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Faculty Trustee's Report

CSU Board of Trustees Meeting – Nov. 13-14, 2018

Hereby I respectfully submit a summary of the Board of Trustees meeting. My report is largely based on the agenda materials provided to the trustees, on my personal notes from the meeting, and on my memory.

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).

Since the primary audience of this report is the faculty of the statewide academic senate (ASCSU), the focus is stronger on educational policies, legislative matters, state appropriations, and comments from the public than on other Board agenda items.

If you do not have enough time to digest the full report, you can just review the deliberations of the committees that interest you. Since at this meeting no action items were on the agenda of the Committee on Educational Policy, I assume that the 2019-2020 Operating Budget Request might be of the greatest interest in this report (page 6).

Romey Sabalius
Faculty Trustee

San José, CA – Nov. 25, 2018

Faculty Trustee's Report

CSU Board of Trustees Meeting: Nov. 13-14, 2018

On Nov. 13 and 14, the CSU Board of Trustees meeting was held at the Chancellor's Office of the California State University at 401 Golden Shore in Long Beach, California.

1. The **Board of Trustees** met on Tuesday morning in **Closed Session** to discuss Executive Personnel Matters and Pending Litigation.
2. The **Committee on Collective Bargaining** met in **Closed Session**.
(Note: The Faculty Trustee is excused from deliberations of the Collective Bargaining Committee.)

The **Public Meeting** started on Nov. 13 at 9:45.

3. The **Committee on Campus Planning, Buildings and Grounds** began with Public Comments. Martin Brenner from the CSU Employees Union (CSUEU) lamented that money intended for instruction is being diverted to address urgent facility needs.
 - a. Assistant Vice Chancellor Elvyra San Juan presented the planned Sale of the State University House. It currently serves as the residence of the chancellor. Due to its age and extensive repair needs it is deemed to be more cost-effective to add the sale proceeds to the current endowment of approximately \$2.1 million to generate a monthly stipend that would provide a housing allowance for the chancellor (to be addressed later in the Committee on University and Faculty Personnel).
 - b. The information item on the California State Polytechnic University Pomona, Transfer of Real Property explained the intent to transfer 6 acres in the northeastern part of the campus to the California Highway Patrol. This is done in exchange for the receipt of 287 acres, known as the Lanterman Development Center.
 - c. An information item explained the Humboldt State University, Acceptance of Interest in Real Property. The City of Arcata proposes to donate 884 acres of mostly forest land to the university as a living laboratory for the College of Natural Resources and Sciences.

Both are very welcomed land additions to our campuses with insignificant acquisition and maintenance costs.

4. The **Committee on University and Faculty Personnel** began with Public Comments. Several speakers criticized the 3% salary raise for campus presidents awarded at the July Board of Trustees meeting. Martin Brenner (CSUEU) criticized the hiring of temporary staff, which –in his opinion– constitutes no monetary gain, but a loss in worker quality.
 - a. The committee received the Annual Report on Outside Employment for Senior Management Employees as an action item. For purposes of this policy, senior

- management includes presidents, vice presidents, executive/vice chancellors, and the chancellor.
- b. The committee received the Annual Report on Vice President Compensation, Executive Relocation, and Executive Transition as an information item.
 - c. The committee approved the item Executive Compensation: Vice Chancellor of Human Resources. New Vice Chancellor of Human Resources, Evelyn Nazario, will receive an annual salary of \$297,546 and a monthly auto allowance of \$1,000 per month, which is the same compensation that outgoing Vice Chancellor Melissa Bard received.
 - d. The committee discussed and approved the Chancellor's Housing Allowance in the amount of \$95,000 per year. This allowance comes from the State University House endowment and does not include any state funds (see Committee on Campus Planning, Buildings and Grounds above).
5. The **Joint Committee on Finance and Campus Planning, Buildings and Grounds** began with a Public Comment by Ejmin Hakobian, a former student at Cal State LA. This speaker was listed for comment to every committee and he appeared at almost every Board meeting during the past year. His many grievances mostly relate to alleged misuse of funds or discriminatory hiring decisions at Cal State LA.
- a. The joint committee approved the 2019-2020 through 2023-2024 Five-Year Capital Plan and Multi-Year Financing Authorization. “The Five-Year Capital Plan totals over \$16 billion and is comprised of academic (\$10 billion) and self-support projects (\$6 billion).” 56 percent of our academic facilities are 40 years old or more, and the “cost to replace building and utility systems that have passed their useful life now approaches \$3.7 billion.” The plan is to address the facilities need with the issuance of bonds from existing operating funds (for a \$1.1 billion bond) and anticipated operating funds (for another \$1.2 billion bond), as well as with a general obligation bond on the 2020 ballot (an anticipated \$8 to \$10 billion to be split between the UC and the CSU).
 - b. The joint committee also approved to Issue Board of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Amend the 2018-2019 Capital Outlay Program for the Acquisition of Real Property for Sonoma State University. The generated funds will be used to purchase a newly constructed 90-unit multi-family housing facility (\$42 million) for faculty and staff.

