

AGENDA

COMMITTEE OF THE WHOLE

Meeting: 1:00 pm., Tuesday, May 15, 2001
Glen S. Dumke Conference Center

Laurence K. Gould, Chair
Dee Dee Myers, Vice Chair
Roberta Achtenberg
William D. Campbell
Daniel N. Cartwright
Martha C. Fallgatter
Debra S. Farar
Bob Foster
Murray L. Galinson
Harold Goldwhite
William Hauck
Shailesh J. Mehta
Neel I. Murarka
Ralph R. Pesqueira
Frederick W. Pierce, IV
Charles B. Reed, Chancellor
Anthony M. Vitti
Stanley T. Wang

Consent Items

Approval of Minutes of Meeting of March 20, 2001

Discussion Items

1. Quality Improvement Initiative, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE OF THE WHOLE**

**Trustees of The California State University
California State University, Long Beach
University Student Union-Multipurpose Room ABC
Long Beach, California**

March 20, 2001

Members Present

Laurence K. Gould, Chair
William D. Campbell
Daniel N. Cartwright
Martha C. Fallgatter
Debra S. Farar
Murray L. Galinson
Harold Goldwhite
William Hauck
Shailesh J. Mehta
Neel I. Muraka
Frederick W. Pierce, IV
Ali C. Razi
Charles B. Reed, Chancellor
Anthony M. Vitti
Stanley T. Wang
Cruz Bustamante

Members Absent

Dee Dee Myers, Vice Chair
Roberta Actenberg
Bob Foster
Ralph R. Pesqueira

Chancellor's Office Staff

David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Richard P. West, Executive Vice Chancellor and Chief Financial Officer
Jackie R. McClain, Vice Chancellor, Human Resources
Christine Helwick, General Counsel
David J. Ernst, Assistant Vice Chancellor, Information Technology Services
Freda Hinsche Otto, Assistant Vice Chancellor, University Advancement

Chair Gould called the meeting to order at 1:10 p.m., stating that it was great to be on the Cal State Long Beach campus. He reported that Robert Garcia, President, Associated Students, was unable to join the committee meeting but had given the Board a wonderful welcome during lunch. The chair remarked that everyone on the Board was totally committed to the ideals Mr. Garcia had expressed regarding a mission of accessibility, affordability and high quality. Chair Gould also noted that the chair of the CSULB Academic Senate, Professor Crawford, was also unable to join the meeting as he was teaching a class, but that he would be available to meet Board members later that evening.

Consent Items

The minutes of September 20, 2000 were approved as submitted.

Discussion Items

Welcome

The Chair introduced President Robert Maxson. President Maxson thanked the Board, Chancellor Office staff and other people present for coming to the campus. He stated that the faculty, staff, and students were honored by the Board's presence. Chair Gould thanked the president, noting that staff, students and faculty had gone through a lot of extra work in preparing the welcome the Board had experienced.

Chair Gould extended a warm welcome to Lt. Governor Cruz Bustamante, who has served the university as an ex officio member of the Board in two different capacities, as Speaker of the Assembly and as Lt. Governor of California. The chair stated that in both of those capacities, Lt. Gov. Bustamante had been a tremendous booster of higher education throughout the state of California. Lt. Governor Bustamante had not only been helpful in all of CSU budgetary discussions in Sacramento, he continued, but also on policy issues. In addition, Chair Gould said, the Lt. Governor had been a participant at many CSU functions throughout the system.

Lt. Governor Bustamante spoke of his support for CSU efforts to offer the doctorate in higher education, stating the need here in California and nationwide for the doctorate and how California was currently not able to meet that demand. He promised his support as both Lt. Governor and as a UC regent to push the initiative forward.

Technology Update

Richard West, Executive Vice Chancellor and Financial Officer, introduced David Ernst who presented the item. Mr. Ernst informed the Board that in March 1996, Trustees had

endorsed the CSU's strategic plan, the Integrated Technology Strategy (ITS), for the use of technology. Since that time, he reported, several major initiatives have been launched based on the ITS. The plan, he said, continues to guide the University's strategic use of technology to further its academic and administrative activities.

Mr. Ernst guided Trustees through a slide presentation which gave an update on the accomplishments and future plans of the ITS. He stated that ITS strategy concentrates on outcomes first and technology second, by focusing on activities that further personal productivity, excellence in learning and teaching, the quality of the overall student experience and administrative productivity and quality. The strategy grew out of a systemwide common desire among faculty, students and staff for access to network, hardware and software resources and training and support.

Mr. Ernst spoke of the guiding principles: to plan and develop projects once and share them among multiple projects; that CSU would be known for its applied use of technology; and that technology access, training and support would be the highest priority for students, faculty and staff. He stated that those principles have remained consistent through the life of ITS projects.

Mr. Ernst discussed the three ITS major projects: the Merlot project; CMS, the Common Management Systems; and PeopleSoft . He then opened the meeting up to questions.

