

**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

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

**Agenda  
November 7-8, 2017**

<b>Time*</b>	<b>Committee</b>	<b>Location<sup>1</sup></b>
<b>TUESDAY, NOVEMBER 7, 2017</b>		
<b>8:00 a.m.</b>	<b><u>Call to Order</u></b>	
<b>8:00 a.m.</b>	<b><u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126(a)(1)  Pending Litigation Government Code §11126(e)(1) Gupta v. CSU Khosh v. CSU, et al. Lynch v. CSU Sargent v. CSU, et al. Benjamin v. CSU, et al. Hudson v. CSU, et al. Anticipated Litigation</b>	<b>Munitz Conference Room</b>
<b>11:00 a.m.</b>	<b><u>Committee on Collective Bargaining—Closed Session</u> Government Code §3596(d)</b>	<b>Munitz Conference Room</b>
<b>12:00 p.m.</b>	<b>Luncheon</b>	
<b>12:45 p.m.</b>	<b><u>Committee on Institutional Advancement</u> <b>Discussion</b> <i>Action</i> 1. Naming of the Dale and Katy Carlsen Center for Innovation and Entrepreneurship – California State University, Sacramento <i>Action</i> 2. Naming of the Epstein Family Veterans Center – California State University San Marcos</b>	

<sup>1</sup> All committees meet in the Dumke Auditorium unless otherwise noted.

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**TUESDAY, NOVEMBER 7, 2017 (cont.)**

**1:15 p.m. Committee on Educational Policy**

**Discussion**

- Information* 1. Teacher Preparation  
*Information* 2. Enrollment Management  
*Information* 3. Basic Needs Initiative  
*Information* 4. Graduation Initiative 2025

**3:30 p.m. Committee on Finance**

**Consent**

- Action* 1. Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University, San Bernardino and California State University, Stanislaus  
*Action* 2. 2018-2019 Lottery Budget and Report  
*Information* 3. 2017-2018 Student Fee Report  
**Discussion**  
*Action* 4. Approval of the 2018-2019 Operating Budget Request  
*Action* 5. Approval of a New Master Investment Policy for the California State University

**WEDNESDAY, NOVEMBER 8, 2017**

**8:00 a.m. Committee on Campus Planning, Buildings and Grounds**

**Consent**

- Action* 1. Parking Structure E for California State University, Los Angeles  
*Action* 2. Student Union Renovation and Expansion for California State University, San Bernardino  
**Discussion**  
*Action* 3. Approval of the 2018-2019 Capital Outlay Program and the 2018-2019 through 2022-2023 Five-Year Facilities Renewal and Capital Improvement Plan  
*Information* 4. San Diego State University Potential Mission Valley Campus Expansion

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**WEDNESDAY, NOVEMBER 8, 2017 (cont.)**

**8:30 a.m. Committee on Collective Bargaining—Open Session**

**Discussion**

- Action* 1. Ratification of the Extension of the Collective Bargaining Agreement with Bargaining Unit 3, California Faculty Association

**9:10 a.m. Committee on University and Faculty Personnel**

**Consent**

- Action* 1. Annual Report on Outside Employment for Senior Management Employees  
*Information* 2. Annual Report on Vice President Compensation, Executive Relocation and Executive Transition

**Discussion**

- Information* 3. CalPERS Retirement System for CSU Employees

**9:50 a.m. Committee on Audit**

**Consent**

- Information* 1. Status Report on Current and Follow-up Internal Audit Assignments

**Discussion**

- Information* 2. Report on Implementation of the New Organization Structure of the Office of Audit and Advisory Services

**10:15 a.m. Board of Trustees**

**Call to Order**

**Roll Call**

**Public Speakers**

**Chair's Report**

**Chancellor's Report**

**Report of the Academic Senate CSU: *Chair—Christine Miller***

**Report of the California State Student Association: *President—Maggie White***

**Report of the California State University Alumni Council: *President—Manolo P. Morales***

**Consent**

Approval of the Minutes of the Board of Trustees Meeting of September 20, 2017

Approval of Committee Resolutions as follows:

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**Committee on Institutional Advancement**

1. Naming of the Dale and Katy Carlsen Center for Innovation and Entrepreneurship – California State University, Sacramento
2. Naming of the Epstein Family Veterans Center – California State University San Marcos

**Committee on Finance**

1. Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University, San Bernardino and California State University, Stanislaus
2. 2018-2019 Lottery Budget and Report
4. Approval of the 2018-2019 Operating Budget Request
5. Approval of a New Master Investment Policy for the California State University

**Committee on Campus Planning, Buildings and Grounds**

1. Parking Structure E for California State University, Los Angeles
2. Student Union Renovation and Expansion for California State University, San Bernardino
3. Approval of the 2018-2019 Capital Outlay Program and the 2018-2019 through 2022-2023 Five-Year Facilities Renewal and Capital Improvement Plan

**Committee on University and Faculty Personnel**

1. Annual Report on Outside Employment for Senior Management Employees

**Committee on Committees**

1. Amendment to the Board of Trustees’ Committee Assignments for 2017-2018

**Discussion**

1. Protections for Dreamer Students, Alumni and Employees, *Action*
2. Conferral of the Title of Faculty Trustee Emeritus—Steven G. Stepanek, *Action*