Trustee Sabalius expressed his hope that these apartments will be offered at below-market prices to the university's workforce. Assistant Vice Chancellor Robert Eaton affirmed that “the [financing] calculations make the assumption to rent below market.”
6. The **Committee on Institutional Advancement** approved the
- a. Naming of the Don Miller and Ron Simons Rose Float Laboratory at Cal Poly Pomona. The naming recognizes Wilford B. “Butch” and Vivien Lindley's \$1 million investment, which inspired additional donations in excess of \$2.4 million for

the project. “The replacement facility will be 5,800 gross square feet to house an enclosed float construction laboratory, staging and testing spaces, a workshop, storage and restrooms.” This gift will help students from a variety of academic disciplines to construct a float and to enter it in the annual Rose Parade on New Year’s Day. “The Lindleys requested that the naming be in honor of Don Miller and Ron Simons, who were instrumental in Cal Poly Universities’ award-filled, 70-year Tournament of Roses legacy.”

b. The committee also approved the *Naming of the JUSTIN and J. LOHR Center for Wine and Viticulture* at Cal Poly San Luis Obispo. “The proposed naming of the facility recognizes the \$2.5 million pledge by the Resnick Foundation and the \$1 million gift and \$1.5 million pledge by Jerome J. Lohr (Jerry Lohr). Their gifts and pledges of \$2.5 million each will be used to fund the wine and viticulture center with an estimated completion date of fall 2019. The center will dramatically transform the Wine and Viticulture program within the College of Agriculture, Food and Environmental Sciences. Specifically, this project will provide a 15,600 square foot winery; a 12,000 square foot grange hall; crush, fermentation, barrel, sensory, bottling, enology and viticulture rooms; teaching and research labs; a bonded winery; offices; and community and industry meeting spaces.”

7. The **Committee on Educational Policy** began with *Public Comments*. More than a dozen faculty and students from CSU Northridge criticized the Executive Orders 1100R and 1110. They fear the reduction and eventual demise of Ethnic Studies, Women and Gender Studies, and Queer Studies due to reduced student demand as a result of EO 1100R, which allows for double counting of GE courses and courses in the major. Several speakers accused the Chancellor’s Office and the Board of Trustees of “white supremacy,” “colonialism,” of establishing or tolerating “institutional racism and sexism,” and of being “too white.” Two speakers from the California Faculty Association (CFA), Mimi Bommersbach and Kevin Wehr, bemoaned that the CSU does not have enough counselors and mental health services. They claim that 4 in 10 CSU students report depressions, and that suicidal students have to wait weeks to be seen by counselors.

The committee received reports as information items on

- a. *Student Mental Health Services*. The CSU is firmly committed to student success, and “student engagement and well-being is one of the six operational priorities driving the Graduation Initiative 2025.” “According to the National Alliance on Mental Illness, one in five adults in America experience mental illness in a given year.” The results of the National College Health Assessment, in which nearly 22,000 CSU students participated, were presented. They show that demand for mental health services has increased since 2016 both in the CSU as well as nationwide. The CSU has increasingly hired counselors, whose numbers have increased from 140 in 2010 to 222 in 2018. In this time span, the counselor-to-student ration has gone down from approximately 1:3,000 to 1:2,000. This is a great improvement, but still short of the 1:1,500 ratio demanded in SB 968 (Pan), which

however was vetoed by the governor (most likely because it was seen as an unfunded mandate). CSU campuses offer a range of mental health services, as required by Executive Order 1053, such as

- * Counseling/Psychotherapy
- * Suicide and Personal Violence Services
- * Emergency/Crisis Services
- * Outreach
- * Mental Health Consultation
- * Referral Resources

In addition, there is a variety of campus-based programs. The CSU continues to “develop and strengthen partnerships with regional and local agencies and organizations to provide comprehensive care in cases where students’ needs go beyond the campus’ capabilities.”

