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Faculty Trustee Report

CSU Board of Trustees Meeting – July 11-13, 2022

Hereby I respectfully submit a summary of the Board of Trustees meeting. Sadly, due to a COVID infection, I was not able to attend the meeting in person. Therefore, my report is primarily based on the agenda materials provided to the trustees and to the public, as well as on a complete review of the archived livestream of the meeting accessible at <https://www.calstate.edu/csu-system/board-of-trustees/past-meetings/2022/Pages/july-11-13-2022.aspx>.

I tried my best to accurately reflect the deliberations, and I hope to have quoted correctly and paraphrased in the spirit of the speakers' and presenters' intentions. If you notice any inaccuracy or misrepresentation, please let me know (Romey.Sabalius@sjsu.edu).

The Board of Trustees met in-person at the Chancellor's Office in Long Beach. The public was invited to comment live at the beginning of the meeting (either in-person or via audio) or to submit their comments in writing.

In this report, I presume that the topics of the greatest interest to the faculty would be the analysis of the 2022-2023 Final Budget as well as the Planning for the 2023-2024 Operating Budget (item 11.a+b), the approval of Executive Compensation (item 9.a), and all items of the Committee on Educational Policy (item 7).

Romey Sabalius

Europe – August 8, 2022

Faculty Trustee Report

CSU Board of Trustees Meeting: July 11-13, 2022

On July 11-13, the meeting of the Board of Trustees of the California State University was held in Long Beach at the Hilton Hotel on Monday and at the Chancellor's Office on Tuesday and Wednesday.

On Monday, July 11, at 9:00 am,

the **Board of Trustees** convened in **Closed Session** on Executive Personnel Matters.

After interviewing the finalists for the position of President at CSU Monterey Bay, the Board unanimously decided to hire Vanya Quiñones, currently Provost and Executive Vice President for Academic Affairs at Pace University in New York (see item 9.f).

On Tuesday, July 12, at 8:00 am,

1. the **Board of Trustees** convened in **Closed Session** to discuss Executive Personnel Matters and to receive a report on Pending Litigation.
2. The **Committee on Collective Bargaining** deliberated in **Closed Session**.
[Note: According to California Education Code § 66602 (c2) the Faculty Trustee "shall not participate on any subcommittee of the board responsible for collective bargaining negotiations."]

The **Public Meeting** of the **Board of Trustees** started at 10:40 am.

3. The meeting of the **Board of Trustees** began with
 - a. **Public Comment.**

Approximately 35 speakers provided their input in person or live via audio. Additionally, comments were submitted in writing.

As during the May meeting of the Board, several employees of CSU San Bernardino complained about retaliation at the workplace, and they called on the trustees "to intervene, to stop the retaliation, and to hold accountable those who carry it out and those who excuse, condone, and enable the retaliation."

Representatives of various labor unions endorsed the ratification of the new contracts, but they pointed out that the staff salary study called for additional "salary reform." Others were dissatisfied with CSU's budget advocacy and lamented the lack of funding for staff and faculty salaries.

Several speakers voiced their support of SB 1141, which would extend the length from two to three years that undocumented students qualify for in-state tuition and financial aid.

Members of Students for Quality Education bemoaned the lack of Title IX staffing on campuses and criticized the “culture of sexual misconduct.”

As during previous Board meetings, demands were made for more mental health resources and counselors on campuses.

Some speakers called for an open and transparent search for the next Chancellor.

Kevin Wehr, Vice President of the California Faculty Association (CFA), bemoaned the delays in paying negotiated faculty salary increases.

After a lunch break, the **Board of Trustees** received the following

b. **Reports**

Wenda Fong, *Chair of the Board of Trustees*,

expressed her pride and gratitude to be the first Asian-American to chair the Board of Trustees of the largest university system in the country. As a granddaughter of immigrants, she attributes her achievements to education, which “is the catalyst to succeed beyond the visible and sometimes invisible barriers.”

She further stated that “my tenure as Chair will be driven by the ‘collective we.’” “As trustees, we cannot achieve our goals in a silo.” And, most importantly, she wants to “assure that we always be student-centric.” Chair Fong concluded by stating that “our system is united in our values of inclusive excellence, access, equity, and social mobility.”

Jolene Koester, *Interim Chancellor*,

pledged reform and “to restore trust with and among our Board and campus presidents, as well as faculty, students, and staff.” She asked “to set aside that, which divides us, and to be inspired by that, which unites us – which is our commitment to our mission and to our students.”

She commended the Board for “not only taking immediate and decisive action in response to the troubling revelation earlier this year, by addressing problematic employment practices and then commissioning a system-wide Title IX assessment, but the trustees have also commissioned an external review of many of the Board’s own structures, roles, and practices.”

Interim Chancellor Koester is pleased with the contract ratification for most of our labor unions. However, she does acknowledged that “we are still not able to fully and adequately pay all of our skilled, dedicated, and deserving employees.”

Beth Steffel, *Chair of the Academic Senate CSU (ASCSU)*,

mentioned that the statewide Academic Senate does not meet during the summer break, and she used her report to introduce herself and other new senate leaders.