**12:00 p.m. Board of Trustees—Closed Session**  
Executive Personnel Matters  
Government Code §11126(a)(1)

**Munitz Conference Room**

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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 by **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 136  
Long Beach, CA 90802  
Phone: 562-951-4020  
Fax: 562-951-4949  
E-mail: [trusteesecretariat@calstate.edu](mailto:trusteesecretariat@calstate.edu)

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## AGENDA

### COMMITTEE ON INSTITUTIONAL ADVANCEMENT

**Meeting:** 12:45 p.m., Tuesday, November 7, 2017  
Glenn S. Dumke Auditorium

Silas H. Abrego, Chair  
Jean P. Firstenberg, Vice Chair  
Debra S. Farar  
Hugo N. Morales  
J. Lawrence Norton

**Consent** Approval of Minutes of the Meeting of September 19, 2017

**Discussion**

1. Naming of the Dale and Katy Carlsen Center for Innovation and Entrepreneurship – California State University, Sacramento, *Action*
2. Naming of the Epstein Family Veterans Center – California State University San Marcos, *Action*

**MINUTES OF THE MEETING OF  
COMMITTEE ON INSTITUTIONAL ADVANCEMENT  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**September 19, 2017**

**Members Present**

Silas H. Abrego, Chair  
Jean P. Firstenberg, Vice Chair  
Rebecca D. Eisen, Chair of the Board  
Debra S. Farar  
Hugo N. Morales  
J. Lawrence Norton  
Steven G. Stepanek  
Timothy P. White, Chancellor

Trustee Abrego called the meeting to order.

**Approval of Minutes**

The minutes of July 18, 2017, were approved as submitted.

**2017-2018 California State University Trustees' Award for Outstanding Achievement**

Trustee Abrego shared that each year the CSU Board of Trustees provides scholarships to students who demonstrate superior academic performance, personal accomplishments, community service and financial need.

Chancellor White thanked trustees and members of the CSU Foundation board for their contributions to the CSU Trustees' scholarships. He introduced Trustee Emeritus Ali C. Razi, CSU Foundation Board of Governors member and CSU Trustees' Award selection committee chair, whose leadership continues to expand this scholarship program.

The board recognized the recipients of the 2017-2018 CSU Trustees' Award for Outstanding Achievement, including a video on the top Razi scholar, Alejandro Arias from San Diego State University.

Trustee Abrego adjourned the meeting.

## COMMITTEE ON INSTITUTIONAL ADVANCEMENT

### **Naming of the Dale and Katy Carlsen Center for Innovation and Entrepreneurship – California State University, Sacramento**

#### **Presentation By**

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Robert S. Nelsen  
President  
California State University, Sacramento

#### **Summary**

This item will consider naming the Center for Innovation and Entrepreneurship at California State University, Sacramento, as the Dale and Katy Carlsen Center for Innovation and Entrepreneurship.

This proposal, submitted by Sacramento State, meets the criteria and other considerations specified in the Board of Trustees Policy on Naming of California State University Schools, Colleges, Programs, and Other Academic and Non-Academic Units, including approval by the system review panel and the campus Faculty Senate.

#### **Background**

The proposed naming of the academic center recognizes a \$6 million pledge by Dale and Katy Carlsen. The university has received \$500,000 from the pledge and an additional \$500,000 expected by the end of this fiscal year, with the entire pledge to be paid by 2020 or earlier. The first \$1 million received by Sacramento State will be used for start-up costs for the newly established Center for Innovation and Entrepreneurship and the remaining \$5 million will be placed in an endowment fund to support ongoing operations. In addition, Dale Carlsen will help establish and chair an advisory committee for the center and challenge its members to raise an additional \$5 million for the endowment by 2020.

Dale Carlsen graduated from Sacramento State's College of Business Administration in 1984 and, within one year of graduation, opened his first Sleep Train Mattress Centers location. In 2014, Dale and Katy Carlsen sold Sleep Train, which had grown to 280 locations in the western United States, to the Mattress Firm Holding Corp.

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The Carlsens are well-respected members of the Sacramento community and have contributed more than \$250,000 to Sacramento State's Guardian Scholars program to support foster youth pursuing a college degree.

**Recommended Action**

**RESOLVED**, By the Board of Trustees of the California State University, that the Center for Innovation and Entrepreneurship at California State University, Sacramento, be named The Dale and Katy Carlsen Center for Innovation and Entrepreneurship.

## **COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

### **Naming of the Epstein Family Veterans Center – California State University San Marcos**

#### **Presentation By**

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Karen S. Haynes  
President  
California State University San Marcos

#### **Summary**

This item will consider naming the Veterans Center at California State University San Marcos as the Epstein Family Veterans Center.

This proposal, submitted by California State University San Marcos, meets the criteria and other conditions specified in the Board of Trustees Policy on Naming California State University Facilities and Properties, including approval by the system review panel and the campus academic senate.

#### **Background**

The proposed naming of the Veterans Center recognizes the \$1 million pledge by Daniel and Phyllis Epstein, Julie Bronstein (née Epstein) and Michael Epstein.

This pledge will support the expansion of the Veterans Center at California State University San Marcos as well as an endowment to support veterans programming and scholarships. With over 1,000 military-affiliated students, Cal State San Marcos Veterans Services currently has a need for expanded physical space for programming and student support. The expansion will add 793 square feet of usable interior space for the growing student veteran population, bringing the footprint of the Veterans Center to 2,118 square feet.

Mr. Daniel Epstein is founder and chairman of the ConAm Group of Companies. Mr. Epstein began his career working for general contracting companies and later real estate development. Recently, Mr. Epstein initiated a gift from the Epstein Family Foundation to support the purchase of a Steinway piano at Cal State San Marcos in honor of his mother.