After the presentation, Trustee Hinton remarked that the request for \$15 million in one-time funding will not be sufficient to hire permanent counselors.

- b. Student Veterans. The “Troops to College” program benefits more than 21,000 military-affiliated students (student veterans, service members, and dependents).
- c. Graduation Initiative 2025. Assistant Vice Chancellors James Minor and Jeff Gold reported that the graduation rates are on a consistent rise towards the 2025 targets: (for brevity, I provide rounded numbers in % from 3 years ago / 2018 / target 2025)

- * 4-year graduation (first-time students): 19 / 26 / 40
- * 6-year graduation (first-time students): 57 / 61 / 70
- * 2-year graduation (transfer students): 31 / 38 / 45
- * 4-year graduation (transfer students): 73 / 77 / 85

The attempt to close equity gaps shows mixed results:

- * Underrepresented Students of Color: 11.3 / 10.5 / 0
- * Pell Grant Recipients: 8.6 / 9.5 / 0

Trustee Eisen stated that “increasing the graduation rate at the expense of the equity gap would have been easy. The heavy lifting is to make improvement on both.” Trustee Nilon pointed out that “as rates improve, there is a cost to it,” (an increase in the existing students’ average unit load increases our FTES, but there is no additional tuition money), and he wondered “how campuses can be incentivized to stay the course.” Trustee Meléndez de Santa Ana asked how the Chancellor’s Office would “roll out the workgroup recommendations?” James Minor responded that there are 120 pages of recommendations and the CO will have to see how to frame them before they will be passed on to campuses.

- 8. The **Committee on Finance** began with Public Comments. Several members of Students for Quality for Education (SQE) demanded a “divestment from war,” “more centers for all minorities,” “a Dreamer resource center,” and the removal of Gold Rush mascots (like “Pioneer Pete”) that are “triggering for indigenous people.” They pointed out that “certain segments of students have higher needs” and that “no one in California should go hungry.” They also called for rescinding the executive pay increase and to freeze tuition.

CFA leaders Jennifer Eagan and Lillian Taiz were pleased to see a bolder budget request that is much more in line with our needs. They praised the joint advocacy during the last budget negotiations with the legislators and expressed the hope to do this again. They asserted that the legislators added funds to increase student enrollment and tenure density, but they expressed their disappointment that the FTES was raised by increasing the unit load of existing students instead of admitting new students. They are also concerned about the campuses' uneven application of the \$25 million for additional tenure-track hires. Representatives of the CSUEU, Martin Brenner and Tessy Reese, criticized the practice of contracting out when existing staff can do the job. They also pointed out that the Graduation Initiative 2025 increases demands on students and facilities and that it creates a greater need for mental health care.

- a. The committee received the 2018-2019 Student Fee Report. Charts presented by Assistant Vice Chancellor Ryan Storm illustrated that both the undergraduate resident tuition (\$7,303) as well as the graduate resident tuition (\$8,737) at the CSU is the lowest in its group of peer institutions. In regards to non-residents, the CSU is second to last (\$19,183). Category II Campus-Based Mandatory Fees range approximately from \$1,000 to \$2,000 per year, with the outliers on the top and on the bottom being San Luis Obispo (\$4,074) and Fresno (\$845).

Trustee Sabalius opined that in this case it should be “a point of pride to be at the bottom,” and that “the comparison to other institutions should not be used as an argument to increase the cost of education.” A debate ensued about out-of-state students. Trustee McGroary wondered why the non-resident tuition is still approximately 20% below our true cost per student, and Trustee Faigin was concerned that we “admit out-of-state students and shut out California students.” Trustee Taylor –on the other hand– explained that other universities across the nation “aggressively recruit out-of-state students.” Chancellor White clarified that the “revenues for out-of-state students subsidize local students,” and that in particular international students “bring diverse perspectives” to our campuses that our local students benefit from.

