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## Report of the Meeting of the Board of Trustees

September 14-15, 2004

Kathleen Kaiser, Faculty Trustee

The full Board of Trustees (BOT) met in Long Beach at the Chancellor's Headquarters.

All eight of Governor Schwarzenegger's new trustee appointments attended the BOT meeting and we were able to recognize the confirmation of Moctesuma Esparza. Corey Jackson, the non-voting Student Trustee, is finalized. The quality and content of the new BOT members is noteworthy and was commented on by a number of experienced BOT members as a rich resource for the California State University (CSU). I again encourage faculty to make sure that BOT members, especially the new trustees, are invited to campuses to learn about the diversity, quality and issues facing our campuses first hand as well as meet the faculty, staff and students who comprise the CSU system, for which they have assumed such a tremendous responsibility.

The overriding issue, which consumed the BOT, was the proposal to adopt a "Principles Governing a State Funding and Student Fee Policy." While the process of involving California State Student Association (CSSA), Academic Senate CSU (ASCSU), the presidents, and Systemwide Budget Advisory Committee (SBAC) was praised as inclusive, there remain significant differences between the positions of the CSSA, the ASCSU and the policy as proposed. Discussion was vigorous and many questions about the data set could not be answered on the floor. The agreement was to allow each BOT member who has specific questions that they wanted addressed to submit them to staff and that answers would be presented on or before the next scheduled October 28, 2004 BOT meeting. This one-day meeting was originally scheduled only for the presentation of the 2005/06-budget proposal, but the Student Fee policy was added to the agenda. This followed the motion to table the proposal until such time as the questions asked at this BOT meeting could be addressed. If you have a question that might be helpful in assessing the proposed policy, you might email it to staff and/or to CSSA, ASCSU, and of course to the trustees. At the same time as the proposal was being presented Measuring Up 2004: The State Report Card on Higher Education, by the National Center for Public Policy and Higher Education, was being released. You may access both the national report and California's assessment by accessing the URL at [www.highereducation.org](http://www.highereducation.org).

The BOT met in closed session on Tuesday, September 14, 2004 at 10:00 AM to consider personnel matters, including providing access to Ethics Regulations and Conflict of Interest Training, now required of all BOT members.

1:00 PM-- **Closed Session on Collective Bargaining** was followed by open session. The minutes of July 13, 2004 were approved. Jackie McClain, Vice Chancellor for Human Resources, informed the BOT that an agreement had been reached between CSU and California State Employees Association (CSEA) (Units 2, 5, 7 and 9), which cover the 2003/04 and 2004/05 fiscal years. There was also an

agreement between the CSU and the Union of American Physicians and Dentists (Unit 1) for 2004-07. Both were ratified by the BOT and the bargaining teams from both sides were praised.

There was discussion about the tentative voluntary recognition agreement with the United Auto Workers (UAW) to represent student employees. This generated a number of comments from California Faculty Association (CFA), CSEA, and Academic Professionals California (APC) representatives, who noted concerns about making a tentative agreement before the final decision from Public Employment Relations Board (PERB) regarding the status of Teaching Assistants and Student Assistants who work a majority of their time teaching, tutoring, or grading. The BOT, with the expressed view that such an agreement did not in any way interfere with the implementation of a PERB ruling, once it was issued, passed the UAW Voluntary Recognition Settlement.

Summation of issues seen to be impacting the negotiations between the CSU and APC was distributed as well as an overview of the Arbitration Decisions History up to August 31, 2004. Charles Goetzl, president of APC noted that meetings were still being scheduled. Pat Gantt, director of CSEA noted relief in concluding bargaining. State budget process made this a very difficult bargaining cycle, with layoffs at Hayward, Stanislaus, and Humboldt.

2:00 PM-- **Committee on Institutional Advancement:** Minutes from July 13, 2004 were approved by consent. The BOT passed as an action item that the Engineering/Architecture Renovation and Replacement, Phase 11-Non-State Building 191 at California Polytechnic State University, San Luis Obispo (Cal Poly SLO) be named Bonderson Engineering Projects Center. Mustang Stadium, Facility 61, at Cal Poly SLO would be named the Alex G. Spanos Stadium. Finally, the BOT recognized and honored Robert C. Taylor, Jr. attorney-at-law, for his extraordinary vision, volunteer leadership and gift planning expertise resulting in major private support for the CSU.