Krishan Malhotra, *President of the California State Student Association (CSSA)*,

expressed his commitment and excitement to work with the Board and the Chancellor’s Office on behalf of our students. He also introduced newly elected or appointed student leaders.

“CSSA is proud to have advocated along-side other CSU stakeholders for the system’s budget request,” and they are pleased that CalGrant reform passed. “Over the course of the next three months, our board will be embarking on a policy agenda development process,

which outlines CSSA’s priorities for the year.” In closing, he announced the annual CSUnity Conference on September 11 and 12 at Cal State Long Beach, which will be CSSA’s first in-person event since March 2020.

John Poli, *President-Elect of the Alumni Council*, represented Jeremy Addis-Mills, *President of the Alumni Council*, who was unable to attend the meeting.

He reported that throughout June, the Alumni Council hosted three networking events with alumni located in the UK, Hong Kong, and Tokyo. Also in June, leaders of the Alumni Council assisted in organizing the inaugural Juneteenth Symposium, and many members participated in CSU’s budget advocacy and state relation activities.

4. The **Committee on Collective Bargaining – Open Session**

- a. ratified as an action item in consent the *Tentative Agreement in the 2021/22 Salary Reopener with Bargaining Unit 4, Academic Professionals of California (APC)*.
- b. ratified as an action item in consent the *Successor Collective Bargaining Agreement with Bargaining Units 2, 5, 7, 9, California State University Employees Union (CSUEU)*.
- c. ratified as an action item in consent the *Successor Collective Bargaining Agreement with Bargaining Unit 8, Statewide University Police Association (SUPA)*.
- d. ratified as an action item in consent the *Tentative Agreement in the 2022/23 Salary Reopener with Bargaining Unit 10, International Union of Operating Engineers (IUOE)*.
- e. ratified as an action item in consent the *Successor Collective Bargaining Agreement with Bargaining Unit 6, Teamsters Local 2010*.
- f. ratified as an action item in consent the *Tentative Agreement in the 2021/22 Salary Reopener with Bargaining Unit 6, Teamsters Local 2010*.
- g. ratified as an action item in consent the *Successor Collective Bargaining Agreement with Bargaining Unit 4, Academic Professionals of California (APC)*.

Trustee Adamson expressed “our deepest appreciation to the staff and to the union representatives,” and he called this a “historic day,” when the CSU ratified new contracts for “the vast majority of our employees.”

5. The **Committee on Committees**

- a. approved as an action item *Amendments to Board of Trustees’ Standing Committee Assignments for 2022-2023*.

Newly appointed Student Trustee Diana Aguilar Cruz replaces outgoing Student Trustee Krystal Raynes on the Standing Committees for 2022-2023.

6. The **Committee on Audit**

- a. received as an information item in consent the *Status Report on Audit and Advisory Services Activities*.

“Audit and Advisory Services is wrapping up work on the 2021-2022 audit plan and has commenced work on the 2022-23 audit plan. Thirty-three audits have been completed as part of the 2021-22 audit plan and all fieldwork for the remaining 2021-22 audits is

complete and the reports are progressing through the report writing and distribution process. Fieldwork has begun for 2022-23 audits, with 12 campus audits starting by the end of July 2022.”

- b. received as an information item the *Audited Financial Statements and Single Audit Report*.

“Financial statement audits are performed annually for the California State University (CSU) and for its discretely presented component units (i.e., auxiliary organizations) which separately issue stand-alone audited financial statements, completed by 15 certified public accounting firms. The CSU systemwide financial statements for fiscal year ended June 30, 2021, [...], was issued with an unmodified opinion on June 15, 2022.

The CSU Single Audit Report was also issued on June 15, 2022, [...] The Single Audit Report covers CSU’s federal awards expenditures, including aid from the Higher Education Emergency Relief Fund (HEERF I, II, and III), subject to both compliance and internal control audit procedures as required by the Office of Management and Budget Compliance Supplement and the Uniform Guidance. There was an audit finding related to internal controls and an instance of noncompliance over allowable costs charged against the HEERF grant. Corrective actions have been completed.”

Trustee McGrory wondered whether our pension commitments are “a CalPERS liability [...] or is it a direct liability of the CSU?” Tracey Richardson, Assistant Vice Chancellor / Controller for Financial Services, replied that “it is a state liability, but the CSU has a proportionate amount of it. [...] What is listed in our financial statements is our proportion that we are responsible for.”

In response to Trustee Faigin’s question about proportional spending compared to other institutions, Steven Relyea, Executive Vice Chancellor and Chief Financial Officer, explained that “in terms of percentage that is going to the instruction function, we tend to be on the high side.”

- c. approved as an action item the *Review and Approval of the California State University External Auditor*.

“This item requests the California State University Board of Trustees to approve the selection of KPMG as the audit firm to provide a variety of audit functions, including the annual financial audit according to generally accepted accounting principles (GAAP), for five fiscal years starting with the audit of fiscal year ending June 30, 2023 plus 2 additional two-year options, and 1 one-year option, and to authorize the chancellor, or his designees, to finalize negotiations for a master service contract with said firm.”

