

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY
California State University
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802

AGENDA
November 5-6, 2013

Long Beach, CA 90802

Time*	Committee	Place
<u>Tuesday, November 5, 2013</u>		
8:30 a.m.	Board of Trustees – Closed Session Executive Personnel Matters Government Code 11126 (a)(1) Litigation Matters Donselman et al. v. CSU Government Code §11126(e)(1)	Munitz Conference Room
9:30 a.m.	Committee on Collective Bargaining—Closed Session Government Code Section 3596[d]	Munitz Conference Room
10:15 a.m.	Committee on Educational Policy 1. Update on the Early Assessment Program , <i>Information</i> 2. Update on SB 1440: Student Transfer Achievement Reform Act, <i>Information</i> 3. The California State University Institute for Palliative Care at California State University San Marcos, <i>Information</i> 4. The California State University Nursing Programs Update, <i>Information</i> 5. Outstanding Faculty Website, <i>Information</i>	Dumke Auditorium
11:45 a.m.	Committee on Governmental Relations 1. Legislative Update, <i>Information</i> 2. Veteran’s Legislative Update, <i>Information</i>	Dumke Auditorium
12:15 p.m.	Luncheon	

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- 1:00 p.m. Committee on Audit Dumke Auditorium**
1. Status Report on Current and Follow-Up Internal Audit Assignments, *Information*
 2. ~~Audit Committee Charter, *Action-Deferred*~~
 3. ~~Office of the University Auditor Charter, *Action-Deferred*~~
 4. Intent to Reissue the Request for Proposal for External Auditor Contract, *Action*
- 1:45 p.m. Committee on Campus Planning, Buildings and Grounds Dumke Auditorium**
1. Acceptance of Interest in Real Property, Sonoma State University, *Action*
 2. Approve the Campus Master Plan Revision for California State Polytechnic University, Pomona for the Administration Replacement Facility, *Action*
 3. State and Non-State Funded Five-Year Capital Improvement Program 2014-2015 through 2018-2019, *Action*
 4. Categories and Criteria for the State Funded Five-Year Capital Improvement Program 2015-2016 through 2019-2020, *Action*
- 2:15 p.m. Committee on Finance Dumke Auditorium**
1. Approval of the 2014-2015 Support Budget Request, *Action*
 2. 2014-2015 Lottery Revenue Budget, *Action*
 3. 2013-2014 Student Fee Report, *Information*
 4. California State University Annual Investment Report, *Information*
 5. California State University Investment Policy Clarification, *Action*
 6. ~~Review of Management and Purchase Option Agreements for a Student Housing Project on Private Property Adjacent to California State University, San Bernardino, *Action-Deferred*~~
- 3:30 p.m. Committee on Collective Bargaining—Open Session Dumke Auditorium**
1. Adoption of Initial Proposals for 2013-14 Salary Re-Opener Negotiations with Bargaining Unit 6 (State Employees’ Trades Council), *Action*
 2. Adoption of Initial Proposals for 2014 Full Contract Negotiations with Bargaining Unit 3 (California Faculty Association), *Action*
 3. Ratification of a Successor Collective Bargaining Agreement with Bargaining Unit 11 (United Auto Workers), *Action*
 4. Ratification of a Successor Collective Bargaining Agreement with Bargaining Unit 13, English Language Program Instructors, California State University, Los Angeles (California State University Employees’ Union), *Action*

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- 4:00 p.m. Committee on University and Faculty Personnel Dumke Auditorium**
1. ~~Exemption from Post Retirement Employment Waiting Period, *Action-Deferred*~~
 2. Executive Compensation: Interim Vice Chancellor, Business and Finance, *Action*
 3. Executive Compensation, Executive Vice Chancellor and General Counsel, *Action*
 4. Executive and Vice President Annual Report, *Information*

Wednesday, November 6, 2013

- 8:00 a.m. Committee on Committees Dumke Auditorium**
1. Appointment of Vice Chairs and Faculty Trustee to Standing Committees 2013-2014, *Action*

8:10 a.m. Board of Trustees Dumke Auditorium

Call to Order and Roll Call

Public Comment

Chair's Report

Chancellor's Report

Report of the Academic Senate CSU: *Chair—Diana Guerin*

Report of the California State University Alumni Council: *President— Kristin Crellin*

Report of the California State Student Association: *President—Sarah Couch*

Approval of Minutes of Board of Trustees' Meeting of September 25, 2013

Board of Trustees

1. Conferral of Commendation on Henry Mendoza, *Action*

Committee Reports

Committee on Collective Bargaining: *Chair—Lou Monville*

Committee of Educational Policy: *Chair—Roberta Achtenberg*

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Committee on Governmental Relations: *Chair—Steven Glazer*

Committee on Audit: *Chair—Lupe C. Garcia*

Committee on Campus Planning, Buildings and Grounds: *Chair—Rebecca D. Eisen*

1. Acceptance of Interest in Real Property, Sonoma State University
2. Approve the Campus Master Plan Revision for California State Polytechnic University, Pomona for the Administration Replacement Facility 2014-2015
3. State and Non-State Funded Five-Year Capital Improvement Program 2014-2015 through 2018-2019
4. Categories and Criteria for the State Funded Five-Year Capital Improvement Program 2015-2016 through 2019-2020

Committee on Finance: *Chair—Roberta Achtenberg*

1. Approval of the 2014-2015 Support Budget Request
2. 2014-2015 Lottery Revenue Budget
5. California State University Investment Policy Clarification
6. Review of Management and Purchase Option Agreements for a Student Housing Project on Private Property Adjacent to California State University, San Bernardino

Committee on University and Faculty Personnel: *Chair—Debra S. Farar*

1. Exemption from Post-Retirement Employment Waiting Period
2. Executive Compensation: Interim Vice Chancellor, Business and Finance
3. Executive Compensation, Executive Vice Chancellor and General Counsel

Committee on Committees: *Chair—Lou Monville*

1. Appointment of Vice Chairs and Faculty Trustee to Standing Committees 2013-2014

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Addressing the Board of Trustees

Members of the public are welcome to address agenda items that come before standing and special meetings of the board, and the board meeting. Comments should pertain to the agenda or university-related matters and not to specific issues that are the subject of collective bargaining, individual grievances or appeals, or litigation. Written comments are also welcome and will be distributed to the members of the board. The purpose of public comments is to provide information to the board, and not to evoke an exchange with board members. Questions that board members may have resulting from public comments will be referred to appropriate staff for response.

Members of the public wishing to speak must provide written or electronic notice to the Trustee Secretariat two working days before the committee or board meeting at which they desire to speak. The notice should state the subject of the intended presentation. An opportunity to speak before the board on items that are on a committee agenda will only be provided where an opportunity was not available at that committee, or where the item was substantively changed by the committee.

In fairness to all speakers who wish to speak, and to allow the committees and Board to hear from as many speakers as possible, while at the same time conducting the public business of their meetings within the time available, the committee or board chair will determine and announce reasonable restrictions upon the time for each speaker, and may ask multiple speakers on the same topic to limit their presentations. In most instances, speakers will be limited to no more than three minutes. The totality of time allotted for public comment at the board meeting will be 30 minutes, and speakers will be scheduled for appropriate time in accord with the numbers that sign up. Speakers are requested to make the best use of the public comment opportunity and to follow the rules established.

Note: Anyone wishing to address the Board of Trustees, who needs any special accommodation, should contact the Trustee Secretariat at least 48 hours in advance of the meeting so appropriate arrangements can be made.

Trustee Secretariat
Office of the Chancellor
401 Golden Shore, Suite 620
Long Beach, CA 90802
Phone: 562-951-4022
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E-mail: lhernandez@calstate.edu

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AGENDA

COMMITTEE ON COLLECTIVE BARGAINING

Meeting: 9:30 a.m., Tuesday, November 5, 2013
Munitz Conference Room—Closed Session

3:30 p.m., Tuesday, November 5, 2013
Glenn S. Dumke Auditorium—Open Session

Lou Monville, Chair
Roberta Achtenberg, Vice Chair
Debra S. Farar
William Hauck

Closed Session – Munitz Conference Room
(Government Code Section 3596[d])

Open Session – Glenn S. Dumke Auditorium

Consent Items

Approval of Minutes of Meeting of September 24, 2013

Discussion Items

1. Adoption of Initial Proposals for 2013-2014 Salary Re-Opener Negotiations with Bargaining Unit 6 (State Employees' Trades Council), *Action*
2. Adoption of Initial Proposals for 2014 Full Contract Negotiations with Bargaining Unit 3 (California Faculty Association), *Action*
3. Ratification of a Successor Collective Bargaining Agreement with Bargaining Unit 11 (United Auto Workers), *Action*
4. Ratification of a Successor Collective Bargaining Agreement with Bargaining Unit 13, English Language Program Instructors, California State University, Los Angeles (California State University Employees' Union), *Action*

**MINUTES OF MEETING OF
COMMITTEE ON COLLECTIVE BARGAINING**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

September 24, 2013

Members Present

Lou Monville, Chair
Roberta Achtenberg, Vice Chair
Debra Farar
William Hauck
Timothy White, Chancellor
Bob Linscheid, Chair of the Board

Chair Monville called the Committee on Collective Bargaining to order.

Approval of Minutes

The minutes of the July 23, 2013 meeting were approved as submitted.

Action Item

The Committee adopted initial proposals for 2013-2014 Salary/Benefits re-opener negotiations with Bargaining Unit 1 – the Union of American Physicians and Dentists. Vice Chancellor Gail Brooks presented the items.

Public Speakers

The Committee then heard from the public speakers.

Pat Gantt (CSUEU); John Orr (CSUEU); Susan Smith (CSUEU); and Alisandra Brewer (CSUEU) all spoke about salary issues and CSUEU collective bargaining. Tessy Reese (CSUEU) spoke about the health centers. Jeff Solomon (SUPA) and Mike Durant (PORAC) spoke about public safety and Unit 8 collective bargaining. Mary Kay Staham-Doyle (APC) spoke about APC collective bargaining. Rich Anderson (UAW); Nate Greely (UAW); John Espiritu (UAW); Lautaro Gallequillos (UAW); Lee Wong (UAW); and Weston Spiva (UAW) all spoke about academic student employee salaries and fee waiver. Jenifer Egan (CFA) spoke about CFA collective bargaining.

Trustee Monville adjourned the meeting.

AGENDA

COMMITTEE ON EDUCATIONAL POLICY

Meeting: 10:15 a.m., Tuesday, November 5, 2013
Glenn S. Dumke Auditorium

Roberta Achtenberg, Chair
Debra S. Farar, Vice Chair
Rebecca D. Eisen
Douglas Faigin
Margaret Fortune
Lupe C. Garcia
Steven M. Glazer
William Hauck
Lou Monville
J. Lawrence Norton
Cipriano Vargas

Consent Items

Approval of Minutes of Meeting of September 24, 2013

Discussion

1. Update on the Early Assessment Program , *Information*
2. Update on SB 1440: Student Transfer Achievement Reform Act, *Information*
3. The California State University Institute for Palliative Care at California State University San Marcos, *Information*
4. The California State University Nursing Programs Update, *Information*
5. Outstanding Faculty Website, *Information*

**MINUTES OF MEETING OF
COMMITTEE ON EDUCATIONAL POLICY**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

September 24, 2013

Members Present

Roberta Achtenberg, Chair
Debra S. Farar, Vice Chair
Rebecca D. Eisen
Douglas Faigin
Margaret Fortune
Lupe C. Garcia
Steven M. Glazer
William Hauck
Peter G. Mehas
Lou Monville
J. Lawrence Norton
Cipriano Vargas
Timothy P. White, Chancellor
Bob Linscheid, Chair of the Board

Trustee Roberta Achtenberg called the meeting to order.

Approval of Minutes

The minutes of July 23, 2013, were approved as submitted.

Speaker Daniel Thomas Clark, a Fresno State student and vice president of legislative affairs for the California State Student Association, thanked the governor and trustees for supporting SB 1440, particularly since he is a former transfer student. He said the pathway needs to be better communicated to community college and high school students so more students use that option.

Reducing Bottlenecks and Improving Student Success

Trustee Roberta Achtenberg said the CSU has worked for 10 years to promote student success through innovative strategies and initiatives. Executive Vice Chancellor and Chief Academic Officer Ephraim P. Smith presented background on the meetings with the Governor's office and Department of Finance on the \$10 million designed to infuse technology into the curriculum, especially in the high-demand, prerequisite courses needed by undergraduate students. He quoted from the budget bill signed by the governor describing how priority will be given to developing

courses that serve a greater number of students while providing equal or better learning experiences. The CSU, he said, has been a leader nationally in the number of online programs, currently numbering 104, with approximately 3,250 fully online classes.

Gerry Hanley, senior director of academic technology services, said the focus on implementing the program has been to provide more courses, more successfully for more students. He cited four areas the Chancellor's Office and campuses are working on: (1) improve retention with innovative pedagogies and technologies (2) improve access to needed courses; (3) improve access to facilities, especially STEM lab courses; and (4) provide effective and timely advising.

The course redesign program looked at high-enrollment, low-success courses, finding those faculty who had demonstrated exemplary teaching and technology practices and bringing them together with other CSU faculty in summer 2013 eAcademies. More than 150 faculty participated in the eAcademies in engineering, physics, chemistry, mathematics, critical thinking, statistics and biology. Mr. Hanley gave an example from San José State's circuits' course using edX technologies with the flipped pedagogies. Forty percent of the students in a face-to-face class would need to repeat the class for their major. In the edX class, only 9 percent of the students received grades that required them to re-take that class. Four other CSU campuses are implementing the San José strategy with an estimated 500 to 650 students now enrolled. With 30 percent fewer students having to re-take the class, 150 new seats have opened up for the circuits' course. He also cited a hybrid business math class from Cal State Northridge that used online technologies blended with faculty student-interactions and self-assessment tools. Four campuses are now using the model, reaching an estimated 3,100 students and producing an estimated 465 new seats in math classes with more math students succeeding.

Another part of the course redesign strategy involves "promising practices," classes that have not yet demonstrated sufficient success to scale them to other campuses. The Chancellor's Office asked campuses to provide proposals to redesign their courses with technology, and 77 proposals were funded, with 19 of the 77 faculty members creating fully online courses. Additionally, the CSU has created a concurrent enrollment program that allows students to enroll in an online course at a different CSU campus, providing more pathways to graduation. In fall 2013, there are 33 fully online courses offered by 11 campuses that are available for students. For the fall semester, 197 students from 15 campuses registered for one of the 33 courses. The new program has a website that is connected to each campus website where students can search and sign up for the classes. The program began in June and was rolled out in August. Campuses are being invited to increase the number of courses for spring and summer quarters and semesters.

Lab classes in the STEM disciplines often are constrained by campus facilities, so the CSU is pursuing the use of virtual labs. If half the sessions within a lab course can be taken online, it is possible to double the number of students who need to take the lab course. The CSU has been a leader in this area, Mr. Hanley said. The fourth element in the \$10 million student success program is eAdvising. Campuses provide a complex array of classes, and sometimes students are not certain what classes are needed for graduation. The CSU is developing tools that are

available 24/7 for students. Electronic academic program planners help students look ahead to what courses will be necessary and available to complete their degree. Early warning tools are available when students choose courses that do not keep them on the right path. The scheduling tools enable campuses to determine future demand for courses so they can schedule the right distribution of courses for students.

The second component of the student success project involves the \$7.2 million that was allocated by Chancellor White. The CSU has funded 30 projects across 15 campuses to scale high-impact practices that lead to student success and timely graduation. Dr. Smith mentioned one example, the Statway program developed by Stanford University and the Carnegie Foundation. One of the eAcademies is focused on Statway. The CSU has participated in the program since 2010. Social science students who need remediation in math, for example, ordinarily would need one or two semesters to complete their remediation. Then they would have to take freshman mathematics, General Education math and possibly a statistics course if their program required it, meaning as many as four semesters to fulfill the requirement. Statway looks at statistics as the requirement for social science students, and then determines what algebra course was needed. What was once four semesters is now a two-sequence course. By the end of the freshman year, social science students have finished remediation and freshman math. Statway is now on four campuses. The CSU is working with the Carnegie Foundation to add five more campuses.

The CSU Bottleneck Courses Survey Report

Trustee Achtenberg, who has been on the board almost 13 years, noted that 10 years ago the board approved the Graduation Initiative. The CSU was first among the nation's universities when trustees undertook the first step. She complimented the Chancellor's Office for the progress it has made, level of sophistication that has occurred, and the action and speed taken to create programs, particularly with a small budget.

Ron Vogel, associate vice chancellor for academic affairs, presented a PowerPoint outlining the detailed survey of bottleneck courses. Bottlenecks were defined as an undergraduate course that students are required to take to earn their degree in a timely manner (from four to six years), but for any given reason it could not be offered. The online survey of 10 items was sent to CSU's 866 undergraduate department chairs in June. He collected information on every course taught in the CSU during fall 2012 including the number of times a student attempted to register for each section, the number of sections taught, and the number of fill-rates in each section. The data included more than 6 million records. Dr. Vogel said they received a 91 percent response rate.

The survey focused on bottleneck courses and not on student behavior. Dr. Vogel estimated that there were 3,840 sections of bottleneck courses, but that the number was overestimated because of the interplay of bottleneck and general education courses versus the sections actually needed. He gave an example of 100 students trying to get into sociology 101, and the same students trying to get into psych 101 and into art 101. Each chair is going to report that they need five additional sections (15 total). But the problem is that the students only need one, two or three of

the courses. Maybe only five sections were needed. Sometimes a course is not really a bottleneck because while students say they need a physics course, there may be other alternatives and courses that the students could take to satisfy the requirement.

Dr. Vogel said they looked at main courses in the major by the department chairs because the chairs are closer to the real problems. According to the chairs, the top ranked reasons for all the bottlenecks in the CSU are: (1) not enough funding to hire faculty; (2) not enough tenure and tenure-track faculty available; (3) not enough qualified part-time faculty available; (4) time and day constraints for scheduling rooms; (5) not enough seating capacity in the labs; (6) not able to substitute the class with another class; (7) not enough seating capacity for lecture course; (8) other, meaning chairs were allowed to give their own reasons for the bottlenecks; and (9) students repeating a required class to improve their grade. They found 36 percent of the bottlenecks were lower-division in the major courses and 64 percent were upper-division for a total of 866.

Looking at the disciplines, 37 percent of the bottlenecks occurred in the STEM fields, followed by liberal arts at 24 percent; health and human services at 17 percent; arts at 13 percent; business 5 percent; and education at 4 percent. The top three reasons cited for the bottlenecks in the above majors were: not enough tenured, tenure-track faculty; not enough qualified part-time faculty; and not enough funding to hire faculty. On average, 70 percent of CSU students who are in bottleneck courses are getting in, but 30 percent are not. Conservatively, Dr. Vogel said, 2,103 additional major course sections are or were needed in 2012-2013. It is difficult to establish a system-level response because every campus has different policies, enrollment patterns, scheduling, space issues and funding.

Dr. Smith outlined several steps that will be taken regarding bottlenecks: (1) sampling undergraduate students for their views on bottlenecks; (2) providing more sections for current students; (3) adding more sections to the concurrent enrollment program and possibly more sections in the STEM area with virtual labs; (4) beginning a process of faculty discussion on upper-division course articulation from one campus to the next; (5) expanding Statway so more social science students can condense their math requirements; and (6) assessing the strategies for evaluating student-faculty-institutional benefits.

Trustee Doug Faigin called the report a terrific first step. However, while all that is being done has the potential to help on bottlenecks and increase the number of students graduating, he said, the CSU is still going to be rejecting 30,000 qualified applicants this year because there is not enough room. He said the programs discussed were traditionally sized online courses, as opposed to serving hundreds of students. He wanted a presentation on the online programs at San José State and the campus efforts scaling up online courses and programs to alleviate some of the problems, and why that campus was rejected for some of the \$10 million allocated for innovative efforts.

Dr. Smith said the programs proposed by San José are being reviewed. Funding is going to programs that have demonstrated prior success before scaling to other campuses. The Chancellor's Office received proposals for several large sections from other campuses. San Francisco State proposed a labor course with hundreds of seats, but the CSU has not yet built the infrastructure to support the concurrent enrollment program so students can move from one campus to another electronically. It will be completed by year's end, he said, adding that more courses will be offered in the spring, some of them serving larger numbers of students.

San José State President Mo Qayoumi said the campus did receive funding to offer three of the Udacity courses in spring 2014. The three courses taught last spring were statistics, college algebra and remedial math. The grades were lower than in same face-to-face classes so they did not show success and receive funding. The campus expanded the courses for the summer and added general psychology and computer programming. More than 2,000 students took the courses for credit and the results were promising, with grades in three of the courses better than face-to-face. The courses are offered through Extended Education at \$150 a course for three credits with no state support or federal assistance. Because of the funding received from the Chancellor's Office, they will expand the program in the spring to any eligible students. He said they had more than 94,000 students who benefited from these courses who were not paying any fees or tuition and basically using these courses as an open online system. He would like to offer more courses in a similar manner in the next year.

Trustee Lou Monville said the board is concerned about access and capacity and asked about the 19 fully online courses being funded for the future. Mr. Hanley said 19 of the 77 awards were to redesign courses fully online. Additionally, the Udacity course will be scaled to four other CSUs, with two more interested. The Chancellor's Office has been assisting San José to execute the Udacity contract. Trustee Monville also asked what the \$33,000 allocated for individual course redesign entails versus creating a course from the ground up. Mr. Hanley said cost depends on a variety of factors. The CSU funding supports faculty learning and implementing exemplary practices. There is faculty assigned time, including using teams of faculty because of the scaling across multiple sections. The Chancellor's Office provided 75 percent of their cost for supplemental instruction services where students in the classes have assistance and tutors who supplement the faculty member's expertise. Also there is the systemwide purchasing of technology contracts that keep that cost low.

Trustee Steven Glazer asked about the breakdown of the \$10 million. Mr. Hanley gave a rough estimate: \$500,000 for the eAcademies; \$2.7 million for the promising practices course redesign; \$1.5 million for the eAdvising with degree audit tools; \$1.5 million for the concurrent enrollment infrastructure; \$500,000 for broadly scaling these innovations across more campuses through our faculty development initiative; \$600,000 for assessment; and a margin for the unexpected. (He distributed a written budget to the trustees later in the meeting.) Trustee Lupe Garcia asked about the ability to move faster on the infrastructure so there would be more than the current 33 fully online concurrent courses. Dr. Smith said the infrastructure will be ready for next fall, so processing students' requests would begin next summer. Trustee Lawrence Norton asked about e-

academies and how participants were selected. Mr. Hanley said the participants volunteered. Given that the request went out over the summer, there was a good turnout. Faculty came looking for exciting innovative technology and what they found most valuable were the peer-to-peer communications connections. The goal is to enable faculty across disciplines, teaching common courses to have an easier way to share exemplary practices and really begin to implement them in their courses. Student trustee Talar Alexanian said bottlenecks have been a problem especially in the past years for students who want earn a degree and graduate in a timely fashion. She said that putting all courses fully online, however, is not in the best interests of students, is not what students want and is not yet supported as a successful pedagogical model for the system.

Trustee Faigin asked how many students the new promising online courses will serve. Dr. Smith said San Francisco State presented a course for 700 students. The current infrastructure cannot handle 700 students, but the system will be able to in the future. Dr. Smith said it helps alleviate bottleneck issues because if a student at one campus cannot enroll in a class, the student might find an online class on another campus. So they would be maximizing benefits of a system. If the CSU put more courses online it will make a dent. If CSU can save one class per student or one class for every other student, there are many savings.

Chancellor White said the CSU is better than some might believe and less so than will be in the not too distant future. The charge accepted in January was that the \$10 million would be used to increase the number of courses to undergraduate students through the use of technology. The system posited that the CSU was going to be successful with the governor's budget so it went ahead with beginning a program of online classes. The alternative would have been to spend a year thinking about how to spend it and not be able to tell the Governor or legislature or trustees for 12 months what had been done with that money but ask for more in the next budget. The CSU went forward and a lot of people did a lot of work. He said he did not want to lose a year because of the importance and urgency of the matter. It is a work in progress. The bottleneck survey will help influence the kinds of things the CSU will continue to invest in to make it better for students. He commended the presidents for their work. Academic Senate Chair Diana Guerin pointed out that currently there is not a faculty trustee on the board, but if there were she/he would say the CSU needs more faculty to assist with the bottlenecks.

Governor Brown expressed his appreciation for the work completed. When people start acting on what has been asked, there is a lot to be learned. The board has asked for more money, but the governor said the CSU is not alone. There are many claims on state funding, and the CSU will have to convince the legislature it is worth more than others. He said he thinks it will be difficult to get more from the state, even though he "would not rule it out." Moving to online classes, he said it is not human nor is it offering the full experience, but he is looking at the reality of what money is available the next couple years. Online is very important and technology is important. The CSU is a part of the state budget and cannot be separated, and in that context there are constraints. He said he is very impressed and that the CSU should go further to fully embrace the use of technology, recognizing how the world has changed and will continue to change.

SB 1440: The Student Transfer Achievement Reform Act

Eric Forbes, assistant vice chancellor for student support services, spoke to the chart on the PowerPoint showing the number of similar programs with the CSU and the community colleges. There has been improvement, but there are some disciplines lacking similar programs. The CSU has shifted attention to tracking the number of students who pursue these Associate of Arts degrees. As of early September, the California Community Colleges conferred around 1,100 of these degrees in spring 2013. The Chancellor's Office expects that number to rise as more colleges report. It also looks at how many actually are coming to the CSU. There is a complexity to the numbers concerning the status of e-Transcripts, for automating the transfer of data between the community colleges and the CSU. Mr. Forbes said the CSU is now refreshing some of the material on the web, adding more stories from current students and convening focus groups to help understand how students use the website and program.

Trustee Bob Linscheid asked about how many students are on a pathway to transfer from a community college. Mr. Forbes said there are large numbers of students who continue to come to the CSU who will not earn a transfer degree, because there is another legitimate pathway to complete lower-division general education requirements as well as four basic subjects and transfer to the CSU with 60 or more units. The community colleges do not do a good job with tracking their students, Mr. Forbes said. The CSU knows more about the CCC students because they apply to the CSU long before they apply to graduate from the community colleges. East Bay President Leroy Morishita said they are receiving just a handful of AA transfer applications, fewer than 20 last year and probably about 25 or 30 applying this year. He said it is going to take another year or so before the community colleges will be as prepared to transfer students.

Annual review of the CSU teacher preparation program

Beverly Young, assistant vice chancellor for teacher education and public school programs, updated the annual evaluation of CSU teacher preparation programs. The CSU is the only higher education system in the nation that systematically follows every one of its teacher graduates into the field to gather information about how they are doing and to evaluate their CSU program. Since 2001, every elementary, secondary and special education teacher graduate of the CSU receives a very detailed communication after they have been teaching for a full year, asking for specific feedback about areas in which they do and do not feel well prepared to teach. Teacher supervisors also evaluate the new teachers. Campus leaders and faculty analyze the results to determine what improvements are needed and to track innovations. The deans of education share results with school and community partners, discussing what works and what might be needed.

State budget cuts have hit teacher training hard: at the end of 2012 academic year, the CSU produced less than half of the fully qualified teachers it did 10 years ago. The programs are impacted not only by CSU cuts, but by reductions in K-12 hiring across the state. Dr. Young showed a PowerPoint with several charts illustrating what first-year teachers and their

supervisors think about their training. She said results from the past eight years are consistently high. The overall survey assessment question has been answered by close to 25,000 teachers, and slightly fewer supervisors. The CSU analyzes the data by grade level, subject area, and by type and location. The extensive method of data collection and program evaluation is the model cited by U.S. Secretary of Education Arne Duncan as the exemplar he would like all programs to follow nationally. The student achievement data showed that teachers prepared by the CSU had greater positive effects on student learning across grades and across content areas. Each campus annually analyzes its own specific results, and then identifies targeted areas for improvement based on the findings and corroborated by other sources of data.

One of the newer areas of the evaluation is college readiness. High school English teachers started higher in this area and CSU teachers improve at a faster rate. Math teachers also are improving, but they have further to go, reflecting not only a greater need for improvement but also the challenge of math in California high schools. California is only one of a small number of states that requires just two years of math for high school graduation; three years are required for CSU admission. When the teacher data is compiled across every CSU campus and the results are analyzed, they found that teachers who are professionally prepared at the CSU but completed their undergraduate degree elsewhere do well - 87 percent felt prepared for both skills and knowledge. However those who completed their full preparation at a CSU and matriculated from undergraduate to a professional preparation at a CSU campus did even better at 91 percent.

Trustee Peter Mehas, speaking as a former K-12 superintendent, complimented the CSU deans and presidents for reaching out to the teachers' employers and asking them to be candid about the teachers the CSU was turning out. It began a relationship with the K-12 schools that is very valuable, he said, adding that the relationship extends to working with the schools on the Early Assessment Program. The CSI is developing and putting out a better quality teacher, he noted.

Trustee Glazer was heartened to see the progress being made but asked about a recent national study on teacher preparation released by the National Council on Teacher Quality that was quite critical of teacher preparation. He asked about the metrics and standards used to make that judgment and if anything from that study might point to some blind spots in the work that the CSU doing to train and assess teachers. Dr. Young said the CSU, like 97 percent of the university preparation programs in the country, did not voluntarily participate in the study. She and others met with the council, pointing out some problems with their standards but the council did not respond, so former Chancellor Reed joined with other higher education systems and did not participate. When their report came out, many people across the country wrote about errors in the study. Dr. Young said the campuses did not find anything of great value in the study, primarily because it was filled with errors. Additionally, they did not publish all of their standards, nor how they rated many of the standards. Campuses did learn from the process of discussing the standings and looking at other sources of data from CSU programs. She said the faculty and deans continue to feel good about the quality of CSU teachers, even with the challenges of being a K-12 teacher in California with the struggle over test scores, the highest

percentage of English language learners in the country, many children in poverty, migrant children and a high rate of special needs children.

