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Report of the meeting of the Board of Trustees May 10-11, 2005

Kathleen Kaiser, Faculty Trustee

I apologize that this report has been delayed so long. I have worked for six weekends in a row with commencements, farewell to presidents, and inaugurations. I also taught a new course format online for CSU Chico for four weeks in an intensive course framework. The constant traveling has pushed back the timeframe that it takes to recount the Board of Trustees (BOT) events in a manner comprehensive enough so that those who cannot attend in person have a good sense of not only what transpired but also the elements affecting the BOT's decision.

BOT met in Long Beach at the Chancellor's Headquarters.

May 10, the BOT met in closed session to confirm the permanency of Don Kassing as the president of San Jose State University (SJSU), based on his superb performance as an interim and in light of the many challenges continuing to face the campus, which needed a stable leadership. From the campus I have heard nothing but very positive comments about this whole process. The appointment of Diane Cordero de Noriega as the interim president of CSU Monterey Bay during the search for a permanent replacement for outgoing President Peter Smith, was also based on strong support from the campus, where she has been the Provost for the past six years.

Tuesday, May 10, 2005

12:15 PM -- **Closed Session on Collective Bargaining** was followed by open session. Minutes of March 15, 2005 were approved. The California State University Division of California State Employees Association (CSSA), as represented by Director Pat Gantt, noted that they are very concerned about reaching an agreement during the re-opener bargaining for their members which will cover raises, rights, and respect. Pat Gantt also commented on the progression of layoffs of five staff at CSU Bakersfield, looking at mitigation and performance.

Charles Goetzl, President of Academic Professionals of California, noted that their contract had expired 23 months ago and that they are now certified for 'fact-finding'. He expressed specific complaints about asking for a set-aside percent amount to fund staff raises so that they can move through the ranks and that they felt that they had gone 'half-way' in meeting the CSU over merit pay, but see no corresponding move on the part of the CSU. Save many union representatives praised CSU Coalition and the proposed Budget Compact with the Governor was not seen as a positive move. He also noted that he had expressed very positive comments about the BOT's proposed change in the order of public speakers, to allow greater access and that those comments of his were detailed in the

minutes. However, his critical comments were not identified and simply presented as he spoke to the BOT. He asked for greater and more equitable reporting in the minutes of BOT committees and later Chair Foster noted that there would be an attempt to do so in future committee minutes.

1:30 PM -- **Campus Planning, Buildings and Grounds**-Trustee Ray Holdsworth was acting Chair (he was the last Trustee to be confirmed just this week.), Approved by consent were the minutes of March 15, 2005 and an action item. The BOT amended the 2004-05 Capital Outlay Program, Nonstate Funded to include two projects. First, \$19,925,000 for construction of Innovation Village, Phase 111 at Cal Poly University, Pomona through a public-private partnership with the Trammell Crow Company. This includes 120,000 square foot commercial office and research space, with 522 parking spaces with future opportunities for internships. Trammell Crow will manage and sub-lease the project. Second, CSU San Bernardino will proceed with the design and construction of the third building on the Palm Desert Off-Campus Center, providing a state of the art learning-teaching environment in healthcare laboratories lecture space, faculty offices, information resources and library functions. Included will be a Student Health Center, with a total of \$11,287,000 to be raised from a university-sponsored capital campaign.

The only information item was the Status Report on the 2005/06 State Funded Capital Outlay Program, which was presented to the BOT in September 2004. The May Revise is expected on May 13, 2005. (This carried a slight augmentation to the CSU budget, but not in this area.). Current funding issues are seismic fire and life safety issues, completing prior funded projects, balance growth, renovation and infrastructure improvements. The campuses have a limit on the number of projects, totaling \$416 M, but the draft cost guide has gone up 35 percent, causing value engineering augmentations, scope reductions in many projects. DOF/ DGE have revised their construction cost index for 2006/07 but not sufficiently to reflect the actual cost increases, plus the 2.5 percent enrollment growth contained in the Compact. Reliance on General Obligation Funds has been insufficient and funding ideas for renovation are under review. The Draft State and Nonstate Funded Five-Year Capital Improvement program 2006/07 through 2010/2011 was approved, with the expectation that the chancellor would return to the BOT for approval of the final Program, with the specific 2006/07 action-year request once the state budget is approved.