Trustee Day stated that when the selection process for an external auditor was initiated, he was Chair of the Audit Committee. Yet, he was not informed about the initiation of the bidding process. He demands better communication and greater transparency.

Trustee Simon deems it important that auditors are changed from time to time to provide “fresh eyes,” and therefore she is concerned that we are retaining the previous external audit firm. AVC Richardson clarified that audit personnel is rotated within the firm to provide fresh perspectives.

EVC Relyea further explained that due to the size and complexity of the CSU, the number of external audit firms is limited, that have the capacity to conduct such audits.

7. The **Committee on Educational Policy**

- a. approved as an action item the *Recommended Amendments to Title 5 Regarding Blended Academic Programs*.

“This proposed amendment to Title 5 § 40510 would allow blended degree programs – those which combine a bachelor’s and a master’s degree into a single program – to double count up to 12 semester units. As a result, the required semester units to complete both degree programs could be reduced to a minimum 138 semester units. The CSU currently requires a minimum 120 semester units for the bachelor’s degree and minimum 30 units for the master’s degree in a blended degree program. As a further provision in double-counting units, the recommended change would require that 1) none of the required graduate classes is replaced by an undergraduate class and 2) graduate classes that are counted toward the bachelor’s degree either assume the more rudimentary knowledge taught at the undergraduate level or cover the content of the undergraduate courses that they replace.

The availability of blended programs likely will provide access for a larger population of CSU students to obtain graduate degrees. Such an accelerated program is not mandated for campuses to provide, but simply an optional path. Should the proposed Title 5 change be approved, a revised academic policy would be articulated and campuses would follow an established process in developing curricula that begins at the academic department level and which would subsequently require faculty and campus leadership review and approval.”

Trustee McGrory opined that accelerating the pathways to advanced degrees would make our graduate programs more attractive.

Trustee Rodriguez appreciates the greater access to graduate programs, and she urges the campuses to advertise the accelerated pathways to the community.

- b. received as an information item an update on the *Graduation Initiative 2025*.

“In November 2021, the Office of the Chancellor identified five equity priorities – informed by recommendations from an advisory committee composed of faculty, staff and students – designed to inspire creative and innovative strategies to eliminate inequities. This update pertains to the first of the five equity priorities: the reengagement with and reenrollment of students who recently left the CSU. [...]

Equity Priority One: Reengagement and Reenrollment of Underserved Students

The impact of the pandemic has been a catalyst for many campuses to reimagine existing reenrollment practices and, for some, prioritize reenrollment efforts as a consistent and repeatable strategy year-round. It also has provided an opportunity to reevaluate how campuses and the system as a whole engage with students, specifically those who have recently left the CSU. Under the leadership of Chancellor Office task force leads Dr. Cynthia Alvarez, Dr. Carolina Cardenas and Dr. Darlene Daclan, campuses convened to share insights, exchange experiences and develop strategies. Emerging from these discussions are a set of promising practices that capture the strong potential of a number of campus strategies and tactics. These strategies and tactics have been highlighted in seven focus areas summarized below.

Reenrollment

Some campuses leveraged technology such as chatbots to connect and engage with disenrolled students while others customized enrollment efforts to returning students and eased barriers for applications. Other campuses extended returning student deadlines and launched initiatives to standardize and automate reenrollment campaigns. In some cases, wellness surveys for students who did not reenroll were implemented with the goal to meet students where they were and identify barriers preventing them from returning to campus.

Change Management

For campuses to support innovative changes in reenrollment and reengagement practices, it may require organizational or administrative changes. Such changes could range from how departments collaborated with each other – such as financial services, student support services and student affairs – to revisions in policy and administrative processes. Some campuses reimagined their terminology in student communications to come from a place of support rather than compliance. Others changed staff reporting structures and moved retention specialists to specific colleges with a dotted line reporting to the AVP of University Advisement.

Communication and Outreach

Campuses used a variety of approaches to reenroll and reengage students who left the 2019 and 2020 cohorts as well as continuing students. Efforts ranged from phone banking strategies, showcasing faculty, staff and administrators as part of communication campaigns, and leveraging and maintaining current outreach relationships with community colleges. Many campuses used their student success management systems to assist in identifying student sub-populations and barriers students may be facing, and personalized messaging for greater impact. For example, seniors who left within 15 units of graduating who were identified as Pell-eligible or who faced COVID-19 related challenges received customized information.

Credit Opportunities through Summer/Intercession/Extended Learning

Earning academic credit in a timely manner is a key strategy to help students stay on track to graduate. Many campuses identified intercession, summer session and other extended learning opportunities as ways to help students return and reengage with their academic journey, acquiring the additional academic units that can put a CSU degree within reach. Some campuses expanded summer and intercession offerings to help entice and reengage returning and continuing students. Others worked with various campus entities, particularly Extended Learning, to secure funds to help offset the costs of summer offerings.

Data Practices

The use of data has been critical for a number of CSU campuses in their efforts to identify the most vulnerable of students as well as to provide impactful tools to reengage with them. Some campuses leveraged the National Student Clearinghouse data to track stopped out students for their attendance or degree completion at another institution, while others created a data framework to better understand which students needed to be contacted and how to better track their progress through reenrollment.