- b. The committee received the 2017 Systemwide Hate Violence Report. “In the 2017 calendar year there were a total of four reported incidents of hate violence on four campuses. Two of these incidents constituted a non-criminal act of hate violence.”

Trustee Hinton expressed her skepticism at the low number, and Trustee Simon surmised that many students do not report hate crimes. The CSU Chief of Police acknowledged that the number is “remarkably low, because the definition for hate crime is very narrow,” and that hate crimes off-campus are not included. He also assumed “that it is a very underreported crime.” Trustee Eisen requested data from previous years for comparison. There were 2 incidents in 2014, 10 in 2015, and 16 in 2016. These are similar to the numbers at the UC and spikes in election years are usual.

- c. The committee received the Annual Investment Report. Assistant Vice Chancellor Robert Eaton explained that new legislation allows the CSU to invest up to 30% of its

liquidity portfolio, which currently contains approximately \$4 billion. It is expected that the increased flexibility will result in higher returns.

- d. The committee received the proposed 2019-2020 Operating Budget Request from the Chancellor's Office. It recommends an augmentation of \$554.3 million to the CSU's base budget with the expectation of a 5% increase in enrollment. The additional enrollment would generate \$98.3 million in tuition revenue. Therefore, the proposal would request \$456 million as a recurring augmentation from the legislators. It would bring the 2019-2020 Operating Budget to a total of \$7.32 billion, with \$3.22 billion (44%) coming from tuition and \$4.1 billion (56%) from the state. In addition, the proposal calls for one-time funds of \$15 million for the CSU Basic Needs Initiative to address student food and housing insecurities and \$250 million for deferred maintenance.

As at the Board meeting in September, Trustee Sabalius again called for \$1 billion in one-time funding. He understands the concern of the CO staff that such a high demand could call the CSU's credibility into question. However, he believes that actually the opposite would be the case. "We would lose credibility if we claim that our deferred maintenance costs total \$3.7 billion and subsequently only ask for \$250 million to address these monumental needs." Ryan Storm explained that the base budget request included \$80 million for facilities and infrastructure needs. This amount marks an increase of \$30 million from the September proposal. The intent is to use these reoccurring funds to service a \$1.2 billion bond to address deferred maintenance.

Trustee McGrory asked whether the CSU still intends to place a large general obligation bond measure on the ballot. Trustee Sabalius stressed that one budget line item should not preclude the other, and he advocated for a "three-pronged approach," which should include one-time funds, reoccurring funds for a facilities bond, and a general obligation bond in the future. He expressed his concern that the currently robust economy might soon experience a correction, if not even enter into a recession. Since higher education and corrections are funded from only 10% of discretionary money within the state budget, any change in the flow of tax revenues would exponentially affect the sums available for distribution by legislators to the CSU (usually approximately 2.5% of the state's general fund appropriations).

Chancellor White remarked that the low demand "does not mean that the needs are insignificant," but "needs are everywhere" and the CSU should not become "incredible" in their budget request. He urged the Board to adopt the budget request as proposed by the CO staff. Trustee Sabalius' suggestion to request \$1 billion in one-time funding for deferred maintenance was voted down by members of the Finance Committee.

The Board adjourned the Tuesday meeting shortly after 5 pm.

The Board reconvened on Wednesday, Nov. 14 at 8:30 am.