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Mr. Epstein and his wife, Phyllis, are extremely philanthropic, supporting a wide range of causes, including higher education, community services, the arts and cultural institutions. Mr. and Mrs. Epstein also created the Epstein Family Foundation, of which Mr. Epstein is president, his daughter Julie Bronstein is vice president and Mrs. Epstein is Secretary. The Epstein's son, Michael, is active in his family's giving and the foundation.

**Recommended Action**

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the Veterans Center at California State University San Marcos be named as the Epstein Family Veterans Center.

## AGENDA

### COMMITTEE ON EDUCATIONAL POLICY

**Meeting:** 1:15 p.m., Tuesday, November 7, 2017  
Glenn S. Dumke Auditorium

Lillian Kimbell, Chair  
Jorge Reyes Salinas, Vice Chair  
Silas H. Abrego  
Jane W. Carney  
Douglas Faigin  
Debra S. Farar  
Jean P. Firstenberg  
Thelma Meléndez de Santa Ana  
John Nilon  
J. Lawrence Norton

**Consent** Approval of Minutes of the Meeting of September 19, 2017

**Discussion**

1. Teacher Preparation, *Information*
2. Enrollment Management, *Information*
3. Basic Needs Initiative, *Information*
4. Graduation Initiative 2025, *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 19, 2017**

**Members Present**

Lillian Kimbell, Chair  
Jorge Reyes-Salinas, Vice Chair  
Silas H. Abrego  
Jane W. Carney  
Rebecca D. Eisen, Chair of the Board  
Debra S. Farar  
Jean Picker Firstenberg  
Thelma Meléndez de Santa Ana  
John Nilon  
J. Lawrence Norton  
Timothy P. White, Chancellor

Trustee Kimbell called the meeting to order.

**Approval of Minutes**

The minutes of July 18, 2017 were approved as submitted.

**Enrollment Management**

Nathan Evans, chief of staff and senior advisor for Academic and Student Affairs, introduced the information item. He noted that the 2017-18 California state budget called on the CSU to adopt policies related to two enrollment management topics and indicated that the purpose of this presentation was to familiarize the board with the topics and issues related to enrollment management as a foundation on which to base the new policies.

April Grommo, director of enrollment management services, provided an overview of the policies and statutes that govern enrollment management at the CSU, including the California Master Plan, other California Education Code sections, Title 5 and a policy adopted by the Board of Trustees in 2000. She also provided an update on the CSU admission eligibility for freshmen and transfer students and spoke about the higher education eligibility study and its impact on the CSU.

Following the presentation, trustees asked questions related to the number of students who are CSU eligible but are not offered admission at any campus, as well as the number of impacted campuses and programs. Questions also delved into the eligibility index and the supplemental

criteria used for admissions decisions at impacted campuses. Staff indicated that the board's enrollment management policy included language that, at a high-level, set the basis for these supplemental criteria.

### **Student-Athlete Academic Support**

Ray Murillo, director of student programs, introduced the information item indicating that the CSU has approximately 7,000 student-athletes and that campuses provide these students a host of academic support programs. CSU Northridge President Dianne Harrison and CSU Chico athletic director Ms. Anita Barker both presented about the academic support programs offered on their respective campuses, and the impact it has had on student-athletes. CSU Fullerton student-athlete Mr. Nico D'Amato spoke about the academic support programs that were available to him, and the difference they have made. Finally, Ray Murillo closed the presentation by highlighting recent data that indicates that CSU student-athlete graduation rates continue to increase, but that the gap between student-athlete rates and non-student-athlete rates is closing as a result of the concerted effort to increase graduation rates for all students.

Following the presentation, trustees asked questions related to the mental health and physiological support offered to student-athletes and what happens if these students get injured and can no longer play their sport. The presenters discussed their campus' various mental health services and Ms. Barker indicated that student-athletes who are injured at CSU Chico do not lose their scholarship. Trustees also asked about the academic performance of student-athletes in revenue-generating sports, and whether coaching contracts emphasize academic performance in addition to athletic performance. President Harrison responded that most, if not all, of the contracts at CSU Northridge do in fact have academic clauses. She further contrasted the resources supporting many CSU athletic programs with those often described as revenue generating at universities with larger athletic programs.

### **Research, Scholarship and Creative Activities**

Dr. Loren Blanchard, executive vice chancellor for Academic and Student Affairs, introduced the information item, explaining that research, scholarship and creative activities are integral to the CSU mission. Dr. Ganesh Raman, assistant vice chancellor for Research, provided several examples of these activities at the CSU and indicated that the CSU saw an increase in external grants and contracts for research, scholarship and creative activities in 2015-16. San José State University President Dr. Mary Papazian presented about a collaboration with NASA and the experience it provides for students.

Following the presentation, trustees asked about how we ensure that faculty are not spending more time on research than on student learning. CSU East Bay President Dr. Leroy Morishita shared anecdotes from students about how their professors involve them in the research and how those opportunities amplify the learning experience.

Trustee Kimbell adjourned the Committee on Educational Policy.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **Teacher Preparation**

#### **Presentation By**

Marquita Grenot-Scheyer  
Assistant Vice Chancellor  
Teacher Education and Public School Programs  
Academic and Student Affairs

Robert S. Nelsen  
President  
California State University, Sacramento

Andrea Alonza  
Student  
California State University, Long Beach

#### **Summary**

Since the founding of the California State University, teacher preparation has been integral to the university's mission. Currently, every CSU campus except the California State University Maritime Academy has a teacher preparation program on its campus, while CalStateTEACH offers a systemwide online credential program.