Debt Relief and Incentives

There is no doubt that financial hardship plays a factor for many students in stepping away from their academic studies. As part of reenrollment efforts, many campuses identified areas to waive student fees that were owed. Some campuses offered financial incentives to returning students for use towards the purchase of textbooks and others secured funds to clear debt for returning students.

Student Support

While reenrollment is the first important step for returning students, ensuring that they remain engaged with their campus and access resources – especially student support services – is also critical to student success. Several campuses recognized student wrap-around services as an important part of their overall reenrollment efforts. Campus efforts included offering one-unit academic resiliency courses to help students build academic momentum, or mentor programs to provide essential peer support and to better track and respond to their needs. A few campuses launched after-hours advising to better align with the flexibility returning students need, especially those who are employed part-time.”

Chair Fong asked when data will be available to demonstrate the presumed success of these initiatives. Jeff Gold, Associate Vice Chancellor for Student Success, ascertained that the numbers would be available in the fall.

Trustee Lopez referred to a newly released Cal Matters article that questioned whether the CSU is “hiding” the graduation rates of African-American students, which are lower than those of other minority groups, by lumping them together in the category of underrepresented minorities (URM). She asked why the CSU does not disaggregate the URM data further. Sylvia Alva, Executive Vice Chancellor for Academic and Student Affairs, replied that the URM is the CSU’s “legacy metric,” and it is even included in the Governor’s budget compact as a benchmark to which the system is being held accountable. She clarified, though, that the campuses are working with further disaggregated data to look at “differential performance” when developing strategies “to address and eliminate systemic, particularly racial and ethnic inequities.” Several presidents confirmed that campuses disaggregate the data to a more granular level, even including aspects such as from which high school students graduated and in which high school subjects they underperformed.

Interim Chancellor Koester cited the reenrollment campaign as “an example how a system should operate in collaboration and partnership with the universities that are part of it.” Uniform strategies and goals were defined for the whole system, and subsequently “the implementation of the changes, the activities tailored to the culture, processes and procedures, and obstacles were at the university level.”

- c. received as an information item a report on the *CSU Certificate Program in Student Success Analytics*.

“The California State University (CSU) Certificate Program in Student Success Analytics is an innovative and interactive professional development experience at the intersection of equity and evidence. It is designed to promote cross-divisional, collaborative action with a focus on student success to eliminate equity gaps between historically

underserved students and their peers. With its data-based, equity-focused and action-oriented curriculum, the Analytics Certificate Program provides teams of higher education faculty, staff and administrators the opportunity to improve student success on their campus.

Initially funded through a grant from the Stupski Foundation, the Analytics Certificate Program began in 2018 as a pilot with California State University, East Bay, and San Francisco State University. Since that time, every CSU campus has sent at least one team to the program, with many campuses participating annually. Cohorts have also expanded outside of the CSU to include participants from The Ohio State University, The Minnesota State University System and Stanford University, among others. The spring 2022 cohort included 500 participants, of which 350 were employees of the CSU. At the conclusion of this term, the CSU awarded its 1,000th certificate of completion. [...]

The CSU Certificate Program in Student Success Analytics is grounded in data-informed decision making – one of the six pillars of Graduation Initiative 2025. By helping to promote an evidence-based culture and democratize data in support of eliminating barriers to student success, the certificate program plays an important role in ensuring successful outcomes for all students.”

Trustee Steinhauser praised the focus on data in our collective decision-making. He just wishes that not only the community colleges could partake in training their faculty via this certificate program, but also high schools. He believes that this would be an effective step towards closing the equity gaps.

Trustee Arambula concluded by saying, “you have empowered hundreds and hundreds of folks to then change the lives of thousands and thousands of students, helping them to turn data into information, information into action, and action into impact.”

8. The **Committee on Institutional Advancement**

- a. approved as an action item in consent the *Renaming of the University Library at California State University, Fresno.*

“This item will consider removing the name of Henry Madden from the university library building at California State University, Fresno (Fresno State). The honorific facility naming was approved by the CSU Board of Trustees on September 23, 1980. [...]

Henry Madden served as Fresno State librarian from 1949 to 1979. Before his passing, Dr. Madden donated 53 boxes of personal documents to the library, whose contents he personally curated. He died in 1982. In late 2021, the university learned that his personal papers contained antisemitic views and Nazi sympathies. In light of that discovery, President Jiménez-Sandoval created a task force to review the naming of the library, in relationship to the contents of the 53 boxes. The task force included students, faculty, staff, and community leaders.

A team of respected researchers and scholars conducted a thorough and comprehensive review of Dr. Madden’s extensive personal papers, which include more than 100,000 letters and documents, and other archival collections. In addition to a review of personal documents, the taskforce conducted an inclusive and deliberative process which listened to voices and perspectives of the internal and external campus community.”