Trustee Bill Hauck asked what percentage of new teachers in the first two years remain as teachers. Dr. Young said the CSU always has had a strong retention rate, partly because of the good job of preparation, and partly because California has one of the best support and induction programs for new teachers. At the height of the CSU evaluation study, 95-96 percent of CSU graduates were employed in the schools one year out from graduation. Five years later, 80 percent were, almost double the rest of the country. She did not have the current retention rate because only 77 percent of the CSU teachers were hired. CSU graduates were unable to find jobs because of the economy, plus the districts around the state sent out 20,000 layoff notices, so some teachers may have lost jobs, meaning it was not their choice to remain in the profession. She said she would get the current rate to him.

Trustee Monville asked about the correlation of the increased success rate of teacher preparation to any improvement in student test scores. Dr. Young said a study the CSU compiled six years of data from the eight largest districts in California and found that students achieved at a higher rate if their teachers came from the CSU. One difficulty with current testing is that only certain grades are tested. Most high school subjects do not use standardized tests and some elementary grades are not tested. Other problems include changing to the new state system with the Common Core assessment, and reliable findings requiring testing over time, not just one year. Trustee Vargas asked about the changes with the Common Core standards and teacher training. Dr. Young said that they have known about the coming changes so CSU faculty have been proactive and have already preparing students for the changes. Teachers starting in CSU programs now and those who graduated last year already are being trained in the new standards, frameworks, material and the means of assessment. They are also working with county offices and Department of Education in professional development for current teachers.

Governor Brown asked about the financial connection between local CSU campuses and school districts. Dr. Young said the CSU does not have any financial connections, only partnerships with districts and county offices because teacher preparation, by definition, is a one-year post-baccalaureate program and by definition half of it is filled with placements of student teachers in the classroom and the financial decisions of districts does not affect that. The governor also had some concern about the “endless quest” to get more data, referring to the national report that Trustee Glazer had mentioned. He said there is a testing mania in Washington and Sacramento, adding that not everything is worth measuring and not everything that can be measured is worth measuring, quoting Einstein. He said what goes on in the classrooms between students and teachers is the best measure of CSU program success.

Academic Master Plan Update for Fast-Track Program Development

Chris Mallon, assistant vice chancellor for academic programs and faculty development, presented a change to the academic plan at Cal State Dominguez Hills for a new degree bachelor

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of science in earth science. Cal State Dominguez Hills President Willie Hagan said it has strong demand from students. **(REP 09-13-05)**

Trustee Achtenberg adjourned the committee on educational policy.

COMMITTEE ON EDUCATIONAL POLICY

Update on the Early Assessment Program

Presentation by

Ephraim Smith
Executive Vice Chancellor
and Chief Academic Officer

Beverly Young
Assistant Vice Chancellor
Teacher Education and Public School Programs

Marsha Hirano-Nakanishi
Assistant Vice Chancellor
Academic Research and Resources

The Early Assessment Program

The Early Assessment Program (EAP) is the California State University's (CSU) flagship initiative for improving the preparation of high school students for college. The program was established to provide opportunities for students to measure their readiness for college-level English and mathematics in their junior year of high school, and to facilitate opportunities for them to improve their skills during their senior year. The EAP goal is to have California high school graduates enter the CSU fully prepared to begin college-level study. In English, the CSU has developed the Expository Reading and Writing Course (ERWC) for seniors to improve their ability to read and write at the college level. In math, the CSU has implemented the Strengthening Mathematics Instruction (SMI) program to help secondary math teachers improve their skills in teaching algebra through calculus classes. The CSU also continues to offer advanced professional development to thousands of California high school teachers in both English and mathematics.

Early Assessment Results

The number of 11th-graders ready for college-level English and math continues to increase since the voluntary test was launched in 2006. Nearly 39,000 more students are demonstrating proficiency in English than when EAP testing was first instituted. The number of high school juniors who are ready for college-level math has nearly doubled in that same span.

With eight years (2006-2013) of complete testing data available (see the table at the end of this report), key findings include:

- **The EAP participation rate** has increased by 10 percentage points with 82 percent of high school juniors taking the voluntary test. The number of students participating in the voluntary assessment has increased by 70,000 students to more than 387,000 statewide.
- **Readiness to take EAP Math**
There has been a steady increase in the number of students taking Algebra II, and in the number taking EAP math from almost 185,000 in 2006 to more than 250,000 in 2013. There probably is no state that has increased the numbers of high school students enrolled in, at least, Algebra II than California.
- **EAP Math**
While the proficiency rate has increased by a modest 2 percentage points, the number of students ready for college-level math has increased from 16,120 to 30,781, an increase of 91 percent. This indicates that high school students were not just enrolling in more challenging mathematics courses; they have been demonstrating increased proficiency for college-level mathematics.
- **EAP English**
Participation in EAP English has risen to 88 percent statewide. Proficiency rates increased to 23 percent, and there were 87,318 students demonstrating college readiness in 2013. The spring 2012 EAP English test included a new category, English Conditional. Conditionally ready students are deemed ready for college-level English if they successfully complete a full senior year in an Expository Reading and Writing Course, an Advanced Placement English class or the International Baccalaureate. The more than 56,000 high school seniors whose EAP scores show they were "conditionally ready" in spring 2013 now are able to use their senior year to become fully prepared in English.

External Evaluation of the EAP

The EAP continues to generate national interest, and is regarded as the model for the nation's move to implementing college and career readiness assessment through high school standardized testing. Summaries of additional external evaluation results regarding the program's effectiveness in reducing the need for remediation, the program's impact on application and enrollment rates and its effectiveness in California's Community Colleges (CCC) will be presented at the meeting.

Transition to California's New Assessment System

The EAP college readiness determination has been based on the 11th-grade assessment using the California Standards Test (CST), which has been suspended for the current academic year in

California. The state's assessment plan, which was proposed by State Superintendent Tom Torlakson, enacted in AB 484 (Bonilla), and signed into law by Governor Brown in October 2013, allows California students to participate in the field test of the new Smarter Balanced assessment system this year. Individual students, schools and districts will not receive assessment results from this field test. This will allow a transition from the current CST system to the new Measurement of Academic Performance and Progress (MAPP) assessment system that is designed to be aligned with the Common Core State Standards (CCSS) in both English Language Arts and mathematics.

While participation in the EAP has always been voluntary for individual students, this year it will be voluntary for districts and schools to offer the assessment opportunity to 11th-grade students. Districts that choose to do so will have the full assessment cost covered by the California Department of Education, and must order test materials by early December to test in spring 2014.

The CSU and the CCCs have taken a number of steps to maximize the continued opportunity for all students who wish to learn of their college readiness status before their high school senior year. A summary of these steps and the current status of California districts planning to offer the test will be presented at the meeting.

Detailed Longitudinal EAP Results

CST/EAP Participation	2006	2007	2008	2009	2010	2011	2012	2013
Number of students taking CST	440,205	461,682	465,986	466,353	469,457	473,094	470,349	468,583
Number of students taking EAP	317,056	346,038	356,169	369,465	380,837	384,871	386,324	387,405
Participation Rate %	72%	75%	76%	79%	81%	81%	82%	83%
English	2006	2007	2008	2009	2010	2011	2012	2013
# of students taking English CST	418,154	440,763	446,153	447,783	451,575	446,861	440,116	435,222
# of student taking English EAP	312,167	342,348	352,943	366,949	378,870	382,917	383,562	384,722
Participation Rate	75%	78%	79%	82%	84%	86%	87%	88%
# of students ready	48,072	55,206	60,392	59,381	77,826	85,506	86,939	87,318
% College Ready	15%	16%	17%	16%	21%	22%	23%	23%
# of students conditionally ready							58,468	56,552
% College Conditional							15%	15%
# of students not ready	264,095	282,775	288,599	303,998	297,630	293,760	237,642	240,367
% Not Ready for College English	85%	83%	82%	83%	79%	77%	62%	62%
Math	2006	2007	2008	2009	2010	2011	2012	2013
Students Tested CST A2/SH	184,709	201,827	209,873	220,321	231,357	239,913	246,277	253,004
Students Tested EAP	137,067	141,648	147,885	169,478	178,667	190,917	203,906	212,836
Participation Rate %	74%	70%	70%	77%	77%	80%	83%	84%
# of students ready	16,120	17,173	19,442	22,247	26,056	29,525	30,426	30,781
% Ready	12%	12%	13%	13%	15%	15%	15%	14%
# of students conditionally	58,822	60,697	62,660	74,467	75,502	81,849	92,831	97,378
% Conditionally Ready	43%	43%	42%	44%	42%	43%	46%	46%
# of students not ready	62,125	63,710	65,718	72,688	77,053	79,487	80,596	9,738
% Not Ready	45%	45%	44%	43%	43%	42%	40%	5%

COMMITTEE ON EDUCATIONAL POLICY

Update on SB 1440: Student Transfer Achievement Reform Act

Presentation By

Ephraim P. Smith
Executive Vice Chancellor
and Chief Academic Officer

Eric Forbes
Assistant Vice Chancellor
Student Academic Support

Ken O'Donnell
Senior Director
Student Engagement and
Academic Initiatives & Partnerships

Summary

The Student Transfer Achievement Reform Act calls for the California Community Colleges (CCC) and California State University (CSU) to create clear, efficient transfer pathways to the baccalaureate, requiring no more than 60 semester hours of credit for the two-year degree, and another 60 units after transfer to complete a bachelor's degree in a similar discipline.

Carrying out the new law entailed work on three fronts:

1. Working with faculty to create the transfer curriculum in popular majors
2. Managing enrollment and admissions intersegmentally, to prioritize transfer applicants who hold the new degrees
3. Communicating the benefits of the new program to students, counselors and the public

As of late September, CCC students could pursue any of more than 38,000 combinations of efficiently paired associate degrees and CSU baccalaureate programs. Each one follows a statewide Transfer Model Curriculum (TMC) to ensure maximum access and portability.

In early October, Executive Vice Chancellor Smith directed CSU campuses, at their discretion, to identify additional matches to the already published TMCs. For example, a campus that has found its bachelor's degree in philosophy "similar" to the TMC in philosophy may now add other programs, such as religious studies, that also fit the major. The expanded use of "similar" designations should benefit students whose academic plans are less precise, and smaller departments where programs will not develop statewide TMCs.

The governor recently signed Senate Bill 440, which also is expected to add to the number of pathways available to students. It calls for the creation of transfer degrees in "areas of emphasis," such as social science, rather than specific majors such as psychology. It also codifies performance goals and timelines the two segments adopted during implementation.

Since the September trustees meeting, the CSU has completed its annual round of fall Counselor Conferences. Interest in the new program from students remains high. Representatives shared screen shots of a searchable online database that will make it easier for prospective students to learn which majors are available at specific campuses.

More than a thousand transfer students matriculated this past fall into the CSU holding Associate Degrees for Transfer, a tenfold increase above the same time last year.

COMMITTEE ON EDUCATIONAL POLICY

The California State University Institute for Palliative Care at California State University San Marcos

Presentation By

Roberta Achtenberg
California State University Trustee

Karen S. Haynes
President
California State University San Marcos

Helen B. McNeal
Executive Director

Summary

In September of 2012, Trustee Roberta Achtenberg and President Karen Haynes shared plans for the launch of the California State University (CSU) Institute for Palliative Care at California State University San Marcos. In its first year, the institute has successfully launched programs, both face-to-face and online, to train more than 350 health care professionals and more than 780 community members about palliative care, while integrating palliative care content into 24 courses for undergraduates in disciplines including nursing, psychology, sociology and communicative and speech disorders. This item will provide an update on the institute's programmatic and financial progress the past year, and share plans for the initial replication of the institute's model at three other CSU campuses beginning in 2014.

Background

In 2011 and 2012, Trustee Achtenberg, President Haynes and a small group of experts in palliative care who volunteered their time, worked together to develop a plan for the creation of the CSU Institute for Palliative Care. This plan was presented to the Board of Trustees in September 2012. Thanks to funding from the Archstone Foundation and California HealthCare Foundation, the institute was launched on September 20, 2012, at its home campus, Cal State San Marcos.

Funded by grant dollars and projected to be self-supporting within five years, the institute is the first statewide initiative in the country to focus on palliative care workforce development and

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community awareness. It was tasked to create a model program to educate current and future professionals and the community about palliative care. This model then will be available for replication at interested CSU campuses and other campuses around the country.

Palliative care, which focuses on quality of life and relief of suffering, whether physical, emotional, psychological or spiritual, is a complement to curative and life-sustaining treatment for those with chronic and serious illness. Research has demonstrated that it improves patient and family satisfaction with care, improves longevity and outcomes and reduces health care delivery costs. As such, it will be vitally important to California's aging population and to the state's health care systems, and will provide a critical skill that will distinguish health care professionals trained in the CSU system.

COMMITTEE ON EDUCATIONAL POLICY

The California State University Nursing Programs Update

Presentation By

Christine Mallon
Assistant Vice Chancellor
Academic Programs and Faculty Development

Summary

More than three million nurses serve this country's health care needs. Even more are needed, however, and their educational attainment will need to be elevated to meet the needs of the aging national population and the expanding health care system associated with the Affordable Care Act. The U.S. Bureau of Labor Statistics projects that by 2020 another 1.2 million new nurses will be needed to fill new and vacant nursing positions. California State University (CSU) nursing programs, now offered on 20 campuses, work to supply the need not just for registered nurses, but for the highly educated nursing workforce called for in *The Future of Nursing: Leading Change, Advancing Health* report¹, issued by the independent nonprofit Institute of Medicine (IOM). That report set a national 2020 target for 80 percent of nurses to be trained to the baccalaureate level (up from 50 percent) and for twice as many nurses trained to the doctoral level than now. The IOM report also recommended instituting seamless educational pathways in which students can pursue advanced degrees that will prepare them to practice to the highest extent of their education and training.


Seamless Pathways for Educating Highly Trained Nurses

For more than 60 years, CSU nursing programs have contributed to the health care workforce. With programs on all but three campuses, CSU nursing programs now include bachelors; bachelor's degree-completion ("ADN/RN to BSN"); second baccalaureate; masters; entry-level masters (for non-nursing bachelors); and, as of fall 2012, doctor of nursing practice (DNP) degree programs. In 2011-2012, the CSU conferred 3,284 nursing degrees, producing 2,575 bachelor of science in nursing (BSN) graduates and 709 master of science in nursing (MSN) graduates (see Table 1).

The CSU's nursing programs respond to demands from state and national governments, accreditors, licensure board and the health care employment sector, all of which point to better

¹ <http://www.iom.edu/Reports/2010/The-Future-of-Nursing-Leading-Change-Advancing-Health.aspx>

patient outcomes associated with more highly educated nurses. In answer to the IOM report and in fulfillment of Education Code section 89267.5, the CSU and the California Community Colleges (CCC) developed seamless, articulated pathways between associate degree in nursing (ADN) programs and bachelor of science in nursing (BSN) programs to increase the state's number of bachelor's trained nurses. ADN-to-BSN programs achieve some cost savings for the CSU because the majority of the expensive pre-licensure clinical training is carried out at CCCs. In response to Education Code section 66055.5, CSU faculty and nursing directors developed a systemwide set of nursing program prerequisites to make admission and degree completion more simple and consistent across the state. Community college adoption of the CSU prerequisites would further achieve the kind of seamless pathway recommended in the IOM report. A CSU ADN-to-BSN Nursing Degree Pathways website (<http://www.calstate.edu/adn-bsn/>) lists advising roadmaps and program prerequisites for ADN graduates wishing to complete a CSU BSN degree.

CSU ADN-to-BSN Nursing Degree Pathways	Systemwide CSU Nursing Prerequisites									
	<table border="1"><thead><tr><th data-bbox="813 978 1344 1010">Nursing Program Prerequisite Courses</th></tr></thead><tbody><tr><td data-bbox="813 1026 1065 1052">1. Oral communication</td></tr><tr><td data-bbox="813 1068 1097 1094">2. Written communication</td></tr><tr><td data-bbox="813 1110 1016 1136">3. Critical thinking</td></tr><tr><td data-bbox="813 1152 1360 1236">4. Chemistry (general, integrated, inorganic or organic)-with or without lab, as it is taught on the campus where the course was taken</td></tr><tr><td data-bbox="813 1253 1235 1278">5. Human anatomy (with required lab)</td></tr><tr><td data-bbox="813 1295 1260 1320">6. Human physiology (with required lab)</td></tr><tr><td data-bbox="813 1337 1195 1362">7. Microbiology (with required lab)</td></tr><tr><td data-bbox="813 1379 943 1404">8. Statistics</td></tr></tbody></table>	Nursing Program Prerequisite Courses	1. Oral communication	2. Written communication	3. Critical thinking	4. Chemistry (general, integrated, inorganic or organic)-with or without lab, as it is taught on the campus where the course was taken	5. Human anatomy (with required lab)	6. Human physiology (with required lab)	7. Microbiology (with required lab)	8. Statistics
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8. Statistics										

Nursing Faculty Shortage

CSU nursing enrollments have fluctuated with the economy since 2008-2009. CSU BSN programs appear to be recovering from an earlier downturn. While MSN programs have slowed the rate of decline, the CSU is still waiting for enrollments to recover (see Table 2). As with nursing programs nationally, the CSU cannot fully satisfy nursing enrollment demands and must turn away qualified nursing applicants every year. In the last admission cycle for example, CSU Chico was unable to admit 86 percent of its fully qualified nursing applicants for fall 2013 and CSU San Marcos turned away nearly 89 percent. The American Association of Colleges of Nursing reported that “The primary barriers to accepting all qualified students at nursing colleges and universities continue to be a shortage of faculty (60.7 percent) and an insufficient number of

clinical placement sites (61 percent).”² Illustrating the widespread problem, a survey by the association indicated that only 27.5 percent of responding institutions reported that they had no need for additional full-time faculty in 2012-2013.

Hiring and retaining nursing faculty is a challenge because of availability, cost and salary competition with other employment sectors. Nurses with advanced degrees can earn more lucrative salaries in clinical practice or administration than is common for college or university faculty positions. As the current faculty ages and moves toward retirement, what has been termed a “nursing faculty crisis” will only increase. A 2010 report by the National League of Nursing and the Carnegie Foundation Preparation for the Professions Program indicated that 48 percent of nurse educators were (at that time) 55 years old or older³. And while historically, an insufficient production of new nursing Ph.D.s further limited the pool of available faculty, there is a growing interest in doctor of nursing practice (DNP) programs. This has inspired greater enrollments in research-based doctoral programs, including Ph.D. and doctor of nursing science (DNS, DNSc). This trend, along with the two new CSU research-infused DNP programs in the southern and northern regions will likely increase the production of future nursing faculty, so needed in California to meet the tremendous student demand for nursing education programs. The two DNP programs provide the culminating degree in the seamless pathway that begins with the community college ADN programs.

The CSU must plan now to address the two principle barriers to expanding nursing education: a shortage of faculty and an insufficient number of clinical placements. When the production of doctorate-trained nurse educators increases the pool of available faculty, the CSU will need to be poised to invest in this critically needed resource. As a greater number of nursing faculty are recruited and hired to teach, CSU schools and colleges of nursing will need to hire more coordinators of clinical placements and will, in some cases, be asked to pay health care institutions for clinical training. To respond to state and national healthcare workforce needs, funding to overcome these two barriers should be a priority consideration in future years’ budget requests.

² <http://www.aacn.nche.edu/Media/NewsReleases/2009/StudentEnrollment.html>

³ <http://www.nln.org/governmentaffairs/pdf/nursefacultyshortage.pdf>

Table 1

2011-2012 CSU Nursing Degrees Granted				2011-2012 CSU Nursing Degrees Granted			
Master of Science in Nursing				Bachelor of Science in Nursing			
Campus	MSN Post-RN	MSN Pre-RN	Total	Campus	BSN Post-RN	BSN Pre-RN	Total
Bakersfield		-	-	Bakersfield	-	95	95
Channel Islands	-	-	-	Channel Islands	14	35	49
Chico	4	-	4	Chico	19	99	118
Dominguez Hills	-	162	162	Dominguez Hills	-	224	224
East Bay	-	-	-	East Bay	-	186	186
Fresno	35	28	63	Fresno	145	5	150
Fullerton	92	23	115	Fullerton	103	45	148
Humboldt	-	-	-	Humboldt	-	57	57
Long Beach	58	11	69	Long Beach	34	181	215
Los Angeles	59	17	76	Los Angeles	76	86	162
Monterey Bay	-	-	-	Monterey Bay*	-	-	-
Northridge	-	-	-	Northridge	32	32	64
Sacramento	24	4	28	Sacramento	41	135	176
San Bernardino	7	-	7	San Bernardino	12	129	141
San Diego	42	-	42	San Diego	22	202	224
San Francisco	42	10	52	San Francisco	25	101	126
San Jose	15	-	15	San Jose	1	170	171
San Marcos	-	-	-	San Marcos	8	128	136
Sonoma	46	22	68	Sonoma	28	22	50
Stanislaus	8	-	8	Stanislaus	25	58	83
Grand Total	432	277	709	Grand Total	585	1,990	2,575

*Monterey Bay has implemented a post-RN bachelor's program but did not have graduates in 2011-2012.

Table 2

**Full-Time Equivalent Nursing Enrollments
 California State University**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
BSN	4,190.0	4,355.7	5,185.6	5,828.6	5,250.2	4,893.0	5,065.6
MSN	1,006.5	1,473.5	1,659.2	1,765.1	1,733.9	1,489.8	1,413.3

Data as of January 10, 2013.

COMMITTEE ON EDUCATIONAL POLICY

Outstanding Faculty Website

Presentation By

Ephraim Smith
Executive Vice Chancellor
and Chief Academic Officer

Diana Guerin
Chair
Academic Senate, CSU

Marge Grey
Assistant Vice Chancellor
Communications

Background

The California State University (CSU) Outstanding Faculty website is intended to recommence a Board of Trustees tradition that recognizes the contributions of faculty who advance the CSU mission. From 1963-1964 through 1994-1995, the trustees, utilizing funds from the Joseph M. Schenck Foundation of Los Angeles, sponsored a program to select Outstanding Professors from the system's campuses. Two faculty were designated each year, with awards of \$4,000 each. This award was discontinued after 1994-1995.

In fall 1998, Trustee Stanley T. Wang provided \$1 million to reward outstanding faculty and administrators. During a 10 year-period, four faculty and one administrator throughout the CSU system received \$20,000 awards each year. The [Wang Family Excellence Awards](#) were last awarded in 2008.

The new Outstanding Faculty website recognizes faculty who excel in (1) teaching; (2) research, scholarship and/or creative activities; and/or (3) service. Consistent with a resolution passed by the Academic Senate in 1994, the website recognizes outstanding faculty from each of the 23 institutions in the system. The website currently showcases 56 distinguished faculty members from 14 campuses that submitted information last summer. Within the month, the site will be updated with profiles of 23 additional outstanding faculty from five campuses submitted this fall.

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Publicizing these faculty and their contributions communicates to prospective students and their parents, policymakers, donors and other external audiences the distinguished faculty who comprise the CSU. Featuring faculty who are successful in their careers may assist in the recruitment of other high-quality faculty who are committed to quality public higher education.

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 11:45 a.m., Tuesday, November 5, 2013
Glenn S. Dumke Auditorium

Steven M. Glazer, Chair
Douglas Faigin, Vice Chair
Debra S. Farar
Margaret Fortune
Lupe C. Garcia
J. Lawrence Norton
Cipriano Vargas

Consent Items

Approval of Minutes of Meeting of September 25, 2013

Discussion Items

1. Legislative Update, *Information*
2. Veteran's Legislative Update, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON GOVERNMENTAL RELATIONS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

September 25, 2013

Members Present

Steven M. Glazer, Chair
Douglas Faigin
Debra S. Farar
Margaret Fortune
Lupe C. Garcia
Bob Linscheid, Chair of the Board
Peter G. Mehas
J. Lawrence Norton
Cipriano Vargas
Timothy P. White, Chancellor

Trustee Glazer called the meeting to order.

Approval of Minutes

The minutes of July 23, 2013 were approved as submitted.

Legislative Update

Karen Y. Zamarripa, assistant vice chancellor for advocacy and state relations, provided highlights from the legislative report. The legislative session adjourned on September 13, and the governor has until October 13 to act on remaining measures.

Ms. Zamarripa congratulated the students for the success of *Senate Bill 325 (Block) Trustees of the California State University: Student members* and *Assembly Bill 447 (Williams) California State University: Trustees*, which were sponsored by the California State Student Association and signed into law.

Ms. Zamarripa thanked members of the legislature, including Senator Ricardo Lara, Senator Marty Block, and Assemblymember Das Williams, for recognizing the importance of the California State University (CSU) and the need to fund additional enrollment.

Ms. Zamarripa provided the following updates:

- Legislators are revising the water bond for the November 2014 ballot; therefore, a general obligation bond will be unlikely until at least 2016.
- Due to changes in standardized testing, the CSU will lose the Early Assessment Program (EAP) for at least a year.
- *Senate Bill 440 (Padilla) Public Postsecondary Education: Student Transfer Achievement Reform Act* is now before the governor.

Trustee Glazer asked Chancellor White to provide an update to the board on how the CSU will handle the loss of the EAP and identify students who need assistance improving their skills.

Trustee Glazer adjourned the meeting.

COMMITTEE ON GOVERNMENTAL RELATIONS

Legislative Update

Presentation By

Garrett Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and State Relations

Summary

This item contains an update on legislation being tracked by the California State University (CSU). The status of each bill reflects final action taken by the legislature and the Governor during the first year of the 2013-2014 legislative session.

Background

The legislature adjourned for the 2013 legislative year after completing their work on the budget and sending some 800 measures to the Governor. The Governor acted on all bills as of October 13, 2013. Both the senate and the assembly used the final month of the legislative year to significantly modify measures – often reducing scope and cost to move forward. Leadership held some measures in fiscal committees for further work.

The Chancellor's Office has begun its annual legislative proposal process by soliciting recommendations for the 2014 year. The first deadline for submittal of proposals was October 1. The system office will take the next few months to review the submitted proposals and seek feedback from a multitude of CSU groups including internal policy experts, the vice presidents of advancement and the campus presidents. Proposals will be brought before the Board of Trustees in January for final approval before the Chancellor's Office works with legislators to introduce the proposals as bills.

Gov. Rel.

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Accountability

SB 195 (Liu) California Postsecondary Education: State Goals: This measure establishes goals for the state's public and private colleges and universities regarding higher education.

CSU Position: SUPPORT
Status: The measure was approved by the legislature and signed into law by Governor Brown. (Chapter 367, Statutes of 2013)

Compensation

SB 495 (Yee) Postsecondary Education Employees: Physicians: The measure as amended encourages the CSU and the University of California (UC) to increase funding for their campus health centers and compensation for their doctors.

CSU Position: OPPOSE
Status: The measure is a two-year bill.

Financial Aid

AB 1241 (Weber) Student Financial Aid: Cal Grant Program: The measure extends the Cal Grant Entitlement program period of eligibility from one to two years, effective January 1, 2015.

CSU Position: NO OFFICIAL POSITION
Status: The measure was held by the Senate Appropriations Committee.

AB 1285 (Fong) Student Financial Aid: Cal Grant Program: Most Cal Grant B students do not receive aid in their first year of college, but receive aid subsequently. This measure would increase the number of students who receive aid in their first year from the existing 2% in increments of 25% until all Cal Grant B students receive aid in their first year.

CSU Position: NO OFFICIAL POSITION
Status: The measure is a two-year bill.

AB 1287 (Quirk-Silva) Student Financial Aid: Cal Grant Eligibility: This measure establishes a process by which Cal Grant recipients, who are determined to be ineligible for a renewal award because they exceed the income and asset ceilings for the program, can receive a Cal Grant renewal award in a subsequent year if they once again meet all of the eligibility requirements.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the legislature and was vetoed by the Governor.

AB 1318 (Bonilla) Student Financial Aid: Cal Grant Program: This measure establishes a formula for determining the maximum Cal Grant award for students attending nonpublic postsecondary educational institutions.

CSU Position: NO OFFICIAL POSITION
Status: The measure is a two-year bill.

AB 1364 (Ting) Student Financial Aid: Cal Grant Program: This proposal creates a statutory formula to annually adjust the maximum Cal Grant B award amount by the percentage increase, if any, in California per capita personal income.

CSU Position: NO OFFICIAL POSITION
Status: The measure was held by the Senate Appropriations Committee.

SB 285 (De León) Student Financial Aid: Cal Grant Program: This proposal increases the subsistence award for the Cal Grant B recipients from \$1,550 to \$5,000 using funds established in companion measure SB 284 by the same author.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of legislature and was vetoed by the Governor.

Governance

AB 46 (Pan) California State University: Trustees: The measure was reintroduced on behalf of the California Faculty Association (CFA) to allow ex-officio members of the Board of Trustees to designate an alternate to attend board meetings and vote in their absence. It also included a provision sought by CSU students last year – to allow the student designee to vote should the current student Board of Trustees member be unable to attend a meeting.

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CSU Position: OPPOSE UNLESS AMENDED
Status: This measure was made a two-year bill at the request of the author.

AB 447 (Williams) California State University: Trustees: This measure allows the second student trustee to vote should the voting trustee be unable to attend a meeting due to medical needs and/or illness.

CSU Position: SUPPORT
Status: Sponsored by the California State Student Association (CSSA), the measure was approved by the legislature and signed into law by Governor Brown. (Chapter 327, Statutes of 2013)

AB 736 (Fox) California State University: Antelope Valley Campus: This measure requires the CSU to conduct a feasibility study for a campus in the Antelope Valley using non-state funds.

CSU Position: NO OFFICIAL POSITION
Status: The measure is a two-year bill.

AB 1348 (Pérez) Postsecondary Education: California Higher Education Authority: This measure establishes a 13-member panel called the California Higher Education Authority to replace the California Postsecondary Education Commission (CPEC), which has not been funded for two years. Unlike CPEC, this new board would not include segmental representatives, who can play an important role in the coordination and collaboration between the segments and the Authority.

CSU Position: NO OFFICIAL POSITION
Status: The measure is a two-year bill.

SB 325 (Block) Trustees of the California State University: Student Members: This measure allows students who are sophomores in good standing, instead of the now required juniors, to seek appointment to the Board of Trustees by the Governor based on nominations from the CSSA. The bill also waives systemwide mandatory tuition fees for student trustees, so they can focus on their academic studies and work as a board member.

