellor was a strong and truly dedicated advocate for the CSU. He is tireless in working for students and the CSU. In these very difficult fiscal and political times, the CSU was assessed as fortunate to have Chancellor Reed as our Advocate.

The Chancellor acknowledged his positive review and then went on to note the serious issues facing the CSU. Over 3 years the CSU faces a cumulative \$771,000,000. Reduction, 29% less from where the CSU was. The State needs to be part of the partnership guarantee for students. Student Fees, as recommended in the Governor's Budget, give a net increase of \$570,000,000 if all are approved so there is a 20% reduction in enrollment, which is 20,000 students. The CSU is working on a comprehensive Budget plan for fees and financial aid, but the process of reducing enrollment

has to start now. EOP is a strong enhancement for under-prepared students and is supported by the CSU. The CSU is working on a redirection policy for freshmen, for Excess units, and intends to delay part of CMS. The CSU will manage Year-Round Operations (YRO) so as to gain the greatest efficiency. The Chancellor and the CSU must reinforce daily how critical the CSU is for the economic engine of California but that it is a high quality education, which must be accessible to the people of CA, and we have to stay focused on QUALITY. The CSU family is working together and he recognized in particular John Travis, President of CFA for the successful Contract. The importance of PROP 55 to Higher Education was emphasized, and it will provide \$650,000,000 to the CSU. In recent polls it is not faring well and CFA made a donation in response to his request of \$50,000 to support the campaign for PROP 55. Scott McNall was given recognition for his excellent service as Interim President at CSU, Chico and Roy McTarnaghan for his as Interim President at San Marcos. Joe Crowley was surprised to hear that, apparently, the Chancellor thought he could be persuaded to stay on as Interim President at San Jose, meanwhile the search is proceeding. CSU Long Beach has worked with Long Beach Memorial Medical Center to establish \$15,000,000 over a 5-year partnership to double the number of nursing graduates serving in the services of the hospitals (from 700 to 1400). Graduate degree nurses were included as well. President Karnig at San Bernardino had established an Inland TV station, which went live at 10 PM to provide news to about 6 million people.

Bob Linscheid, CSU Alumni Council President, gave his report on statewide Advocacy and training. The alumni are committed to work for the CSU, and supported the Proposition 57 & 58. Legislative Day is March 22 and they will honor the Legislator of the Year. There is a need to tell the legislature how important the CSU is to California. They will also attend the Chess Conference on February 20-23 to help CSSA succeed. The Alumni Council will meet in March at the same time as the BOT.

The Vice Chair of CSSA, Caitlin Gill gave the report and noted that they had met for an Executive Committee Retreat to work on a new strategic plan. She noted the December (Humboldt) and January (San Diego) Conferences had been very successful and received great support from the campus Presidents where they were hosted. They have a resolution to support EOP and are engaged in a letter writing campaign. CALSTATE Care Day is planned to focus on financial aid assistance to high school students. CSSA is running their annual Voter Registration Drive and they have a direct link from their Website to California Registration. They are also working on Textbook legislation and noted the major report, which would soon be released. (Was released today as a national report.) CHESS will sponsor a Certificate for student leaders who attend workshops at CHESS on student leader training and they thanked the Chancellor for his support in this.

Trustee Ralph Pesqueira noted that CPEC met in a Retreat and so there was no public comment to be made, but that several planning initiatives and projects were developed.

Note: There was a Shared Governance meeting which convened directly after the BOT meeting to discuss issues and methods by which we may, as a system, encourage the strengthening of shared governance in the CSU. Chaired by Debra Farar, Chair of the BOT. While the discussion was very fruitful with selected Presidents, Trustees, members of the ASCSU current and past leadership and Vice Chancellor, Dave Spence, all parties felt that we were in a developmental stage. It appeared that further refinement in terminology and focus was needed before any formal move, if one was agreed upon, could be developed.