- b. approved as an action item the *Naming of the Valley Children’s Stadium at California State University, Fresno.*

“Fresno State and The California State University, Fresno Athletic Corporation has secured a partnership agreement with Valley Children’s Healthcare to be the naming partner of the existing football stadium, naming the stadium as Valley Children’s Stadium. In recognition of this investment, Valley Children’s Healthcare will obtain the stadium naming rights for a 10-year term. This agreement includes a total cost of investment of \$10 million. The annual revenue of \$1 million will support facility enhancements to the stadium, financial support for operations, scholarships, support for students pursuing degrees in health, and other collaborative opportunities to strengthen the healthcare of children on-campus.”

The Board of Trustees adjourned for the day at 4:45 pm. It reconvened on July 13 at 8:00 am in **Closed Session** on *Executive Personnel Matters.*

The **Public Session** of the meeting commenced at 8:55 am.

9. The Committee on University and Faculty Personnel

- a. approved as an action item the *Executive Compensation.*

“The Board of Trustees’ CSU Policy on Compensation, and the CSU Policies and Procedures for Review of Presidents, specifies that, following completion of presidential triennial performance reviews, compensation adjustments may be considered following a salary assessment. The policy was adopted in November 2019.

However, shortly thereafter the University faced unprecedented challenges related to COVID-19, priorities understandably shifted, and the policy was not implemented. Additionally, the adopted policy lacked an established salary review process.

In September 2021, the Board of Trustees adopted a salary review process (RUF 09-21-06) that was favorably received. The process recognized a president’s performance and is transparent and fiscally responsible while addressing salary gaps incrementally.

The salary review process adopted by the trustees includes the following elements:

- Concurrent with triennial review cycle.
- Annual adjustments over three years, if applicable.
- Target salary is the peer group median.
- First year adjustment not to exceed 10 percent which aligns with current policy.
- Second and third year equity adjustments from 0 to 10 percent, if applicable.
- Reassess market data periodically.

Market Equity Adjustments

This item recommends presidential compensation adjustments resulting from the triennial performance evaluations conducted by the trustees between January 2020 and May 2022. Typically, performance-related salary adjustments will be presented to the trustees in the month of the president’s performance review. However, because no action has been

taken since the policy was adopted, this item also includes retroactive compensation actions.”

Implementing this item will give a general salary increase of 7% to all Presidents and to the Executive Vice Chancellors and Vice Chancellors. 14 Presidents, who have been reviewed recently, will receive additional salary increases between 6.66% and 20%.

Interim Chancellor Koester, Chair Fong, and many trustees (Simon, McGrory, Firstenberg, Arambula, Lopez, Adamson, and Rodriguez) enthusiastically voiced their support for these salary increases. Trustee Lopez and Rodriguez further stressed that all employee groups need to be paid equitably and in line with market standards.

Despite acknowledging the need for an augmentation of executive compensation, Trustee Faigin bemoaned that the list of salary increases was only released shortly before this meeting and not included in the agenda, which has to be posted publically ten days prior to the meeting. He criticized the lack of transparency, and deemed this fulfilling the legal posting requirements “only in letter, but not in spirit.”

- b. approved as an action item the *Executive Compensation for the Interim President of Sonoma State University*.

“This item recommends that Dr. Ming-Tung “Mike” Lee receive an annual salary of \$324,052 effective on August 1, 2022, the date of his appointment as interim president of Sonoma State University. The interim president will receive a housing allowance of \$5,000 per month and is expected to serve in this role for up to no less than 12 months or until the position is filled. (This is the same salary and housing allowance as the current president of Sonoma State.)

In accordance with existing policy of the California State University, Dr. Lee will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees; and
- Reimbursement for actual, necessary and reasonable travel and relocation expenses.”

- c. approved as an action item the *Employment Policy Governing Administrator Employees’ Option to Retreat*.

The significant addition to the existing policy spells out conditions when an administrator will be ineligible to exercise the option to retreat: “(1) a Finding resulted in the Administrator being non-retained, terminated, or separated through mutually agreed upon settlement terms; or (2) the Administrator’s retirement benefits have been rescinded under The Public Employees’ Pension Reform Act due to criminal misconduct associated with their official duties.”

Prompted by a question from Trustee McGrory whether retreat rights are necessary at all, Interim Chancellor Koester explained the significance of such benefits in recruiting not only from within by also from outside of the CSU. Most applicants for administrative leadership positions have earned tenure at their institutions, which they would not want to forfeit by assuming another position. “It is a standard feature of employment for many administrators in the academy.”

- d. approved as an action item the Employment Policy Governing Employee References.

The crucial addition to the existing policy states that “CSU will not provide any official positive letters of recommendation or reference, either verbally or in writing, for a current or former CSU employee who: (i) is subject to a finding that the CSU employee has engaged in misconduct that resulted in the employee being non-retained, terminated, or is separated through mutually agreed upon settlement terms; (ii) is currently under investigation for misconduct or violation of university policy (in abeyance until the completion of the investigation and any appeals); or (iii) has had their retirement benefits rescinded under The Public Employees' Pension Reform Act due to criminal misconduct associated with their official duties. In such cases, Human Resources/Faculty Affairs shall inform the third party requesting the reference of CSU’s employee reference policy and provide an employment verification only, as set forth below, for the current or former CSU employee.”