A tentative report on the latest meeting of the CSU Sustainability Taskforce (Saturday, May 7) was given by Vi San Juan, Assistant Vice Chancellor, noting that they had reviewed the renewal energy report, conservation and LEED standards, and will continue to work towards the July BOT anticipated report date. Tyler Middlestadt from Cal Poly University, San Luis Obispo (SLO) is the student representative and from SLO. He noted that Sustainability is both an opportunity and a challenge to preserve the environment. CSU is the largest educational system in the world and needs to balance both its interests and needs, and set goals that will serve, as an effective means to reach desired results. Even though the CSU and the Legislature had set prior goals that they did not reach, the

attempt to do so led to great savings. The students want a full hearing into the feasibility of goals for sustainability and a commitment to do more than the status quo, to decrease cost, improve the education experience and lead emerging trends in the economy. Dr. W. Clark, also on the Sustainability taskforce, was the Senior Policy Advisor for Governor Davis and is now working with Governor Schwarzenegger. He stated that we are in the midst of a major paradigm change were sustainability goals are achievable, and the financing is available, especially with competitive bidding and new resources in solar-electric energy.

The BOT Certified the Final Supplemental Environmental Impact Report, Approved the Campus Master Plan Revision and Amended the Nonstate Funded Capital Outlay Program for the Home Depot Center, Phase 11 at CSU Dominguez Hills (CSUDH). This project has received an intense amount of public input in person and by mail and phone calls to BOT members. The center issue is approval to expand an existing public/private partnership with Anschutz Southern California Sports Complex, LLC. (ASC) to develop and construct a conference center, including a 200-room hotel; a 60,000 square foot athletics training center/office complex; a 50,000 square foot field house/training center; and a 240-bed athletic residential facility. This project is to be built on a five-acre parcel that is currently leased to ASC and is used for surface parking. The issues that were central to CSUDH was the lack of consistent and visible recognition of the Home Depot Center being located at the campus of Dominguez Hills, and the amount of disturbance that would occur to faculty, staff, and students during the construction phase. The second central issue was raised by competing neighborhood interests in regards to whether this was first, a significant change from prior agreements and thus a means of reopening those prior agreements to verification of satisfactory performance and second, whether in fact this Center and thus its expansion was a positive or negative factor in the lives of the surrounding communities. There were enough concerns raised that the BOT in the light of maintaining good relationships with the local communities, made the approval of this master plan revision contingent upon the following: That there were no outstanding material issues of noncompliance involving the Settlement Agreement for Phase 1; that there be a written agreement by AEG to include reference to CSUDH in all AEG media releases, announcements and broadcasts about events at the Home Depot Center and to pursue similar written commitments from third party licensees and media; and that the revenue resulting form Phase 11 is equivalent to comparable market rates. This is to be reported on at the July 2005 BOT meeting.

The BOT approved the schematic plans for the Math and Computer Science Building at CSU Bakersfield for \$20,423, 000 at California Construction Cost Index (CCCI 4100); the Peterson Hall 3 Replacement Building for \$78, 860,000 at CCCI 4100 for CSU Long Beach; a Student Union Replacement for \$39,882,000 at CCCI 4100 for CSU Los Angeles; a Cogeneration Plant and Infrastructure Improvements project at \$29, 474,000 at CCCI 4100 for CSU Monterey Bay; a College of Education building at \$51,046,000 at CCCI 4100 for CSU San Bernardino; a Pool Complex for \$12,100,000 at CCCI 4100 for San Diego State University; and finally a Housing Administration Building for \$3, 507,000 at CCCI 4100 at Cal Poly, San Luis Obispo.