CSU Position: SUPPORT
Status: Sponsored by CSSA, the measure was approved by the legislature and signed into law by Governor Brown. (Chapter 175, Statutes of 2013)

K-12 Education/Teacher Preparation

AB 484 (Bonilla) Pupil Assessments: Measurement of Academic Performance and Progress (MAPP): This measure suspends the current statewide testing (CSTs) for students in grades 2-11 for the 2014 year and provides for a new testing method, MAPP, which would commence in 2015 moving forward. As part of this proposal, the Early Assessment Program (EAP) for the 2014 school year will be available but will need to be requested by the school district in order to administer. For those schools who do request 11th grade CSTs, the state will bear the cost of the test and those students and schools will receive only information regarding a student's college preparedness level and not the traditional CST score.

CSU Position: NO OFFICIAL POSITION
Status: This measure was amended right before the conclusion of session to suspend the testing. Given the impact these amendments had on the EAP, the CSU is working on several fronts to ensure that schools are informed well in advance about how to continue participating in EAP and the critical nature of ensuring 11th grade students still take the test and receive information about college readiness. The measure passed out of the legislature and was signed into law by Governor Brown (Chapter 489, Statutes of 2013).

SB 5 (Padilla) Teacher Credentialing: This measure extends the cap on the length of time a higher education institution must administer a post-baccalaureate formal teacher preparation program from one year to two years.

CSU Position: SUPPORT
Status: The measure passed out of the legislature and signed into law by Governor Brown. (Chapter 171, Statutes of 2013)

Online Learning/Alternative Pathways

AB 386 (Levine) Public Postsecondary Education: Cross-enrollment: Online Education at California State University: This measure requires the CSU to create a convenient means by which students can find and enroll (including concurrent enrollment within the system) in online courses offered in the system. The measure is now linked to the CSU's 2013-14 general fund support.

CSU Position: SUPPORT
Status: The measure passed out of the legislature with bipartisan support and signed into law by Governor Brown. (Chapter 363, Statutes of 2013)

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SB 520 (Steinberg) California Virtual Campus: Leadership Stakeholder Meetings: Representatives: This measure creates an incentive grant program to encourage CSU, UC and California Community Colleges (CCC) faculty to develop online and hybrid courses that would be available to students across systems.

CSU Position: NO OFFICIAL POSITION
Status: The measure is a two-year bill.

Proposition 39/ Energy Efficiency

SB 267 (Pavley) Proposition 39 Implementation: Higher Education Projects: This measure requires the Energy Resources Conservation and Development Commission to develop and administer a financial assistance program to assist the CCC, the CSU and the UC with energy efficiency and onsite clean energy generation projects.

CSU Position: SUPPORT
Status: The measure is a two-year bill.

Revenues

SB 284 (De León) Income Tax: Contribution to Education Fund: This proposal allows an individual taxpayer or corporate donor to contribute a tax credit towards the College Access Tax Credit Fund, with a total annual cap of \$500 million. Per SB 285, these funds would then be tied to increased Cal Grant B subsistence awards.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the legislature and was vetoed by the Governor.

Transfer

SB 440 (Padilla) Public Postsecondary Education: Student Transfer Achievement Reform Act: This measure implements changes to the current law regarding the CCC transfer pathway created three years ago in partnership with the CSU and CCC. The bill requires the CSU to develop an admission redirection process and both systems to develop a marketing strategy to ensure students are aware of the SB 1440 pathways. The measure also reinforces efforts underway by the CSU and CCC faculty to develop areas of emphasis transfer degrees for students who may not have designated a major but are seeking to transfer to the CSU.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the legislature and signed into law by Governor Brown (Chapter 720, Statutes of 2013).

Veterans Services

AB 13 (Chavez) Nonresident Tuition Exemption: Veterans: This measure allows any member of the military who was discharged or released from active duty to receive a waiver for the nonresident fee in undergraduate programs whether or not they were ever stationed in the state or a California resident. Current law provides this waiver for members of the military who were stationed in California while on active duty.

CSU Position: NO OFFICIAL POSITION
Status: The measure is a two-year bill.

SB 290 (Knight) Nonresident Tuition Exemption: Veterans: This proposal exempts a veteran who was stationed in this state on active duty for more than one year immediately prior to being discharged from paying nonresident tuition at the CSU or UC for up to one year. This exemption must be used within two years of being discharged.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the legislature and signed into law by Governor Brown (Chapter 696, Statutes of 2013).

COMMITTEE ON GOVERNMENTAL RELATIONS

Veteran's Legislative Update

Presentation By

Garrett Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and State Relations

Summary

This item contains information concerning the California State University's effort to inform state legislative leaders about systemwide and campus programs, resources, and policies aimed at supporting student veterans and their families.

CORRECTED

AGENDA

COMMITTEE ON AUDIT

Meeting: 1:00 p.m., Tuesday, November 5, 2013
Glenn S. Dumke Auditorium

Lupe C. Garcia, Chair
Rebecca D. Eisen
Steven M. Glazer
William Hauck
Hugo N. Morales

Consent Items

Approval of Minutes of Meeting of September 25, 2013

Discussion Items

1. Status Report on Current and Follow-Up Internal Audit Assignments, *Information*
2. ~~Audit Committee Charter, Action~~ **Deferred**
3. ~~Office of the University Auditor Charter, Action~~ **Deferred**
4. Intent to Reissue the Request for Proposal for External Auditor Contract, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON AUDIT**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

September 25, 2013

Members Present

Lupe C. Garcia, Chair
Steven M. Glazer
Rebecca D. Eisen
William Hauck
A. Robert Linscheid, Chair of the Board
Hugo N. Morales
Timothy P. White, Chancellor

Chair Garcia called the meeting to order.

Approval of Minutes

The minutes of the meeting of July 23, 2013, were approved as submitted.

Public Speaker

Mr. Patrick Gantt, president of the California State University Employees Union, expressed his concerns regarding the contract bidding process at the various campuses.

Status Report on Current and Follow-up Internal Audit Assignments

Mr. Larry Mandel, university auditor, presented the Status Report on Current and Follow-up Internal Audit Assignments, Agenda Item 1 of the September 24-25, 2013, Board of Trustees agenda.

Mr. Mandel reminded everyone that updates to the status report are displayed in green numerals and indicate progress toward or completion of outstanding recommendations since the distribution of the agenda. He noted that the campuses are continuing to make excellent progress in completing the recommendations within a reasonable time period. He reported that only two of the campuses have long-outstanding recommendations, and as per discussions with management, it is anticipated that these recommendations will be closed by the next Board meeting. He also reported that the CSU Chancellor's Office has systemwide recommendations regarding ADA Compliance and Academic Personnel that have been outstanding for several months. In addition, Mr. Mandel stated that the 2013 audit assignments are on track to be completed by the January 2014 Board meeting.

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Aud

Chair Garcia commended and thanked the campuses for their continued effort in addressing the recommendations in a timely manner. With respect to the systemwide issues, she stated that having recommendations that are 17 and 18 months outstanding is not satisfactory, and going forward, these items need to be addressed in a more timely manner. She indicated her understanding that further conversations with the chancellor and CSU Chancellor's Office management will take place to ensure that these systemwide policies speak specifically to training programs, providing clear guidance to help ensure that the proper training is provided to the appropriate individuals and that records are maintained for tracking purposes. Chair Garcia requested that she be provided an update on these outstanding items before the next Board meeting.

The meeting adjourned.

COMMITTEE ON AUDIT

Status Report on Current and Follow-up Internal Audit Assignments

Presentation By

Larry Mandel
University Auditor

Summary

This item includes both a status report on the 2013 audit plan and follow-up on past assignments. For the current year, assignments have been made to conduct reviews of Auxiliary Organizations, high-risk areas (International Programs, Sensitive Data Security, Centers and Institutes, Hazardous Materials Management, Student Health Services, and Conflict of Interest), high profile area (Sponsored Programs – Post Awards), core financial area (Credit Cards), and Construction. In addition, follow-up on current/past assignments (Special Investigations, Auxiliary Organizations, ADA Compliance, Academic Personnel, Title IX, Data Center Operations, Facilities Management, Identity Management, International Programs, Police Services, CSURMA, Credit Cards, Sensitive Data Security, Centers and Institutes and Sponsored Programs) is being conducted on approximately 40 prior campus/auxiliary reviews. Attachment A summarizes the reviews in tabular form. An up-to-date Attachment A will be distributed at the committee meeting.

Status Report on Current and Follow-up Internal Audit Assignments

Auxiliary Organizations

The initial audit plan indicated that approximately 305 staff weeks of activity (29.7 percent of the plan) would be devoted to auditing internal compliance/internal control at eight campuses/30 auxiliaries. Four campus/fifteen auxiliary reviews have been completed. One campus/four auxiliaries are awaiting a response prior to finalization, report writing is being completed for two campuses/six auxiliaries, and fieldwork is being conducted at one campus/four auxiliaries.

High-Risk Areas

International Programs

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of program approvals, fiscal administration and controls; risk management processes; curriculum and credit transfers; utilization of third-party providers; compliance with U.S. Department of State and other regulatory international travel requirements; and processes used to recruit international students, verify student credentials, and provide support on campus. Six campuses will be reviewed. Six reports have been completed.

Sensitive Data Security

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of policies and procedures for handling confidential information; communication and employee training; tracking and monitoring access to sensitive data; and retention practices of key records. Six campuses will be reviewed. Two reports have been completed, and four reports are awaiting a campus response prior to finalization.

Centers and Institutes

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of campus policies and procedures for establishing, operating, monitoring, reviewing, and discontinuing centers, institutes, and similar entities; fiscal administration and controls; faculty workload including the potential for conflicts of interest; policies and procedures for identifying and reporting allegations of misconduct in research and other related activities; and campus processes for reporting entity activities including the implementation status of campus policies and procedures to the CSU Chancellor's Office. Six campuses will be reviewed. Two reports have been completed, and four reports are awaiting a campus response prior to finalization.

Hazardous Materials Management

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of the systems and procedures for controlling the purchase, generation, storage, use and disposal of hazardous materials and wastes; employee training; emergency response plans; reporting requirements; and compliance with federal and state regulations. Six campuses will be reviewed. Four reports are awaiting a campus response prior to finalization, and report writing is being completed for two campuses.

Student Health Services

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of compliance with federal and state laws, Trustee policy, and CSU Chancellor's Office directives; establishment of a student health advisory committee; accreditation status; staffing, credentialing and re-credentialing procedures; safety and sanitation procedures, including staff training; budgeting procedures; fee authorization, cash receipt/disbursement controls and trust fund management; pharmacy operations, security and inventory controls; and the integrity and security of medical records. Six campuses will be reviewed. Report writing is being completed for four campuses, and fieldwork is being conducted at one campuses.

Conflict of Interest

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of the process for identification of designated positions; monitoring, tracking and review of disclosures relating to conflicts of interest, such as research disclosures; faculty and CSU designated officials reporting; employee/vendor relationships; ethics training; and patent and technology transfer. Resource restrictions will not allow for an audit of Conflict of Interest during 2013; it will be reviewed as part of the 2014 audit plan.

High Profile Area

Sponsored Programs – Post Awards

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of contract/grant budgeting and financial planning; indirect cost administration including cost allocation; cost sharing/matching and transfer processes; effort-reporting, fiscal reporting, and progress reporting; approval of project expenditures; sub-recipient monitoring; and management and security of information systems. Six campuses will be reviewed. One report has been completed, report writing is being completed for two campuses, and fieldwork is being conducted at two campuses.

Core Financial Area

Credit Cards

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of credit card administration; compliance with campus policies and procedures; approval to use credit cards; monitoring and review of credit card purchases; enforcement of sanctions for misuse; and processes to deactivate credit cards upon employee termination or transfer. Six campuses will be reviewed. Six reports have been completed.

Construction

The initial audit plan indicated that approximately 44 staff weeks of activity (4.3 percent of the plan) would be devoted to a review of design budgets and costs; the bid process; invoice processing and change orders; project management, architectural, and engineering services; contractor compliance; cost verification of major equipment and construction components; the closeout process and liquidated damages; and overall project accounting and reporting. Six projects will be reviewed. Three reports have been completed, and one report is awaiting a campus response prior to finalization.

Advisory Services

The initial audit plan indicated that approximately 171 staff weeks of activity (16.7 percent of the plan) would be devoted to partnering with management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues. Reviews are ongoing.

Information Systems

The initial audit plan indicated that approximately 45 staff weeks of activity (4.4 percent of the plan) would be devoted to technology support for all high-risk and auxiliary audits. Reviews and training are ongoing.

Investigations

The Office of the University Auditor is periodically called upon to provide investigative reviews, which are often the result of alleged defalcations or conflicts of interest. In addition, whistleblower investigations are being performed on an ongoing basis, both by referral from the

State Auditor and directly from the CSU Chancellor's Office. Forty-three staff weeks have been set aside for this purpose, representing approximately 4.2 percent of the audit plan.

Committees

The Office of the University Auditor is periodically called upon to provide consultation to the campuses and/or to perform special audit requests made by the chancellor. Seven staff weeks have been set aside for this purpose, representing approximately 0.7 percent of the audit plan.

Special Projects

The Office of the University Auditor is periodically called upon to provide non-investigative support to the CSU Chancellor's Office/campuses. Fifty-five staff weeks have been set aside for this purpose, representing approximately 4.9 percent of the audit plan.

Follow-ups

The audit plan indicated that approximately 11 staff weeks of activity (1.1 percent of the plan) would be devoted to follow-up on prior audit recommendations. The Office of the University Auditor is currently tracking approximately 40 current/past assignments (Special Investigations, Auxiliary Organizations, ADA Compliance, Academic Personnel, Title IX, Data Center Operations, Facilities Management, Identity Management, International Programs, Police Services, CSURMA, Credit Cards, Sensitive Data Security, Centers and Institutes and Sponsored Programs) to determine the appropriateness of the corrective action taken for each recommendation and whether additional action is required.

Annual Risk Assessment

The Office of the University Auditor annually conducts a risk assessment to determine the areas of highest risk to the system. Four staff weeks have been set aside for this purpose, representing approximately 0.4 percent of the audit plan.

Status Report on Current and Follow-Up Internal Audit Assignments
 (as of 10/18/2013)

FOLLOW-UP PAST/CURRENT ASSIGNMENTS												
	Data Center Operations	Facilities Management	Identity Mgmt/Comm Access	Police Services	CSURMA	International Programs	Credit Cards	Sen. Data Sec./Protect.	Centers and Institutes	Sponsored Programs		
	*Recs **Mo.	*Recs **Mo.	*Recs **Mo.	*Recs **Mo.	*Recs **Mo.	*Recs **Mo.	*Recs **Mo.	*Recs **Mo.	*Recs **Mo.	*Recs **Mo.		
BAK		5/5 -					1/6	5				
CHI	1/2	13				2/6	6			0/6	2	
CI	7/7 -	4/4 -						0/8	5			
DH	4/4 -			7/7 -								
EB	6/6 -			12/12 -			3/6	5	0/8	4		
FRE				6/6 -			0/4	4				
FUL						4/4 -						
HUM			1/1 -			0/7	4					
LB	8/8 -					0/8	5					
LA						4/4 -						
MA		6/6 -										
MB			1/1 -									
NOR						8/8 -	0/4	4				
POM	8/8 -	4/4 -	2/3	9								
SAC		4/4 -				0/5	5					
SB						13/13	-	0/14	4			
SD			2/2	-	9/9	0/1	5					
SF						8/8	-	4/4	-			
SJ		4/4 -										
SLO			0/0	-						0/7	5	
SM												
SON						3/3	-					
STA						5/5	-	4/4	-			
CO					5/12	6						
SYS	0/8	7	0/2	9	1/3	5	0/3	7				

* The number of recommendations satisfactorily addressed followed by the number of recommendations in the original report.

** The number of months recommendations have been outstanding.

• The number of auxiliary organizations reviewed.

COMMITTEE ON AUDIT

Audit Committee Charter

Presentation By

Larry Mandel
University Auditor

Summary

In an effort to align the Board of Trustees Committee on Audit with the best practices taking place within governing boards, an Audit Committee Charter was adopted in January 2005. The *International Professional Practices Framework (IPPF)* promulgated by the Institute of Internal Auditors recognizes that the internal audit activity must be organizationally independent to carry out internal audit responsibilities in an unbiased manner. The IPPF states that organizational independence is effectively achieved when the chief audit executive reports functionally to the board and defines such reporting in its Practice Advisory 1110-1. In an effort to keep the Audit Committee Charter current and aligned with best practices an updated Audit Committee Charter is proposed.

THE CALIFORNIA STATE UNIVERSITY

AUDIT COMMITTEE CHARTER

RESOLVED, By the Board of Trustees of the California State University, that the following updated Charter for the Committee on Audit is adopted.

Purpose

The purpose of the Committee on Audit is to assist the Trustees in fulfilling its oversight responsibilities for the financial reporting process, system of internal control over financial reporting, external and internal audit processes, and the university's process for monitoring compliance with laws and regulations.

Composition and Meetings

The Committee on Audit will consist of at least five members as determined by the Trustees through the Committee on Committees. Each committee member will be independent and at least one member must have accounting or financial expertise. Regular meetings of the Committee on Audit will be held on the same dates and in the same locations as regular meetings of the Trustees. Other meetings may be called as provided for in the Rules Governing the Board of Trustees.

Responsibility and Authority

The Committee on Audit functions under the Rules Governing the Board of Trustees and is responsible for the overall audit function within the California State University. In this context, the Committee on Audit shall:

1. Approve the selection or discharge of the external auditor, review the external auditors' planned audit scope and approach, approve any non-audit services provided by the external auditor, and resolve disagreements between management and the external auditor regarding financial reporting.
2. Review the results of the annual financial audit with the external auditor and management, including any difficulties encountered, and monitor the completion of recommendations.
3. Monitor the university's system of internal controls, including computerized information system controls and security; the adequacy of financial, accounting and operational policies and practices related to financial reporting; and the process for monitoring compliance with laws and regulations.

4. Review the annual internal audit plan, discuss the extent to which it addresses high-risk areas with the University Auditor and management, and approve the final audit plan and all major changes to the plan.
5. Review internal audit reports and responses, and monitor the completion of recommendations.
6. Approve the internal audit mission statement, charter, and other governance documents related to internal audit activities in the University.
7. Assure the effectiveness of the internal audit function, including its organizational structure, adequacy of staffing and budget, and performance relative to its annual plan; ensure there are no unjustified restrictions or limitations; and concur in the appointment or dismissal of the University Auditor.

The following resolution is recommended for approval:

RESOLVED, By the Committee on Audit of the California State University Board of Trustees that the updated Charter for the Committee on Audit is adopted, as detailed in Agenda Item 2 of the Committee on Audit at the November 5-6, 2013 meeting, be approved.

COMMITTEE ON AUDIT

Office of the University Auditor Charter

Presentation By

Larry Mandel
University Auditor

Summary

The Office of the University Auditor currently operates under a University Auditor Charter that was last updated in March 2005. The *International Professional Practices Framework (IPPF)* promulgated by the Institute of Internal Auditors requires that the purpose, authority, and responsibility of the internal audit activity be formally defined in an internal audit charter and that the chief audit executive periodically review the internal audit charter and present it to senior management and the board for approval. The IPPF is considered the auditing standard for agency audit departments within the state of California. In an effort to keep the University Auditor Charter current and aligned with best practices taking place within the audit industry, both within and outside higher education, an updated University Auditor Charter is proposed. The Charter has also been updated to bring it into alignment with the BOT Rules of Procedure. The proposed update also incorporates the addition of advisory services and proposes that the department name be changed to the Office of Audit and Advisory Services to recognize this addition.

THE CALIFORNIA STATE UNIVERSITY

OFFICE OF THE UNIVERSITY AUDITOR AUDIT AND ADVISORY SERVICES CHARTER

RESOLVED, By the Board of Trustees of the California State University, that the following updated Office of Audit and Advisory Services the University Auditor Charter is adopted.

Establishment

Education Code Section 89045, enacted by Chapter 1406 of the Statutes of 1969, provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University.

Nature

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve operations.

Mission Statement

The mission of the Office of ~~the University Auditor~~ Audit and Advisory Services is to assist university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. This assistance is provided through a series of independent and objective operational and compliance audits, internal control reviews, investigations services, and consulting advisory services designed to add value and improve operations.

Scope of Work

The Office of ~~the University Auditor~~ Audit and Advisory Services provides university management and the Trustees with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed. Major objectives include evaluating providing on-going assurance that critical risks exposures relating to governance, operations, and information systems; monitoring are being mitigated to acceptable levels and the California State University is operating efficiently and effectively the effectiveness and efficiency of controls; and adding value by contributing to the improvement of governance, risk management, operations and control processes, and by promoting continuous improvement; and effective control at reasonable costs enhancing awareness and understanding of risk and control; and promoting appropriate ethics and values.

The scope of internal auditing work includes of the Office of Audit and Advisory Services is to determine whether university's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning effectively to ensure:

- Risk management processes are effective and significant risks are appropriately identified, assessed, and managed.
- The potential for the occurrence of fraud is evaluated and fraud risk is managed.
- Reviewing the reliability and integrity of financial, and operating operational, and managerial information is and the means used to identify, measure, classify, and report such information accurate, reliable, and timely.
- Actions and decisions are in Reviewing the systems established to ensure compliance with those policies, plans, procedures, applicable laws, and regulations, policies, procedures, contracts, and standards which could have a significant impact on operations and reports, and determining whether the university is in compliance.
- Reviewing the means of safeguarding assets and verifying the existence of such assets, as appropriate Resources are acquired economically, used efficiently, accounted for accurately, and protected adequately.
- Appraising the economy and efficiency with which resources are employed Programs, plans, and objectives support and align with the university's mission and are achieved.
- Information technology governance and systems support achievement of the university's strategic goals and security practices adequately protect information assets.
- Reviewing operations and programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned Quality and continuous improvement are fostered in the university's risk management and control processes.
- Reviewing the governance process with executive management to ensure effective organizational performance management accountability and promotion of promotes appropriate ethics and values and ensures effective organizational performance management and accountability.

- Communication of risk and control information to appropriate areas of the organization, and coordination of activities of and communication of information among various governance groups occur as needed.

Responsibility and Authority

The Office of ~~the University Auditor~~ Audit and Advisory Services functions under the policies established by the Trustees of the California State University and university management. Additionally, the Office of ~~the University Auditor~~ Audit and Advisory Services serves the university in a manner that is consistent with the *International Standards for the Professional Practices of Internal Auditing Framework* and the *Code of Ethics* as promulgated by the Institute of Internal Auditors. In this context, the University Auditor is responsible for:

- All administrative duties and requirements pertaining to the operation of the Office of ~~the University Auditor~~ Audit and Advisory Services, including the establishment of policies for auditing and advisory services and direction of the ~~Office of the University Auditor's office's~~ technical and administrative functions, and represents the California State University system in all relationships with external audit agencies.
- Developing and executing a comprehensive risk-based audit program for the evaluation of management controls provided over all university and auxiliary organization activities, although the Board of Trustees reserves the right to assign the Office of ~~the University Auditor~~ Audit and Advisory Services to review any area within its jurisdiction.
- Performing advisory services at the request of management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues.
- Examining the effectiveness of all levels of management in their stewardship of university and auxiliary organization resources and their compliance with established policies and procedures.
- Recommending improvement of management controls designed to safeguard university and auxiliary organization resources and to ensure compliance with government laws and regulations.
- Reviewing procedures and records for their adequacy to accomplish intended objectives, and appraising policies and plans relating to the activity or function under ~~audit~~ review.

- Conducting investigations of alleged incidences of fraud, waste and abuse, and improper governmental activities.
- Authorizing the publication of reports on the results of accepted audit examinations, including recommendations for improvement.
- Appraising the adequacy of the action taken by operating management to correct reported deficient conditions; accepting adequate corrective action.
- Conducting special examinations and providing consulting services at the request of management.

The Office of ~~the University Auditor~~ Audit and Advisory Services is free from interference in determining the scope of auditing, performing work, and communicating results; and has full, free and unrestricted access to all records (manual and electronic), property, and personnel of the university and recognized auxiliary organizations. The Office of ~~the University Auditor~~ Audit and Advisory Services is free to review and appraise all policies, plans, and procedures.

Internal auditing and advising is a staff function and, as such, has no authority to make operating decisions, to direct anyone in operations, or to take action or implement any of its recommendations. These tasks are the responsibility of the university and auxiliary management.

Independence

To permit the rendering of impartial and unbiased judgments essential to the proper conduct of audits, internal auditors will be independent of the activities they audit.

Policies and Procedures

The following general operating statement for direction of all activities of the Office of ~~the University Auditor~~ Audit and Advisory Services is adopted consistent with the provisions of Government Code Sections 1236 and 13400 et seq., Education Code Sections 89045 and 89761.

Audit Planning, Direction, and Supervision

- Oversight of the audit function provided by the Office of ~~the University Auditor~~ Audit and Advisory Services, including the priority of work assignments, shall be the responsibility of the Committee on Audit, which shall report on such matters to the Board of Trustees.

- An audit plan will be prepared annually by the University Auditor and ~~submitted to the Executive Audit Committee for review. Composition of the membership of the Executive Audit Committee shall be determined by the Chancellor. After review by the Executive Audit Committee, the audit plan shall~~ be submitted for approval by the Board through the Committee on Audit. _Audit topics will be selected based upon: a detailed risk assessment that is performed annually; legislatively mandated reviews noted in Education Code §89045 and Government Code §13400 et seq.; and in the action taken by the Trustees' Committee on Audit in agenda item 2 at the January 1999 meeting (currently reflected in the Chancellor's Executive Order 698).
- Unscheduled audits/investigations of the Office of the Chancellor or of any campus can be requested by the Trustees or the Chancellor. _Unscheduled audits/investigations of a campus can also be requested by the campus president but must be approved by the Chancellor.
- The University Auditor will be responsible for the sufficiency of audit resources; assignment of fieldwork to staff and contracted agencies; and the timely completion of, and reporting on, audits.
- Communication liaison and consultation with the Committee on Audit will be maintained by the University Auditor, through the Chair of the Committee.

Audit Reporting, Follow-Up Procedures, and Program Accountability

- Copies of all audit reports will be made available electronically on the Office of ~~the University Auditor's~~ Audit and Advisory Services' website. Notification letters providing a link to the audit reports are sent to the Board of Trustees, State Auditor, Committee on Higher Education, Joint Legislative Audit Committee, Joint Legislative Budget Committee, Department of Finance, and Legislative Analyst's Office. In addition, each of the campus presidents and the CSU Advocacy State Relations department receive emails with a link indicating that reports have been posted to the OUA website.
- The President or Chancellor, or their designees, will communicate to the University Auditor in writing the progress made towards implementing the plan of corrective action noted in the response to the audit. _The University Auditor, or designee, will review the responsiveness of the corrective action taken and determine whether additional action may be required. _In certain instances, it may be necessary to revisit the campus to ascertain whether the corrective action taken is achieving the desired results. _All findings will be tracked until corrective action is taken. _Reports of follow-up activity will be made at each meeting of the Committee on Audit.

- At each meeting of the Committee on Audit, the University Auditor will report the assignment workload showing the status of audits in progress, workload backlog, and disposition taken on completed audit assignments.
- An external assessment, such as a quality assurance review, will be conducted at least once every five years by a qualified, independent reviewer or review team from outside the California State University. Results of the review will be communicated to the Board through the Committee on Audit.

Coordination of Work

- The University Auditor is the point of contact for all entrance and exit conferences held with the Office of the Chancellor by external audit agencies.
- The University Auditor will coordinate all system responses to audits performed by external audit agencies.
- The University Auditor is the point of contact for questions concerning the reporting of fiscal improprieties to state agencies (currently reflected in the Chancellor's Executive Order 813929).
- The University Auditor will coordinate internal audit effort with the external auditors to reduce the potential for duplication of audit effort.

Budget, Personnel and Operational Procedures for the Office of the University Auditor Audit and Advisory Services

- For purposes of general administration, staff personnel, budget and space, there shall exist an administrative relationship to the Chancellor.
- Except for certain personnel actions related to the position of University Auditor noted below, the Office of ~~the University Auditor~~ Audit and Advisory Services is subject to all the rules and procedures established by the Chancellor's Office.
- The Board of Trustees, upon recommendation by the Chancellor, evaluates the University Auditor~~An independent consultant appointed by the Committee on Audit will prepare triennial performance appraisals of the University Auditor. The consultant will solicit the opinions of Trustees, and system and campus personnel necessary to evaluate performance. The Committee on Audit will discuss performance expectations and the results of the appraisal with the University Auditor in closed session.~~

- All matters concerning the employment, dismissal, and salary for the position of University Auditor will be initiated by the Chancellor and brought to the Board, through the Committee on Audit, for approval.

The following resolution is recommended for approval:

RESOLVED, By the Committee on Audit of the California State University Board of Trustees that the updated Office of Audit and Advisory Services Charter is adopted (subject to non-substantive changes), as detailed in Agenda Item 3 of the Committee on Audit at the November 5-6, 2013 meeting, be approved.

COMMITTEE ON AUDIT

Intent to Reissue the Request for Proposal for External Auditor Contract

Presentation by

George Ashkar
Assistant Vice Chancellor/Controller
Financial Services

Summary

The CSU cancelled Request for Proposal (RFP) #3771 that had been issued previously, and will restart the process after the November 2013 Board meeting. Under the direction of the Committee on Audit, a new RFP will be issued for the purpose of soliciting proposals from qualified independent audit firms with the intent of establishing a CSU master service contract for the performance of a variety of financial and other audits, beginning with the 2014-2015 fiscal year audit. More detailed information including the timeline will be provided to the Board in January 2014. Board approval is requested to extend the existing contract with KPMG for one additional year to perform the 2013-2014 fiscal year audit, given that the RFP process will not be concluded in sufficient time to allow for proper planning and preparation.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that the request to extend the existing contract with KPMG for one additional year to perform the 2013-2014 fiscal year audit, is approved.