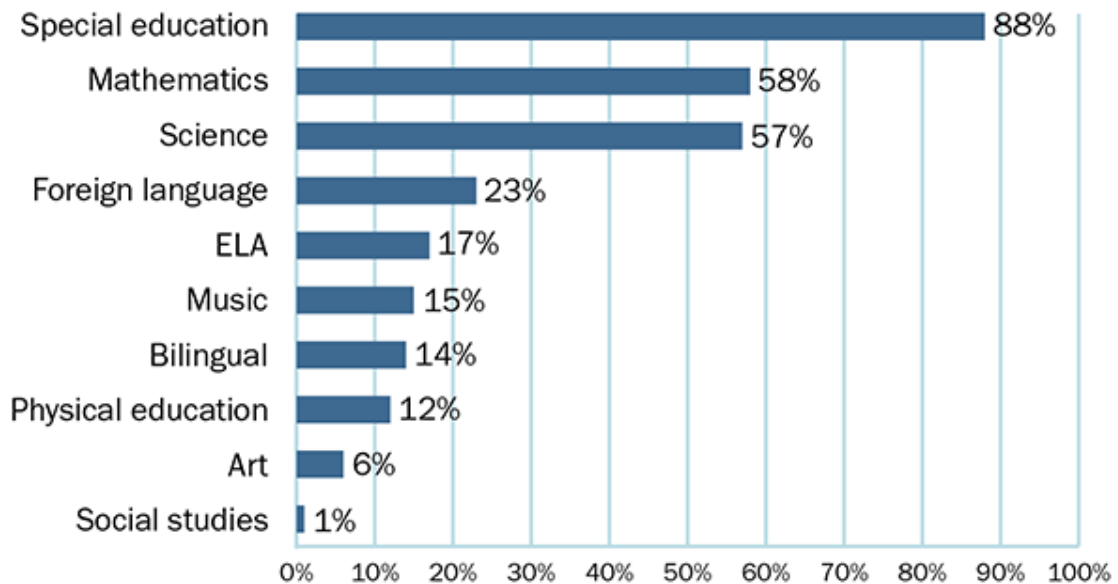
The CSU prepares more of California's teachers than all other institutions combined, and nearly eight percent of the nation's teachers. In 2016, the CSU graduated nearly 7,000 new elementary, secondary and special education teachers. Moreover, the CSU is preparing teachers in the fields where they are needed most. Over the past six years, the CSU has enrolled more than 7,500 students in bilingual instruction programs. Over the past five years, the CSU has graduated more than 8,400 special education teachers. And in 2016, the CSU prepared 1,500 new mathematics and science teachers.

In light of California's existing teacher shortage, it is imperative that the CSU continue to cultivate a well-flowing pipeline of diverse, passionate and well-prepared teachers to educate the state's PK-12 students. The CSU is focused on four major action areas to meet the current and future workforce needs of California and the nation: multiple pathways into teaching; targeted recruitment efforts; financial assistance; and candidate preparation, professional development and program evaluation.

### California's Teacher Shortage

Seventy-five percent of California school districts, particularly those serving the largest concentrations of low-income students and English learners, face persistent teacher shortages. In fall 2016, school districts projected a need to hire 22,315 teachers, while all of California's teacher credential programs combined prepared only 15,214 new teachers the year prior, resulting in an unmet district need of 7,101 teachers. Based on current trends, the shortage of teachers in California over the next three years is projected to be more than 25,000. These shortfalls have resulted in the hiring of individuals without credentials who are employed in teaching positions.

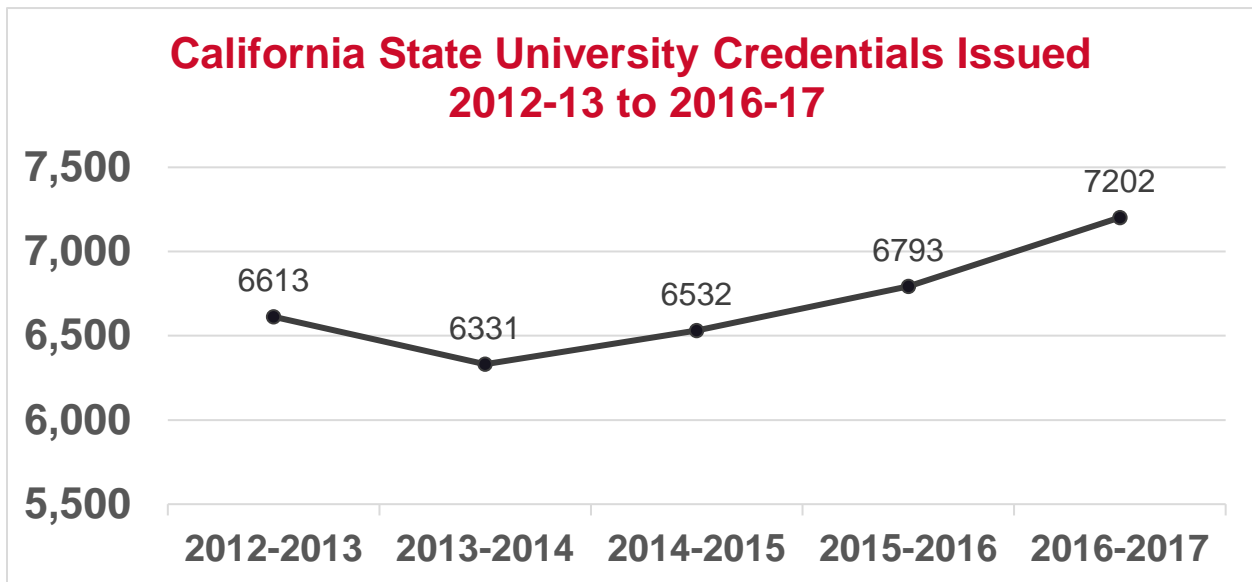
California teacher shortages are particularly severe in specific subject areas, including mathematics, science, special education and bilingual education. A recent Learning Policy Institute report demonstrates the percentage of California school districts reporting teacher shortages by subject area:



Additionally, specific regions in the state are facing larger shortages. The hardest hit areas include rural areas, particularly central and northern California; inner cities; and areas where other factors have made it difficult to hire teachers (e.g. the high cost of living in the San Francisco metro area).

### CSU Teacher Preparation Trends

During the recession and the period of severe school district budget cuts and teacher layoffs, the CSU—like all teacher preparation programs across the state—experienced a significant reduction in enrollments in teacher preparation programs. Since that time, enrollment figures have begun to trend upward, as shown in CSU 2016 and 2017 teacher education enrollments.



### CSU Actions to Address California’s Teacher Shortage

The CSU is committed to addressing California’s teacher shortage while simultaneously ensuring high-quality preparation programs by cultivating multiple pathways into teaching, engaging in targeted recruitment efforts, offering financial assistance and ensuring teaching candidates are ready to be successful in the classroom through robust preparation, professional development and program evaluation. These action areas reflect the broad recommendations of a 2016 American Association of State Colleges and Universities survey and report regarding teacher preparation.

#### *Multiple Pathways into Teaching*

At the CSU, there are multiple pathways to becoming a teacher, depending on an individual’s starting point and path.

#### Fifth Year Post-Baccalaureate Program

For more than 50 years, the CSU has followed California’s structure for preparing teachers by offering fifth year post-baccalaureate programs leading to a teaching credential. These programs focus particularly on the pedagogical knowledge, skills and dispositions that are needed to ensure success for beginning teachers. This is the most common route for teaching credentials at the CSU, and includes the online-only CalStateTEACH program.

CalStateTEACH is designed for individuals who either wish to become a multiple subject teacher but are unable to attend a traditional, classroom-based teacher education program, or for those who are already teaching without a credential. The program includes online instruction and hands-on experience in a public classroom. By the time they complete the program, CalStateTEACH participants have more than 700 hours of experience in the classroom.

Since its inception in 1999, CalStateTEACH has provided opportunities for Californians in rural and remote communities to complete a multiple subject credential without leaving the community in which they live and hope to teach. CalStateTEACH faculty live in or near the rural communities they serve and understand the local educational context. In fall 2017, 46 percent of incoming CalStateTEACH candidates were from rural communities. Additionally, CalStateTEACH partners with Native American communities to help grow their teacher workforce.

#### Integrated Teacher Education Programs

Integrated Teacher Education Programs (ITEPs) have existed on CSU campuses for 15 years, and allow students the opportunity to earn both a Bachelor of Arts degree and a teaching credential at the same time, in four calendar years.

Last year, the budget act (SB 828) included additional funding for ITEP programs. The legislature allocated \$10 million to fund 40 grants to be awarded to higher education institutions, each at \$250,000. These grants are to be used to develop four-year ITEPs, particularly in special education, mathematics, science and bilingual education.

CSU campuses were successful in both the first and second rounds of funding. 26 grants were awarded to 19 CSU campuses for new integrated programs, with a total of \$6.2 million awarded to the CSU. Faculty have begun work on developing these programs and it is expected that an average of 20 students will enroll in each of the 26 new programs in the initial year. One thousand new teacher candidates are projected to enroll in these programs annually by 2019-20.

#### Pipeline Programs

Throughout the system, there are established pipeline programs designed to ensure a smooth transition across the segments into teacher education credential programs. For example, more than half of the teachers prepared by the CSU complete their lower-division work at a community college. Every CSU campus that offers teaching credentials has an Associate Degree for Transfer pathway to teacher education.

### Career Changers and Para-professional Programs

At the CSU, there are routes of entry into teaching for both career changers—particularly professionals in science, technology, engineering and mathematics (STEM) fields—and school district para-professionals, also known as instructional assistants. Individuals in both cases may enter an integrated program or complete a bachelor’s degree and participate in one of the CSU’s post-baccalaureate credential programs.

#### *Targeted Recruitment Efforts*

The CSU engages in targeted recruitment efforts aimed at encouraging middle, high school and community college students, CSU undergraduates, paraprofessionals and career changers to consider a career in teaching. For example, the CSU collaborates with the state-funded recruitment center in Tulare County to recruit students statewide. Moreover, outreach is made to CSU undergraduate students through EduCorps, a program designed to significantly increase the number and diversity of students entering CSU teacher preparation programs, especially in high need areas. Campus EduCorps programs host guest speakers, provide advising information and offer personalized application and credential assistance to ease a student’s path into teacher preparation.