2:45 PM -- **Finance**- Approved minutes of March 15, 2005 by consent.

Report on the 2005/06 Support Budget was given as information. As I noted earlier the May Revise, which is an update to the budget that takes into account the tax revenues the state received in April, fully funded the compact agreement that the CSU reached with the governor last year and enhanced student access to the CSU. This revised budget will include an additional \$212 M for the CSU in 2005/06, the first increase after three years of budget reductions. With this funding the CSU will be able to enroll 10,000 new students beginning in fall 2005, increase by 2,700 the number of State University Grants and, for the first time in three years, give CSU employees a pay increase. The governor also proposed a \$250,000 augmentation to the CSU's budget to increase the number of students seeking a math or science teaching credential. Presidents were asked to be slightly overenrolled in order to meet our new target. The committee and BOT in turn then approved the following action items: Approval to Issue Trustees of the CSU, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects (CSU Long Beach Parking Structure, CSU Sacramento Parking Structure, CSU Los Angeles Student Union Replacement and Cal Poly University, San Luis Obispo Student Housing North) in an amount not-to-exceed \$422,220,000. Approval of Resolution for Real Property Development Project at Cal Poly University, Pomona for Commercial Office and Research Facility for the Innovation Village Phase 111, followed by approval of the Real Property Development Project at CSUDH for a Hotel/Conference Center, Athletic Training Center/Office Complex and Dormitories with the same contingency that was attached in the schematic plans.

3:15 PM -- **Organization & Rules**- the Minutes of March 15, 2005 were approved by consent. It was passed as action.

3:30 PM--**Committee on Institutional Advancement**: Minutes from March 15, 2005 were approved by consent. The BOT passed as action that the 3.1 acre outdoor feature (landscaped lawn, rose garden and the Cal Poly Remembrance Pond at San Luis Obispo) be named for Richard J. O'Neill Green. Further, that the Business Building 13 at CSU San Marcos be named Markstein Hall. Finally that Manny and Neda Mashouf, alumni of San Francisco State University, be recognized for their generosity and legacy formed by a new center for the College of Creative Arts at San Francisco State University.

Wednesday, May 11, 2005

8:00 AM -- **Audit**-The Committee approved the minutes of March 15, 2005 by consent. A Status Report on Current and Follow-up Internal Audit Assignments was introduced as information. A motion was made to delete the prior approved audit of Student Records based on the inability to hire professionals both for the salary offered and for the required amount of travel. The recommendation of the BOT was to look for local auditors who might be able to be retained, to search for ways to reduce the travel and to continue to search for suitable candidates to fill the necessary positions.

8:30 AM-- **Governmental Relations**-- Minutes of March 15, 2005 were adopted by consent. The 2005/06 Legislative Report No. 3 was presented by Executive Vice Chancellor Richard West and adopted first in Committee and then by the BOT. Various bills of interest to the CSU were discussed. Many are in process and some have gone to Appropriations Committees, others have the likelihood of becoming two year bills, and some have the option of being reconsidered even though they did not pass out of committee (SB 5, i.e. on the whole the process is still very much in flux. There were several bills dealing with responses to student behavior and SB 337 was about disciplining students on campus and needed to be reviewed. (The Senate Executive Committee is also tracking several bills as they evolve very closely.)