AGENDA

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 1:45 p.m., Tuesday, November 5, 2013
Glenn S. Dumke Auditorium

Rebecca D. Eisen, Chair
Douglas Faigin
Margaret Fortune
William Hauck
Lou Monville
J. Lawrence Norton
Cipriano Vargas

Consent Items

Approval of Minutes of Meeting of September 24, 2013

Discussion Items

1. Acceptance of Interest in Real Property, Sonoma State University, *Action*
2. Approve the 2013 Master Plan Revision for the Administration Replacement Building, California State Polytechnic University, Pomona, *Action*
3. 2014-2015 State and Non-State Funded Capital Outlay Program and the 2014-2015 through 2018-2019 State and Non-State Funded Five-Year Capital Improvement Program, *Action*
4. Categories and Criteria for the State Funded Five-Year Capital Improvement Program 2015-2016 through 2019-2020, *Action*

**MINUTES OF MEETING OF
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

September 24, 2013

Members Present

Peter Mehas, Chair
Rebecca D. Eisen, Vice Chair
Edmund G. Brown, Jr., Governor
Douglas Faigin
Margaret Fortune
William Hauck
Lou Monville
J. Lawrence Norton
Cipriano Vargas
Timothy P. White, Chancellor

Approval of Minutes

The minutes for the July 2013 meeting were approved as submitted.

Amend the 2013-2014 Capital Outlay Program, Non-State Funded

With the concurrence of the committee, Trustee Mehas presented agenda item 1 as a consent action item. The committee recommended approval by the board of the proposed resolution (RCPBG 09-13-08).

Approval of Schematic Plans

With a PowerPoint presentation, President Harrison, CSU Northridge, along with Assistant Vice Chancellor Elvyra F. San Juan presented the item for approval of schematic plans for California State University, Northridge—Extended Learning Building. CEQA requirements for the project have been completed and staff recommends approval.

The committee recommended approval by the board of the proposed resolution (RCPBG 09-13-09).

With no additional questions, Trustee Mehas adjourned the meeting.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Acceptance of Interest in Real Property, Sonoma State University

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

William and Joan Roth propose to gift to Sonoma State University 38 acres of property on Sonoma Mountain, which is located five miles due east from Sonoma State University (see Attachment A). In 2004, the Roths transferred to the university 190 acres of property adjacent to the subject site and located in the Fairfield Osborne Preserve. Acquisition of the 38 acre site will allow for expansion of the Preserve, which was established to protect and preserve important biotic communities.

The subject site and the property gifted in 2004 both carry a “forever wild” conservation easement to safeguard open meadows and oak woodlands that provide a habitat for numerous plant and animal species. The conservation easement will permit educational and research use of the property. Acquisition of the property would enhance university educational and research programs in anthropology, biology, environmental studies, and geography. Any future change to the existing use of the site will require compliance with the California Environmental Quality Act.

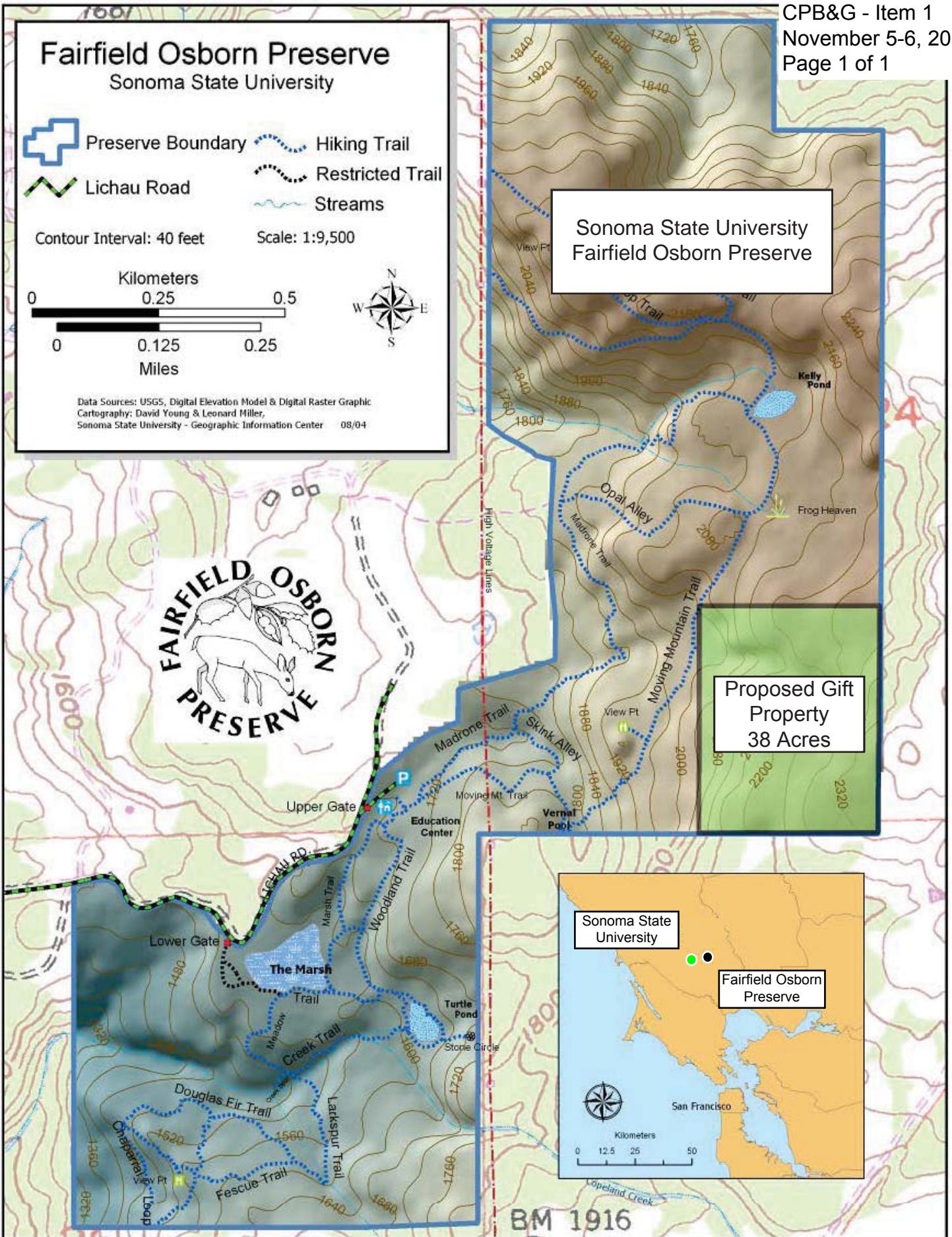
A Preserve Manager provides oversight of the entire Fairfield Osborne Preserve, which would include the 38 acre acquisition. The estimated cost for the maintenance and security of the property is \$500 annually which would be covered by the Sonoma State Preserve endowment. The existing landowner will be allowed limited access to the property following the transfer of the property to Sonoma State University.

The results of the due diligence process did not reveal any findings that would warrant the university’s rejection of the property. Chapter III, Section 7-b of the Standing Orders of the Board of Trustees requires adoption of a “specific resolution” authorizing the campus president to accept this gift on behalf of the board.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that the campus president or designee is authorized to accept on behalf of the Board of Trustees the interest in 38 acres of real property given to the California State University by William and Joan Roth which will be included in the Fairfield Osborne Preserve.



COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Approve the Campus Master Plan Revision for California State Polytechnic University, Pomona for the Administration Replacement Facility

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This item requests the following actions be taken by the board for the California State Polytechnic University, Pomona's Administration Replacement Facility:

- Approve the proposed campus master plan revision dated November 2013.
- Approve the project-level Mitigated Negative Declaration (MND) for the Administration Replacement Facility.

Attachment "A" is the proposed campus master plan map and legend that identifies the proposed revision. The proposed campus master plan revision relocates the proposed Administration Replacement Facility southward of the current master planned site.

Attachment "B" is the existing campus master plan map and legend approved by the Board of Trustees in July 2000.

Proposed Master Plan Revision and Future Schematic Plans

The proposed campus master plan revision relocates the planned site for the new Administration Replacement Facility southward from its initial planned footprint within the existing Parking Lot C to allow more contiguous space for future development. The new facility will be on a 3.5-acre site and replace portions of the existing Classroom/Laboratory Administration (CLA) Building to address seismic and water intrusion deficiencies.

The new building is envisioned to be five to seven stories, and sized at approximately 138,000 gross square feet. It will have a one-stop shop for student services to improve access to the registrar, cashier, tutoring, work study, test center, student life and orientation. The project will result in a decrease of 316 parking spaces in Lot C to accommodate the new building; campus is pursuing both temporary and permanent solutions that will address parking needs both during and after construction. Current plans include a temporary lot and a new parking structure

(#107) as identified on the campus master plan. The project scope also includes walkways and landscaping to promote easy way finding for the campus community and its visitors. Administrative departments and services will be relocated from the CLA Building once construction is completed on the Administration Replacement Facility.

The proposed revision is shown on Attachment A:

Hexagon 1A: Administration Replacement Facility (#121)

The existing siting is shown on Attachment B:

Hexagon 1B: Administration Replacement Facility (#121)

California Environmental Quality Act (CEQA) Action

An Initial Study/Mitigated Negative Declaration (MND) was prepared to analyze the potential significant environmental effects of the proposed project, including the campus master plan revision and future schematic plans, in accordance with the requirements of CEQA and state CEQA Guidelines. The Final Mitigated Negative Declaration is presented to the Board of Trustees for review and certification as part of this agenda item. The public review period began on August 26, 2013 and closed on September 24, 2013. The final documents are available online at: <http://www.csupomona.edu/~fpm/public/EIRcalpolyadministrationreplacement.pdf>.

A letter on the MND was received from the Native American Heritage Commission requesting assurance that Native American archaeological resources are addressed in CEQA documentation. As indicated in the response to this comment in the Final MND, measures have been provided to mitigate potential impacts of the project upon such resources.

A letter was also received from the County Sanitation Districts of Los Angeles County which indicated that the calculation of wastewater generated in the MND should be increased due to the additional space provided by the project. However, the project will not cause an increase in the projected wastewater as it entails the relocation of staff from the existing CLA Building, associated with the same administrative function, to the new facility. Additionally, the new facility will have more efficient water fixtures as compared to the CLA Building.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Final Initial Study/Mitigated Negative Declaration for the California State Polytechnic University, Pomona's Administration Replacement Facility, including the Campus Master Plan revision and future schematic plans, dated November 2013, has been prepared to address any potentially significant environmental impacts, mitigation measures, and comments associated with approval of the California State Polytechnic University, Pomona's Administration Replacement Facility.
2. The Final Initial Study/Mitigated Negative Declaration was prepared pursuant to the California Environmental Quality Act and state CEQA Guidelines.
3. This resolution is adopted pursuant to the requirements of Section 21081 of Public Resources Code and Section 15091 of the state CEQA Guidelines, which require that the Board of Trustees make findings prior to the approval of a project, that the mitigated project as approved will not have a significant impact on the environment, that the project will be constructed with the recommended mitigation measures as identified in the mitigation monitoring program, and that the project will benefit the California State University. The Board of Trustees makes such findings with regard to this project.
4. The California State Polytechnic University, Pomona's Campus Master Plan revision dated November 2013 is hereby approved.
5. The chancellor or his designee is requested under the Delegation of Authority by the Board of Trustees to file the Notice of Determination for the Project.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Master Plan Enrollment: 20,000 FTE

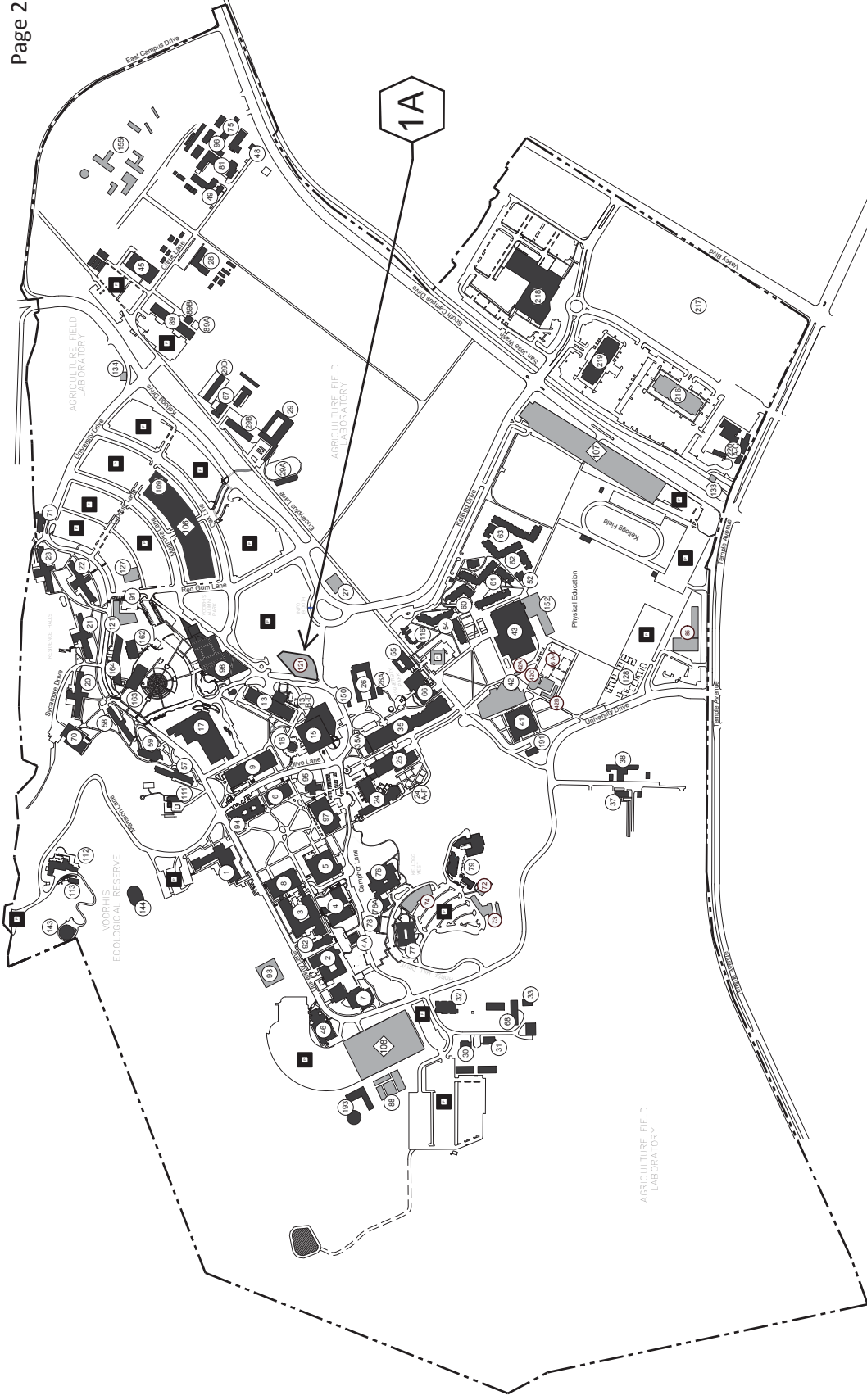
Proposed Master Plan

1	ADMINISTRATION	46	HEALTH SERVICE	97	CAMPUS CENTER
2	AGRICULTURE CLASSROOMS	48	CUSTODIAL SERVICES	98	CLASSROOM/LAB/ ADMINISTRATION BUILDING
3	SCIENCE	49	BEAVER HOUSE		
4	BIOTECHNOLOGY	52	COMMONS BUILDING	106	PARKING STRUCTURE 1
4 A	BIOTREK LEARNING CENTER	54	HOUSING RESID. SUITE PHASE II	107	<i>Parking Structure 2</i>
5	LETTERS, ARTS & SOCIAL SCIENCE	55	KELLOGG FOUNDATION SERVICES	108	<i>Parking Structure 3</i>
6	BUSINESS ADMINISTRATION	57	PALMITAS HALL	109	PUBLIC SAFETY & PARKING SERVICES
7	ENVIRONMENTAL DESIGN	58	CEDRITOS HALL	111	MANOR HOUSE
8	SCIENCE	59	LA CIENEGA CENTER	112	UNIVERSITY HOUSE
9	ENGINEERING	60	VISTA BONITA	113	KELLOGG GUEST HOUSE
13	ART / ENGINEERING ANNEX	61	VISTA DEL SOL	116	CHILD CARE CENTER
13 B-D	LEARNING RESOURCE CENTER	62	HOUSING RESID. SUITE PHASE II	118	HAZARDOUS WASTE MATERIAL STORAGE
15	LIBRARY	63	HOUSING RESID. SUITE PHASE II		
16	LIBRARY MECHANICAL EQUIPMENT	66	BRONCO BOOKSTORE	121	<i>Administration Replacement Building</i>
17	ENGINEERING LABS	67	EQUINE RESEARCH FACILITY	127	<i>Academic Building</i>
20	ENCINITAS HALL	68	HAY BARN	133	<i>Visitor Information</i>
21	MONTECITO HALL	70	LOS OLIVOS COMMONS	134	<i>Visitor Information</i>
22	ALAMITOS HALL	71	HOUSING MAINTENANCE BUILDING	143	UPPER RESERVOIR
23	ALISO HALL			144	LOWER RESERVOIR
24	MUSIC	72	<i>Collins College Student Commons</i>	150	MASA BUILDING
24 A-F	MODULAR SURGE SPACE	73	<i>Collins College Faculty Offices & Classrooms</i>	152	<i>Physical Education Expansion</i>
25	DRAMA/THEATER	74	<i>Collins Hotel Suites</i>	155	<i>Center for Animal Veterinary Science Education</i>
26	UNIVERSITY PLAZA	75	PURCHASING AND RECEIVING	162	COLLEGE OF BUSINESS ADMINISTRATION #B
26 A	STUDENT ORIENTATION CENTER	76	KELLOGG WEST	163	COLLEGE OF BUSINESS ADMINISTRATION #C
27	WATER FILTRATION PLANT	76 A	KELLOGG WEST ADDITION	164	COLLEGE OF BUSINESS ADMINISTRATION #A
28	FRUIT AND CROP/GREENHOUSE	77	KELLOGG WEST MAIN LODGE	191	ELECTRICAL SUBSTATION
29	ARABIAN HORSE CENTER	78	KELLOGG WEST LODGE ADDITION	193	CENTRAL PLANT-CHILLER
29 A	HORSE ARENA	79	THE COLLINS COLLEGE OF HOSPITALITY & MANAGEMENT	200	UNIVERSITY VILLAGE
29 B	WEANING BARN			207	<i>Amonic Solar PV</i>
29 C	PADDOCKS	81	PHYSICAL PLANT OFFICE	208	<i>Center for Regenerative Studies Phase II</i>
29 D	HORSE BARN	85	I POLY HIGH SCHOOL	209	JOHN T. LYLE CENTER FOR REGENERATIVE STUDIES
30	AGRICULTURE UNIT	86	ENGLISH LANGUAGE INSTITUTE		
31	POULTRY UNIT	86 A-C	TEMPORARY CLASSROOMS/ FACULTY OFFICES II	210	LANDLAB INFORMATION CENTER
32	BEEF UNIT			211	AGRISCAPES
33	FEED MILL UNIT	88	<i>Facilities Management & Corporation Yard</i>	211 A-H	AGRISCAPES GREENHOUSE
35	BRONCO STUDENT CENTER			212	<i>Resources Evaluation and Research Center</i>
35 A	KELLOGG ART GALLERY	89	INTERIM DESIGN CENTER	216	INNOVATION VILLAGE PHASE IV
37	SWINE UNIT	89 A	INTERIM DESIGN CENTER ADDITION	217	INNOVATION VILLAGE INFRASTRUCTURE
38	SHEEP UNIT	89 B	INTERIM DESIGN CENTER	218	AMERICAN RED CROSS HEADQUARTERS
41	DARLENE MAY GYMNASIUM		FACULTY OFFICES	219	INNOV. VILLAGE PH. III OFFICE/RESEARCH FACILITY
42	<i>Bronco Recreation & Intramural Complex</i>	91	TEMP. ADMIN. OFFICES		
42 A	<i>Restroom Building</i>	92	LABORATORY CARE FACILITY	220 A-C	CENTER FOR TECHNOLOGY, TRAINING & INCUBATION
42 B	<i>Pool Support Building</i>	93	<i>Environmental Design Center</i>		
42 C	<i>Pool</i>	94	UNIVERSITY OFFICE BUILDING		
43	KELLOGG GYMNASIUM	95	MULTI-CULTURE CENTER		
45	AGRICULTURE ENGINEERING	96	PAINT SHOP		

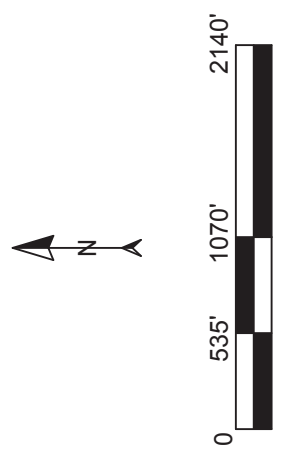
LEGEND:

EXISTING FACILITY / *Proposed Facility*

Note: Building numbers correspond with building numbers in the Space Facility Data Base (SFDB)



Buildings	Campus Boundary	Parking
● EXISTING BUILDING	----- EXISTING	■ P EXISTING LOT
○ FUTURE BUILDING	----- FUTURE	■ P FUTURE LOT
○ TEMPORARY BUILDING		■ P EXISTING STRUCTURE
○ EXISTING BUILDING NOT IN USE		■ P FUTURE STRUCTURE



California State Polytechnic University, Pomona
 Campus Master Plan
 Master Plan Enrollment: 20,000 FTE
 Approval Date: September 1964
 Revised Date: July 2000
 Proposed Date: November 2013
 Main Campus Acreage 866

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Master Plan Enrollment: 20,000 FTE

Master Plan Approved by the Board of Trustees: September 1964

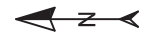
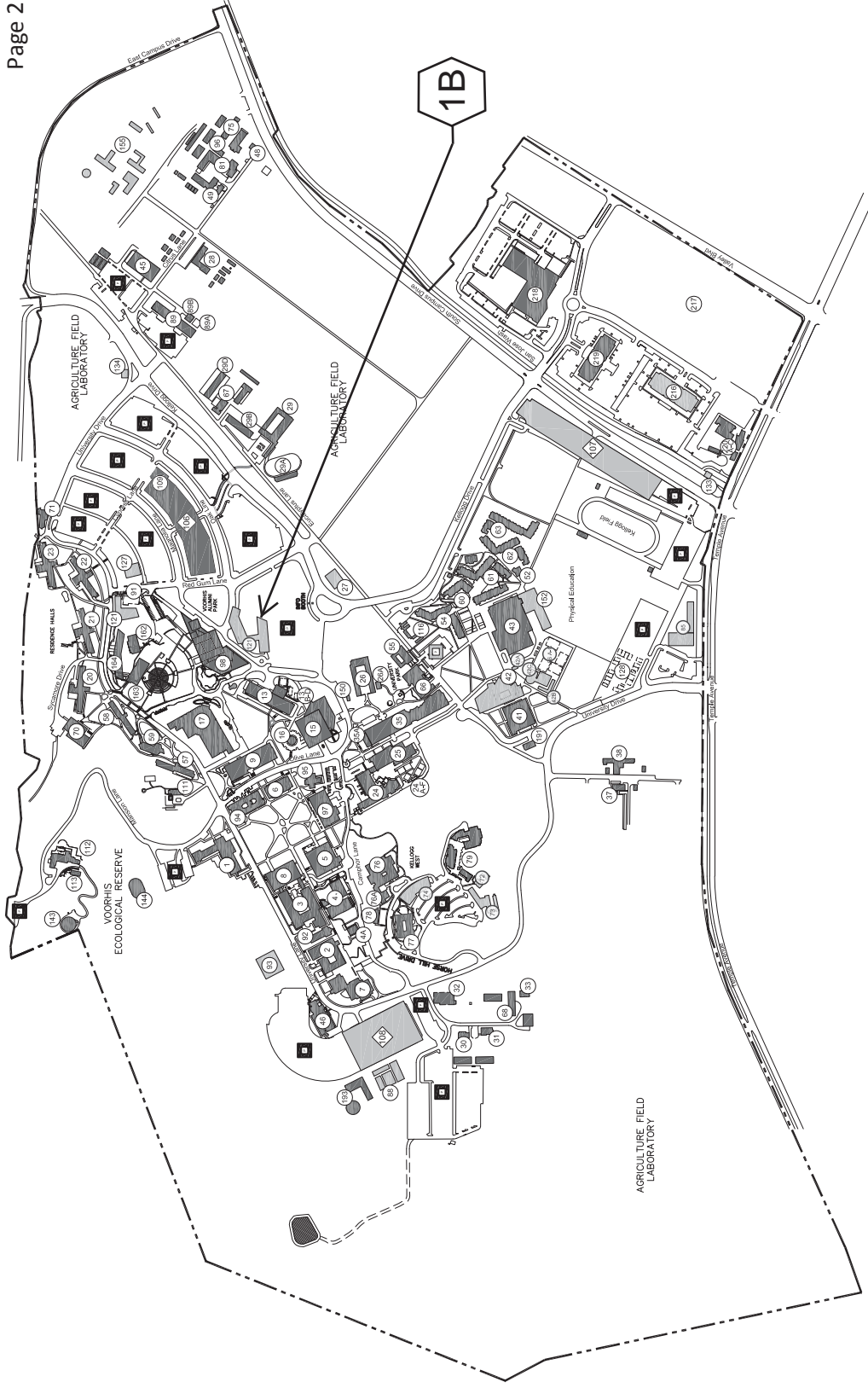
Master Plan Revision Approved by the Board of Trustees: March 1965, October 1967, September 1970, March 1971, May 1972, January 1975, November 1977, September 1978, September 1979, September 1980, February 1981, May 1982, September 1984, May 1985, November 1985, September 1986, September 1987, May 1989, May 1991, July 2000.

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33	FEED MILL UNIT	88	<i>Facilities Management & Corporation Yard</i>	211 A-H	AGRISCAPES GREENHOUSE
35	BRONCO STUDENT CENTER			212	<i>Resources Evaluation and Research Center</i>
35 A	KELLOGG ART GALLERY	89	INTERIM DESIGN CENTER	216	INNOVATION VILLAGE PHASE IV
37	SWINE UNIT	89 A	INTERIM DESIGN CENTER ADDITION	217	INNOVATION VILLAGE INFRASTRUCTURE
38	SHEEP UNIT	89 B	INTERIM DESIGN CENTER	218	AMERICAN RED CROSS HEADQUARTERS
41	DARLENE MAY GYMNASIUM		FACULTY OFFICES	219	INNOV. VILLAGE PH. III OFFICE/RESEARCH FACILITY
42	<i>Bronco Recreation & Intramural Complex</i>	91	TEMP. ADMIN. OFFICES		
42 A	<i>Restroom Building</i>	92	LABORATORY CARE FACILITY	220 A-C	CENTER FOR TECHNOLOGY, TRAINING & INCUBATION
42 B	<i>Pool Support Building</i>	93	<i>Environmental Design Center</i>		
42 C	<i>Pool</i>	94	UNIVERSITY OFFICE BUILDING		
43	KELLOGG GYMNASIUM	95	MULTI-CULTURE CENTER		
45	AGRICULTURE ENGINEERING	96	PAINT SHOP		

LEGEND:

EXISTING FACILITY / *Proposed Facility*

Note: Building numbers correspond with building numbers in the Space Facility Data Base (SFDB)



Buildings		Campus Boundary		Parking	
	EXISTING BUILDING		EXISTING		EXISTING LOT
	FUTURE BUILDING		FUTURE		FUTURE LOT
	TEMPORARY BUILDING				EXISTING STRUCTURE
	EXISTING BUILDING NOT IN USE				FUTURE STRUCTURE

California State Polytechnic University, Pomona
 Campus Master Plan
 Master Plan Enrollment: 20,000 FTE
 Approval Date: September 1964
 Revised Date: July 2000
 Main Campus Acreage: 866

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

State and Non-State Funded Five-Year Capital Improvement Program 2014-2015 through 2018-2019

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This item seeks board approval of the 2014-2015 State and Non-State Funded Capital Outlay Program and the 2014-2015 through 2018-2019 State and Non-State Funded Five-Year Capital Improvement Program. Due to uncertainties surrounding potential funding sources for the 2014-2015 capital program, the accompanying board resolutions direct staff to negotiate with the governor's office and the legislature during the budget development process to maximize funding opportunities for the campuses.

Background

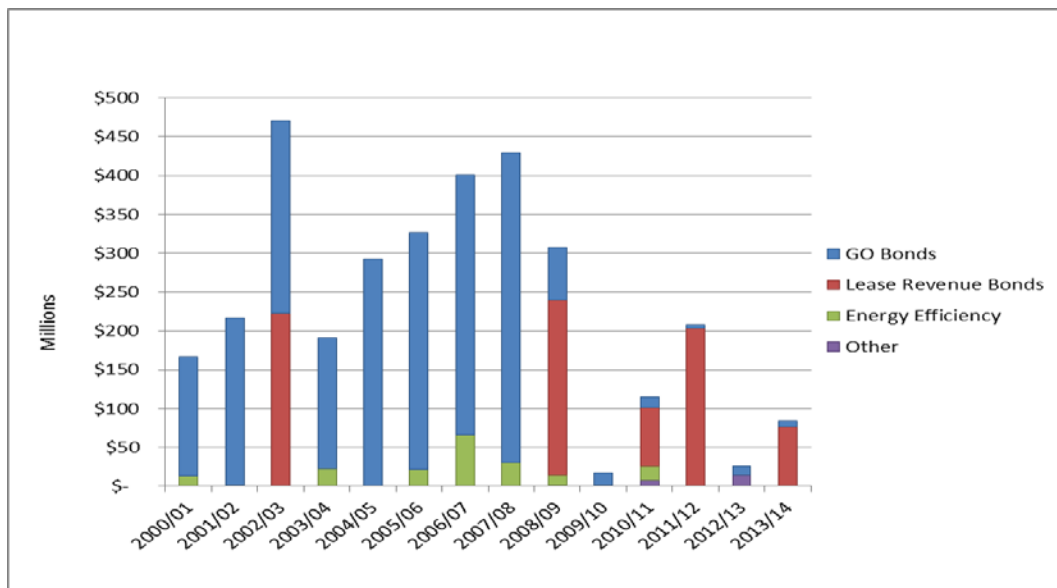
The primary objective of the capital outlay program is to provide facilities appropriate to the CSU's educational programs, to create environments conducive to learning, and to ensure that the quality and quantity of facilities at each of the 23 campuses serve the students equally well. Annually, the Board of Trustees approves the categories and criteria for setting priorities for the state funded program. The state funded program has prioritized funds to address deficiencies in existing buildings and the utility infrastructure with close to 70 percent of the state funded program being reinvested into existing facilities. This need has been balanced against the demand to accommodate student population growth by constructing additional buildings and expanding campuses. The non-state program is comprised typically of projects funded from self-supported programs and financed from the Systemwide Revenue Bond Program (SRB).