Lt. Gov. Bustamante spoke of the importance of bringing technology to the Board meetings, suggesting agenda materials be available to board members during the meeting via computers and offered to bring the funding request to the attention of the Legislature. Trustee Vitti asked how CSU initiatives would integrate with K-12 and Community Colleges. Mr. Ernst replied that there are several cooperative initiatives currently underway driven by CSU. Trustee Goldwhite asked what the indicators of success were for the PeopleSoft project. Mr. Ernst spoke of the specific milestones that had to be met on a campus-by-campus basis. Trustee Wang asked how much would need to be invested and Mr. Ernst replied that for CMS it is anticipated that \$350-400 million would be spend over the 5 to 7 years of the project, while the Merlot project had a much smaller budget of approximately \$1 million. Over the 5-7 years of the overall plan, between \$800 million and \$1 billion would be spent. Mr. West noted that much of what was being spent was the foundation of future support efforts. Trustee Vitti asked how these efforts would enhance remediation efforts for those who have not had access to computers. Mr. Ernst reported that the plan focused on having student computer access on campus but did not have a broader answer. Trustee Goldwhite added that in many classes computer access was required and CSU campuses have an elaborate infrastructure – e.g. computer labs – to ensure that students who do not own computers are not left out.

Chair Gould thanked Mr. Ernst and Mr. West for their presentation.

Litigation Report No. 13

Chair Gould asked Christine Helwick, General Counsel, to present the item. Ms. Helwick stated that the last time she presented the litigation report, she had noted a downward trend CSU was experiencing in the total volume of cases pending against the university. This report, she said, reflects the continuation of that downward trend. There are currently 188 active cases pending against the CSU, the first time that the total volume of cases has dropped below the 200 mark.

Ms. Helwick reported on three noteworthy developments in cases reported in the item. In the Horsford case, the claim brought by 3 white police officers claiming to be victims of reverse discrimination, there had been a substantial verdict granted in favor of the plaintiffs of over \$4 million. Post-trial motions, she reported, have now been heard and the judge reduced the verdict to just over \$1 million, a significant reduction. In a March 7, 2001 mediation on the Lander case, an ADA suit at Sonoma State University, similar to the SFSU complaint regarding architectural barriers throughout the campus, Ms. Helwick reported that a settlement had been reached which awarded \$139,000 to the four plaintiffs and their attorneys in resolution of the case. In the Serviss case, the lawsuit involving a claim by Humboldt State University dormitory residents that they had been injured by noisy seismic retrofit work, Ms. Helwick reported that the insurer for the contractor to whom CSU had tendered its defense decided to settle the claim. In December a payment was made to the students and the matter was closed at no cost to CSU.

Ms. Helwick opened the meeting to questions. Trustee Pierce asked for elaboration in the City of Marina and Fort Ord case. Ms. Helwick stated that the status remains unchanged, local entities in that case are claiming that they have rights that CSU is contesting. The issue has been tried and lost and CSU intends to appeal.

There were no further questions or comments.

Amended Policy on Punitive Damages

Ms. Helwick stated that the item proposes a revision to existing Board policy on payment of punitive damages awards. The intent of the item is to give the Board the greatest amount of flexibility to deal with instances where a judge or jury has entered a punitive award against a CSU employee or member of the Board.

The Board first adopted a policy on punitive damages in 1995 when it was statutorily impermissible to pay any punitive award from state funds. The Board's original policy called for an investigation into the circumstances of any punitive award, and where appropriate, the encouragement for payment of such awards from non-state funds sources, such as CSU auxiliary funds. The policy remained in effect for one year until

new legislation was enacted which changed the ability of the state to pay punitive damages awards. At that time, the Legislature gave permission to State agencies, in appropriate circumstances, to pay punitive awards from State funds. After the new statute was enacted, CSU policy was amended, tracking the language of the new statute as to the circumstances when reimbursement might be appropriate, and requiring the first call for the payment of punitive awards to come from state funds.

Neither of these Board policies has ever been used, Ms. Helwick stated, as there have been no punitive awards entered against any CSU employee since 1995 until fairly recently. In fact, she noted, there have only been two punitive awards entered against any CSU employees in the history of the institution, and in both instances the amount of the actual award was very small.

Ms. Helwick called the Board's attention to one change made in the resolution text. Since the proposed amendment now covers punitive damages awards that might be entered against Board members as well as CSU employees, language now clearly expresses that any Board member who might be the subject of such an award, must recuse himself/herself from any decision-making that might pertain to his/her own personal circumstances. Ms. Helwick added that the only time that any Board member has been named individually in any CSU litigation has been in fairly political lawsuits such as the challenge to Proposition 187. Other than that, she said, the naming of Board members has been as a body, in which case there is no individual liability.

Ms. Helwick called for questions. Trustee Fallgatter questioned whether punitive damages award monies to be paid from auxiliaries came from campus auxiliaries or if there was a way for the university system to cover those awards. Chancellor Reed assured her that the system covered those awards against Board members and system administrators. Claims brought against a campus, he said, would be paid by campus auxiliaries. Trustee Pierce asked that, as this policy did not state the order from where funds should be sought, if the Board wished to seek reimbursement from the Legislature, could the Legislature now state that CSU Board's own policy, allowing payment to be made from CSU auxiliaries, work against the University. He asked if the CSU would be better served by being more specific or if the system was best protected by leaving options open. Chancellor Reed replied that options should be left open, which allowed CSU administrators to solve things internally or to go through the political process.