- e. discussed as an information item the Executive Transition Program Review.

“At the March 2022 meeting of the CSU Board of Trustees, the trustees ceased granting executive transition rights for newly hired executives until such time as the board considers recommendations of a task force and takes further action (RBOT 03-22-03). [...]

The task force found that generally, external institutional practices did not offer programs with characteristics similar to the executive transition program offered by the CSU. Given the circumstances the system has recently encountered, the task force believes that the current Transition II program should be modified or eliminated.

However, it is recognized that the University and our future leaders may benefit from an executive’s accumulated experience and insight. In appropriate circumstances, they can provide valued consultation to a newly appointed executive.

To that end, the task force presents two options for consideration: (1) Elimination of any ‘transition’ program prospectively; or (2) the adoption of a new program with a significantly altered focus and structure. The new program could be offered at the board’s discretion to a resigning executive where it is determined that their consultation would be of benefit to the institution and provide assistance to the newly appointed executive. [...]

The following recommends a policy that will strengthen program requirements, internal controls, approval authorities, and facilitate greater transparency, compliance, reporting, and accountability, and also clarifies the basis for ineligibility.

It is anticipated that this item will be presented for action at the September 2022 meeting of the Board of Trustees.”

Trustee McGrory recommended elimination of the program. He considers it “a gift of public funds.” Trustee Lopez agreed with McGrory, also in respect to the possibility that campuses can choose to retain outgoing administrators as consultants on an individual basis. Trustee Faigin and Trustee Steinhauser also voiced their support for elimination of the program.

Trustee Adamson admitted that the sense of the task force was to eliminate the program; yet, they wanted to provide the Board with an alternative option. He also clarified that due to CalPERS policies, retiring administrators cannot be hired back for a period of six months. Trustee Clarke, also a member of the task force, ascertained that a new policy for executive

transition would come with clear guidelines for accountability and with substantive reporting requirements to the Chancellor's Office.

- f. approved as an action item the *Executive Compensation for the President of California State University, Monterey Bay*.

“This item recommends that Dr. Vanya Quiñones receive an annual salary of \$370,000 effective on August 15, 2022, the date of her appointment as president of California State University, Monterey Bay. Dr. Quiñones will be required to live in the university's presidential residence located in Marina, California, as a condition of her employment as president.

In accordance with existing policy of the California State University, Dr. Quiñones will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- Reimbursement for reasonable actual and necessary travel and relocation expenses in accordance with university policy.

Subject to faculty consultation and approval in accordance with CSU Monterey Bay policy, Dr. Quiñones will hold an appointment with the academic rank of full professor with tenure in the College of Arts, Humanities, and Social Sciences at CSU Monterey Bay.”

Over the past several years, it was common practice that incoming presidents received the same salary as the outgoing president. The salary of Dr. Quiñones, however, will be \$55,000 higher than that of retiring President Ochoa. Interim Chancellor Koester justified this move by saying that Quiñones' proposed salary is taking into account the 7% general increase for the incumbent to be passed at this Board meeting, as well as a market equity adjustment not exceeding 10%.

10. The **Committee on Organization and Rules**

- a. received as an information item a *Progress Report on the Board of Trustees' Review*.

“The Board of Trustees has commissioned an external review of board roles and practices within the university system. It is being conducted by Roberta Achtenberg, Senior Advisor to the CSU for Board Governance and Relations, and Jane Wellman, a special consultant to the Board. The review was announced at the May 2022 board meeting and is expected to conclude by May of 2023.

Focus of the review

The review is centered on the Board and the ways that it conducts its business. We do not plan to produce an abstract discourse on governance within the CSU. Instead, we will focus on a few topics of major concern identified by the Board itself. We have started by holding confidential one-on-one interviews with trustees and others about how they see these issues. We are gathering pertinent information about best practices from other public systems around the United States. We are flagging areas where current rules and regulations may be silent, or even in conflict with one another. We are also identifying certain board practices that have evolved over time, about which we may make recommendations.”

Chair Fong stated “that we are not waiting to the end of the report to take action. That when opportunities arise, when we see needs that we can actually make improvements, we

are doing them. And actually, I am really proud of this Board that we have been able to make changes in just a few short weeks that we have taken this on.”

Trustee Lopez remarked that the Committee on Organization and Rules in the past years merely set the Board’s meeting dates. Yet, “its charter is for it to review and be responsible for how we conduct our business, how we organize ourselves – reviewing our standing orders that establish those delegations and the relationship with the Chancellor’s Office and the presidents.” She further hopes that this will become an ongoing process, that “every five years or so, we should step back and do these kind of assessments – crisis or no crisis.”

11. The **Committee on Finance**

- a. received as an information item a report on the 2022-2023 Final Budget.

“On June 26, 2022, the governor, senate president pro tempore, and assembly speaker reached a three-party consensus on the 2022-2023 state budget.