State Funded Capital Financing

Historically, the state has primarily relied upon General Obligation (GO) bond proceeds and State Public Works Board Lease Revenue (SPWB) bond proceeds to fund state funded capital outlay projects. The last GO bond was approved by the voters in 2006. Of the \$3.1 billion for Higher Education, the measure provided the CSU \$690 million, or an average of \$345 million over two years.

SPWB bond proceeds are typically used to fund new construction, or total building renovations where the completed project is expected to have at least a 30-year life; partial building renovations or utility infrastructure projects do not qualify for funding under this program. The state is authorized to use Leased Asset Transfer Revenue (LAT) bond financing to fund projects not suitable for SPWB financing. In LAT bond financing, a building is identified as the security and funds are borrowed (bonds are sold) against the value of the building. The bond proceeds are then used to fund approved projects, like seismic upgrades or infrastructure improvements. Figure 1 identifies the types of state capital outlay financing since 2000-2001.

Figure 1 – State Funded Capital Outlay Funding by Type of Financing



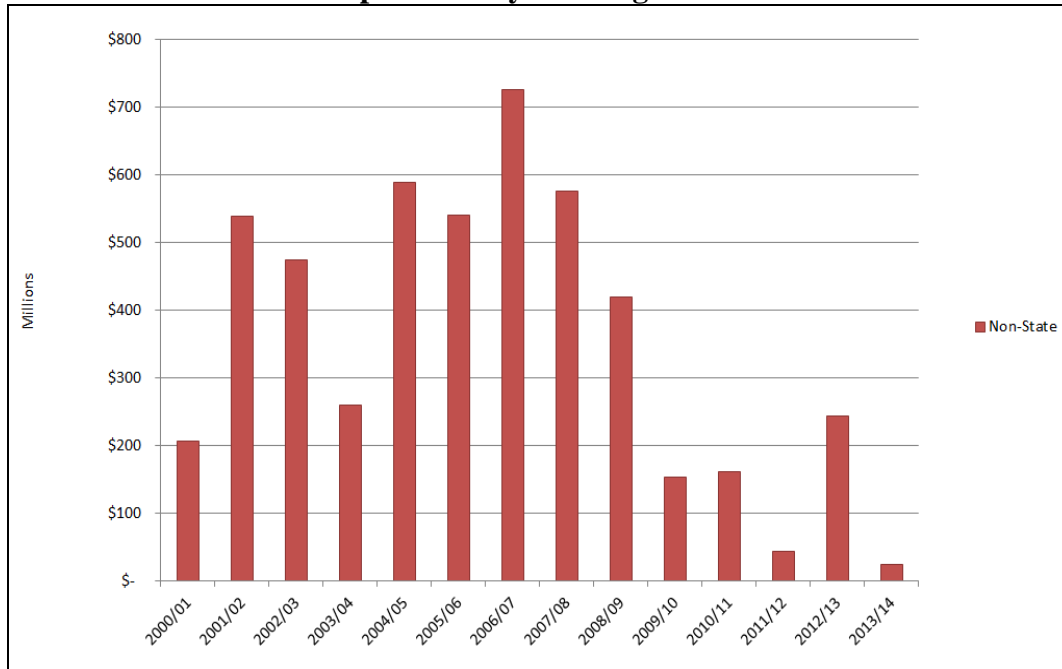
Non-State Funded (Self-Supported) Capital Outlay Program

The Systemwide Revenue Bond Program was established in March 2002 by the board as a new debt financing program authorized pursuant to the State University Revenue Bond Act of 1947 (Education Code). The program was designed to replace revenue-based project financing programs, with a systemwide multi-source revenue pledge to create a larger pool of funds to support the debt and thereby achieve a superior quality of credit in the process. As of June 2013, the CSU has financed over \$3.6 billion in campus projects through its SRB program.

The revenues pledged to the program include:

- Student (Rental) Housing Fees
- Student Union Fees
- Parking Fees
- Health Center Facility Fees
- Continuing Education Fees

Figure 2 – Non-State Funded Capital Outlay Funding



2014-2015 Capital Outlay Program

The trustees are requested to approve the State Funded Priority List (32 projects) of \$456.4 million for the 2014-2015 capital outlay program (Attachment A). Priorities for the 2014-2015 capital outlay program were approved by the trustees at the November 2012 board meeting, just as the trustees are being requested to approve the priorities or “categories and criteria” for the 2015-2016 through 2019-2020 state funded capital program in Item 4 of the November 5-6, 2013, trustee’s meeting.

Of the \$456.4 million amount, program documentation for 18 projects totaling \$415.9 million, including seismic safety, minor capital outlay, renovation, infrastructure improvements, facility replacement, and equipment programs have been submitted to the Department of Finance (DOF). As the governor proposed in 2013-2014 to modify the debt management authority of the CSU, development and assessment of capital financing options are underway to address how to implement critical infrastructure projects across the CSU.

If the state and legislature agreed to fund the CSU capital program using the traditional state capital financing methods, of the 18 projects submitted, twelve projects totaling \$391.2 million could be funded via Lease Asset Transfer Revenue bonds; three projects totaling \$6.9 million

could be funded from Lease Revenue bonds; and the remaining three projects could use \$17.8 million of old GO Bond funds.

The 2014-2015 non-state capital program consists of two donor-funded projects and one auxiliary project totaling \$14.3 million. The low dollar amount is consistent with recent trends and also evidences the campuses' ability to seek board approval amending the non-state capital outlay program throughout the year.

Five-Year Capital Improvement Program

The 2014-2015 through 2018-2019 Capital Improvement Program document identifies the campuses' capital project priorities to address facility deficiencies and accommodate student growth for the five-year period. The trustee-approved categories and criteria used to set the priorities for the program are included. The document also contains the physical master plan and history of each campus along with recently funded projects. Statistical summaries provide an array of data on: funding by category, funding by campus, the seismic retrofit program, the energy program, and projected housing and parking capacity.

The 2014-2015 through 2018-2019 State and Non-State Funded Five-Year Capital Improvement Program totals \$7 billion and \$3.7 billion, respectively. The program can be viewed in its entirety at: http://www.calstate.edu/cpdc/Facilities_Planning/majorcapoutlayprogram.shtml.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The final State and Non-State Funded Five-Year Capital Improvement Program 2014-2015 through 2018-2019 totaling \$7,029,713,000 and \$3,733,729,000, respectively, are approved.
2. The 2014-2015 State Funded Capital Outlay Program included in the five-year program distributed with the agenda is approved at \$456,388,000.
3. The 2014-2015 Non-State Funded Capital Outlay Program included in the five-year program is approved at \$14,309,000. The chancellor is authorized to proceed in 2013-2014 with design documents for fast-track projects in the 2014-2015 non-state program.

4. The chancellor is requested to explore all reasonable funding methods available and communicate to the governor and the legislature the need to provide funds for the CSU state funded plan in order to develop the facilities necessary to serve all eligible students.
5. The chancellor is authorized to make adjustments, as necessary, including priority sequence, scope, phase, project cost, and total budget request for the 2014-2015 State Funded Capital Outlay Program.

State Funded Capital Outlay Program 2014/15 Priority List

Cost Estimates are at Engineering News Record California Construction Cost Index 6151 and Equipment Price Index 3202

Rank Order	Category	Campus	Project Title	FTE	Phase	Total Request	Funds to Complete	Cumulative Amount
1	IA	Fresno	Utilities Infrastructure	N/A	C	30,000,000	0	30,000,000
2	IA	Statewide	Infrastructure Improvements	0	PWC	300,000,000	0	330,000,000
3	IA	Statewide	Minor Capital Outlay	0	PWC	50,000,000	0	380,000,000
4	IA	Statewide	Mitigation of Off-Campus Impacts	0	PWC	1,400,000	0	381,400,000
5	II	Monterey Bay	Academic Building II	N/A	E	1,965,000	0	383,365,000
6	II	Chico	Taylor II Replacement Building	N/A	E	2,740,000	0	386,105,000
7	IA	East Bay	Warren Hall Replacement Building	N/A	E	1,061,000	0	387,166,000
8	IA	Humboldt	Seismic Upgrade, Library	N/A	PWC	5,136,000	0	392,302,000
9	IA	Los Angeles	Seismic Upgrade, State Playhouse Theatre	N/A	PWC	1,156,000	0	393,458,000
10	IA	Humboldt	Seismic Upgrade, Van Duzer Theatre	N/A	PWC	7,604,000	0	401,062,000
11	IB	Los Angeles	Utilities Infrastructure	N/A	P	1,097,000	29,831,000	402,159,000
12	IB	Long Beach	Utilities Infrastructure Improvements ◊	N/A	P	860,000	26,823,000	403,019,000
13	IB	San Diego	Utilities Upgrade, Phase IA	N/A	P	1,728,000	50,520,000	404,747,000
14	IB	San Bernardino	Utilities Infrastructure	N/A	PW	2,325,000	30,953,000	407,072,000
15	IB	Bakersfield	Faculty Towers Replacement Building (Seismic)	350	P	610,000	20,708,000	407,682,000
16	IB	Monterey Bay	Infrastructure Improvements, Phase II	N/A	PW	1,919,000	34,813,000	409,601,000
17	IB	San Francisco	Creative Arts Replacement Building ◊	1,296	P	1,704,000	42,652,000	411,305,000
18	IB	Sacramento	Science II Replacement Building, Phase II ◊	-1,583	PW	4,558,000	82,445,000	415,863,000
19	IB	San Diego	IVC North Classroom Building Renovation	N/A	PWC	1,306,000	0	417,169,000
20	IB	Dominguez Hills	Cain Library Renovation (Seismic)	N/A	P	1,420,000	40,001,000	418,589,000
21	IB	Fullerton	Physical Services Complex Replacement	N/A	P	761,000	28,634,000	419,350,000
22	IB	Humboldt	Jenkins Hall Renovation	15	P	312,000	9,188,000	419,662,000
23	II	Channel Islands	Chaparral Hall Art Classrooms/Laboratory	294	P	899,000	24,548,000	420,561,000
24	IB	East Bay	Library Renovation (Seismic)	N/A	P	1,584,000	49,802,000	422,145,000
25	IB	Chico	Siskiyou II Science Replacement Building	31	P	2,445,000	79,068,000	424,590,000
26	II	Sonoma	Professional Schools Building	513	P	1,081,000	38,893,000	425,671,000
27	II	Maritime	Learning Commons/Library Addition	N/A	P	779,000	24,606,000	426,450,000
28	IB	San José	Nursing Building Renovation	155	P	456,000	15,594,000	426,906,000
29	II	San Luis Obispo	Academic Center/Library ◊	401	P	1,683,000	92,476,000	428,589,000
30	IB	Stanislaus	Library Renovation (Seismic)	-15	P	1,432,000	48,237,000	430,021,000
31	IB	Northridge	Sierra Hall Renovation	N/A	PW	3,998,000	60,091,000	434,019,000
32	IB	Pomona	Electrical Upgrade	N/A	PWC	22,369,000	0	456,388,000
Totals				1,457		\$ 456,388,000	\$ 829,883,000	\$ 456,388,000

- Categories:
- I Existing Facilities/Infrastructure
 - A. Critical Infrastructure Deficiencies
 - B. Modernization/Renovation
 - II New Facilities/Infrastructure

◊ This project is dependent upon state and non-state funding.

P = Preliminary plans W = Working drawings C = Construction E = Equipment

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Categories and Criteria for the State Funded Five-Year Capital Improvement Program 2015-2016 through 2019-2020

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

The Board of Trustees annually adopts categories and criteria that are used in setting priorities for the state funded capital outlay program. A change is proposed in the categories and criteria to reduce the number of projects that a campus can submit in the last three years of the five-year plan.

We propose to reduce the number of projects permitted per year from three to one to streamline the capital program submittal and review process. Based on current and anticipated funding levels, this proposed change will provide a more realistic multi-year program while reducing the time and effort required to prepare and update out-year projects. Attachment A contains the proposed CSU 2015-2016 through 2019-2020 categories and criteria. Campus administrative staff have reviewed the proposed categories and criteria and concurred with the proposed change.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Categories and Criteria for the State Funded Five-Year Capital Improvement Program 2015-2016 through 2019-2020 in Attachment A of Agenda Item 4 of the November 5-6, 2013 meeting of the Committee on Campus Planning, Buildings and Grounds be approved; and
2. The chancellor is directed to use these categories and criteria to prepare the CSU State Funded Five-Year Capital Improvement Program.

Categories and Criteria to Set Priorities

General Criteria

Priorities will be determined based upon the strategic needs of the system in consideration of existing deficiencies in the type, amount and/or condition of campus space to serve the academic master plan. In particular, priority will be given to projects that address critical seismic and infrastructure deficiencies, including life/fire safety, utilities infrastructure critical to campuswide operations, capital renewal, and minor capital outlay for deferred maintenance in existing facilities. Projects programmed for modernizing existing facilities or constructing new replacement buildings in response to academic needs or enrollment demand will be considered on a case by case basis.

A campus may submit a maximum of one major capital project for the 2015-2016 budget year, and one project per year for the 2016-2017 through 2019-2020 planning years, including health and safety projects. Exceptions to these limits will be considered on an individual project basis. Equipment and seismic strengthening projects are excluded from this limit. Seismic strengthening projects will be prioritized according to recommendations from the CSU Seismic Review Board subject to the approval of the Executive Vice Chancellor/Chief Financial Officer.

Approval of multi-phase projects may require the project funding to be allocated over more than one year. Campus requests for preliminary plans, working drawings, and construction (PWC) lump sum funding will be considered on an individual project basis based on the project's complexity, scope, schedule, and the availability of non-appropriated funds to augment the project.

Current trustee-approved campus physical master plan enrollment ceilings apply to on-campus seat enrollment only. These numbers are to be used as the basis of comparison for justifying capital projects that address enrollment demand to be accommodated on campus. Enrollment estimates that exceed these figures should be accommodated through distributed learning and other off-campus instructional means.

Consistent with past practice, if there are two or more auditoriums or large lecture hall projects, priority shall be given to the project for which 50 percent or more of its funding will be from non-state sources. At least \$5 million must be raised from non-state sources for an auditorium project.

Individual Categories and Criteria

I. Existing Facilities/Infrastructure

A. Critical Infrastructure Deficiencies – CD (Critical Deficiencies)

These funds correct structural, health and safety code deficiencies by addressing life safety problems and promoting code compliance in existing facilities. Projects include seismic strengthening, correcting building code deficiencies, and addressing regulatory changes which impact campus facilities or equipment. These funds also include minor capital outlay, critical utilities and infrastructure improvement projects.

B. Modernization/Renovation - FIM (Facilities Infrastructure/Modernization)

These funds make new and remodeled facilities operable by providing group II equipment and replacing utility services/building systems to make facilities and the campus infrastructure operable. These funds also meet campus needs by modernizing existing facilities or constructing new replacement buildings in response to both academic and support program needs as well as enrollment demand.

II. New Facilities/Infrastructure - ECP (Enrollment/Caseload/Population)

These funds eliminate instructional and support deficiencies, including new buildings and their group II equipment, additions, land acquisitions, and site development.

CORRECTED

AGENDA

COMMITTEE ON FINANCE

Meeting: 2:15 p.m., Tuesday, November 5, 2013
Glenn S. Dumke Auditorium

William Hauck, Chair
Roberta Achtenberg, Vice Chair
Rebecca D. Eisen
Douglas Faigin
Margaret Fortune
Steven M. Glazer
Lou Monville

Consent Items

Approval of Minutes of Meeting of September 24, 2013

Discussion Items

1. Approval of the 2014-2015 Support Budget Request, *Action*
2. 2014-2015 Lottery Revenue Budget, *Action*
3. 2013-2014 Student Fee Report, *Information*
4. California State University Annual Investment Report, *Information*
5. California State University Investment Policy Clarification, *Action*
6. ~~Review of Management and Purchase Option Agreements for a Student Housing Project on Private Property Adjacent to California State University, San Bernardino, *Action*~~ **Deferred**

**MINUTES OF THE MEETING OF
COMMITTEE ON FINANCE**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

September 24, 2013

Members Present

William Hauck, Chair
Roberta Achtenberg, Vice Chair
Douglas Faigin
Margaret Fortune
Steven M. Glazer
Henry Mendoza
Lou Monville
Timothy P. White, Chancellor
Bob Linscheid, Chair of the Board

Approval of Minutes

The minutes of July 23, 2013 were approved by consent as submitted.

Planning for the 2014-2015 Support Budget Request

Mr. Robert Turnage, assistant vice chancellor for budget, reported on the planning framework for the system budget within the context of the state's continuing fiscal challenges. He indicated that a more comprehensive proposal is forthcoming in November and that if the economy continues its recovery the state may have more distributable revenue looking forward. He displayed a chart illustrating general fund appropriations over a ten-year period, including future projections through 2016-2017 based on the multi-year plan released by the governor and the Department of Finance. He presented data evidencing an increase in undergraduate applications among California residents, many of which could not be accommodated owing to shortfalls in state funding, emphasizing that while the California State University system represents just one part of the state's social ecology, it is a critical component in that it trains the state's next generation workforce. To that point, he noted that a major area of emphasis in the budget planning process is to provide funding to address enrollment demand. He next commented on critical backlogs of maintenance needs and infrastructure repair, citing specifically a priority backlog approaching \$500 million and infrastructure improvement needs exceeding \$1.1 billion as identified in the CSU's five-year capital outlay plan. In addition, he remarked, are needs related to IT infrastructure, instructional equipment replacement and \$175 million related to seismic safety upgrades. To mitigate the aforementioned and to arrest the perennial deferral of maintenance

needs, Mr. Turnage related a plan to allocate \$15 million over three years for debt service on a bond issuance to ultimately allow for up to \$800 million in project work and repairs.

Dr. Benjamin F. Quillian, executive vice chancellor and chief financial officer, clarified that the proposal involves a base adjustment of \$15 million per fiscal year over a three-year period, and that the first allocation would enable the issuing of bonds for approximately \$250 million, after which time a second or third allocation and bond issuance could be contemplated in phase, contingent upon the current financial situation, thereby not obligating the general fund for monies not guaranteed.

By way of illustration, Mr. Turnage displayed a photograph of an emergency chiller installed at CSU Los Angeles after the campus' primary chiller failed, and noted that this emblematic stopgap solution comes at considerable cost, \$1.9 million annually, to the university.

Mr. Turnage next discussed the preliminary budget increase request for fiscal year 2014-2015, noting that the total anticipated request from the state is net of tuition revenue realized from projected enrollment growth. He commented that the total request of \$250 million includes mandatory costs, the compensation pool, funding for student success efforts, enrollment demand mitigation, and financing for critical maintenance and infrastructure needs. He added that the enrollment request would represent a per-student investment by the state of \$3,750.

In response to a question from Trustee Hauck, Ms. Elvyra F. San Juan, assistant vice chancellor for capital planning, design and construction, affirmed that contracts to assess and inventory critical infrastructure and maintenance needs, in dollar amounts, have been prepared. She further commented that a utility master plan will be developed for each campus along with prioritized infrastructure needs.

Dr. Quillian added that his staff is working with global financial services provider Barclays to explore the privatization of certain infrastructure, where practicable.

Trustee Monville expressed concern regarding the state of disrepair of the campuses' oldest buildings, and how it compounds the problematic dearth of classroom space, and particularly laboratory instructional space.

Mr. Turnage commented that the figures presented represent base funding requests, augments over existing state allocation, and not one-time cash infusions. In response to a question from Trustee Faigin, he speculated as to bonding amounts over the coming decades.

In response to a question from Trustee Hauck, Ms. San Juan commented on critical capital needs surrounding facilities in danger of failure or collapse.

Governor Jerry Brown opined that to safely maintain buildings ought to take precedence over increasing enrollment. Given all competitors for public monies, he cautioned that the suggested

base increase request of \$250 million is unlikely to come to fruition and therefore the board should consider alternate remedies.

Trustee Hauck commented that the board is responsible, and can be counted on to proceed responsibly, and that the students are its highest priority. He averred that the university will adapt its approach to balance enrollment with facilities needs and will ensure critical maintenance and repairs are performed within the parameters of what funding is received from the state.

2014-2015 Lottery Revenue Budget

Mr. Turnage explained that the lottery budget amounts to approximately \$41 million per year, and therefore represents just one percent of the university's core funding. He directed the board's attention to a table in the board materials comparing the lottery revenue budget adopted for 2013-2014 with that proposed for 2014-2015. He noted that the only significant changes are a proposal to restore the reserve to its historical level following a one-time dip authorized the previous year and to infuse a few million dollars of anticipated additional lottery receipts into various campus-based programs that afford campuses flexibility in subsidizing various instructional programs. He reiterated that the current item is informational in nature and that a related action item will be brought before the board in November.

In response to a question from Trustee Glazer, Mr. Turnage clarified that the campus-based funding would be limited-term, versus one-time, and consistent with the provisions of the Lottery Act. In response to additional questions from Trustee Glazer, he commented on vehicles for reporting back to the board, including a broad-level annual report and more detailed reports with a breakdown by campus generated by his staff. Mr. Turnage agreed to bring a report on recent expenditures to the board together with the action item in November.

Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for One Project

Mr. George Ashkar, assistant vice chancellor for financial services, reported on the proposed acquisition of a privately owned apartment complex, the Granada on Hardy, by San Diego State University. He detailed the facility's makeup and capacity, noting that it comprises forty-nine units and 189 beds in a single four-story building constructed over two levels of underground parking, and that it currently houses students. He further noted that the acquisition would support the campus' objective of being less of a commuter school. He cited a purchase price of \$25,370,000 and affirmed the amount to be in line with the appraised market value of \$26 million as of May 2013. Mr. Ashkar then discussed the related amortization of debt service, as per CSU program standards, and compared projected housing program net revenue debt service coverage at SDSU to its CSU benchmark.

Dr. Elliot Hirshman, president, San Diego State University, expressed gratitude to the Chancellor's Office for its support of the acquisition and commented that his campus currently

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houses greater than one thousand students in triple occupancy rooms. He added that the transaction would be cash flow positive within the first year.

Upon motion duly made and seconded, the committee approved the issuance of systemwide revenue bonds and related debt instruments for the San Diego Granada Apartments Acquisition.

Partnership for Student Housing on Private Property Adjacent to California State University San Bernardino

Mr. Ashkar reported on a proposal from California State University, San Bernardino to enter into a long-term management agreement with Capstone Development Partners, LLC, for services related to a housing project across the street from the campus. He also explained how the partnership with the development company would serve the interests of the campus by creating additional student housing for freshman and promoting increased participation in on-campus student activities.

Dr. Tomás Morales, president, California State University, San Bernardino, stated that the proposal would support the objective of increased academic and personal success for students, and in turn help to attract the region's best and brightest applicants while creating a stronger sense of community.

Mr. Ashkar related that the structure constitutes a 510-bed student housing project, with 1-bedroom, 1-bath suites and semi-suites, each with a two-person capacity, and that the proposal involves a management agreement with the option to purchase. He clarified that Capstone will finance the project on private lands and that no campus funds will be utilized. Among items critical to entering into the proposed management agreement, Mr. Ashkar cited the adoption of campus residential life policies and programs, that student discipline procedures be in place, that the housing option be appropriately marketed, and that no injunction preventing the campus from constructing additional housing in the future be levied.

In response to a request from Trustee Hauck, Mr. Ashkar agreed to amend the board resolution to reflect that the management agreement will be reviewed and approved by the board prior to its execution.

In response to a question from Trustee Faigin, Mr. Ashkar stated that the CSU stands to save up to \$5 million dollars by entering into the management agreement and that Capstone views the association with the university as both attractive and necessary to govern residents' comportment and make parents comfortable.

Ms. San Juan commented on the estimated developer fee of 5 percent, or \$1.4 million, and financing cost and fees of approximately \$1.2 million.

Trustee Garcia expressed concern that all due diligence be performed prior to entering into any contract, including a partnership with Capstone, to ensure the absence of conflicts of interest. President Morales commented that Capstone is one of the premiere developers of student housing in the country and that he has worked with them previously, with success. He emphasized that a great need exists, since there is 100 percent occupancy of the campus' current 1,300 beds.

Mr. Ashkar concurred with Trustee Garcia's request and proposed generating a checklist prior to bringing a final agreement before the board for approval.

Ms. San Juan estimated that "long-term" in the context of this agreement would mean twenty to thirty years duration.

Upon motion duly made and seconded, the committee approved the resolution, RFIN 07-13-05.

Campus President Housing – Assessments and Immediate Maintenance Needs

Dr. Quillian reported that the board owns facilities on eleven of its twenty-three campuses that are used by campus presidents as residences, noting that the houses are also used to host fundraising events and other activities in support of the university's mission. He further reported that a significant backlog of maintenance and repairs has amassed in recent years, and that his staff is developing a systemwide policy to address it. To that end, he announced that a design firm in Los Angeles, Cannon Design, has been engaged to assess projects and code compliance, and define priorities, but meanwhile two present situations demand immediate attention.

With respect to the Miller House in Long Beach, residence of the president of CSU Long Beach, Dr. Quillian described pressing basic interior repairs and upgrades needed to reduce energy consumption, meet current code requirements, prevent further damage and preserve the value of the property. He reported that the repairs would be completed by October 2014 and will cost a projected \$586,000, to be funded out of the campus deferred maintenance budget.

With respect to the El Dorado Ranch property in Fullerton, residence of the president of CSU Fullerton, Dr. Quillian expressed concern that no gate encircles the property to restrict use of the driveway to access the home and no perimeter fencing is present to increase security and thwart intrusion. He reported that security fencing would be installed together with an intercom, camera, key pad and remote opening device for the gate, to be funded out of the campus interest earnings.

In response to a question from Trustee Hauck, Dr. Quillian affirmed that funding for both projects is already generated and in-hand. In response to a question from Trustee Monville, Dr. Quillian clarified that the proposed fencing at the El Dorado Ranch property would complete a full perimeter around the residence.

Trustee Glazer expressed concern about allocating funds for the two projects in light of the earlier discussion of critical systemwide infrastructure needs. Trustee Hauck remarked that the Fullerton house was near unlivable, and that the board has a responsibility to maintain the properties as presidents are required to live in them. Trustee Glazer questioned whether alternate means of funding for the maintenance needs related to presidential residences could be explored, to retain the greatest amount possible of public monies to allocate to campuses. Dr. Quillian responded that fundraising has been discussed with the campuses as an alternate means of funding, however due to the immediate nature of the repairs there is a need to move quickly and fundraising is not feasible for these two projects. He added that, for El Dorado Ranch, the recommendation to add security fencing and cameras came from the campus public safety department in order limit unauthorized access to the property as soon as possible.

There being no further questions, Trustee Hauck adjourned the Committee on Finance.

COMMITTEE ON FINANCE

Approval of the 2014-2015 Support Budget Request

Presentation By

Robert Turnage
Assistant Vice Chancellor
Budget

Summary

At its meeting of September 24-25, 2013, the board was presented with preliminary revenue and expenditure assumptions for purposes of crafting the CSU's support budget request for the governor's 2014-2015 budget. This item presents for the board's review and approval a recommended support budget request for 2014-2015.

State Budget Overview

The State Constitution requires the submittal of the Governor's budget proposal to the legislature each year by January 10.

The significant tax revenues produced by Proposition 30 and the ongoing economic recovery allowed the state to begin anew to invest in public higher education, including a \$125.1 million programmatic funding increase for the CSU in the recently enacted 2013-2014 budget.

The state, however, may continue to experience fiscal challenges in 2013-2014 as well as 2014-2015. The enacted 2013-2014 budget included an estimated General Fund reserve of \$1.1 billion. Already, however, up to \$315 million could be drawn from the 2013-2014 reserve to respond to federal court rulings regarding prison overcrowding, with another \$400 million estimated for possible expenditure in the 2014-2015 fiscal year. Also, it is already clear that state firefighting costs will draw down the General Fund reserve to a significant extent. There are also risks on the revenue side of the state's ledger. National and state economic recovery remains stubbornly sluggish, in part due to the economic drag created by the prolonged federal budget sequestration. There are growing concerns among many economists that political impasse on the federal budget and the federal government's borrowing authority (the debt ceiling) could shock the national economy back into recession.

On the other hand, if the state's economic recovery continues, state revenues could grow by as much as 7.5 percent in 2014-2015, according to projections by the Legislative Analyst's Office.

Thus, the outlook for 2014-2015 at this point ranges from continuing constraint to significant opportunity.

The Governor's Multi-year Funding Plan for the UC and CSU

Last January Governor Brown's budget proposal included his call for a multi-year plan to provide funding stability to the University of California (UC) and the CSU. This plan, reiterated in the Department of Finance's enacted budget summary reflecting the signed 2013-2014 Budget Act, calls for state funding increases to the two universities totaling \$511 million each over the course of four years culminating with the 2016-2017 fiscal year. This recognizes the fact that both universities endured state funding reductions in equal dollar amounts during the recent half decade of fiscal crisis. The cumulative increase occurs in annual increments as follows:

- \$125.1 million in 2013-2014
- \$142.2 million in 2014-2015
- \$119.5 million in 2015-2016
- \$124.3 million in 2016-2017
- Cumulative increase in annual funding = \$511.1 million

Although the legislature has not adopted this plan, it did approve the first-year increase of \$125.1 million in 2013-2014.