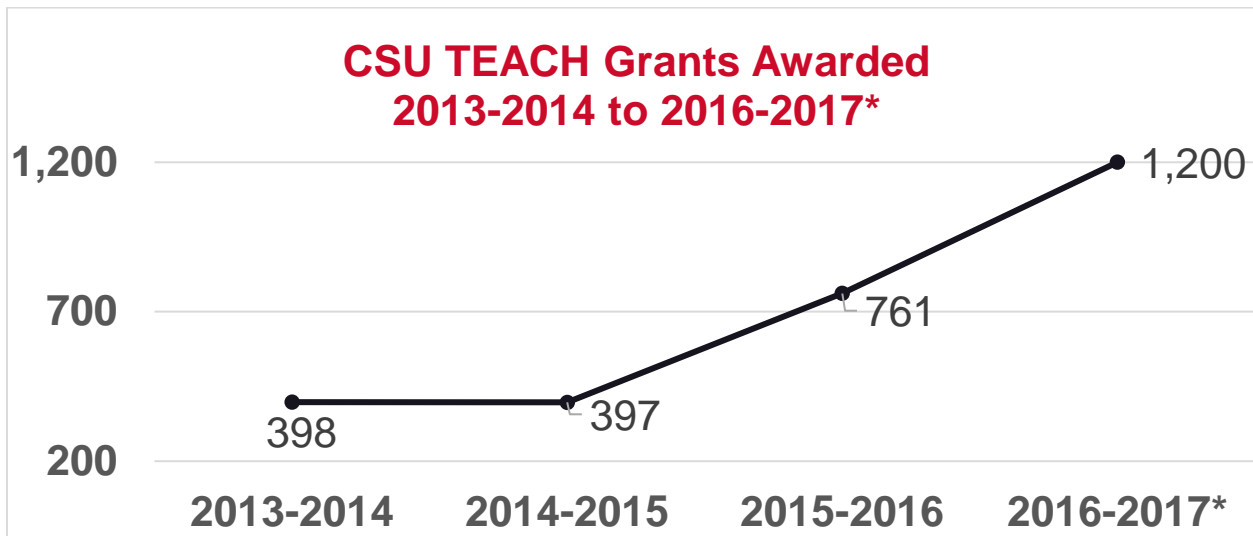
Additionally, the CSU is working with a number of PK-14 partners to recruit teacher education candidates who reflect the diverse population of California’s school age children and youth. Meeting the teacher shortage with a diverse and well-prepared workforce is critical, with schools that serve historically underserved communities being the hardest hit by the teacher shortage. At present, one-third of teacher candidates preparing to be elementary, secondary and special education teachers at the CSU are Hispanic, and in each credential area, the majority of teacher candidates are students from historically underrepresented communities.

#### *Financial Assistance*

More than half of all teacher candidates at the CSU come from low-income backgrounds making financial assistance integral to earning a credential. To assist these candidates and address California’s teacher shortage, the CSU has launched a systemwide effort to enroll eligible students in the federal Teacher Assistance for College and Higher Education (TEACH) program. The federal TEACH program offers students seeking a career in education up to \$4,000 per year, with a total available for each student of \$16,000. The funds can be used for tuition or other educational expenses.

To support the CSU outreach efforts, the California legislature added \$200,000 in additional funding annually to the CSU. The permanent appropriation was included in the 2015-16 state budget. The funds are allocated to campus teacher education programs and financial aid offices “to support activities that increase awareness of federal financial aid programs for teachers.”

Through a coordinated effort between teacher education and financial aid on campuses and in the Office of the Chancellor, and due in large part to the additional funding provided by the state, the CSU has been able to increase the number of TEACH grants provided to CSU students. Prior to the appropriation, CSU campuses awarded fewer than 400 TEACH awards each year. The number nearly doubled after one year of the appropriation, with 783 grants awarded. After the second year of the permanent appropriation, the number of grants has tripled.



\*Estimated total for 2016-17 TEACH Grants awarded. Final campus counts are in process.

#### *Candidate Preparation and Professional Development*

The CSU is also committed to providing teacher candidates the quality preparation needed to be successful in the classroom, thereby increasing teacher retention rates. Campus faculty are preparing educators for the PK-12 Common Core State Standards and the Next Generation Science Standards. The CSU is also a supporter of Higher Ed for Higher Standards, a coalition of college presidents, trustees, chancellors and state system leaders who believe aligned expectations and strong partnerships between PK-12 and postsecondary leaders are critical to improving student success.

CSU faculty ensure that teacher education candidates have strong clinical preparation. All CSU candidates participate in at least one semester of student teaching. Others, who are able to dedicate the time, have a yearlong experience structured as a residency. Still others serve as paid interns. Regardless of their path, all candidates receive mentoring by, and feedback from, an experienced teacher. The CSU is supported in these efforts by the S.D. Bechtel, Jr. Foundation through The New Generation of Educators Initiative. The Foundation has provided more than \$15 million in support, which has enabled campuses to establish deep partnerships with school districts and to expand residency models of full-year classroom preparation.



The CSU partners with PK-12 school districts to provide professional development opportunities to in-service teachers that builds upon their preparation programs. These professional development opportunities support teachers in developing strategies and techniques to improve their classroom teaching and ensure the success of their students. Additionally, many credential graduates return to the CSU to complete graduate programs to further deepen their skills and knowledge.