2:30 PM-- **Finance:** The minutes of July 13, 2004 were approved by consent. *Report on the 2004/05 Support Budget* was given as an information item. This Report was a status report with final full time equivalent (FTE) for fall 2004 still to be reported, both to inform the new trustees of the current situation and of the issues likely to impact the next budget, set to be presented on October 28, 2004. Once the Compact established a base budget, very effective advocacy by SAVE the CSU Coalition resulted in a greater budget augmentation than originally proposed. John Travis, president of CFA, noted that the public campaign to SAVE the CSU, a coalition of CFA and other unions, faculty, staff, and students had made the crucial role of the CSU in the Master Plan and to the economic health of California very visible to the legislature with positive results. The Budget Act of 2004 made permanent \$155,100,000 in appropriations CSU received for retirement in 2003/04, new costs for annuitant dental (\$2,000,000) and lease bond payments (\$42,000) in 2004/05. The following additional adjustments to CSU General Fund budget were required:

Restoration of 2003/04 one-time budget cut	\$69,500,000
CSU Budget Reductions	\$209,534,000 (-)
General Fund Reduction/Student Fee Offset	\$101,527,000 (-)
Eliminated first-time Freshmen Redirection	\$21,062,000
Increase Enrollment Funding	\$12,238,000
Restore Partial Funding-Outreach & EOP Reduction	\$7,000,000
Total	\$201,261,000 (-)

Karen Y. Zamarripa, Assistant Vice Chancellor for Advocacy and Institutional Relations, presented *Principles Governing a State Funding and Student Fee Policy*. The committee consists of staff, students and faculty and is focused on an undergraduate student fee policy. There was not consensus on the

distinction between 25 percent-33 percent of the cost of education to be borne by student fees, the definition of "cost of instruction" and the rate at which they should increase. There is still legislation in progress, which could impact this policy, and student fees are set for the next two years by the compact and the BOT's earlier action. There was also recognition of the degree to which the State's economy affects any policy established by the BOT on student fees. CSSA noted its objections, ASCSU submitted its resolution AS-2671-04/FGA and, as I noted in the introduction, many BOT members raised a number of questions and issues. This item, along with answers to submitted questions, will come back before the BOT on October 28, 2004.

The BOT passed as an action item, an approval to issue trustees of the CSU, systemwide revenue bonds and related debt instruments for a project at CSU Northridge (University Union Renovation, Phase 11 Project) and at CSU Fresno (West Complex Student Recreation Center Project). These are in an amount not-to-exceed \$28,505,000. Action was also taken on delegation to Chancellor, Executive Vice Chancellor and Chief Financial Officer, and their designees to take any and all necessary actions related to the sale and issuance of bond anticipation notes and the revenue bonds. A preview report of the 2005/06 Support Budget was given as information. The BOT meets October 28, 2004 on this budget item. The *California State University Annual Investment Report* was also presented as an information item.

3:15 PM-- **Campus Planning, Buildings and Grounds** approved by consent the minutes of July 13, 2004 and two action items: (1) *Acceptance of Interest in Real Property*, William and Joan Roth's gift to Sonoma State University of 190 acres on Sonoma Mountain, next to the Fairfield Osborn Preserve, expanding the preserve; (2) *Amend the 2004/2005 Capital Outlay Program, Nonstate Funded*.

The BOT amended the 2004-05 Non-State Funded Capital Outlay Program to include 1) CSU Fullerton's preliminary plans, working drawings and construction (PWC) of the University Heights Faculty/Staff Housing, Phase 11 Project \$18,006,000; 2) San Diego State University's PWCE (equipment) for Swimming Pool Complex project, \$8,500,000; 3) CSU San Marcos' PWCE for Transit Station project, \$1,341,000 and; 4) for their PWCE Center for Children and Families project, \$7,682,000. The Final Report on the 2004/05 State Funded Capital Outlay Program (\$312,700,000) was given as information by Vi San Juan, Assistant Vice Chancellor for Capital Planning, Design and Construction. She also presented the CSU Seismic Review Board Annual Report as Information.