Recommended 2014-2015 CSU Support Budget

In this agenda item we share with the board a recommended support budget request for 2014-2015 for the university. The planning approach is tempered by recognition of the state's ongoing fiscal challenges, yet represents a credible statement of the university's key funding needs.

Expenditure Plan.

The recommended expenditure plan, shown as increases to the CSU's current baseline from state funds, tuition and other systemwide fees, is summarized below. These recommended items would require new ongoing revenues from the state of \$237.6 million. This expenditure plan does exceed the minimum \$142.2 million increase specified for 2014-2015 under the Governor's multi-year plan. However, it is a statement of the university's true funding needs and—given the possibility that 2014-2015 state revenues could grow substantially above current levels—presents worthy opportunities for the state to invest further in the students, faculty and staff of the CSU. The 2014-2015 Support Budget book, intended for ultimate distribution to legislators and other policy-makers in the capital, is included in the board members' mail-out as a supplemental document and can also be accessed through the following link:

<http://www.calstate.edu/budget/fybudget/2014-2015/executive-summary/documents/2014-15-Support-Budget.pdf>

• 5% Enrollment Demand (from tuition revenue)	\$84.6 million
• 5% Enrollment Demand (from state)	\$79.2 million
• Augmentations for Student Success and Completion	\$50.0 million
• Financing maintenance and infrastructure needs	\$15.0 million
• Mandatory costs (health benefits, new space)	\$13.7 million
• Compensation increase (3 percent “pool”)	\$91.6 million
• Center for California Studies—cost increases	0.2 million
 Total ongoing expenditure change	 \$334.3 million

This expenditure plan would bring annual spending for support of the CSU to approximately \$4.6 billion, including student fee revenues (net of financial aid).

The enrollment demand item would accommodate not only growth in the number of students admitted and served, but would also help accommodate demand by current students for additional courses (allowing improved time-to-degree). The costs of accommodating additional enrollment would be partially offset by the additional tuition fee revenue generated by the extra enrollment. This additional fee revenue – estimated at \$84.6 million, net of financial aid – is factored into the budget plan. Thus, the amount needed from the state to fund the enrollment demand would be \$79.2 million. This amount would enable campuses to enroll approximately 20,000 additional students (headcount), translating into a requested investment by the state in its economic and social future of less than \$4,000 per student. It should be noted that this plan, summarized above, assumes no increase in tuition fee rates for the 2014-2015 academic year.

The recommended expenditure plan includes a \$50 million augmentation under the title of Student Success and Completion for a variety of efforts and strategies to close achievement gaps and facilitate student success and degree completion. These funds would be used in six initiative areas:

1. *Tenure/track Faculty Hiring*. \$13 million for campuses to hire tenure-track faculty and begin reversing the declining ratio of tenured and tenure-track faculty to lecturers, as well as to improve student/faculty ratios. These funds would augment state funds and fee revenue related to enrollment growth to enable campuses to hire more than 500 full-time tenure-track faculty systemwide. More tenure-track faculty, added to current faculty numbers, mean more sections of high-demand courses taught and more faculty mentoring/advising of students.
2. *Enhanced Advising*. \$8 million, with half the funds to hire 70 more professional staff advisors systemwide, and half the funds to leverage the work already underway with

various e-advising technologies that provide clear and accurate “real time” information for students and advisors related to graduation and major requirements, and the efficient scheduling of classes.

3. *Augment Bottlenecks Solution Initiative*. \$2.5 million to expand annual initiative to \$12.5 million, a 25 percent increase over the current base. The added funding would support more online concurrent enrollment courses.
4. *Student preparation*. \$8 million augmentation to help incoming freshmen attain college readiness before arriving on CSU campuses.
5. *High-Impact Practices for Student Retention*. \$12 million to “scale up” a wide range of successful “high-impact” practices, including service learning projects, undergraduate participation in applied research, first-year learning communities (a cohort or shared academic focus for groups of first-year students), and peer mentoring (upper division students mentoring lower division students).
6. *Data-Driven Decision Making*. \$6.5 million to accelerate completion of the Data Dashboard project. Implementing “data dashboard” technologies on all campuses will dramatically improve implementation of various student success initiatives by providing the tools for quick assessments of the efficacy of different efforts.

The CSU’s backlog of facility maintenance and infrastructure needs, even if restricted to the highest priority needs, is massive and growing. State funding for capital outlay has reached critically low levels in recent years and constrained annual support budgets cannot keep up with maintenance needs. This preliminary plan would attack the problem by building up—with annual increments of \$15 million over the three remaining years of the Governor’s multi-year plan—an ongoing “base” of \$45 million available for annual debt service on bonds. This option would allow the CSU to finance an estimated \$750 million to \$800 million, depending on interest rates, of vitally needed work—addressing deferred maintenance priorities, but also upgrading and replacing basic infrastructure (such as campus electrical systems and water systems dating back more than a half century). Such a program could also address key needs in terms of technology infrastructure and instructional equipment replacement. A similar approach was approved by the legislature in the mid-1990’s, although on a smaller scale and focused solely on deferred maintenance. Each of the three annual increments would be associated with its own “round” of bond financing, with each round generating an estimated \$250 million or more of bond proceeds to fund projects. Under this approach, the board, in each of the next three years, can review the annual increment as part of the annual budget before committing to a new round of bond financing.

When the support budget plan was reviewed at the September 24-25, 2013, board meeting, mandatory cost increases were estimated on a preliminary basis at \$20 million. This estimate has been revised to \$13.7 million, largely due to a recommendation to shift the budgeting of energy

cost increases from a prospective basis to an in-arrears basis. This shift makes sense because energy prices are highly variable and exceedingly difficult to predict in advance of an upcoming fiscal year. An in-arrears approach on energy costs will result in a far more accurate matching of budget allocations with actual costs.

Revenue Plan. The following plan for increased revenue would provide the resources needed to meet the expenditure plan.

Total State General Fund Increase **\$237.6 million**

Tuition Fees Revenue Adjustments:

- Net tuition fee revenue from enrollment growth \$84.6 million
- Change in enrollment patterns \$12.1 million

Total Tuition Fee Revenue Increase **\$96.7 million**

Total Revenue Increase **\$334.3 million**

Each year the “mix” of students attending part-time or full-time, or attending at undergraduate or graduate levels, shifts slightly, in the process shifting fee revenue estimates as well. Based on most recent data, we estimate a revenue increase of \$12.1 million due to this effect. Although slight (about 0.6 percent) in the context of annual systemwide fee revenues of close to \$2 billion, this \$12.1 million helps meet expenditure needs and reduce by a corresponding amount what is needed from the state.

This recommended revenue plan strikes a balance in meeting the increased expenditure needs of the CSU between an amount that can be reasonably requested from the state and an amount that can be reasonably provided through tuition fee revenues generated by enrollment growth. Development of a 2014-2015 budget request on these lines would provide the governor and legislature with an achievable plan for investment in the CSU for the sake of California’s economic and social future. The plan is capable of reprioritization if, ultimately, the university must budget within the minimum \$142.2 million funding increase specified for 2014-2015 under the Governor’s multi-year plan. At this stage, however, the recommended budget focuses on stating needs and being positioned for opportunity.

Recommendation

This following resolution is presented for approval.

RESOLVED, by the Board of Trustees of the California State University that the 2014-2015 support budget request is approved as submitted by the chancellor; and be it further

RESOLVED, that the chancellor is authorized to adjust and amend this budget to reflect changes in the assumptions upon which this budget is based, and that any changes made by the chancellor be communicated promptly to the trustees; and be it further

RESOLVED, that copies of this resolution be transmitted to the governor, to the director of the Department of Finance and to the legislature.

COMMITTEE ON FINANCE

2014-2015 Lottery Revenue Budget

Presentation By

Robert Turnage
Assistant Vice Chancellor
Budget

Summary

The lottery revenue budget recommendation for fiscal year 2014-2015 is presented as an action item following the September 2013 board review of the proposal. The lottery revenue projection for 2014-2015 is \$46 million. After setting aside \$5 million for CSU's systemwide reserve, \$41 million is available for allocation. The 2014-2015 Lottery Revenue Budget reflects an increase in projected support from fiscal year 2013-2014 as a result of higher trends in lottery receipts with the addition of Powerball to the list of California Lottery offerings. It is recommended that \$2 million in projected revenue increases be used to increase funding for campus-based programs.

Beginning CSU lottery reserves are restored to their historical \$5 million figure in the 2014-2015 proposed lottery budget as a result of higher annual trends in lottery receipts and diminishing carry forward balance previously used to assist with program need. CSU does not anticipate any additional carry forward funds at the onset of the 2014-2015 fiscal year above the \$5 million proposed reserve. The \$5 million beginning reserve is used to assist with cash-flow variations due to fluctuations in quarterly lottery receipts and other economic uncertainties. Campuses' interest earnings from lottery allocations are distributed to the campuses individually in accordance with CSU Revenue Management Program guidelines and procedures.

2014-2015 Lottery Budget Proposal

After setting aside the \$5 million beginning reserve, the \$41 million 2014-2015 lottery budget proposal remains principally designated for campus-based programs and the three system-designated programs that have traditionally received annual lottery funding support: Chancellor's Doctoral Incentive Program, California Pre-Doctoral Program, and CSU Summer Arts Program. Of the \$41 million available for expenditure, \$3.9 million funds: the Chancellor's Doctoral Incentive Program (\$2 million) which provides financial assistance to graduate students to complete doctoral study in selected disciplines of particular interest and relevance to the CSU; the California Pre-Doctoral Program (\$714,000) which supports CSU students who aspire to earn doctoral degrees and who have experienced economic and educational disadvantages; and, the CSU Summer Arts Program (\$1.2 million) which offers academic credit courses in the visual, performing, and literary arts.

The remaining \$37.1 million in 2014-2015 lottery funds will continue to be used for campus based programs (\$31.5 million), financial aid for the trustee-approved Early Start program (\$5 million) and system administration of the lottery fund (\$544,000). Campus-based program funding is undesignated and allows presidents considerable flexibility in meeting unique campus needs. Traditionally, projects receiving campus-based funds have included the purchase of new instructional equipment, instructional equipment replacement, curriculum development, and scholarships. Early Start program funds will provide campus-based financial aid as need-based fee waivers to ensure that student financial hardship is not a barrier to enrollment in the Early Start summer curriculum. The program serves first time freshman students who are deficient in math and English skills through remedial instruction during the summer term prior to matriculation at any of the CSU campuses. Although Summer 2014, is the leading term for the 2014-2015 college year, it is necessary to pre-fund the waivers by setting aside funds each year in advance of the upcoming summer term. Campuses receive reimbursement funding based on actual student enrollment following the end of the summer instructional program.

In the 2012-2013 fiscal year, 92 percent of lottery allocations were spent on supplemental instructional and instructionally related programs and services for students and faculty. The following table summarizes how lottery funds allocated for the 2012-2013 fiscal year were expended. A campus detail of lottery expenditures is provided as an appendix to this item.

2012-13 Lottery Expenditure Report
 (in 000s)

Program Support Area	Expenditures	Percentage of Total Expenditures
Academic	\$ 16,292	40.7%
Library Services	11,477	28.7%
Student Services	2,816	7.0%
Administrative	3,025	7.6%
Financial Aid	6,074	15.2%
Classroom Maintenance	100	0.3%
Community Relations	203	0.5%
Total Expenditures	\$ 39,987	100.0%

The CSU lottery revenue budget recommended for 2014-2015 is as follows:

2014-15 Proposed Lottery Revenue Budget

	2013-14 Adopted Budget	2014-15 Proposed Budget
Sources of Funds		
Beginning Reserve	\$ 3,000,000	\$ 5,000,000
Receipts	39,000,000	41,000,000
Total Revenues	\$ 42,000,000	\$ 46,000,000
<i>Less Systemwide Reserve</i>	<i>(3,000,000)</i>	<i>(5,000,000)</i>
Total Available for Allocation	\$ 39,000,000	\$ 41,000,000
Uses of Funds		
<i>System Programs</i>		
Chancellor's Doctoral Incentive Program	\$ 2,000,000	\$ 2,000,000
California Pre-Doctoral Program	714,000	714,000
CSU Summer Arts Program	1,200,000	1,200,000
	\$ 3,914,000	\$ 3,914,000
<i>Campus-Based Programs</i>		
Campus Programs	\$ 29,555,000	\$ 31,542,000
Campus Early Start Financial Aid	5,000,000	5,000,000
	\$ 34,555,000	\$ 36,542,000
<i>Lottery Fund & System Programs Administration</i>	\$ 531,000	\$ 544,000
Total Uses of Funds	\$ 39,000,000	\$ 41,000,000

This item is an action item and the following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the 2014-2015 lottery revenue budget totaling \$46 million be approved for implementation by the chancellor, with the authorization to make transfers between components of the lottery revenue budget and to phase expenditures in accordance with receipt of lottery funds; and be it further

RESOLVED, that a portion of campus-based program allocations will be used to support student financial aid for the trustee-approved Early Start program. These funds will be used to allow student enrollment in the Early Start summer curriculum regardless of financial need; and be it further,

RESOLVED, that the chancellor is hereby granted authority to adjust the 2014-2015 lottery revenue budget approved by the Board of Trustees to the extent that receipts are greater or lesser than budgeted revenue to respond to opportunities or exigencies; and be it further

RESOLVED, that a report of the 2014-2015 lottery revenue budget receipts and expenditures be made to the Board of Trustees.

**APPENDIX A: 2012-13 Lottery Expenditure Report
 Detail by Campus Subprogram**

Bakersfield

Counseling and Career Guidance	\$98,125
Fiscal Operations	30,812
General Academic Instruction	125,948
Libraries	100,304
Scholarships	121,248
Student Services Administration	72,985

Bakersfield Total **\$549,422**

Chancellor's Office

Community Service	\$191,104
Fiscal Operations & Systemwide Lottery Admin.	877,003
Pre-Doctoral Scholars	154,649
Summer Arts	633,281
Systemwide E-Library Journal Subscriptions	919,352
Scholarships	4,042,239

Chancellor's Office Total **\$6,817,628**

Channel Islands

Academic Administration	\$99,776
General Academic Instruction	19,977
Libraries	83,849

Channel Islands Total **\$203,602**

Chico

Academic Administration	\$325,426
Academic Personnel Development	45,116
Academic Support Information Technology	12,551
General Academic Instruction	205,108
Instructional Information Technology	9,354
Libraries	781,970
Scholarships	124,000

Chico Total **\$1,503,525**

Dominguez Hills

Academic Administration	\$3,932
Academic Support Information Technology	573,322
Counseling and Career Guidance	3,198
General Academic Instruction	85,720
Libraries	24,123
Scholarships	140,225
Student Services Administration	119,709

Dominguez Hills Total **\$950,229**

East Bay

Academic Administration	\$16,095
Executive Management	80,000
General Academic Instruction	46,653
Libraries	815,016

East Bay Total **\$957,764**

Fresno

Counseling and Career Guidance	\$83,220
Instructional Information Technology	1,482,227
Fellowships	10,158
Libraries	686,819
Scholarships	29,970
Student Services Administration	89,456

Fresno Total **\$2,381,851**

Fullerton

Counseling and Career Guidance	\$145,006
Financial Aid Administration	15,119
General Academic Instruction	95,167
Instructional Information Technology	138,720
Libraries	1,448,092
Scholarships	411,948
Student Services Administration	61,114

Fullerton Total **\$2,315,166**

Humboldt

Academic Administration	\$73,134
Academic Support Information Technology	80,717
Counseling and Career Guidance	19,753
Executive Management	2,325
General Academic Instruction	118,375
Instructional Information Technology	110,622
Libraries	281,120
Oper and Maint Information Technology	1,279
Scholarships	46,500
Social and Cultural Development	23,986
Student Services Administration	25,079

Humboldt Total **\$782,890**

Long Beach

Academic Administration	\$41,692
Academic Personnel Development	4,033
Academic Support Information Technology	408,159
Counseling and Career Guidance	135,808
General Academic Instruction	338,119
Instructional Information Technology	69,374
Libraries	484,848
Preparatory/Remedial Instruction	17,068
Scholarships	24,500
Student Admissions	12,435
Student Services Administration	40,278
Student Services Information Technology	13,261

Long Beach Total **\$1,589,575**

Los Angeles

Counseling and Career Guidance	\$252,979
General Academic Instruction	1,386,857
Libraries	829,608
Scholarships	26,300
Student Services Administration	138,515

Los Angeles Total **\$2,634,259**

Maritime Academy

General Academic Instruction	\$156,155
Libraries	748
Scholarships	11,084

Maritime Academy Total **\$167,987**

Monterey Bay

Academic Administration	\$72,572
Academic Personnel Development	35,640
General Academic Instruction	497,893
Student Admissions	47,415
Student Services Administration	127,602

Monterey Bay Total **\$781,122**

Northridge

Academic Administration	\$302,471
Academic Personnel Development	1,576
Academic Support Information Technology	31,031
Counseling and Career Guidance	80,951
Educational Media Services	57,686
Executive Management	2,088
Financial Aid Administration	7,212
Fiscal Operations	11,482
General Academic Instruction	689,512
General Administration	3,479
Individual and Project Research	35,576
Institutes and Research Centers	1,632
Libraries	1,175,000
Preparatory/Remedial Instruction	6,419
Public Relations/Development	3,192
Social and Cultural Development	23,720
Student Health Services	9,951
Student Records	100,613
Student Services Administration	102,347

Northridge Total **\$2,645,938**

Pomona

Academic Support Information Technology	\$343,939
Administrative Information Technology	46,251
General Academic Instruction	147,449
Libraries	813,211
Scholarships	31,176

Pomona Total **\$1,382,025**

Sacramento

Academic Administration	\$200,352
Academic Personnel Development	74,920
Academic Support Information Technology	262,946
Counseling and Career Guidance	58,432
General Academic Instruction	1,288,067
Libraries	120,470
Social and Cultural Development	17,205
Student Services Administration	517,506

Sacramento Total **\$2,539,898**

San Bernadino

Academic Support Information Technology	\$53,325
Counseling and Career Guidance	144,761
General Academic Instruction	138,844
Libraries	36,358
Scholarships	366,884
Student Services Administration	57,590

San Bernadino Total **\$797,762**

San Diego

Counseling and Career Guidance	\$344,453
General Academic Instruction	1,947,981
Student Services Administration	233,485

San Diego Total **\$2,525,918**

San Francisco

Academic Personnel Development	\$114,161
Counseling and Career Guidance	71,113
Executive Management	39,936
General Academic Instruction	2,474,643
Instructional Information Technology	15,072

San Francisco Total **\$2,659,428**

San Jose

Academic Administration	\$2,880
Academic Personnel Development	2,811
Community Service	5,603
General Academic Instruction	211,145
General Administration	6,132
Libraries	1,900,000

San Jose Total **\$2,128,571**

San Luis Obispo

Academic Administration	\$157,417
Academic Personnel Development	85,693
Academic Support Information Technology	64,515
Ancillary Support	101,482
Counseling and Career Guidance	31,328
Executive Management	2,937
General Academic Instruction	493,027
Instructional Information Technology	195,038
Libraries	172,787
Scholarships	3,500
Student Services Administration	252,269
Student Services Information Technology	23,123

San Luis Obispo Total **\$1,583,117**

San Marcos

Academic Administration	\$29,334
Academic Personnel Development	2,935
Academic Support Information Technology	1,467
Administrative Information Technology	2,935
Ancillary Support	1,467
Community Service	4,402
Course and Curriculum Development	2,935
Executive Management	5,870
General Academic Instruction	540,186
General Administration	1,996
Individual and Project Research	1,467
Institutes and Research Centers	5,870
Instructional Information Technology	1,467
Libraries	4,402
Scholarships	66,493
Social and Cultural Development	19,146

San Marcos Total **\$659,952**

Sonoma

Academic Administration	\$16,846
Academic Personnel Development	4,014
Academic Support Information Technology	18,066
Community Service	35,369
Counseling and Career Guidance	116,758
Executive Management	6,551
General Academic Instruction	206,039
General Administration	7,468
Instructional Information Technology	72,266
Libraries	291,228
Scholarships	26,225

Sonoma Total **\$800,831**

Stanislaus

Academic Administration	\$24,973
Libraries	508,513
Scholarships	27,500
Student Admissions	67,221

Stanislaus Total **\$628,206**

Grand Total **\$39,986,665**

COMMITTEE ON FINANCE

2013-2014 Student Fee Report

Presentation By

Robert Turnage
Assistant Vice Chancellor
Budget

Summary

As required by California State University student fee policy, the Board of Trustees is presented with an annual campus student fee report to consider the level and range of campus-based mandatory fees charged to CSU students.

2013-2014 CSU Student Fee Report

Campus-based mandatory fees are charged to all students in order to enroll at a particular university campus. In addition, campuses charge miscellaneous course fees for some courses in order to add materials or experiences that enhance the basic course offerings. Campuses also charge fees for self-support programs, such as parking, housing and extended education. As required by the CSU student fee policy, this annual report focuses primarily on the campus-based mandatory fees.

The following table displays the 2013-2014 academic year campus-based mandatory fee rates by campus and by fee category.

2013-14 California State University Campus-Based Fee Rates							
	Health Facilities	Health Services	Instructionally Related Activities	Materials Services & Facilities	Student Body Association	Student Body Center	Total Campus Fees
Bakersfield	\$6	\$279	\$162	\$57	\$357	\$444	\$1,305
Channel Islands	6	162	240	135	134	324	1,001
Chico	6	262	272	74	128	758	1,500
Dominguez Hills	6	150	10	5	135	326	632
East Bay	6	225	129	243	129	345	1,077
Fresno	6	206	264	46	69	224	815
Fullerton	6	148	72	72	148	268	714
Humboldt	6	402	674	304	101	185	1,672
Long Beach	6	90	50	277	88	358	869
Los Angeles	6	165	123	249	54	275	872
Maritime Academy	14	680	130	30	210	0	1,064
Monterey Bay	0	126	60	165	96	44	491
Northridge	6	116	30	217	172	512	1,053
Pomona	6	234	40	237	105	261	883
Sacramento	32	231	348	0	126	419	1,156
San Bernardino	39	221	146	177	123	372	1,078
San Diego	50	300	350	50	70	474	1,294
San Francisco	6	280	236	184	108	164	978
San Jose	111	272	0	660	169	659	1,871
San Luis Obispo	9	290	289	1,722	296	646	3,252
San Marcos	50	288	80	449	100	630	1,597
Sonoma	30	360	436	30	194	712	1,762
Stanislaus	15	347	293	267	118	152	1,192
Systemwide Average	\$19	\$254	\$193	\$246	\$140	\$372	\$1,223

The following table shows total campus-based mandatory fees by campus for the 2012-2013 and 2013-2014 academic years. As shown in the table, the Systemwide average of campus-based mandatory fees increased by \$85, or 7.5 percent, from \$1,138 in the 2012-2013 academic year to \$1,223 in 2013-2014. Increases in campus-based mandatory fees occurred for various reasons; including the construction/expansion of new/existing student recreation centers or student union buildings, the consolidation of miscellaneous course fees into a campus-wide mandatory fee, the

implementation of a mental health services fee (per Executive Order 1053) at some campuses, or at some campuses the establishment of enhanced programs to improve student success. For example, the Student Body Center fee was increased at Sonoma State through student referendum, which accounts for most of the increase at that campus. In addition, some campuses have authorized annual incremental increases for certain mandatory fees that are tied to either the California Consumer Price Index or Higher Education Price Index.

2012-13 and 2013-14 Campus-Based Fee Rates			
Campus	2012-13	2013-14	Increase
Bakersfield	\$1,210	\$1,305	\$95
Channel Islands	844	1,001	157
Chico	1,468	1,500	32
Dominguez Hills	623	632	9
East Bay	1,078	1,077	-1
Fresno	791	815	24
Fullerton	706	714	8
Humboldt	1,658	1,672	14
Long Beach	768	869	101
Los Angeles	869	872	3
Maritime Academy	1,064	1,064	0
Monterey Bay	491	491	0
Northridge	1,032	1,053	21
Pomona	639	883	244
Sacramento	1,130	1,156	26
San Bernardino	1,063	1,078	15
San Diego	1,106	1,294	188
San Francisco	968	978	10
San Jose	1,656	1,871	215
San Luis Obispo	3,035	3,252	217
San Marcos	1,395	1,597	202
Sonoma	1,426	1,762	336
Stanislaus	1,154	1,192	38
Average	\$1,138	\$1,223	\$85

2013-2014 CSU Comparison Institution Tuition Fees

The 2013-2014 academic year is the third consecutive year with the same tuition fee rates in effect at CSU. Although not required by the CSU student fee policy, prior annual student fee reports have included comparisons of CSU tuition fee rates with other institutions, based on a list of institutions developed over twenty years ago by the former California Postsecondary Education Commission (CPEC). The tables that follow outline the systemwide average tuition and campus-based mandatory fees at the CSU as compared with other institutions tuition and mandatory fees.

2013-2014 CSU Fees Benchmark

The 2013-2014 CSU comparison institution academic year *resident, undergraduate*, student fees are provided below. The total of the CSU's tuition fees and average campus-based fees is lower than all of the 15 comparison public institutions selected by the former CPEC. The 2013-2014 comparison institution student fee average is \$10,066, and the CSU student fee average is \$6,695, or 34 percent below the comparison average. The following table lists the 2013-2014 tuition and fee rates with a comparison to 2012-2013 rates:

2013/14 Comparison Institution Academic Year - Undergraduate Resident Tuition and Fees				
Campus	2012/13	2013/14	Increase	
Rutgers University (Newark, NJ)	\$13,073	\$13,499	\$426	3.3%
Illinois State University (Normal, IL)	\$12,726	\$13,009	\$283	2.2%
University of Connecticut (Storrs, CT)	\$11,362	\$12,022	\$660	5.8%
Wayne State University (Detroit, MI)	\$10,781	\$12,014	\$1,233	11.4%
University of Maryland, Baltimore County	\$9,764	\$10,068	\$304	3.1%
Comparison Average	\$9,758	\$10,066	\$309	3.2%
Arizona State University at Tempe	\$9,724	\$10,002	\$278	2.9%
Georgia State University at Atlanta	\$9,664	\$9,928	\$264	2.7%
George Mason University (Fairfax, VA)	\$9,620	\$9,908	\$288	3.0%
University of Colorado at Denver	\$8,056	\$7,658	-\$398	-4.9%
Cleveland State University	\$9,264	\$9,448	\$184	2.0%
University of Wisconsin at Milwaukee	\$9,187	\$9,300	\$113	1.2%
University of Texas at Arlington	\$8,878	\$8,878	\$0	0.0%
State University of New York at Albany	\$8,483	\$9,230	\$747	8.8%
North Carolina State University	\$7,788	\$8,206	\$418	5.4%
University of Nevada at Reno	\$6,623	\$7,824	\$1,201	18.1%
California State University	\$6,610	\$6,695	\$85	1.3%

The 2013-2014 CSU comparison institution *graduate resident* student tuition and fees are listed with prior-year tuition and fee levels in the tables below. The CSU is ranked among the bottom fifth for *graduate* tuition and fee rates among comparison institutions and has the second lowest rate of the 15 comparison institutions. The CSU's 2013-2014 graduate tuition and fee average is \$7,961, or 31 percent below the comparison average rate of \$11,582.

2013/14 Comparison Institution Academic Year - Graduate Resident Tuition and Fees				
Campus	2012/13	2013/14	Increase	
University of Maryland, Baltimore County	\$15,000	\$15,576	\$576	3.8%
Wayne State University (Detroit, MI)	\$14,155	\$14,848	\$693	4.9%
Rutgers University (Newark, NJ)	\$14,119	\$14,596	\$477	3.4%
Cleveland State University	\$13,280	\$13,544	\$264	2.0%
University of Connecticut (Storrs, CT)	\$12,866	\$13,662	\$796	6.2%
George Mason University (Fairfax, VA)	\$11,690	\$12,038	\$348	3.0%
University of Wisconsin at Milwaukee	\$11,482	\$11,596	\$114	1.0%
Comparison Average	\$11,319	\$11,582	\$263	2.3%
University of Colorado at Denver	\$10,602	\$10,726	\$124	1.2%
State University of New York at Albany	\$10,579	\$11,295	\$716	6.8%
Arizona State University at Tempe	\$10,518	\$10,818	\$300	2.9%
University of Texas at Arlington	\$10,200	\$10,200	\$0	0.0%
Georgia State University at Atlanta	\$10,192	\$10,480	\$288	2.8%
Illinois State University (Normal, IL)	\$7,313	\$8,034	\$721	9.9%
North Carolina State University	\$8,934	\$9,352	\$418	4.7%
California State University	\$7,876	\$7,961	\$85	1.1%
University of Nevada at Reno	\$6,774	\$6,958	\$184	2.7%

CSU ranked among the bottom fifth for *nonresident undergraduate* tuition and fees of the CSU's public peer comparison institutions. CSU nonresident undergraduate tuition (which includes the systemwide tuition charge) is \$17,855 per academic year in 2013-2014. This amount is 20 percent below the comparison average rate of \$22,212.

2013/14 Comparison Institution Academic Year - Undergraduate Non-Resident Tuition and Fees				
Campus	2012/13	2013/14	Increase	
University of Connecticut (Storrs, CT)	\$29,194	\$30,970	\$1,776	6.1%
Georgia State University at Atlanta	\$27,874	\$28,138	\$264	0.9%
George Mason University (Fairfax, VA)	\$27,764	\$28,592	\$828	3.0%
University of Maryland, Baltimore County	\$19,870	\$21,642	\$1,772	8.9%
Rutgers University (Newark, NJ)	\$26,393	\$27,523	\$1,130	4.3%
Wayne State University (Detroit, MI)	\$25,494	\$25,996	\$502	2.0%
Arizona State University at Tempe	\$22,978	\$23,654	\$676	2.9%
Comparison Average	\$21,493	\$22,212	\$719	3.3%
University of Colorado at Denver	\$21,986	\$21,781	-\$205	-0.9%
North Carolina State University	\$20,953	\$21,662	\$709	3.4%
University of Nevada at Reno	\$20,523	\$21,734	\$1,211	5.9%
Illinois State University (Normal, IL)	\$20,016	\$20,450	\$434	2.2%
University of Texas at Arlington	\$14,143	\$14,188	\$45	0.3%
University of Wisconsin at Milwaukee	\$18,915	\$19,028	\$113	0.6%
State University of New York at Albany	\$17,633	\$19,550	\$1,917	10.9%
California State University	\$17,770	\$17,855	\$85	0.5%
Cleveland State University	\$12,386	\$12,628	\$242	2.0%

COMMITTEE ON FINANCE

California State University Annual Investment Report

Presentation By

George V. Ashkar
Assistant Vice Chancellor
Financial Services

Summary

This item provides the annual investment report for fiscal year 2012-2013 for funds managed under the California State University Investment policy.