The final budget agreement included several, ongoing increases in support of both the Trustees’ priorities and state leadership priorities totaling \$365.4 million. Specific to the Trustees’ operating budget request priorities and a subset of the \$365.4 million, the agreement increased the ongoing CSU operating budget for Trustee-related priorities by \$337.1 million—all from the state general fund. This included an unallocated increase of \$211.1 million in support of the Board of Trustees priorities (Note: this will cover most ongoing employee compensation costs and most ongoing mandatory cost increases), \$81 million to increase student enrollment by 2.5 percent (or 9,434 full time equivalent students), \$35 million to support Graduation Initiative 2025 efforts, and \$10 million to support student basic needs. The agreement also included ongoing funding priorities of state-elected leaders that total \$28.3 million included in the “Ongoing Uses of Funds” table below. In total, ongoing state support for the CSU operating budget now stands at \$4.6 billion.

The final budget agreement also included many one-time increases in support of both the Trustees’ priorities and state leadership priorities. The state focused on new construction projects, much less on adequately maintaining existing facilities and infrastructure, and a smaller amount on programmatic improvements. The agreement included \$125 million for deferred maintenance, energy efficiency, and seismic improvements, \$497 million to several campuses for new student housing projects, \$404.8 million to several campuses for a variety of new physical improvements, and \$55.2 million to the Chancellor’s Office and several campuses for a variety of programmatic improvements. [...]

Conclusion

The state had a significant amount of one-time funding available to it this budget cycle and it invested \$1.1 billion of the one-time money in the CSU. The CSU appreciates the fact that many new academic, student service, and student housing projects will be constructed on CSU campuses. However, the 2022-2023 fiscal year begins with a stubborn, persistent challenge of billions of dollars of unaddressed deferred maintenance and infrastructure improvement needs for existing CSU facilities and infrastructure.

The state also had the opportunity to dedicate significant amounts of ongoing funding this cycle and it invested \$365.4 million of those ongoing resources in the CSU. The state directed much of that funding toward the priorities of the Trustees' operating budget request and for that the CSU appreciates the state's investment. However, the CSU's budgetary circumstances are unique and sizeable. Faculty and staff salaries have been flat for two or more years and to address this, the new, ongoing state funding will allow the CSU to cover some but not all of those costs. Consequently, campuses will redirect funding from other priorities to cover some of these new costs. Also, emphasizing employee compensation requires tradeoffs and several other operating budget request priorities will not be funded. Another challenge that the CSU cannot financially address in 2022-2023 is the recommendations of the staff salary structure study that include hundreds of millions of dollars of new costs. Additional challenges include the effects of inflation, heightened energy costs, new commitments and workload contained in the multi-year compact, and the continuing work of narrowing and eliminating equity gaps through Graduation Initiative 2025."

EVC Relyea added that this year, the CSU also achieved a five-year compact deal with the Governor. "The administration commits to proposing annual year-over-year ongoing state general fund increase of 5% of our state budget or 2.8% of our overall CSU operating budget. This does and will provide predictable and more sustainable funding for shared CSU and administration commitments through the year 2026-27. That Commitment is not conditional – it is a commitment in good times and in bad times."

EVC Reylea further outlined that "the 2022-23 fiscal year begins with a stubborn and persistent challenge of approximately \$6 billion of unaddressed CSU deferred maintenance and infrastructure improvement needs." Additionally, the state funding "simply is not sufficient to meet the CSU's essential needs. Consequently, it is estimated that campuses will need to redirect approximately \$50 million from existing campus budgets to cover many of these new costs."

Two Presidents, Jane Conoley from Long Beach and Richard Yao from Channel Islands, illustrated how difficulty it will be for campuses to redirect funds from their already tight budgets.

Trustee Lopez wants "to change the narrative" of budget lament, and she points out that this year the state increase amounts to a total of 8.5% and last year it was almost 14%. "We did very well." And rather than seeing budget reports that show what the trustees requested and what we received from the state, Trustee Lopez would much rather see what it costs to operate our system and on what we spend our funds.

- b. received as an information item a report on the *Planning for the 2023-2024 Operating Budget*.

"With compact commitments fulfilled and exceeded in 2022-2023, there could be an opportunity in 2023-2024 for a similar outcome, one that could support many of the CSU's budget priorities. The CSU anticipates that the governor's administration will again propose an ongoing state general fund base increase of five percent for 2023-2024. This foundational feature of the compact provides the CSU the opportunity to differentiate the working

assumptions of the 2023- 2024 operating budget plan. But to be clear, the compact’s five percent state general fund commitment would not cover all of the Trustees’ budget priorities. For illustration purposes only, the compact funding alone could only cover expenditures such as portions of mandatory cost increases, employee compensation, Graduation Initiative 2025, required strategic resident enrollment growth, and necessary investments to achieve the shared goals of the compact. A scenario like this demonstrates the challenge the CSU faces with many priorities that could not be fully funded or funded at all if the CSU were to rely exclusively on the amounts included in the compact.

The compact has an extra feature; it suggests an openness to providing CSU more state general fund if state revenue is available. This certainly is a welcomed addition to this discussion because it provides a potential for more CSU priorities to be funded by the state. There is no guarantee of this due to indications of economic uncertainty. [...]