The BOT passed as an action item the *State and Nonstate Funded Five-Year Capital Improvement Program 2005/06 through 2009/2010*: 1) Final State and Nonstate Funded Five-Year Capital Improvement Program 2005/06 through 2009/2010 totaling \$4,319,084,000 and \$2,002,620,000 respectively are approved; 2) The 2005/06 State Funded Capital Outlay Program included in the five-year program is approved at \$602,785,000; 3) The 2005/06 Nonstate Funded Capital Outlay Program included in the five-year program is approved at \$101,428,000 and chancellor is authorized to proceed in 2004/05 with design documents for fast-track projects in the 2005/06 nonstate program; 4) The chancellor is requested to explore all reasonable funding methods available and communicate to the governor and the legislature the need to provide funds for the CSU state funded plan in order to develop the facilities necessary to serve all eligible students; 5) The chancellor is authorized to make adjustments, as necessary, including priority sequence, scope, phase, project cost and total budget request for the 2005/06 State Funded Capital Outlay Program within the \$602,785,000.

The BOT then Approved Schematic Plans that: 1) The board finds Cal Poly SLO, Engineering/Architecture Renovation and Replacement, Phase 11B Addition project consistent with the campus master plan revision approved in March 2001, and a Letter of Compliance documenting the

Finding of Consistency was prepared pursuant to the requirements of the CA Environmental Quality Act (CAEQA); 2) With the implementation of the mitigation measures in the master plan, the proposed project will not have a significant effect on the environment, and will benefit the CSU; 3) The mitigation measures shall be monitored and reported in accordance with the requirements of the CAEQA (Public Resources Code, Section 21081.6); 4) The Chancellor is requested under Delegation of Authority by the BOT to file a Notice of Determination for the project; 5) The schematic plans for the Cal Poly, SLO, Engineering/Architecture Renovation & Replacement, Phase 11B Addition project are approved at \$19,902,000 at CCCI 4100.

4:15 PM-- **Governmental Relations:** The minutes of July 13, 2004 were adopted by consent. Legislative Report #11 was presented by Assistant Vice Chancellor for Advocacy and Institutional Relations, Karen Y. Zamarripa and adopted first in Committee and then by the BOT. A number of bills are still on the Governor's desk that impact the CSU and several of them focused on student fees and funding, transfer and common core pathways. A more complete picture will emerge as the bills are either signed, veto, or allow to stand by the Governor.

8:30 AM Wednesday, September 15, 2004-- **Audit:** The Committee approved the minutes of July 14, 2004 by consent. *Status Report on Current and Follow-up Internal Audit Assignments* was introduced as Information on the 2004-audit plan and follow-up on past assignments. A forced reduction due to smaller staff and reductions in state budget allocations will drop the number of anticipated audits in some areas from 10 campuses to seven or less. In the current year, reviews of FISMA (financial internal controls), Auxiliary Organizations, Admissions/Evaluations, HR, Student Activities, Information Systems, and Construction were assigned. The follow-up Internal Audit Assignments notes some significant improvements, with only two reports still 14-15 months outstanding. *Corrective Action Plan for Findings in the Single Audit Reports* was given as an information item and all were completed. The Status Report on Current and Follow-Up Construction Audit Assignments only have funding to profile the top six projects (2002/03 and 2003/04 were given), and a query was made at the last BOT meeting to have an assessment of the funding required if all of the big projects were to be audited. There are about 18 projects, which exceed a million dollars or more, and so the cost would triple. The general view is that little would be gained for the additional cost and the audit function is being preserved.

8:45 AM--**Committee on Educational Policy:** Approval of minutes of July 14 was by consent. Information on the Graduation Initiative, passed by the BOT in January 2003, and the following oral reports were given as addressing academic preparation for college and identifying a clear path to the degree.