Background

The bulk of CSU funds are invested through the CSU Systemwide Investment Fund-Trust (SWIFT), which was established in July 2007 for the purpose of enhancing centralized cash and investment management. On a daily basis, net investable cash, from the Chancellor's Office and campus-controlled bank depository and disbursement accounts, is pooled and moved into SWIFT for investment. All SWIFT cash and securities are held by US Bank, the custodian bank for SWIFT. For investment management purposes, the SWIFT portfolio is divided equally between two investment management firms, US Bancorp Asset Management and Wells Capital Management.

The state treasurer also provides investment vehicles that may be used for CSU funds. The Surplus Money Investment Fund (SMIF) is used by the state treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool. Pursuant to an agreement with the state, CSU maintains a minimum balance of \$310 million in the SMIF to assist in the funding of payroll. The Local Agency Investment Fund (LAIF) is used by the state treasurer to invest local agency funds. The year-end results for these two funds are reported in Attachment A.

In July 2011, the state legislature created a new investment vehicle at the state level in which CSU may invest funds. Senate Bill 79 created the State Agency Investment Fund (SAIF), under Government Code section 16330, which allows state agencies to invest a minimum of \$500 million and earn a higher rate of return than other investment options at the state level. Pursuant to a memorandum of understanding dated July 20, 2011 between CSU and the Department of Finance, CSU deposited \$700 million in the SAIF in late September 2011. The funds were

returned in April 2013. The deposit of \$700 million earned an annual rate of 2.0 percent. The year-end results for this fund are also reported in Attachment A.

The California State University Investment Policy in effect during fiscal year 2012-2013 is included as Attachment B.

Market Summary

In the fiscal year ending June 30, 2013, U.S. Gross Domestic Product grew at a modest 1.4 percent rate. Despite this modest level of expansion, the unemployment rate fell from 8.2 percent at the end of June 2012 to 7.6 percent at the end of June 2013, with non-farm payrolls adding a respectable 2.267 million jobs over the year. Inflation remained well within the Federal Reserve's (Fed) 2 percent target range with the Personal Consumption Expenditure Core Index increasing 1.2 percent year-over-year as of June 2013. This measure of inflation fell meaningfully from the June 2012 year-over-year rate of 1.9 percent. The economy benefitted from strong growth in the housing sector, as average home prices, existing home sales and housing starts all improved measurably over the year.

Given the continued sub-standard growth rate of the U.S. economy, the Fed maintained the federal funds target rate in the 0.0 to 0.25 percent range, the same level targeted since December 2008. The Fed did alter its forward looking interest rate guidance by suggesting the current "exceptionally low" range would be appropriate as long as the unemployment rate remained above 6.5 percent and forward-looking inflation is below 2.5 percent. To further ease financial conditions, the Fed embarked on an \$85 billion asset purchase program in January in an effort to lower interest and mortgage rates, encourage risk-taking and inflate asset prices. Late in the fiscal year, investors began to focus on a potential "tapering" of these large-scale asset purchases after comments made by Chairman Bernanke suggested the Fed could begin unwinding their program should the economy continue to improve. This resulted in a significant jump in interest rates in May and June, highlighted by ten-year U.S. Treasury yields rising from 1.626 percent on May 2, 2013, to 2.487 percent at year-end. Foreign central banks continued to battle slow global economic growth as the European Central Bank maintained its commitment to keeping interest rates at record low levels and the Bank of Japan began a massive monetary stimulus program.

The U.S. federal budget deficit improved significantly in the past year with the Congressional Budget Office forecasting a deficit of \$642 billion for the 2013 fiscal year ending September 30, 2013, versus a deficit of \$1.087 trillion for 2012. The fiscal improvement is in large part due to tax increases and mandatory spending cuts that began in January 2013.

Investment Account Performance

As of June 30, 2013, the asset balance in the SWIFT portfolio totaled \$2.55 billion. The objective of SWIFT is to maximize current income while preserving and prioritizing asset safety and liquidity. Consistent with the Investment Policy and State law, the portfolio is restricted to high quality, fixed income securities.

As of June 30, 2013, the SWIFT portfolio’s holdings by asset type were as follows:

Asset Breakdown as of
 June 30, 2013

Cash	0.36%
US Treasuries	20.61%
US Government Agencies	33.00%
Corporate Securities—Long Term	33.71%
Corporate Securities—Short Term	<u>12.32%</u>
	100.00%

The SWIFT portfolio provided a return of 0.41 percent during the 12 months ended June 30, 2013. This return was greater than the benchmark for the portfolio, which is a treasury based index.

	<u>SWIFT Portfolio</u>	<u>SWIFT Benchmark¹</u>	<u>LAIF</u>
1 Month Return	-0.147%	-0.045%	N/A
3 Months Return	-0.151%	-0.066%	0.063%
12 Months Return	0.406%	0.292%	0.308%
Annualized Return since SWIFT Inception	1.573%	2.267%	1.401%

(1) Bank of America Merrill Lynch 0-3 Year Treasury Index

Surplus Money Investment Fund (SMIF)

The Surplus Money Investment Fund (SMIF) is a vehicle used and managed by the State Treasurer to invest State funds, or funds held by the State on behalf of State agencies, in a short-term pool. Cash in this account is available on a daily basis. The portfolio's composition includes CD's and Time Deposits, U.S. Treasuries, Commercial Paper, Corporate Securities, and U.S. Government Agencies. As of June 30, 2013, the amount of CSU funds invested in SMIF was approximately \$371 million.

SMIF Performance

Apportionment Annualized Return		Quarterly Apportionment Yield Rate FYE 06/30/03 - FYE 06/30/13	
FYE 06/30/13	0.30%	Average	2.11%
FYE 06/30/12	0.37%	High	5.24%
		Low	0.25%

Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a vehicle used and managed by the State Treasurer to invest local agency funds. All investments are purchased at market, and market valuation is conducted quarterly. As of June 30, 2013, there were no CSU funds invested in LAIF.

LAIF Performance

Apportionment Annualized Return		Quarterly Apportionment Yield Rate FYE 06/30/03 - FYE 06/30/13	
FYE 06/30/13	0.31%	Average	2.12%
FYE 06/30/12	0.38%	High	5.25%
		Low	0.25%

State Agency Investment Fund (SAIF)

The State Agency Investment Fund (SAIF), created in July 2011, is a vehicle used and managed by the State Treasurer which allows state agencies to invest a minimum of \$500 million and earn a higher rate of return than other investment options at the state level. CSU funds in SAIF earn an annual rate of 2.0 percent. CSU deposited \$700 million in SAIF in late September 2011 which was returned on April 26, 2013.

SAIF Performance

Annualized Return		Quarterly Yield Rate	
FYE 06/30/13	2.00%	FYE 06/30/13	0.50%

The California State University Investment Policy

The following investment guidelines have been developed for CSU campuses to use when investing funds.

Investment Policy Statement

The objective of the investment policy of the California State University (CSU) is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return. The Board of Trustees desires to provide to each campus president the greatest possible flexibility to maximize investment opportunities. However, as agents of the trustees, campus presidents must recognize the fiduciary responsibility of the trustees to conserve and protect the assets of the portfolios, and by prudent management prevent exposure to undue and unnecessary risk.

When investing campus funds, the primary objective of the campus shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the campus. The third objective shall be to return an acceptable yield.

Investment Authority

The California State University may invest monies held in local trust accounts under Education Code Sections 89721 and 89724 in any of the securities authorized by Government Code Sections 16330 and 16430 and Education Code Section 89724 listed in Section A, subject to limitations described in Section B.

A. State Treasury investment options include:

- Surplus Money Investment Fund (SMIF)
- Local Agency Investment Fund (LAIF)
- State Agency Investment Fund (SAIF)

Eligible securities for investment outside the State Treasury, as authorized by Government Code Section 16430 and Education Code Section 89724, include:

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States;
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States;

- Bonds or warrants of any county, city, water district, utility district or school district;
 - California State bonds, notes, or warrants, or bonds, notes, or warrants, with principal and interest guaranteed by the full faith and credit of the State of California;
 - Various debt instruments issued by: (1) federal land banks, (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank Bd., (4) Federal National Mortgage Association, (5) Federal Home Loan Mortgage Corporation, and (6) Tennessee Valley Authority;
 - Commercial paper exhibiting the following qualities: (1) “prime” rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000, (4) approved by the PMIB. Investments must not exceed 10 percent of corporation’s outstanding paper, and total investments in commercial paper cannot exceed 30 percent of an investment pool;
 - Bankers’ acceptances eligible for purchase by the Federal Reserve System;
 - Certificates of deposit (insured by FDIC, FSLIC or appropriately collateralized);
 - Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration;
 - Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration;
 - Student loan notes insured by the Guaranteed Student Loan Program;
 - Debt issued, assumed, or guaranteed by the Inter-American Development Bank, Asian Development Bank or Puerto Rican Development Bank;
 - Bonds, notes or debentures issued by U.S. corporations rated within the top three ratings of a nationally recognized rating service;
- B. In addition to the restrictions established in Government Code Section 16430, the CSU restricts the use of leverage in campus investment portfolios by limiting reverse repurchase agreements used to buy securities to no more than 20 percent of a portfolio.

Furthermore, the CSU:

- Prohibits securities purchased with the proceeds of a reverse repurchase from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding;
- Limits the maturity of each repurchase agreement to the maturity of any securities purchased with the proceeds of the repurchase (but in any event not more than one year) and;
- Limits reverse repurchase agreements to unencumbered securities already held in the portfolio.

Investment Reporting Requirements

- A. Annually, the chancellor will provide to the Board of Trustees a written statement of investment policy in addition to a report containing a detailed description of the investment securities held by all CSU campuses and the Chancellor's Office, including market values.
- B. Each campus will provide no less than quarterly to the chancellor a report containing a detailed description of the campus's investment securities, including market values. A written statement of investment policy will also be provided if it was modified since the prior submission. These quarterly reports are required:
 - to be submitted to the chancellor within 30 days of the quarter's end
 - to contain a statement with respect to compliance with the written statement of investment policy; and
 - to be made available to taxpayers upon request for a nominal charge.

(Approved by the CSU Board of Trustees in January 1997 and as amended in September 2011)

COMMITTEE ON FINANCE

California State University Investment Policy Clarification

Presentation By

George V. Ashkar
Assistant Vice Chancellor
Financial Services

Summary

This item requests the Board to approve updates for clarification to the California State University Investment Policy.

Background

In 2007, the CSU investment structure changed from a single investment portfolio, where campuses made the day to day decisions on how much to invest in the portfolio, to a single investment portfolio where day to day investment decisions are made centrally at the Chancellor's Office based on the systemwide cash position each day. This current structure allows for the efficient use of cash and maximizes the amount of systemwide cash that can be invested, thereby increasing investment earnings for the campuses. The California State University Investment Policy (Investment Policy) still contains language that reflects the pre-2007 investment structure that called for campuses to make the day to day investment decisions. This item requests minor changes to the Investment Policy, so that it will be consistent with the current CSU investment structure. A revised Investment Policy, marked to reflect the proposed changes, is presented as Attachment A.

Recommendation

RESOLVED, by the Board of Trustees of the California State University, that the California State University Investment Policy, as amended and presented herein as Attachment A of Agenda Item 5 of the November 5-6, 2013 meeting of the Committee on Finance, is approved.

The California State University Investment Policy

The following investment guidelines have been developed for ~~CSU campuses to~~ use when investing California State University funds.

Investment Policy Statement

The objective of the investment policy of the California State University (CSU) is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return. The Board of Trustees desires to provide ~~to each campus president~~the Chancellor and his designees with the greatest possible flexibility to maximize investment opportunities. However, as agents of the trustees, ~~campus presidents~~the Chancellor and his designees must recognize the fiduciary responsibility of the trustees to conserve and protect the assets of the portfolios, and by prudent management prevent exposure to undue and unnecessary risk.

When investing ~~campus~~CSU funds, the primary objective of the ~~campus~~CSU shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the ~~campus~~CSU. The third objective shall be to return an acceptable yield.

Investment Authority

The ~~California State University~~CSU may invest monies held in local trust accounts under Education Code Sections 89721 and 89724 in any of the securities authorized by Government Code Sections 16330 and 16430 and Education Code Section 89724 listed in Section A, subject to limitations described in Section B.

A. State Treasury investment options include:

- Surplus Money Investment Fund (SMIF)
- Local Agency Investment Fund (LAIF)
- State Agency Investment Fund (SAIF)

Eligible securities for investment outside the State Treasury, as authorized by Government Code Section 16430 and Education Code Section 89724, include:

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States;
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States;

Attachment A

Agenda Item 5

November 5-6, 2013

Page 2 of 3

- Bonds or warrants of any county, city, water district, utility district or school district;
 - California State bonds, notes, or warrants, or bonds, notes, or warrants with principal and interest guaranteed by the full faith and credit of the State of California;
 - Various debt instruments issued by: (1) federal land banks, (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank Bd., (4) Federal National Mortgage Association, (5) Federal Home Loan Mortgage Corporation, and (6) Tennessee Valley Authority;
 - Commercial paper exhibiting the following qualities: (1) “prime” rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000, (4) approved by the PMIB. Investments must not exceed 10 percent of corporation’s outstanding paper, and total investments in commercial paper cannot exceed 30 percent of an investment pool;
 - Bankers’ acceptances eligible for purchase by the Federal Reserve System;
 - Certificates of deposit (insured by FDIC, FSLIC or appropriately collateralized);
 - Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration;
 - Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration;
 - Student loan notes insured by the Guaranteed Student Loan Program;
 - Debt issued, assumed, or guaranteed by the Inter-American Development Bank, Asian Development Bank or Puerto Rican Development Bank;
 - Bonds, notes or debentures issued by U.S. corporations rated within the top three ratings of a nationally recognized rating service;
- B. In addition to the restrictions established in Government Code Section 16430, the CSU restricts the use of leverage in ~~campus~~CSU investment portfolios by limiting reverse repurchase agreements used to buy securities to no more than 20 percent of a portfolio.

Furthermore, the CSU:

- Prohibits securities purchased with the proceeds of a reverse repurchase from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding;
- Limits reverse repurchase agreements to unencumbered securities already held in the purchased with the proceeds of the repurchase (but in any event not more than one year) and;
- Limits reverse repurchase agreements to unencumbered securities already held in the portfolio.

Investment Reporting Requirements

Annually, the Chancellor will provide to the Board of Trustees a written statement of investment policy in addition to a report containing a detailed description of the investment securities held by ~~all the CSU campuses and the Chancellor's Office~~, including market values.

~~B. Each campus will provide no less than quarterly to the Chancellor a report containing a detailed description of the campus's investment securities, including market values. A written statement of investment policy will also be provided if it was modified since the prior submission. These quarterly reports are required:~~

- ~~• to be submitted to the Chancellor within 30 days of the quarter's end~~
- ~~• to contain a statement with respect to compliance with the written statement of investment policy; and~~
- ~~• to be made available to taxpayers upon request for a nominal charge.~~

COMMITTEE ON FINANCE

Review of Management and Purchase Option Agreements for a Student Housing Project on Private Property Adjacent to California State University, San Bernardino

Presentation By

Benjamin F. Quillian
Executive Vice Chancellor and
Chief Financial Officer

Summary

This item requests the Board of Trustees to authorize the chancellor or his designee to enter into agreements relating to the management of, and future option to purchase, a student housing project to be developed on private property adjacent to the California State University, San Bernardino campus.

Background

At its September 24-25, 2013 meeting, the board passed a resolution indicating the Finance Committee supported the approval of the concept for CSU San Bernardino to enter into an arrangement for the development of student housing on property adjacent to the campus, provided the Committee had the opportunity to review the management agreement and other related documents. Working drafts of those documents have been shared with members of the Finance Committee. Under the plan, Capstone Development Partners, LLC ("Capstone"), will purchase privately owned land directly across the street from the campus and will develop an approximately 510 bed student housing project designed primarily for freshman. Capstone will finance and construct the project utilizing its own financial resources, and no CSU funds will be used in the construction or financing of the construction for the project. The campus will manage all "residential life" aspects of the project as part of its inventory of student housing, thereby increasing the available supply of beds to approximately 1,900, and providing housing for approximately 20 percent of the freshman student population. As part of the plan, the campus will have a non-binding option to purchase the project in the future at a previously agreed upon price.

This item summarizes the key agreement terms related to the project. The parties have not concluded their negotiations of these agreements; however material changes to the agreements

are not expected. The University has retained outside counsel to advise the campus and finalize the terms of the management agreement, option to purchase, and related documents.

Residential Life Program Management Agreement ("RLP Agreement")

Under an RLP Agreement, the campus shall provide the following services to the project:

1. Branding the premises as a campus residence and including it in references to promotional and other materials describing the campus;
2. Leasing/contracting with students for residential accommodations, including associated marketing of this private dormitory option;
3. Residential life oversight and programming, including the provision of trained resident assistants, on-site activities for students, programming of the type offered in on-campus housing, coordination of social events and other residential services;
4. Responsibility for housing administration, including rent collection, assessing room charges and surcharges, working with students on room changes, oversight of residential arrangements, adoption and enforcement of residential rules and regulations, and coordination of programming; and
5. Delivery to Capstone of the balance of rents collected.

Payment to the campus for the above services will be in an amount of approximately \$600,000 per year, adjusted annually to reflect increases in costs.

Capstone will be responsible for all appropriate maintenance and repairs, security, utility, janitorial, and landscaping services, trash collection, and other reasonable and necessary services for the premises. Capstone will pay all taxes or in-lieu payments required by applicable law.

In order for the RLP Agreement to be effective, Capstone must construct the project to campus standards (including all fire and life safety requirements and green building requirements) and in accordance with plans and specifications approved by the campus. Construction is subject to monitoring by the campus for compliance with such standards, plans and specifications.

Purchase Option Agreement

A non-binding purchase option agreement will provide the campus with the option to purchase the project on the following major terms and conditions:

1. The purchase price will be \$29,315,000;
2. The campus shall have the right to exercise the option for a period from 180 days to 360 days after completion of the project;
3. Completion of the project will be documented appropriately, including a completion notice to be delivered by Capstone to the campus after the improvements are completed, recording of the completion notice, issuance of final certificates of occupancy, and completion of all construction and punch list items to the satisfaction of the campus;

4. The campus shall have a period of 180 days after receipt of the completion notice and all due diligence documents to conduct its due diligence on the project (including, without limitation, environmental testing and the testing of any structural and mechanical systems within the project, and any other matters as the campus/CSU in its sole discretion shall wish to inspect and review), and to secure any and all such approvals as it deems to be necessary or appropriate in order for it to exercise the option and, if exercised, complete its purchase of the project;
5. Closing will occur 60 days after exercise of the option;
6. The option to purchase will occur by execution of a purchase agreement containing customary representations and warranties by Capstone; and
7. At closing, Capstone will transfer all third party warranties to the campus/CSU.

In order to exercise the option to purchase, the campus would first seek financing approval from the board.

Conflicts of Interest

At its September 2013 meeting, the board inquired about possible conflicts of interest related to the project. The campus, in consultation with the CSU Office of General Counsel, has undertaken to identify any conflicts of interest between the principals involved in developing the student housing project and members of the campus's auxiliary boards (including, but not limited to, the president of the CSUSB Philanthropic Foundation who currently owns the land that Capstone will purchase for the development), other relevant University personnel, and members of the Board of Trustees. This due diligence analysis has revealed no conflicts of interest.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Trustees:

1. Acknowledge their review of the key provisions of the management agreement and other key documents related to the development of student housing on privately owned property adjacent to California State University, San Bernardino.
2. Authorize the chancellor, or his designees, to finalize negotiations for agreements, including, as necessary, any subsequent amendments, related to the project as outlined in this Agenda Item 6 of the November 5-6, 2013 meeting of the Committee on Finance.

CORRECTED

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 4:00 p.m., Tuesday, November 5, 2013
Glenn S. Dumke Auditorium

Debra Farar, Chair
Lou Monville, Vice Chair
Roberta Achtenberg
Steven M. Glazer
William Hauck
J. Lawrence Norton

Consent Items

Approval of Minutes of Meeting of July 23, 2013

Discussion Items

- ~~1. Exemption from Post-Retirement Employment Waiting Period, *Action* Deferred~~
2. Executive Compensation: Interim Vice Chancellor, Business and Finance, *Action Amended*
3. Executive Compensation, Executive Vice Chancellor and General Counsel, *Action*
4. Executive and Vice President Annual Report, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

July 23, 2013

Members Present

Debra Farar, Chair
Lou Monville, Vice Chair
Roberta Achtenberg
Steven M. Glazer
Peter G. Mehas
J. Lawrence Norton
Timothy P. White, Chancellor
Bob Linscheid, Chair of the Board

Trustee Farar called the meeting to order.

Approval of Minutes

The minutes of May 21, 2013 were approved as submitted.

Human Resources Strategic Vision and Goals

Agenda Item 1 was an informational item on the progress of the human resources strategic vision and goals. Ms. Gail E. Brooks, vice chancellor of human resources, provided a brief recap of the plan that was established in 2010 (available in the agenda item attachments). The trustees and presidents were provided a booklet featuring systemwide and campus accomplishments. The booklet will be posted on the human resources website. The report also included a video highlighting various campus activities. Trustees Achtenberg and Monville acknowledged the efforts and continued progress by systemwide human resources and the campuses.

Executive Compensation

Chancellor Timothy P. White recognized the incoming presidents, as well as Presidents John Welty and James Rosser, who were attending their last board of trustees meeting as presidents.

Chancellor White went on to present Agenda Item 2 commenting that in May 2012 the trustees amended the Policy on Presidential Compensation which placed a freeze on compensation paid with State funds until the policy is reexamined in January 2014. He emphasized that the compensation proposed in the agenda item did not exceed the previous incumbents' pay. Remarking that the current policy allows for a salary increase of up to ten percent from non-State

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U&FP

funds, Chancellor White stressed that no supplemental pay was being considered for any of the incoming presidents. He also noted that there was no change to the compensation of Presidents Willie Hagan, Joseph Sheley and Eduardo Ochoa who were appointed interim presidents before becoming permanent presidents and one new president will be eight percent below the salary of the current incumbent. Chancellor White reiterated the benefits outlined in the agenda item and went on to recommend approval of the compensation as stated in the agenda item.

The committee approved the motion and the meeting was adjourned. (RUFP 07-13-03)

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Exemption from Post-Retirement Employment Waiting Period

Presentation By

Timothy P. White
Chancellor

Summary

This item requests approval by the Board of Trustees to waive the requirement that Mr. Robert Turnage, assistant vice chancellor for budget, wait 180 days before returning to work as a rehired annuitant. The *California Public Employees' Retirement Law, Section 7522.56(f)*, provides for an exception to the 180-day waiting period.

Background

On September 12, 2012, Assembly Bill 340, referred to as the "California Public Employees' Pension Reform Act of 2013" (PEPRA), was signed into law by the governor, and became effective January 1, 2013. PEPRA provided various retirement-related changes that impacted new, current, and retired California State University (CSU) employees. As of January 1, 2013, the following is applicable to retired state employees under *California Public Employees' Retirement Law, Section 7522.56(f)*:

(f) A retired person shall not be eligible to be employed pursuant to this section for a period of 180 days following the date of retirement unless he or she meets one of the following conditions:

(1) The employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days has passed and the appointment has been approved by the governing body of the employer in a public meeting. The appointment may not be placed on a consent calendar.

The assistant vice chancellor for budget, Mr. Robert Turnage, is retiring from state service on December 31, 2013. Given the unique requirements of this position, its critical importance with respect to the state-supported budget of the CSU, and the calendar of the state budget process, the Chancellor's Office will need to fill the position, initially, on an interim basis.

Mr. Turnage's knowledge and experience of the prior five years of budget discussions and agreements in the State Capitol will serve as a critically needed bridge during this transitional period. Also being taken into consideration is the fact that the executive vice chancellor and chief financial officer for business and finance will be leaving at the end of the year to assume another position. Mr. Turnage will provide counsel and historical background to the interim assistant vice chancellor, the interim executive vice chancellor, and the chancellor, from January 2, 2014 through June 30, 2014, on an as-needed basis. The importance of this transitional service to the university and the calendar of the state budget process, require that Mr. Turnage be employed as a rehired annuitant before the passing of 180 days following his retirement date.

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Mr. Robert Turnage is exempt from the 180-day waiting period and is eligible to be employed as a rehired annuitant following the date of his retirement as cited in Agenda Item 1 of the Committee on University and Faculty Personnel at the November 5-6, 2013, meeting of the CSU Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Interim Vice Chancellor, Business and Finance

Presentation By

Timothy P. White
Chancellor

Summary

This item sets compensation for the interim vice chancellor, business and finance, of the California State University system.

Executive Compensation

This item recommends that Ms. Sally F. Roush receive an annual salary of \$270,000 effective November 1, 2013, the date of her appointment as interim vice chancellor, business and finance, of the California State University. For the first two months of her appointment (November and December) Ms. Roush will be available as needed to conduct University business and will be paid for hours worked at the rate of \$130 per hour. Beginning in January, and as a condition of her employment, she will be required to work in the Chancellor's Office three days a week. The remaining two days of the week, she will work remotely from her headquarters in San Diego. Effective January 1, 2014, and in accord with existing policy, Ms. Roush will receive a vehicle allowance of \$1,000 per month.

Per CSU Travel Procedures and Regulations she will be reimbursed ordinary, reasonable and necessary travel related expenses to conduct official University business.

As a rehired annuitant of the California State University, Ms. Roush's health benefits are provided for by CalPERS.

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Ms. Sally F. Roush shall receive a salary set at the annual rate of \$270,000 effective November 1, 2013, the date of her appointment as interim vice chancellor, business and finance, of the California State University; and be it further

RESOLVED, Ms. Roush shall receive additional benefits as cited in Agenda Item 2 of the Committee on University and Faculty Personnel at the November 5-6, 2013, meeting of the CSU Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Executive Vice Chancellor and General Counsel

Presentation By

Timothy P. White
Chancellor

Summary

This item sets compensation for the executive vice chancellor and general counsel of the California State University system.

Executive Compensation

This item recommends that Mr. Framroze Virjee receive an annual salary of \$310,000 effective January 1, 2014, the date of his appointment as executive vice chancellor and general counsel of the California State University. In accord with existing policy, Mr. Virjee will receive a vehicle allowance of \$1,000 per month and standard benefit provisions afforded CSU executive classification employees. He will also be eligible for a transition program provided he meets the eligibility requirements passed by the Board of Trustees on November 15, 2006 (RUF 11-06-06).

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Mr. Framroze Virjee shall receive a salary set at the annual rate of \$310,000 effective January 1, 2014, the date of his appointment as executive vice chancellor and general counsel of the California State University; and be it further

RESOLVED, Mr. Virjee shall receive additional benefits as cited in Agenda Item 3 of the Committee on University and Faculty Personnel at the November 5-6, 2013, meeting of the CSU Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive and Vice President Annual Report

Presentation By

Timothy P. White
Chancellor

Summary

In January 2008, the Board of Trustees adopted a resolution (RBOT 01-08-01) requiring the chancellor to provide an annual report on vice presidential compensation actions, executive relocation costs and executive transitions. The annual report will be presented.

Compensation for Vice Presidents

The chancellor is required to review and approve recommendations for vice presidential compensation (salary, salary increases, bonuses, and supplemental forms of compensation) at the initial appointment and subsequently. Additionally, the chancellor is to provide an annual report on vice president compensation if compensation actions have been taken.

Attachment A reports 27 salary actions including the filling of 22 vacant positions and 5 compensation changes to existing vice presidents. The lack of increases over the past several years has made filling vacancies very challenging as campuses try to attract replacements while maintaining internal equity. To that end, only four vice presidents received a salary increase.

Executive Relocation

The annual report on executive relocation expenses is provided below:

- Dr. Joseph I. Castro
President, CSU Fresno
From Mill Valley, California to Fresno, California
Relocation of household goods and property: \$8,198.00
Temporary housing: \$1,166.80
Relocation travel expense: \$767.46

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- Dr. William A. Covino
President, CSU Los Angeles
From Fresno, California to Los Angeles, California
Relocation of household goods and property: \$8,947.99
Relocation travel expense: \$126.63
Miscellaneous: \$843.08
- Dr. Timothy P. White
Chancellor
From Riverside, California to Long Beach, California
Relocation of household goods and property: \$6,760.35
Relocation travel expense: \$468.89

Executive Transitions and Post Employments

The chancellor is required to report annually on all existing individuals in an executive transition program. The annual update follows.

Trustee Professor Program:

The trustee professor program is available to executives appointed to an executive position prior to November 18, 1992, who have campus tenure. The first year of the program is a transition year. Upon conclusion of the initial year appropriate duties are assigned.

- Dr. John Welty
Effective: August 1, 2013
Salary: \$223,396
Duties assigned at conclusion of initial year.
- Dr. Robert Corrigan
Assignment ending December 31, 2013
Salary: \$147,792
Write the history of San Francisco State since the 1968-69 Strike and upon completion consider featuring as a seminar.
- Dr. Barry Munitz
Assignment ending December 31, 2013
Salary: \$103,454
Assignments for Dr. Munitz are ongoing and transcend more than one academic cycle. He continues to focus on gathering resources for the campus, both by fundraising and building

networks with educational and community leaders; provides mentoring and coaching and remains involved in activities surrounding the Honors College.