The resolution was approved as submitted in the revised agenda item. (RCOW 03-01-01)

Adjournment

The meeting adjourned at 2:00 p.m.

COMMITTEE OF THE WHOLE

Quality Improvement Initiative

Presentation By

Richard P. West
Executive Vice Chancellor
and Chief Financial Officer

Don W. Kassing
Vice President for Administration and Finance, San José State
and Chair, Quality Improvement Steering Committee

Summary

This item will provide an introduction for some, and an update for others, on the CSU system-wide Quality Improvement (QI) Initiative. Through central support for performance measurement and benchmarking, assessment of customer needs and satisfaction, process mapping activities, and system-wide collaboration, the QI initiative has served as a catalyst for better and more efficient service delivery, and continues to provide campuses with the necessary data and tools to make lasting process improvements. The system-wide QI initiative is a campus-guided effort, led by working committees. This document provides an overview on the history and current activities of the QI programs. Highlights of campus QI activities will be presented at the meeting.

Background

The system-wide effort began with a benchmarking project conducted in 1993/94 by the National Association of College and University Business Officers. Since then the QI Initiative has evolved to be a highly effective and dynamic program in the CSU – encompassing customer satisfaction surveys, process mapping, overall QI frameworks and recognition programs, in addition to performance measurement. The collaborative and voluntary program promotes continuous quality and productivity improvement by assisting campuses in aligning support services with the overall mission of their campuses, as well as the overall mission of CSU and being more efficient in their processes and being more responsive to their customers' priorities and expectations.

The focus for the QI initiative is on student service and administrative functions – not on instruction. The basic goal of QI is to improve service to students, faculty and staff – whoever the service recipient might be. Efficiencies gained from such efforts have enabled campuses to

further improve services, and stretch tight budgets to cover ever-increasing numbers of transactions.

The QI Tools

The *Performance Measurement* (benchmarking) effort brings together over a dozen support services function groups to identify critical success factors and those few key measures that drive their performance. Additionally, by simplifying the approach to data collection and analysis via the web, campuses and functions are enabled to focus on attainment of key objectives and tracking effective results. Some function areas use existing national measurement instruments, incorporating those documents into the system-wide coordination and timeline.

The *Process Mapping* tool has been effective in assisting campuses with identification of streamlining opportunities in day-to-day processes. Focusing on those processes that drive customer satisfaction and operational efficiency, process mapping has yielded successful streamlining in many different functions, ranging from the way in which student services are delivered to removing unnecessary steps in the contracts and procurement processes. These improvements have been measured both in increased customer satisfaction and time and materials reduction, allowing campuses to shift resources to address higher priorities. This tool has also been used to assist campuses in preparing for CMS implementation and identify how long-held practices can be changed with the new software. Over three hundred CSU personnel have been trained on and are actively employing process mapping tools in their work processes.

Customer Satisfaction Surveys conducted at least every two years assess student, faculty, and staff satisfaction, needs, and priorities and provide campuses with vital information for improving their services. This survey effort is in addition to the Student Needs and Priorities Survey (SNAPS), administered every 4-5 years, that is intended to capture students' overall perceptions of their CSU experience. With the support of a team of campus survey experts, administrative functions have developed survey instruments that this year were distributed to over 100,000 students, faculty, and staff members. Combined with performance measurement data, the customer satisfaction feedback serves as an impetus for change and is helping campuses to take a customer-centered approach, make more informed decisions, and identify and share model practices in the CSU.

The administrative functions discussed above include: accounts payable, career centers, environmental health and safety, facilities, financial aid, libraries, mail services, parking, procurement, student accounts receivable, student health services, university police. This list continues to expand as new function areas request support.

Lastly, many campuses have recognized the need to provide a framework to link the campus goals with these tools. Several campuses have recently adopted the *Balanced Scorecard* as a framework tool for incorporating performance measurement data, customer satisfaction data, and employee innovation, satisfaction, and development data into a formalized strategic performance management system. New software tools have been collaboratively acquired to display the results of campus measurement efforts. In addition, some campuses are employing the Malcolm Baldrige criteria as an assessment tool in their administrative divisions. The Baldrige approach is now also being integrated into the accreditation process by WASC, which may further promote the quality initiative across all campus divisions.

Quality Improvement continues to play an important role in the success of the CSU. Outstanding achievements are taking place on campuses, adding value to the overall educational mission and promoting a culture of accountability and productivity. This past year, at the annual QI Symposium, the first CSU QI Expo was launched, where campuses shared their QI success stories with colleagues from around the system. The expo idea, borrowed from Pennsylvania State University, will be repeated in a much expanded fashion in November 2001 at the 4th Annual QI Symposium. As the momentum surrounding the quality initiative grows, enhanced by the integrated software systems now being installed, the CSU will further experience the benefits of increased innovation and learning among staff, process improvement, increased customer satisfaction, and overall improved institutional effectiveness.

More information on the QI programs and training opportunities can be found at www.calstate.edu/tier3/qi.