### *Program Evaluation*

The CSU is committed to regular program evaluation to ensure the quality and efficacy of the preparation teacher candidates are receiving. The CSU Center for Teacher Quality (CTQ) conducts evaluations and reports data to strengthen the outcomes and effectiveness of teacher preparation programs on 22 CSU campuses. Annually since 2004, CTQ has surveyed recent graduates (one year out of school) and their employers, to determine how they would rate the quality of preparation provided by the CSU. Survey data are shared across campuses through face-to-face meetings and webinars in order to identify and share best practices.

Overall, graduates of CSU teaching credential programs and the school principals supervising their classroom performance feel the coursework and fieldwork that prospective teachers complete are valuable and useful during their initial years of classroom teaching. Survey results from spring 2016 demonstrate that 83 percent of first-year teachers from the CSU rated the overall usefulness of their credential program as “Good” or “Excellent.” Similarly, 86 percent of employment supervisors rated the overall preparation of CSU graduates as “Good” or “Excellent.”

Recently, CTQ provided an analysis of the number and percentage of CSU teaching credential program graduates who secure employment in a California public school in the year immediately following program completion. For example, among 2015-16 graduates, 89 percent of teacher program graduates were working in a California public school in 2016-17.

### **Conclusion**

The CSU has long been a leader in preparing California’s education workforce. By cultivating multiple pathways into teaching, engaging in targeted recruitment efforts, offering financial assistance and ensuring teacher candidate readiness to be successful in the classroom through robust preparation, professional development and program evaluation, the system is leading the way in addressing the state’s teacher shortage.

As the CSU pursues the student success goals of Graduation Initiative 2025, there is a strong connection between educator preparation and the academic readiness of PK-12 students. The better prepared teachers, counselors and leaders are in the areas of content knowledge, pedagogical knowledge and evidence-based practices, the better able they will be to prepare PK-12 students who are ready for college-level work, thus reducing the need for remediation and ensuring their ability to earn a degree according to their personal goals. This “long view” of student success is critical to serving our future students in higher education.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **Enrollment Management**

#### **Presentation By**

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Student Academic Services

#### **Summary**

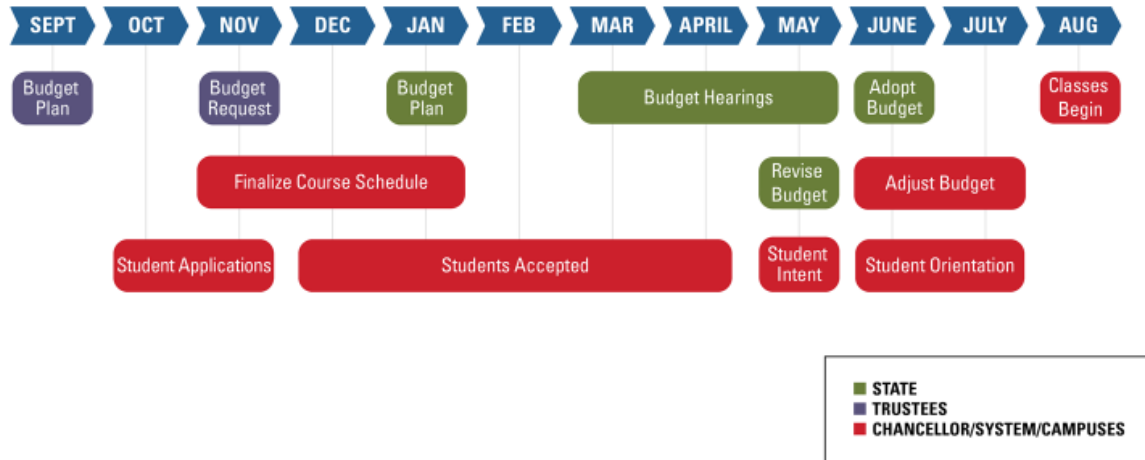
The 2017-18 California state budget requires the California State University (CSU) Board of Trustees to adopt policies, by May 2018, that are designed to mitigate against the effects of impaction by: (i) requiring campuses to give priority to local CSU-eligible applicants seeking to enroll in impacted programs; and (ii) redirecting all CSU eligible applicants to similar, non-impacted programs on other campuses if not initially admitted.

At the September 2017 Board of Trustees meeting, an information item was presented on the main governing structures of enrollment management. This information item will explore: specific enrollment management tools, including campus strategies to maximize student access to courses and academic support; impaction, the enrollment management tool declared once campus strategies are no longer sufficient to manage enrollment; and redirection, a process in which the CSU sends the application of a student who cannot be accommodated at an impacted campus to another campus.

#### **Enrollment Planning and Budget Timeline**

The goal of CSU enrollment management policies is to serve existing students and fulfill the CSU's mission to provide access to all new students who meet admission eligibility requirements, while balancing the constraints of campus capacity and budgeted resources. This balance is further complicated by the asynchronous timing of the budget cycle and the admission timeline, as shown.

## BUDGET TIMELINE



The trustees develop a support budget plan in September and finalize the request in November, as depicted in purple in the timeline. The state’s budget process begins with the governor’s proposed budget in January and ends with the vote by the legislature and adoption by the governor typically in June.

Meanwhile, campuses must make a number of decisions before, during and after the state budget process has completed, however these decisions are affected by budget decisions later endorsed by the state. As depicted in red in the timeline, campuses begin the process of admitting applicants as early as October for students who will begin their academic year the following August. This timeframe is necessary to meet nationally established deadlines and ensure applicants are aware of their admission status.