9:00 AM -- **Committee on Educational Policy** The approval of minutes of March 15-16, 2005 was by consent. There were two information items: First was a presentation by Assistant Vice Chancellor Allison Jones on the status of student borrowing in the CSU. This was a very extensive and informative report about the different types of financial aid (need-based and non-need based) with three types of financial programs, grants, scholarships and fellowships do not have to be repaid, while loans and work-study do. Sources of aid monies come from the federal government, the California legislature and Governor, campuses and private entities of a wide range. The manner in which need is determined follows a federal methodology and is based on the assumption that students and families have a primary obligation. Financial aid is "packaged" as the difference between need and resources. In 2003-04, over 211,000 CSU students received an excess of \$1.5 billion in student financial aid funds. While the CSU students leave owing less than our comparison institutions with 46.4 percent averaging \$13,386 in student loan debts, they typically expect repayment within ten years of graduation or leaving the institution and assume an annual salary of at least \$24,627 in order to not suffer undue hardship. The CSU does try to do informative sessions with each financial recipient at several key points so that they understand the financial obligations that they are accruing. While this is both a federal and state policy issue, there were several comments by trustees, that it would actually help students, assuming they made progress to degree in a shorter timeframe to consider increasing their borrowing, in order to enter the workforce earlier as a college graduate. This report can be accessed through Academic Affairs at CSU Website and I would strongly encourage those who are working with students to study this report. There was a request to come back with a follow-up on the ethnic breakdown for graduate and undergraduate figures and any data that might help understand attitudes and the basis for decision making regarding financing and degree completion timelines.

The second information item was a report on "Just for the Kids" California with the Website www.jftk-ca.org. This is a private/public/public partnership between the CSU and Just for the Kids with the California Business for Education Excellence and Mendocino County Office of Education. This remarkable report would allow anyone, students, parents, local legislators, teachers, and principals to access data on how each school and grade compared on academic performance measures for 8,500 schools and student level

records for over 3,000 schools. You can do comparisons based on a number of features and locate what they called the opportunity gap, which is the difference between a specific school's performance by grade level in comparison with closely match schools who did better in that specific measurement. The hope is to encourage schools and teachers who are struggling to connect with similarly situated schools to find and share resources that might lead to greater academic success for their students.

Two action items were both very significant. The first was the Revision of Title 5--Bases of Prohibited Discrimination for Recognized Student Groups as noted earlier to include ethnicity, color, age, gender, marital status, citizenship, sexual orientation, or disability. The prohibition on membership policies that discriminate on the basis of gender do not apply to social fraternities or sororities or to other university living groups. No negative comments were heard from the public and so the Board passed this as action.

The second action item was the culmination of months of shorter and more narrowly focused reports about efforts on the part of the CSU as a system and individual campuses to improve graduation rates. A three part initiative to improve the effectiveness and efficiency in achieving a baccalaureate degree reflected the following focuses: improving preparation to begin college (Early Assessment Program (EAP) and other efforts); strengthening the transfer process (Lower-Division Transfer Project (LDTP)) and facilitating students progress toward their degree (academic program design, efficient pathways to the BA/BS, approaches to encouraging students to make the right choices and to follow through, advising strategies and practices, campus monitoring and feedback. This led to 22 recommendations broken into the following areas: Efficiency in Academic Program Design; Supporting Students in Choosing an Efficient Pathway to the BA/BS; Tools to Keep Students on Efficient Pathways to BA/BS; Strong Advising Strategies and Practices; Campus Monitoring and Feedback and finally Assuring the Priority of Facilitating Graduation. This last section is the briefest and directs Academic Affairs to schedule periodic reports by presidents to the Chancellor and the BOT concerning campus actions that have been taken to facilitate graduation and to begin immediately. The second component recognizes that 1-19 recommendations will take staff, workload, and dollars and reminds campus presidents to assure that budgets and priorities appropriately support these efforts.

This was the first BOT meeting at which the new rules about public speakers went into effect. That meant that all public speakers had to use the half-hour provided at the beginning of the second day of the BOT meetings to address the BOT on any issues before the BOT. Only those individuals who had specific comments about the items that were before the Committees (Governmental Relations and Educational Policy) could have addressed the BOT on that specific issue only. There was a tremendous amount of comment both positive and negative about the proposed changes to the agreement with Home Depot and CSU Dominguez Hills. Most comments, however, were from neighborhood and community members. This was directly responsible for the added language to withhold final approval until clarification and possible resolution of the

specific allegations was completed. Others presenting comments were: about the failure of staff to receive performance and salary increases from the CSU; various written statements about campus senate or Academic Senate resolutions against changing the retirement plan, preserving funding for Outreach and Retention programs, support for AB 593 CALHope Endowment, LEED standards going into effect in various public and private buildings, notably the LA Community College District and the City of LA, and finally some more specific complaints about a student fee referendum at CSU Chico. Campuses Organized and United for Good Health (COUGH) made plea again to strike the funding relationship between CSU student programs and the tobacco industry, in advertising and sponsorship. Presidents' Hughes, Rollin Richmond and Ortiz were recognized for their campus leadership in this area.

