January 12, 2010

Hon. Denise Moreno Ducheny, Chair
Joint Legislative Budget Committee
State Capitol, Room 5035
Sacramento, CA 95814

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Legislative Counsel
State Capitol, Room 3021
Sacramento, CA 95814

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925 L Street, #1000
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Department of Finance
State Capitol, Room 1145
Sacramento, CA 95814

Gregory Schmidt
Secretary of the Senate
State Capitol, Room 400
Sacramento, CA 95814

E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

The California State University
OFFICE OF THE CHANCELLOR

RE: Regulations Enacted by Board of Trustees in 2009

Per your request, attached are regulations enacted by the Board of Trustees in 2009. These include:

- Title 5: Financial Independence Requirement – Residency Classification (November 2009)
- Title 5: Furloughs of Non-Represented Employees, Reductions in Pay for Non-Represented Employees, and Holiday Provisions (July 2009)

If you have any questions, please contact William Dermody, Chief of Staff, at (951) 562-4740.

Sincerely,

Benjamin F. Quillian
Executive Vice Chancellor and
Chief Financial Officer

Enclosure

BFQ: skg
Regulations Enacted by Board of Trustees in 2009  
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C:  Members, Joint Legislative Budget Committee (17 copies)  
Glen W. Thomas, Secretary of Education  
Charles B. Reed, CSU Chancellor  
Robert Turnage, Assistant Vice Chancellor, Budget  
Karen Y. Zamarripa, Assistant Vice Chancellor, Advocacy and State Relations
COMMITTEE ON EDUCATIONAL POLICY

Proposed Title 5 Revision: California Code of Regulations – Financial Independence Requirement - Residency Reclassifications

Presentation By

Allison Jones
Assistant Vice Chancellor
Student Academic Support

Christine Helwick
General Counsel

Summary

Trustee policy for determining the residency of students for purposes of tuition and financial aid is set out in Title 5 of the California Code of Regulations. Generally, a student must show through a variety of criteria that s/he has been physically present in California for one year prior to the date residency is determined, and with the intent to remain indefinitely. Title 5, section 41905, lists the relevant indicators that determine residence intent. Where a student is classified initially as a non-resident, s/he may seek reclassification in a subsequent semester or quarter. Education Code section 68044 has long required CSU to adopt regulations that make financial independence relevant in the consideration of residency reclassification. This item was introduced for information at the September 2009 Board of Trustees meeting and now is returning for action.

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030 and 68044 of the Education Code, that Title 5 is amended to add Section 41905.5 as follows:

Title 5, California Code of Regulations
Division 5 — Board of Trustees of the California State Universities
Chapter 1 — California State University
Subchapter 5 — Administration
Article 4 — Nonresident Tuition
§ 41905.5. Residence Reclassification - Financial Independence Requirement.

Any nonresident student requesting reclassification to resident for tuition purposes must demonstrate financial independence. A student shall be considered financially independent if s/he has not and will not be claimed as an exemption for state and federal tax purposes by his/her parent in the calendar year the reclassification application is made and in any of the three calendar years prior to the reclassification application; has not and will not receive more than seven hundred fifty dollars ($750) per year in financial assistance from his/her parent in the calendar year the reclassification application is made and in any of the three calendar years prior to the reclassification application, and; has not lived and will not live for more than six weeks in the home of his/her parent during the calendar year the reclassification application is made and in any of the three calendar years prior to the reclassification application. A nonresident student who has been appointed to serve as a graduate student teaching assistant, graduate student research assistant, or graduate student teaching associate on any California State University campus and employed on a 0.49 or more time basis is exempt from this requirement.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Proposed Title 5 Revisions: Addition of Article 6.8 Regarding Furloughs of Non-Represented Employees; Addition of Article 6.9 Regarding Reductions in Pay for Non-Represented Employees; and Amendment to Holidays Provision

Presentation By

Gail Brooks
Vice Chancellor
Human Resources

Summary

This action item proposes:

- Addition of Article 6.8 to Title 5, entitled “Furloughs of Non-Represented Employees”
- Addition of Article 6.9 to Title 5, entitled “Reductions in Pay for Non-Represented Employees”
- Amendment of Title 5 Section 42920, entitled “Holidays”

Upon a finding by the Chancellor of a natural disaster, epidemic or other major debilitating event that significantly impacts the operations of the CSU, or a financial crisis, as defined, proposed Articles 6.8 and 6.9 provide authority to the Chancellor to implement furloughs and/or reductions in pay for non-represented, Management Personnel Plan, and Executive employees.

The proposed revision of Section 42920 provides authority to the Chancellor to determine whether the holidays identified in this section shall be paid or unpaid for non-represented, Management Personnel Plan and Executive employees.

The catalyst for each of these proposed Title 5 changes is to provide the Chancellor with the flexibility to respond to the immediate financial crisis facing the State. The proposed addition of Articles 6.8 and 6.9 also anticipate the possibility of furloughs and reductions in pay, respectively, in other situations, as described in the proposed articles.