9. The **Committee on Governmental Relations** received the
 - a. State Legislative Update. Assistant Vice Chancellor Kathleen Chavira reported that her staff tracked over 400 legislative proposals of which 14 were enacted and 5 vetoed. Among the enacted bills was only one that the CSU opposed (AB 2505), which requires an annual report “comparing the hiring practices of the UC and CCC.” Among the vetoed bills were several that would have established unfunded mandates (SB 320–Abortion by Medication Techniques, SB 968–Mental Health Counselors, AB 1231–Staff Merit Salary Adjustments, and AB 2477–Dream Resource Liaisons).
10. The **Committee on Audit** started with one Public Comment. Gina Voight (CSUEU) bemoaned safety violations on several campuses and asserted that staff is not given the proper safety training and equipment.
 - a. The committee received the Status Report on Current and Follow-up Internal Audit Assignments by Larry Mandel, Vice Chancellor and Chief Audit Officer. “For the 2018 year, assignments were made to develop and execute individual campus audit plans; conduct audits of Information Technology (IT), Sponsored Programs and Construction; implement continuous auditing techniques; and to provide advisory services and investigation reviews. Follow-up on current and past assignments was also being conducted on approximately 35 completed campus reviews.”
11. The **Committee on Collective Bargaining** began with Public Comments. Several members of the CSU Employees Union (CSUEU) stressed the importance of “working collaboratively” and “to act in good faith” when bargaining. Since both the Chancellor’s Office and the union work towards the same goal to make our campuses safe and function well, “we really should not be in opposition.”
 - a. The committee ratified the Successor Collective Bargaining Agreement with Bargaining Unit 11, the United Auto Workers, Local 4123 (UAW), which represents teaching associates and graduate assistants. The contract will run to September 30, 2020 with a 3% general salary increase in 2018 and 2019. The time for vesting to be entitled to full retiree medical and dental care was increased from 5 years to 10 years for new employees.
12. The **Plenary Session** began with Public Comments. William Blischke, President of ERFSA, gave his informal report, also stressing the importance of mental health counseling, and –as in previous meetings– he promoted a shoe collection initiative to benefit the homeless (Soles4Souls). Members of the CSUEU again criticized the practice

of “contracting out,” which is “only allowed as long as there is no displacement” of current employees. They also worried about “reclassification” of employees and demanded updated and clear classifications. The mother and brother of David Josiah Lawson, a student at Humboldt who was killed in 2017 at an off-campus party, lamented that the murder is still unsolved. Charmaine Michelle Lawson thanked Chancellor White and Chair Day for visiting the Humboldt campus and for speaking with her personally. Several students asserted that in the rural community of Arcata, “students of color are routinely put into harm’s way, especially African American students.” They proclaimed that “the Redwood Curtain is a trap” and that “genocide and colonialism are alive.”

The Board received the following *Reports*:

- a. The *Chair of the Board of Trustees*, Adam Day, reported on his visit to Humboldt State, and that he had now visited all 23 CSU campuses in his role as trustee. He is optimistic about the projected 5% increase in enrollment, and he praised the many election drives on campuses.
- b. *Chancellor* Timothy White said that in the face of deadly shootings and devastating wildfires, “we have to up our game in showing compassion.” Our goal is “to grow and prosper without being dismissive of others.” “If we can do it in crises, we can do it in good times,” and he is optimistic that we can “create a just and compassionate tomorrow.”
- c. The Chair of the *Academic Senate CSU* (ASCSU), Catherine Nelson, presented resolutions passed at the senate’s November meeting, among them one that calls on the Board of Trustees to announce the finalists of presidential searches and to invite them for campus presentations to preserve transparency and full input by all stakeholders. Chair Nelson also underscored that the many protests by the students “call into question the Graduation Initiative 2025 and the Executive Orders.” She urged the CSU leadership to “look at the consequences of our action and see if they match up with our intentions.”
- d. The President of the *California State Student Association* (CSSA), Mia Kagianas, also spoke about the students’ success in registering voters. She further expressed CSSA’s support for the \$15 million budget request for student basic needs.
- e. The President of the *CSU Alumni Council*, Manolo Morales, applauded the “amazing success of the Graduation Initiative 2025.” The council is preparing a “tool-kit” for alumni on how to engage with the CSU, and they will have an alumni meeting in London for the first time.

At Trustee Hinton’s request the approval of the *2019-2020 Operating Budget Request* was taken off the consent agenda, and she made the motion to request \$15 million for the CSU Basic Needs Initiative as a reoccurring item to the operating budget, instead of as one-time funds, since student food and housing insecurities are problems that will not go away in the coming years. After an intensive debate, the motion was voted down.

To close the session, the Board approved all resolutions that were previously passed in the various committees.

The Board of Trustees meeting was adjourned on Wednesday, Nov. 14, shortly after 11 am. A planned **Closed Session** on *Executive Personnel Matters* was postponed until the January meeting.