Wednesday, May 11, 2005

11:00 AM -- **The BOT was called to order.** Murray Galinson as Chair recognized the following events of the BOT. The Wang award winners were recognized at a luncheon and then included in the dinner on Tuesday. They are: Rudy Carvajal, an administrator from CSU Bakersfield; faculty were Raphael J. Sonenshein and Richard L. Wiseman, both from CSU Fullerton, Laura P. Stowell from CSU San Marcos, and then Viji K. Sundar from Stanislaus State University. At the same dinner the BOT recognized Presidents Marvalene Hughes and Peter Smith. At the BOT meeting all three were made Presidents' *Emeritus*. Executive Vice Chancellor David S. Spence was also recognized and formally given the title *Emeritus*. Five trustees had gone before the Senate Rules Committee for their confirmation hearings and were congratulated. Only trustee Ray Holdsworth is left to have his hearing. This was student trustee Eric Guerra's last meeting, and he will be recognized at the July BOT meeting. Corey Jackson has now assumed the voting role as Student Trustee. David McNeil and other members of the Academic Senate CSU Executive Committee were also recognized for their yearlong service, especially for the Academic Senate CSU's work with LDTP. The newly elective officers were introduced by name and will be formally introduced in July as they assume their new positions. The strong leadership roles that have been exhibited all year by the outgoing CSSA executive committee, chaired by Manolo Platin, was praised at the CSSA award ceremony. The April 11 Alumni Legislative Day was regarded as very successful. The Inauguration of Paul Zingg was a very festive occasion. Chair Galinson attended the Panetta Lecture Series and highly recommend them. The BOT has started the presidential search to replace Robert Maxson at CSU Long Beach. Don Kassing was made the President at San Jose State University.

Chancellor Reed's report was brief. He also recognized Eric Guerra, David McNeil and Manolo Platin, who is graduating. Besides her work at CSU Stanislaus, President Marvalene Hughes was noted for her National leadership for the Millennium Project, receiving an honorary degree from Tuskegee University. Peter Smith was recognized for his book, *Quiet Crisis*. Diane Cordero de Noriega was made the interim President of CSU Monterey Bay. Trustee Bob Foster has been teaching a course at SJSU. Edison

Corporation sponsors Teachers for Tomorrow at \$250K for 150 new teachers. President Gordon was taking the National Champions CSU Fullerton's Baseball team to the White House.

The CSU Alumni Council noted the success of their Alumni Legislative Day and how the SB 569 was their number 1 priority. They were searching for a new Alumni Trustee and just today announced that Bob Linscheid was selected. CSSA Chair Manolo made his report that there would be an entirely new board next year as all the current members were graduating. Want to look at campus-based fees and how student referendums are conducted. They are very interested in having the CAL Grants increase and the age barrier dropped. Manola stated that they did not originally support the Compact but now feel that the planning aspect was very worthwhile. They also recognized Vice Chancellor Vi San Juan for the efforts to change the approach to Sustainability Committee meeting and hope for a solid report in July. They are concerned about General Education (GE) and bills covering student conduct. They were proud to announce that the CSSA Awards for Outstanding Administrator was Karen Zamarripa, Outstanding President Rollin Richmond, and Outstanding Trustee Melinda Guzman Moore.

The Committee on Committees reported on their appointments for 2005/06. I was made the office representative to CPEC with Trustee Gowgani the alternate. They also reported on the election of the Chair, Murray Galinson and Vice Chair, Roberta Achtenberg. I presented the California Postsecondary Education Commission (CPEC) Report, which is separately available. This concludes my report.