At this preliminary stage, the planning effort focuses on stating the CSU’s budget priorities and needs. Accounting for enrollment growth revenue (approximately \$16 million for one percent increase in resident, undergraduate enrollment targets), the preliminary plan’s investments would require additional new ongoing revenues from the state of \$413 million of which approximately \$229 million would be proposed through the compact for 2023-2024. This would require an additional \$184 million ongoing above the compact from the state or from another revenue source.

Also, the preliminary budget plan would require additional new one-time revenue from the state of \$1 billion for deferred maintenance and infrastructure needs.”

Furthermore, the Chancellor’s Office proposes to shift the trustees’ budget request timeline from September (information item) and November (action item) to July and September; primarily to provide more time for robust budget advocacy with the legislators.

Trustee McGrory suggested to separately listing a request of \$280 million to address the recommendations of the staff salary study, and then to determine whether to aspire to implement those recommendation all in one year or incrementally over several years.

- c. approved as an action item the use of Law Enforcement Regulated Equipment and Tools.

“Assembly Bill 481 (AB 481), which took effect on January 1, 2022, requires the Board of Trustees to adopt policies governing the use of any regulated equipment and tools, defined in the bill as “military equipment,” that is or may be used on any California State University (CSU) campus, either by the university police department or an affiliated law enforcement agency such as a municipal police department or county sheriff. [...]

Of the sixteen types of equipment and tools regulated by Cal. Gov. Code § 7070 et seq., the draft policy authorizes CSU campuses to use the following:

- (a) Unmanned, remotely piloted, powered aerial (observation drones) or ground vehicles.
- (b) Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- (c) Munitions containing tear gas (oleoresin capsicum), excluding standard, service-issued handheld pepper spray.
- (d) Kinetic energy weapons (e.g., bean bag and foam tip launchers) and munitions.
- (e) Long Range Acoustic Device (LRAD).”

Trustee Linares asked how often tear gas or kinetic energy weapons were used on campuses in recent years. Fortunately, there were no instances of such use outside of police training. Trustee Linares then wondered why funds are being spent on such seemingly obsolete equipment. EVC Reylea and Trustee McGrory explained that these devices are essential for certain emergency situations as well as for deterrence.

Trustee Aguilar Cruz wondered whether campus police is also “trained in regards to psychological and humane practices?” Clint Strode, Chief of Police of California State University Stanislaus and 2022 Chair of the CSU Council of Chiefs, replied that university police officers receive de-escalation training. He further believes that the lack of use of projectiles is evidence that the de-escalation training is successful.

12. The **Committee on Campus Planning, Buildings and Grounds**

- a. approved as an action item the *California State University, Northridge Affordable Student Housing Building #22 & #23 Schematic Design*.

CSU Northridge proposes to design and construct two four-story residence halls. The project, Affordable Student Housing Building #22 & #23, will provide 21,200 assignable square feet and 99 beds in each building for a total cost of \$68,874,000. [\$347,848 per bed !!!]

Fortunately, Vy San Juan, Assistant Vice Chancellor Capital Planning, Design and Construction, reported that the campus will receive \$37.5 million in housing grant funds from this year’s state allocation.

Chair Fong is pleased that the project will reuse a previous architectural design, which saved costs and advanced the time to construction.

Trustee Faigin inquired how much it will cost students to live there, and how this compares to “non-affordable” [☹] student housing. AVC San Juan responded that the rent is estimated to be \$700 per month, which is \$150 lower than for other campus housing spaces, while off-campus housing for a single bed costs approximately \$1,150 per month. However, students will have to purchase a meal plan, since there will be no individual kitchens in the new project.

Trustee Linares asked whether “any of the units are intended for students with children or dependents,” but none are. President Beck added that other housing units on campus are available for students with children.

Interim Chancellor Koester stressed “the need for faculty and staff affordable housing as well.” [...] “We are in desperate straits in many parts of the state with respect to affordable housing for our faculty, staff, and administrators.”

At 12:45 pm, Chair Fong called the full **Board of Trustees Meeting** to order.

Before addressing the agenda items, Chair Fong gave the new Student Trustee Diana Aguilar Cruz [Cal Poly Pomona] an opportunity to introduce herself.

Chair Fong removed item 7 *Executive Compensation* from the consent agenda for separate consideration.

The Board of Trustees

- a. approved as an action item all other previously passed Committee Resolutions.
There actually was no further discussion regarding Executive Compensation. The vote on this item was split into two parts: for the presidential salary increases at the triennial performance review the result was 14 in favor and 1 against (Faigin), and for a 7% general salary increase for presidents the outcome was 12 in favor and 3 against (Aguilar Cruz, Faigin, and Linares)
[Note: Faculty Trustee Sabalius had to be absent from the meeting due to COVID].
- b. conferred the Title of President Emeritus on Eduardo Ochoa,
who served the CSU for nearly 40 years on five campuses, most recently as President of CSU Monterey Bay for the past 10 years.

The **Public Meeting** of the **Board of Trustees** was adjourned on July 13, at 1:11 pm.

After a lunch break, the **Board of Trustees** reconvened in **Closed Session** to discuss Executive Personnel Matters.

---- *The next regular meeting of the Board of Trustees will be on September 13-14, 2022* ----