Executive Transition I Program:

The executive transition program replaced the trustee professor program and is available to executives appointed into an executive position between November 18, 1992 and November 14, 2006. The program provides a one year transition after leaving executive office.

- Dr. William Eisenhardt
Assignment ended June 30, 2013
Salary: \$203,236
Dr. Eisenhardt elected a one year leave to which he was entitled under Executive Transition I.

Rehired Annuitants:

The following executives elected assignments as rehired annuitants in lieu of a transition program to which they were entitled.

- Dr. Milton Gordon
Assignment ending December 30, 2013
Current Salary: \$12,564
Document the history of the presidency at CSU Fullerton.
- Dr. Charles Reed
Effective: December 31, 2012 – June 30, 2014
Current Salary: \$210,750
Assist with the transition to new leadership and continue to meet national and organizational obligations ancillary to the position of chancellor.
- Dr. Albert Karnig
Assignment ended August 14, 2013
Salary: \$100,692
Developed an outline and presented a transitional leadership program for new administrators and participated in identifying core competencies for new presidents.
- Dr. Jolene Koester
Assignment ended June 30, 2013
Salary: \$101,842
Researched, recommended and presented communication strategies and professional development for presidents and those aspiring to be president.

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Executive Transition II Program:

Executives appointed into executive positions on or after November 15, 2006 are eligible for the executive transition II program which is significantly narrower and which has more rigorous requirements for participation. There are no individuals in the executive transition II program.

Vice President Compensation Actions

Filled Vacancies

Campus	Name	Title	Effective Date	Salary	Supplemental Compensation and Funding Source
Channel Islands	Hutchinson, Gayle	Provost & Vice President for Academic Affairs	7/16/13	\$193,000	
East Bay	Serjoie, Ara	Vice President, University Advancement	8/14/13	\$210,000	Non-General Funds: Auto Allowance \$6,000/annual
Fullerton	Gentles, Lori	Vice President of Human Resources Diversity/Inclusion*	7/22/13	\$192,000	
Fullerton	Saks, Greg	Vice President, University Advancement	1/1/13	\$210,000	
Fullerton	Cruz, José	Provost & Vice President, Academic Affairs	12/3/12	\$235,000	
Humboldt	Wruck, Craig	Vice President of University Advancement	12/10/12	\$188,000	
Maritime	Byl, Beverly	Vice President, Advancement	7/1/13	\$170,000	
Maritime	Kreta, Stephen	Vice President for Student Affairs*	5/1/13	\$162,000	
Monterey Bay	Zappas, Barbara	Vice President for University Development	6/10/13	\$150,000	
Northridge	Donahue, Colin	Vice President for Administration & Finance & CFO	7/1/13	\$215,004	
Northridge	Gunsalus, Robert	Vice President for University Advancement	7/1/13	\$215,004	
Sacramento	Varshney, Sanjay	Vice President for Economic & Regional Partnerships and Dean of College of Business Administration*	11/1/12	\$203,000	
San Bernardino	Sudhakar, Samuel	Vice President for Information Technology and CIO	8/15/13	\$190,000	
San Bernardino	Haynes, Brian	Vice President, Student Affairs	8/15/13	\$190,000	
San Diego	McCarron, Tom	Vice President of Business and Financial Affairs	7/1/13	\$230,000	Non-General Funds: Housing Allowance \$10K/annual
San Francisco	Cortez, Ron	Vice President & CFO, Administration & Finance	6/27/13	\$225,000	
San Jose	Dukes, Rebecca	Vice President, University Advancement	12/21/12	\$205,000	Non-General Funds: Auto Allowance \$9,000/annual
San Jose	Nance, William	Vice President, Student Affairs	9/1/12	\$215,004	

*New position.

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Campus	Name	Title	Effective Date	Salary	Supplemental Compensation and Funding Source
San Luis Obispo	Humphrey, Keith	Vice President, Student Affairs	12/27/12	\$194,004	Non-General Funds: Temporary housing allowance for 6 months \$1,000/month
San Marcos	Oberem, Graham	Provost & Vice President, Academic Affairs	6/1/13	\$214,600	Non-General Funds: Reserved Parking Differential \$1,800/annual
San Marcos	Meza, Lorena	Vice President, Student Affairs	7/15/13	\$185,000	
Stanislaus	Pok, Shirley	Vice President for University Advancement	4/22/13	\$190,000	

Other Compensation Changes

Campus	Name	Title	Effective Date	Salary	Notes
Fresno	Teniente-Matson, Cynthia	Vice President for Administration & CFO	3/1/13	\$204,270	Retention
Monterey Bay	Higgs, Ronnie	Vice President for Student Affairs and Enrollment Services	7/1/13	\$167,400	Retention
Monterey Bay	Saunders, Kevin	Vice President, Administration & Finance	7/1/13	\$185,000	Retention
Sonoma	Furukawa-Schlereth, Laurence	Vice President, Administration & Finance and CFO and Executive Director of the Green Music Center	1/1/13	\$230,000	Additional responsibilities due to reorganization
San Diego	Carleton, Mary Ruth	Vice President, University Relations & Development	7/1/13	\$225,000 no salary change	\$22,162 MPP Merit Bonus – established goals met

AGENDA

COMMITTEE ON COMMITTEES

Meeting: 8:00 a.m., Wednesday, November 6, 2013
Glenn S. Dumke Auditorium

William Hauck, Chair
Roberta Achtenberg
Debra S. Farar
Lou Monville

Consent Items

Approval of Minutes of Meeting of May 3, 2013

Discussion Items

1. Appointment of Vice Chairs and Faculty Trustee to Standing Committees
2013-2014, *Action*

**MINUTES OF MEETING OF
COMMITTEE ON COMMITTEES**

**Trustees of The California State University
Glenn S. Dumke Center, Suite 149
Long Beach, California**

May 3, 2013

Members Present

William Hauck, Chair
Roberta Achtenberg
Debra S. Farar
Peter G. Mehas
Lou Monville

Call to Order

Trustee Hauck called the telephone conference to order. Roll call was taken.

Trustee Hauck proposed Bob Linscheid as chair and Lou Monville as vice chair for the 2013-2014 year. There was a second, a roll call vote was taken and the committee passed the motion (RCOC 05-13-02).

Trustee Hauck noted that trustees had been polled about their committee preferences and that everyone had been appointed to the committees of their choice. A short discussion about chairs and vice chairs of committees followed. Trustee Hauck moved the item, there was a second, a roll call vote was taken, and the committee passed the motion (RCOC 05-13-03).

Committee Assignments for 2013-2014

AUDIT

Henry Mendoza, Chair
Lupe C. Garcia, Vice Chair
Rebecca D. Eisen
Steven M. Glazer
William Hauck
Hugo Morales

COLLECTIVE BARGAINING

Lou Monville, Chair
Roberta Achtenberg, Vice Chair
Debra S. Farar
William Hauck
Henry Mendoza

**CAMPUS PLANNING, BUILDINGS
AND GROUNDS**

Peter Mehas, Chair
Rebecca D. Eisen, Vice Chair
Douglas Faigin
Margaret Fortune
William Hauck
Lou Monville
J. Lawrence Norton
Cipriano Vargas

EDUCATIONAL POLICY

Roberta Achtenberg, Chair
Debra S. Farar, Vice Chair
Bernadette Cheyne
Rebecca Eisen
Douglas Faigin
Margaret Fortune
Lupe Garcia
Steven M. Glazer
Bill Hauck
Peter Mehas
Lou Monville
J. Lawrence Norton
Cipriano Vargas

INSTITUTIONAL ADVANCEMENT

Bernadette Cheyne, Chair
Hugo N. Morales, Vice Chair
Roberta Achtenberg
Rebecca Eisen
Douglas Faigin
Debra Farar
Margaret Fortune
Peter Mehas
Cipriano Vargas

FINANCE

William Hauck, Chair
Roberta Achtenberg, Vice Chair
Rebecca Eisen
Douglas Faigin
Margaret Fortune
Steven M. Glazer
Henry Mendoza
Lou Monville

GOVERNMENTAL RELATIONS

Steven M. Glazer, Chair
Douglas Faigin, Vice Chair
Bernadette Cheyne
Debra Farar
Margaret Fortune
Lupe C. Garcia
Henry Mendoza
Peter Mehas
J. Lawrence Norton
Cipriano Vargas

ORGANIZATION AND RULES

J. Lawrence Norton, Chair
Roberta Achtenberg, Vice Chair
Debra S. Farar
Margaret Fortune
Lupe C. Garcia
Hugo Morales

**UNIVERSITY AND FACULTY
PERSONNEL**

Debra Farar, Chair
Lou Monville, Vice Chair
Roberta Achtenberg
Bernadette Cheyne
Steven M. Glazer
Bill Hauck
Peter G. Mehas
J. Lawrence Norton

Trustee Hauck adjourned the meeting.

COMMITTEE ON COMMITTEES

Appointment of Vice Chairs and Faculty Trustee to Standing Committees, 2013-2014

Presentation By

William Hauck
Chair, Committee on Committees

Appointment of Vice Chairs and Faculty Trustee to Standing Committees, 2013-2014

RESOLVED, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees that the newly appointed Faculty Trustee, Steven G. Stepank is appointed to the following standing committees: Educational Policy, Governmental Relations, Institutional Advancement and University and Faculty Personnel.

RESOLVED, By the Board of Trustees of The California State University, on recommendation by the Committee on Committees that the following trustees are appointed vice chairs of the committees listed below:

Audit

Steven M. Glazer, Vice Chair

Campus Planning, Buildings And Grounds

J. Lawrence Norton, Vice Chair

Institutional Advancement

Douglas Faigin, Vice Chair

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

**California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, CA 90802**

November 6, 2013—8:00 a.m.

Presiding: Bob Linscheid, Chair

8:00 a.m. Committee on Committees Dumke Auditorium
1. Appointment of Vice Chairs to Standing Committees, *Action*

8:10 a.m. Board of Trustees Dumke Auditorium

Call to Order and Roll Call

Public Comment

Chair's Report

Chancellor's Report

Report of the Academic Senate CSU: *Chair—Diana Guerin*

Report of the California State University Alumni Council: *President—Kristin Crellin*

Report of the California State Student Association: *President—Sarah Couch*

Approval of Minutes of Board of Trustees' Meeting of September 25, 2013

Board of Trustees

1. Conferral of Commendation on Henry Mendoza, *Action*

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

Committee Reports

Committee on Collective Bargaining: *Chair—Lou Monville*

Committee of Educational Policy: *Chair—Roberta Achtenberg*

Committee on Governmental Relations: *Chair—Steven Glazer*

Committee on Audit: *Chair—Lupe C. Garcia*

Committee on Campus Planning, Buildings and Grounds: *Chair—Rebecca D. Eisen*

1. Acceptance of Interest in Real Property, Sonoma State University
2. Approve the Campus Master Plan Revision for California State Polytechnic University, Pomona for the Administration Replacement Facility 2014-2015
3. State and Non-State Funded Five-Year Capital Improvement Program 2014-2015 through 2018-2019
4. Categories and Criteria for the State Funded Five-Year Capital Improvement Program 2015-2016 through 2019-2020

Committee on Finance: *Chair—Roberta Achtenberg*

1. Approval of the 2014-2015 Support Budget Request
2. 2014-2015 Lottery Revenue Budget
5. California State University Investment Policy Clarification
6. Review of Management and Purchase Option Agreements for a Student Housing Project on Private Property Adjacent to California State University, San Bernardino

Committee on University and Faculty Personnel: *Chair—Debra S. Farar*

1. Exemption from Post-Retirement Employment Waiting Period
2. Executive Compensation: Interim Vice Chancellor, Business and Finance
3. Executive Compensation, Executive Vice Chancellor and General Counsel

Committee on Committees: *Chair—Lou Monville*

1. Appointment of Vice Chairs and Faculty Trustee to Standing Committees 2013-2014

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**MINUTES OF THE MEETING OF
BOARD OF TRUSTEES**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

September 25, 2013

Trustees Present

Bob Linscheid, Chair
Lou Monville, Vice Chair
Roberta Achtenberg
Talar Alexanian
Rebecca D. Eisen
Douglas Faigin
Debra S. Farar
Margaret Fortune
Lupe C. Garcia
Steven M. Glazer
William Hauck
Peter G. Mehas
Hugo N. Morales
J. Lawrence Norton
Cipriano Vargas
Timothy P. White, Chancellor

Public Comment

The board heard from several individuals during the public comment period. Tammi Rossmann-Benjamin, CSUN AMCHA initiative, spoke about Mathematics professor David Klein's misuse of his CSUN email and website, Estee Chandler, Jewish Voice for Peace, spoke against the AMCHA, stating they did not represent the Jewish community, Carol Smith, Jewish Voice for Peace, also spoke against AMCHA'S pattern of assault on academic freedom, Allyson Roach, CSULB ASI senator Representative for the Real food challenge, explained about bringing in more than 20% of real food before 2020 and updates on what is taking place campus wide. Elizabeth Tizcareno, Alumni UC Riverside, spoke about having sustainable food systems in the sustainability policy, Jessica Gonzalez, Student, Cal Poly Pomona, spoke about food waste food in the environment and how important it is to adopt this in to the sustainability policy, Juliana Nacimiento, representative, students for quality education spoke about student struggles with affordable, accessible and quality education, Tahark Anderson, CSULB student, majoring in Africana studies, spoke about the importance of maintaining the various departments of Africana

studies, other race and studies programs, Sakkara Ingrid Thomas, Queens of the Nile Now, spoke of the importance of the role Africana studies. Pat Gantt, president, CSUEU, spoke about the recent re-opener agreement with CSUEU and continuing communication with Sacramento, John Orr, Chair, Unit 7, spoke about compensation, Lillian Taiz, president, CFA, spoke about faculty salary structure and developing change in the bargaining experience. Melina Adbullah, professor CSULA, spoke about CSU investing in Africana and Ethnic studies. Kim Geron, professor CSU, East Bay, CFA, spoke about the proposed cuts to Ethnic studies programs.

Chair's Report

Chair Linscheid's complete report can be viewed online at the following URL:
<http://www.calstate.edu/BOT/chair-reports/sept2013.shtml>

Chancellor's Report

Chancellor Timothy P. White's complete report can be viewed online at the following URL:
<http://calstate.edu/bot/chancellor-reports/130925.shtml>

Report of the Academic Senate CSU

CSU Academic Senate Chair, Diana Guerin's complete report can be viewed online at the following URL: http://www.calstate.edu/AcadSen/Records/Chairs_Reports/documents/Sep-2013_Chairs_Rept.pdf

Report of the California State University Alumni Council

Alumni Council President, Kristin Crellin's complete report can be viewed online at the following URL: <http://calstate.edu/alumni/council/bot/20130925.shtml>

Report from the California State Student Association

CSSA President Sarah Couch's complete report can be viewed online at the following URL:
http://www.csustudents.org/wp-content/uploads/public-documents/pdf/CSSA-report-to-BOT_09-13.pdf

Committee Reports

Approval of Minutes of Board of Trustees Meeting

The minutes of the meeting of July 23, 2013, were approved.

Board of Trustees

Conferral of the Title Student Trustee Emeritus Upon Ian Ruddell (RBOT 09-13-08)

Chair Linscheid moved the Item; there was a second. The Board of Trustees approved the following resolution:

WHEREAS, Ian Ruddell was appointed as a member of the Board of Trustees of the California State University in 2011 by Governor Jerry Brown, and actively served in that position; and

WHEREAS, throughout his service, as a student member of the Board of Trustees, he provided a valuable student voice to the consideration of matters imperative to the purpose of this system of higher education; and

WHEREAS, Mr. Ruddell was awarded the CSU Trustee's Award for Outstanding Achievement in 2010 in recognition of his academic excellence, advocacy for social justice and campus involvement; and

WHEREAS, Mr. Ruddell served on the Educational Policy, Campus Planning, Buildings and Grounds, Finance, Institutional Advancement, University and Faculty Personnel, and Government Relations Committees; and

WHEREAS, Mr. Ruddell's service to the Board and the aforementioned committees was influential to the deliberations and decisions of this board, so that this University may continue to serve the present and future good of the state and its people; and

WHEREAS, it is fitting that the California State University recognize those members who have made demonstrable contributions to this public system of higher education and the people of California; now, therefore, be it

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of Student Trustee Emeritus on Ian Ruddell, with all the rights and privileges thereto.

Conferral of Title of President Emeritus: Dr. F. King Alexander (RBOT 09-13-09)

Chair Linscheid moved the Item; there was a second. The Board of Trustees approved the following resolution:

WHEREAS, Dr. F. King Alexander served as the sixth president of California State University, Long Beach from January 2006 to June 2013; and

WHEREAS, Dr. Alexander successfully helped advance science and engineering education, sought ways to galvanize the synergies among science, research, technology and industry, and made major contributions to improving diversity and curriculum in science education at California State University, Long Beach; and

WHEREAS, Dr. Alexander is a nationally respected leader known for strongly speaking out on behalf of underserved communities in higher education and increasing access to higher education within these communities—through congressional testimony, presentations at national meetings, service on key commissions, and by promoting programs that increase diversity in education; and

WHEREAS, Dr. Alexander is a dedicated and vocal supporter of improved childhood academics to prepare underserved students to excel and aspire toward college; partnered with the Long Beach Unified School District (LBUSD) on a \$22 million federally funded project to work with four thousand sixth graders at thirteen area schools to boost college readiness and teacher training; and developed with Long Beach City College and LBUSD the Long Beach College Promise initiative, a joint commitment to making higher education an attainable goal for every Long Beach student; and

WHEREAS, Dr. Alexander’s vision for California State University, Long Beach has established outstanding academic offerings in the arts, sciences, teacher education, and nursing, and his leadership in education reform has resulted in university programs receiving high ratings from the National Science Foundation, NASA, and others; and

WHEREAS, Dr. Alexander helped develop and launch a variety of educational initiatives for California State University, Long Beach and for the CSU system, such as the university’s first independent doctorate in education degree; now, therefore, be it

RESOLVED, that the Board of Trustees of the California State University confer the title of President Emeritus on Dr. F. King Alexander, with all the rights and privileges pertaining thereto.

Conferral of Title of President Emeritus: Dr. James M. Rosser (RBOT 09-13-10)

Chair Linscheid moved the Item; there was a second. The Board of Trustees approved the following resolution:

WHEREAS, James M. Rosser served as the sixth president of California State University, Los Angeles from September 1979 to September 2013; and

WHEREAS, Dr. Rosser’s vision for California State University, Los Angeles has established outstanding academic offerings in the arts, humanities and sciences, teacher education, nursing, and his leadership in education reform and business innovation has resulted in the University’s highly rated programs receiving major support from the National Institute of Health, the National Science Foundation, the National Endowment for the Arts, NASA, the Rockefeller Foundation, and others; and

WHEREAS, Dr. Rosser successfully helped advance science and engineering education, sought ways to galvanize the synergies between science, research, technology and industry, and made major contributions to improving diversity and curriculum in science education at California State University, Los Angeles and beyond; and

WHEREAS, Dr. Rosser is a powerful and nationally respected leader known for strongly speaking out on behalf of the underserved communities in higher education, and increasing access to higher education within these communities—doing so in congressional testimony, in presentations at national meetings, in service on key commissions, and by promoting programs that increase diversity in education; and

WHEREAS, Dr. Rosser nurtured the intelligence, leadership and creative qualities of those around him both on campus and in the communities California State University, Los Angeles serves, while advancing diversity with excellence in many fields of study—resulting in a 2011 National Science Foundation report entitled, *Women, Minorities and Persons with Disabilities in Science and Engineering* ranking the university among the top 50 baccalaureate institutions that produce Hispanic science and engineering doctorate recipients; and

WHEREAS, he spearheaded the addition of more than one million square feet of building space on the California State University, Los Angeles campus, including the state-of-the-art Wallis Annenberg Integrated Sciences Complex, La Kretz Hall, the new University-Student Union in 2009, and the Harriet and Charles Luckman Fine Arts Complex that includes the highly-acclaimed Luckman Gallery, and the Luckman Theatre; and

WHEREAS, Dr. Rosser worked diligently as an innovator for arts and arts education, is sought after for his record of support and leadership, and is known for his deep commitment to bringing people together through the arts, which have resulted from his service to the National Endowment for the Arts through Americans for the Arts, KCET, the Los Angeles Philharmonic and high-profile residencies at California State University, Los Angeles, including the Joffrey Ballet and the Anderson Quartet; and

WHEREAS, Dr. Rosser was the driving force behind the establishment of California State University, Los Angeles' Honors College in 2011, which provides an academically enriched and socially supportive environment that inspires students in all disciplines to become creative and critical thinkers as well as leaders in their fields, and;

WHEREAS, Dr. Rosser is a dedicated and vocal supporter of improved childhood academics, including leading the establishment of the Los Angeles County High School for the Arts at California State University, Los Angeles, one of the premier public arts high schools in the U.S., the Alliance Marc and Eva Stern Math and Science School on campus, a top 12 performing open enrollment high schools in LAUSD, and the Accelerated Charter School in South Los Angeles, which prepares underserved students to excel and aspire toward college; and

WHEREAS, Dr. Rosser launched and helped develop a variety of educational initiatives for both California State University, Los Angeles and for the CSU system, such as the University's Early Entrance Program, which offers the opportunity for intellectually gifted and socially mature students, as young as 11, to attend college and take regular college courses, and approached the CSU Office of the Chancellor with the idea that became the Doctoral Incentive Program; now, therefore, be it

RESOLVED, that the Board of Trustees of the California State University confer the title of President Emeritus on Dr. James M. Rosser, with all the rights and privileges pertaining thereto.

Conferral of Title of President Emeritus: John D. Welty (RBOT 09-13-11)

Chair Linscheid moved the Item; there was a second. The Board of Trustees approved the following resolution:

WHEREAS, Dr. John D. Welty served as the 7th president of California State University, Fresno from August 1991 to July 2013, the longest presidential term in the university's history; and

WHEREAS, under his leadership, Fresno State greatly enhanced its academic programs and grew the university's enrollment from approximately 19,800 to over 22,000 students; and

WHEREAS, during Dr. John D. Welty's presidency Fresno State became one of the first campuses in the CSU system to implement an independent doctoral program in educational leadership and later added doctorates in physical therapy and nursing practice; and

WHEREAS, following Dr. John D. Welty's example, students at Fresno State contribute more than 1,000,000 hours of service to their community each year prompting the Carnegie Foundation to recognize the university for its community service and engagement; and

WHEREAS, through his leadership in the CSU system, Dr. John D. Welty played a key role in addressing strategic planning, accountability issues, athletics gender equity, emergency credentialing, alcohol programs and online learning; and

WHEREAS, Dr. John D. Welty's advocacy for Central California led to the establishment of the Fresno Business Council, the Central Valley Business Incubator, the Central Valley Higher Education Consortium, the Collaborative Regional Initiative, the Regional Jobs Initiative, the Kenneth L. Maddy Institute and several other partnerships; and

WHEREAS, he ushered in the greatest fundraising era in Fresno State's history, successfully completing Fresno State's first comprehensive campaign and supporting more than \$372 million in private giving; and

WHEREAS, he was one of the nation's first university presidents to understand the importance of incorporating community service into academics, and as such partnered with benefactors Jan and Bud Richter to establish the Richter Center for Community Engagement and Service-Learning; and

WHEREAS, Dr. John D. Welty's vision of a college within the university to offer an enhanced academic program for top-performing students was realized with the establishment of the Smittcamp Family Honors College; and

WHEREAS, he led the campus intercollegiate athletics programs first into the Western Athletic Conference and then the Mountain West Conference; and

WHEREAS, Dr. John D. Welty grew the women's athletics program at Fresno State to include 11 intercollegiate sports and some of the finest facilities for female athletes in the nation; and

WHEREAS, he initiated multiple programs to encourage students of all cultures and ethnicities to get a college education, and to ensure that Fresno State's campus community reflected the diverse population of the San Joaquin Valley; and

WHEREAS, Dr. John D. Welty transformed the Fresno State campus with new facilities including the Downing Planetarium, the Save Mart Center arena, the Bulldog Diamond, the Henry Madden Library, the Smittcamp Alumni House, and the Gibson Farm Market; now, therefore, be it

RESOLVED, that the Board of Trustees of the California State University confer the title of President Emeritus on Dr. John D. Welty, with all the rights and privileges pertaining thereto.

Committee on Collective Bargaining

Trustee Monville reported the committee heard one action items, Adoption of Initial Proposals for 2013-2014 Salary/Benefits Re-Opener Negotiations With Bargaining Units 1 (Union of American Physicians and Dentist). He also reported that the committee heard from Pat Gantt, president CSUEU, Tessa Reese, chair, Bargaining Unit 2, John Orr, chair, Unit 7 CSUEU, Susan Smith, Vice-chair, Bargaining unit 9, Alisandra Brewer, vice president, CSUEU, Jeff Solomon, president, SUPA, Mike Durant, vice president, Peace Officers Research Advisory Council (PORAC), MaryKay Stratham-Doyle, president APC, Rich Anderson, president, UAW, Nate Greely, UAW Local 4123, John Espiritu, UAW 4123, Lautaro Gallequillos, UAW, Lee Wong, UAW, Weston Spivia, UAW, Jennifer Eagan, CFA Bargaining team, Professor CSU East Bay.

Committee on Educational Policy

Trustee Achtenberg reported the committee heard four information items: Reducing Bottlenecks and Improving Student Success, The California State University Bottleneck Courses Survey Report, Update on SB 1440: Student, Transfer Achievement Reform Act, Teacher Preparation Program Evaluation and one action item as follows:

Academic Master Plan Update for Fast-Track Program Development (REP 09-13-05)

Trustee Achtenberg moved the item. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that the academic plan degree projections for California State University, Dominguez Hills (as contained in Attachment A to Agenda Item 1 of the March 19-20, 2013 meeting of the Committee on Educational Policy) be amended to include a projected Bachelor of Science with a major in Earth Science, with implementation planned for fall 2013.

Committee on Campus Planning Buildings and Grounds

Trustee Mehas reported the committee heard two action item as follows:

Amend the 2013-2014 Capital Outlay Program, Non-State Funded (RCPBG 09-13-08)

Trustee Mehas moved the item. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that the 2013-2014 non-state funded capital outlay program is amended to include: 1) \$20,000,000 for preliminary plans, working drawings, construction and equipment for the California State University, Fullerton Titan Student Union Modernization and Expansion project; 2) \$37,242,000 for preliminary plans, working drawings, construction and equipment for the California State University, Northridge Extended Learning Building project; 3) \$4,143,000 for preliminary plans, working drawings, construction and equipment for the California State University, Northridge University Student Union Wellness Center project; and 4) \$2,671,000 for preliminary plans, working drawings, construction and equipment for the California State University, Northridge University Student Union East Conference Renovation project.

Approval of Schematic Plans (RCPBG 09-13-09)

Trustee Mehas moved the item. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The board finds that the March 2006 California State University, Northridge, Master Plan Final EIR and the Addendum completed in August 2013 for the California State University, Northridge, Extended Learning Building have been prepared in accordance with the requirements of the California Environmental Quality Act.
2. The project before this board is consistent with the project description as analyzed in the Addendum to the previously certified Final EIR and does not propose substantial changes to the original project description, which would require major revision to the Final EIR or Findings adopted by this board in certifying said Final EIR.
3. The proposed Extended Learning Building project will not result in any new significant impacts beyond those disclosed in the 2006 EIR, and mitigation measures adopted in the certified 2006 document will remain in effect.
4. The mitigation measures adopted through the 2006 EIR certification

shall continue to be monitored and reported in accordance with the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6).

5. The schematic plans for the California State University, Northridge, Extended Learning Building are approved at a project cost of \$37,242,000 at CCCI 6077.

Committee on Finance

Trustee Hauck reported the committee heard four information items, Planning for the 2014-2015 Support Budget Request, 2014-2015 Lottery Revenue Budget, Partnership for Student Housing on Private Property Adjacent to California State University San Bernardino, Campus President Housing – Assessments and Immediate Maintenance Needs and one action item as follows:

Trustee Hauck moved the item; there was a second. The Board of Trustees approved the adoption of the following:

Student Housing Project on Private Property Adjacent to California State University, San Bernardino (RFIN 09-13-06)

Trustee Hauck moved the item; there was a second. The Board of Trustees approved the adoption of the following:

RESOLVED, by the Board of Trustees of the California State University, that the trustees:

The Committee requested the opportunity to review the management agreement and other key documents related to this project, and with that proviso, the committee supported the approval of the project concept.

Committee on Governmental Relations

Trustee Glazer reported the committee heard one information item, Legislative Update.

Committee on Audit

Trustee Garcia reported the committee heard one information item, Status Report on Current and Follow-up Internal Audit Assignments.

Committee of the Whole

Chair Linscheid reported the committee heard one information item, General Counsel's Report.

Committee on Institutional Advancement

Trustee Morales reported the committee heard one information item, The California State University Trustees' Awards of Outstanding Achievement

BOARD OF TRUSTEES

Commendation of Henry Mendoza

Presentation By:
Bob Linscheid
Chair

Summary

It is recommended that Henry Mendoza be commended for his leadership and service to the state of California and to the California State University.

WHEREAS, Henry Mendoza was appointed as a member of the Board of Trustees of the California State University in 2008 by Governor Arnold Schwarzenegger, and since that time has served ably in that position; and

WHEREAS, Henry Mendoza served as a member of the Board for five years and offered an invaluable perspective to the deliberations of the Board of Trustees in a range of matters and served on the selection committees for presidents of California State University, Fullerton in 2011, California Maritime Academy in 2012, and California State University, Fresno in 2012; and

WHEREAS, Henry Mendoza was elected by his board colleagues to serve as Chair of the Committee on Audit and Vice Chair of the Committee on Governmental Relations; and

WHEREAS, Trustee Mendoza contributed his extensive knowledge and expertise in accounting, audit and business, all of which are critical to the advancement of the California State University; and

WHEREAS, through his service on the Board of Trustees, made a personal contribution to the good of higher education and the people of California; and

THEREFORE, be it resolved by the Board of Trustees of the California State University, that this board commends Henry Mendoza on his service to the California State University.