Background

During this past year, the CSU has experienced an unprecedented budget reduction as a result of a state budget gap of over $24 billion. The current budget reductions to the CSU are estimated between $400 million and $700 million. Consequently, the CSU is exploring a range of options,
including furloughs, reductions in pay, and unpaid holidays, in order to meet this enormous shortfall in funding. Depending upon the savings resulting from these options, it may be possible to save jobs that may otherwise be lost from layoffs. The CSU’s guiding principles in managing through this budget crisis are to serve as many students as possible without sacrificing quality, and to preserve as many jobs as possible for our employees.

Proposed Revisions

The following resolutions are presented for approval:

RESOLVED by the Board of Trustees of the California State University that Article 6.8, Section 43200 of Title 5 of the California Code of Regulations be added as follows:

Title 5, California Code of Regulations
Division 5 – Board of Trustees of the California State Universities
Chapter 1 – California State University
Subchapter 7 – Employees
Article 6.8 – Furloughs of Non-Represented Employees

§ 43200. Furloughs

a. The following terms are defined for this Article:

(1) “Furlough” means mandatory, temporary unpaid time off work. No earned accrued leave or any other compensated time may be used for any portion of a furlough.

(2) “Financial crisis” means an event(s), occurrence(s) or state of affairs creating an imminent and substantial deficiency in California State University financial resources that severely impacts the California State University’s ability to sustain ongoing operations or to fulfill its mission.

b. Upon a finding by the Chancellor of a natural disaster, epidemic or other major debilitating event that significantly impacts the operations of the California State University, or a financial crisis as defined in this Article, either systemwide or on one or more campuses, the Chancellor may implement furloughs for non-represented, Management Personnel Plan and Executive employees. The Chancellor may suspend any Title 5 regulation(s) and/or any California State University policy(ies) encompassing work hours and/or wages which he or she deems necessary to effectuate this provision. The Chancellor will determine the period of time furloughs will remain in effect.

And be it further
RESOLVED by the Board of Trustees of the California State University that Article 6.9, Section 43220 of Title 5 of the California Code of Regulations be added as follows:

Title 5, California Code of Regulations  
Division 5 – Board of Trustees of the California State Universities  
Chapter 1 – California State University  
Subchapter 7 – Employees  
Article 6.9 – Reductions in Pay for Non-Represented Employees

§ 43220. Reductions in Pay

a. The following terms are defined for this Article:

   (1) “Reduction in pay” means a reduction in base pay.

   (2) “Financial crisis” means an event(s), occurrence(s) or state of affairs creating an imminent and substantial deficiency in California State University financial resources that severely impacts the California State University’s ability to sustain ongoing operations or to fulfill its mission.

b. Upon a finding by the Chancellor of a natural disaster, epidemic or other major debilitating event that significantly impacts the operations of the California State University, or a financial crisis as defined in this Article, either systemwide or on one or more campuses, the Chancellor may implement reductions in pay for non-represented, Management Personnel Plan and Executive employees. The Chancellor may suspend any Title 5 regulation(s) and/or any California State University policy(ies) encompassing work hours and/or wages which he or she deems necessary to effectuate this provision. The Chancellor will determine the period of time reductions in pay will remain in effect.

c. Nothing in this section limits or restricts the Chancellor’s, or any President’s, ability to reduce pay as authorized or permitted elsewhere in this Subchapter 7, or in any California State University policy.

And be it further

RESOLVED by the Board of Trustees of the California State University that Section 42920 of Title 5 of the California Code of Regulations be amended as follows:

Title 5, California Code of Regulations  
Division 5 – Board of Trustees of the California State Universities  
Chapter 1 – California State University  
Subchapter 7 – Employees  
Article 4.1 – Holidays
§ 42920. Holidays.

The Chancellor for the systemwide staff and the President for each campus shall be responsible for the administration of paid holidays for the employees under their supervision.

(a) The following holidays, when not occurring on a Saturday or Sunday, shall be observed on the days specified:

(1) January 1
(2) Third Monday in January (Martin Luther King, Jr. Day)
(3) March 31 (Cesar Chavez Day)
(4) July 4
(5) First Monday in September (Labor Day)
(6) November 11 (Veterans Day)
(7) Thanksgiving Day
(8) December 25
(9) Any other day designated by the Governor of this state for a public fast or holiday.

(b) The following days are designated holidays which the Chancellor or President may reschedule to another day consistent with the needs of the campus or systemwide offices:

(1) Third Monday in February (President’s Day)
(2) February 12 (Lincoln’s Birthday)
(3) Last Monday in May (Memorial Day)
(4) September 9 (Admission Day)
(5) Second Monday in October (Columbus Day)
(6) Personal holiday, to be designated by each employee. The employee may be required to supply reasonable advance notice of intent to take the personal holiday.

(c) Any holiday which falls on a Saturday shall be observed on the preceding Friday and any holiday which falls on a Sunday shall be observed on the following Monday.

(d) On days when the campuses or systemwide office are observing holidays, particular employees may be required to work to perform necessary services.

(e) Notwithstanding the above provisions, the Chancellor shall have discretion to determine whether the holidays identified in this Article shall be paid or unpaid for non-represented, Management Personnel Plan and Executive employees.