The Title 5 changes *Modification of CSU Admission Policy for Upper-Division Transfer Students*, passed by the BOT in July 2004, has been initiated with the Lower-Division Transfer Patterns by Major project. The project is to design with the ASCSU's leadership two items: 1) a degree-major core transfer pattern that would hold for the entire CSU (i.e. all sociology majors transferring to the CSU would have a specified 45 unit package, including General Education (GE), which would be accepted as meeting the lower division core requirements at their institution; 2) A degree-major campus specific transfer pattern: this would include up to 15 units which may be campus specific (region) that cover all the requirements up to 60 units that a transfer student would need to achieve the highest priority in transfer to the CSU (i.e. now the student transferring to CSU Chico would know exactly what else was required to achieve parity with native students entering that same major at CSU Chico). *"Highest Priority" as used herein means a guarantee of admission subject to enrollment demands, available space, and satisfactory completion of any impact criteria for that campus and major.* The project is underway on every campus and the number of majors in the first round has been increased to 30, with the addition of

Chicano Studies, African-American studies, and Asian-American studies. The California Community Colleges (CCC) has received the documentation about the project.

A preliminary report was given on the Early Assessment Program, which is intended to change the awareness of beginning seniors in high school, their families and their teachers about their status as exempt, conditionally exempt, or non-exempt for the CSU placement testing and possible remediation in math and/or English. While there was a great deal of discussion, the overview was that this was the first time that juniors in high school would take a state standards based test and get personal results from it, particularly the identification of their status in regards to the admissions expectations of the CSU. Letters will be sent to schools and student, noting resources, including web-based and faculty development. The emphasis will be on encouraging students to get preparation if needed while in the 12<sup>th</sup> grade and resources for the student, teachers and schools that will assist in the process of final preparation for CSU will be further by every high school in the state being assigned to a CSU campus as a resource base. The issue of cost for the individual student/family was raised as an issue and it was noted that California Postsecondary Education Commission (CPEC) has \$8,000,000 in grant monies for teacher development, which might be explored for funding in the area of teaching standards based curriculum.

Executive Vice Chancellor David Spence and Dr. John Welty, President of CSU Fresno and Chair of the CSU Presidents Task Force on Education Leadership Programs in the CSU, introduced twelve recommendations on Education Leadership Programs. President Welty noted four major areas regarding CSU preparation of administrative leaders: 1) focus on instructional leadership; 2) systemic core program elements; 3) collaborative partnerships; 4) accountability. After noting the timing, which limited faculty review, the reception of the ASCSU resolution, AS-2672-04/TEKR, the BOT endorsed the recommendations and directed the Chancellor to encouraged campus presidents and faculty to actively pursue them.

The BOT passed as an action item the *Academic Plan Update for Fast-Track Program Development* in the following areas: 1) the BA with a major in Linguistics for CSU Long Beach--implementation 2005; 2) BA in Interdisciplinary Studies via special session for 2005 and; 3) MA in History for 2005, both at Cal Poly SLO. Each degree program noted above was subject to the chancellor's determination of need and feasibility, and based on the assumption that financial support, qualified faculty, facilities and information resources were sufficient to establish and maintain the program.

9:45 AM-- **Committee of the Whole:** The minutes of July 14, 2004 were approved by consent. Christine Helwick, General Counsel, gave litigation Report number 20 as an information item. While the overall number of cases has dropped from 300 a year to slightly above a 100 in 2004, we may be leveling off. There were also reports on the distribution by types of complaints, the nature of the settlement and the types of appeals or hearing involved. Some cases carry particular significance for the public function of the CSU regarding construction and Environmental Impact Report (EIR)s. The CSU continues to face legal challenges from local communities and a case involving CSU Monterey Bay is currently pending a hearing before the California Supreme Court, addressing the issue of off-campus mitigation requirements. Further issues affecting a capital project can be deemed covered under 'Over-Riding Consideration', in which the educational mission of the CSU is regarded as a more significant benefit than some irresolvable impacts of a capital project. The CSU is preparing for this case including retaining outside counsel, expert in this arena.

10:00 AM-- The **Meeting of the Whole** was called to order. Murray Galinson, in his Chair's Report, introduced the new trustees for whom this was their first BOT meeting. He welcomed the news that Trustee Esparza had been confirmed. He noted that the CSU alumni won 6 gold metals at the Olympics:

trap shooting, women's softball, and women's beach volleyball. Sonoma State University was recognized in the 100 most 'unwired' campuses nationally. He complimented the CSSA's drive to register voters and noted that only 18% nationally had voted in the last election. CSU Channel Islands and CSU Stanislaus opened new housing for students and he also attended the opening of San Diego State University's new Arts & Letters building and would attend the 10-year Anniversary Celebration of CSU Monterey Bay. President Hughes retirement was announced, but she will serve a year as interim while the search committee of Trustees Farar, Carter, and Chandler looked for a new president. Her service for eleven years as Stanislaus' leader was praised highly.

Chancellor Reed reported that over 400,000 students and 45,000 faculty and staff had started the new academic year, and he was optimistic that we had moved past budget cuts. CFA and the Coalition to SAVE the CSU helped to raise the CSU to the forefront in its value to the state. With \$45,000,000, in unexpected funding, about 7500 more students would be added in 2005. The BOT will meet October 28, 2004 on Budget and enrollment plans for 2005/06 around \$225,000,000. The CSU is the economic engine pathway for the middle class and he hoped to have economic impact for California reports, including by region and by campus, demonstrating how much more the CSU gives than it receives. Long Term Student Fee Policy would be back before the BOT and observed that California no longer has the resources for 'free' education. CSSA has worked with the CSU and attended Leadership Training by Leo Panetta Institute at CSU Monterey Bay. Superintendent Jack O'Connell's partnership with public schools and the CSU was recognized. Only by improving the Public Schools can the CSU improve and the Early Assessment Program (EAP) report will help to communicate what high school students need to do, which will expand Outreach from 150 to 944 high schools. In remediation, progress has leveled off. This is a way to address some of the specialized issues of the state. Don Kassing was appointed Interim President of San Jose State University. The Boeing Corporation was recognized for giving \$50,000,000 to fund professional development in math skills for high school teachers and continues to have a special partnership with CSU Long Beach. CSU Fresno was recognized for its great start in football for fall 2004. CSU Fullerton's NCAA Division 1 National Champs in Baseball were recognized for their sportsmanship as well as their athletic accomplishments. Their Coach was the National Coach of the Year for two years running and 9 players had GPAs of over 3.0, with three of them over 3.5 GPAs.

President Bob Linscheid of the CSU Alumni Council introduced the Director of Alumni Affairs and Annual Giving from CSU San Bernardino, Pamela Langford. The organization's focus was how to leverage the power of CSU's 2 million alumni by playing a significant role in statewide advocacy for the CSU and by forming more effective partnerships with the senior leadership in the Chancellor's staff, the ASCSU and the CSSA. A second focus was to deepen the professional development and support for campus associations, members, and alumni directors, and hire an associate director for outreach. Legislative Day will be April 11, 2005. They are working with CSSA on the Fee policy.

Manolo Platin, Chair of CSSA, welcomed the new trustees and distributed their annual report. They have CSSA has four main issues: 1) long term student fee policy; 2) campus fee referendum policy and procedures; 3) accountability and; 4) transfer. The annual CSSA Summit will be in February 2005. They discussed the strategic plan for Election 2004, which included a New Voter Project to increase participation by five percent and voter education about the issues, which included a press conference. CSSA met at CSU Stanislaus and CSU Long Beach and thanked the presidents for hosting them. There is a policy agenda for each standing committee. University Affairs addresses enrollment management, excess units, advising, and campus based fees referendums. Legislative Affairs is working on financial aid and Cal Grants-fee waivers, Pell Grants, student debt and the California Performance Review (CPR). Internal Affairs examines the value of CSSA to campuses, Legislative Days, fall symposium on leadership, CSSA funding structure (fees based now) and has 40,000 new student votes as a goal. The Long Term Fee Policy is a central issue for them and they are fully engaged in the process.

CPEC representative Trustee Kyriakos Tsakopoulos submitted a written report on the September 7- 8, 2004 meeting. Many issues were noted of central importance to the CSU.

The minutes of the July 14, 2004 BOT meeting were approved. A number of speakers addressed the BOT in the public section, some submitting written statements in advance, however, due to travel schedules many Trustees can not stay for all speakers Normally, I can stay for most, but my personal travel schedule forced me to leave this meeting before comments began.