For planning purposes, the majority of campuses request confirmation between May and June of students’ intent to enroll. Yet, the state’s budget process does not conclude until mid-June. Therefore, campuses have made nearly all admission decisions and received confirmations from new students before they have a final budget, inevitably affecting campuses ability to have a clear understanding of how many students they can serve.

### **Campus Enrollment Management Strategies**

CSU campuses use a variety of tools, policies and processes to maximize the finite enrollment capacity that exists on campus. As part of Graduation Initiative 2025, campuses have expanded their enrollment management tools in order to think and act more innovatively to facilitate student success. The following are several of the strategic initiatives that campuses utilize to manage enrollment:

### *Student Major Roadmaps*

Campuses create and refine 4-year roadmaps for first-time freshmen and 2-year roadmaps for transfer students that are major specific and take into account a student's prior academic preparation. These roadmaps allow students to view a semester-by-semester plan to graduation and allow students and advisors the flexibility to update the roadmap if needed.

A best institutional practice is to directly connect these roadmaps to the online advising and registration systems, allowing students to register seamlessly each term. Students are encouraged to update their respective roadmap every semester. Data from students' roadmaps are then used to plan class schedules and to provide counts of the courses needed based on student interest. Campuses continue to expand these roadmaps for students and keep them updated as curricula changes. In this way, all new students have accurate paths to graduation.

### *Course Demand and Analysis*

Student roadmap data, numbers of majors, projected program requirements and prior year enrollment patterns are used to analyze course demand for each term. In addition, there is a significant focus on courses that are considered high demand with high enrollment. These are courses that over multiple terms have been shown to have demand that has outpaced capacity. Campuses provide priority classroom scheduling and work with departments to prioritize faculty assignments for these courses.

### *Flexible Scheduling and Classroom Maximization*

Campuses also focus on maximizing the efficient use of classroom resources. For example, classroom allocations are reviewed at multiple points in the enrollment cycle, including before and after registration, to ensure that each class is assigned to an appropriately sized classroom. Campuses are also implementing specific time blocks for course scheduling, which ensures that courses taught across a respective campus are scheduled in the same manner to decrease time scheduling conflicts for students when registering for classes.

### *Online Education and Technology*

With funding from the Office of the Chancellor and other sources, campuses have focused on faculty training and resources to redesign courses to optimize the use of technology. These course redesigns include moving courses to online and hybrid options (a mixture of online and in person instruction) and offering virtual labs while ensuring that academic rigor is maintained.

The Office of the Chancellor and campuses provide quality online courses to increase capacity of the CSU and meet student needs. Campuses are improving online courses through systemwide programs including Cal State Online 2.0, Course Redesign with Technology and Quality Assurance. Campuses are also promoting CSU Fully Online to their students. CSU Fully Online allows continuing students to register for online courses being taught at other CSU campuses.

Training and support are provided to assist instructors with redesigning a traditional course to an online hybrid format. Redesigned hybrid courses usually meet face-to-face on campus one day a week for 75 minutes, with remaining instructional time provided online via the campus learning management system. This allows faculty to teach two sections of the same course during one traditional course's meeting pattern.

Virtual labs provide students remote access to innovative online technologies that reduce enrollment in high demand courses. Faculty throughout the CSU are adopting virtual labs to engage students through active participation rather than classroom observation.

#### *Advising Initiatives*

With Graduation Initiative 2025—and a significant body of higher education research that has identified the importance of advising—campuses are increasing advising resources and technologies to support students in their academic pursuits.

#### Advising and Student Success Resources

Campuses have expanded their advising staff and have specifically focused resources on student success. These resources are often deployed at the college level (e.g. College of Business) to ensure advisors are available to support students. In addition to increasing advising resources, campuses are investing in technologies and training. Campuswide advisor meetings provide updates and training on the latest campus initiatives and enable the coordination of practices and services.

#### Advising Through Technology

To maximize the effectiveness of advising support, many campuses have already implemented—or are implementing—the Educational Advisory Board Student Success Collaborative (SSC) application or a similar product. The SSC allows campuses to provide online advising appointment scheduling to students, provide student workshop sign-ups, track and manage tutoring appointments, launch proactive communication campaigns, track at-risk students and provide reports and dashboards to advising centers.

Many campuses also employ intentional advising strategies. For example, campuses use advising applications and other tools to identify and reach students who appear off-track or are not completing courses aligned to their chosen major. And advisors work on detailed graduation plans with students who may have exceeded the number of units needed to graduate.

## **Impaction**

CSU campuses use a combination of the aforementioned strategies to maximize student access to courses and support, regardless of whether or not the campus is impacted. However, once these strategies are no longer sufficient for managing enrollment, a campus will seek approval to declare impaction. Impaction is defined as when a major, program or campus receives applications from more eligible applicants than can be accommodated given the resources of a program or campus.

The California Master Plan, coupled with executive orders dating back to 1966, address capacity and the need to ensure that all students have access to higher education. Title 5, section 40650, reads in part, “admission to a campus shall be limited on the bases of authorized academic plans and programs, and the number of students for whom facilities and competent staff are available to provide opportunity for an adequate college education.”

Impaction is not an ideal scenario, however it is a necessary enrollment management tool when demand outpaces resources. Without impaction, campuses would be in a situation where students would not have access to the classes needed to graduate. They would also lack access to timely advising, counseling, mentoring and tutoring due to high student to staff ratios.

Impaction can be declared at the student level, meaning it is impacted for freshmen and/or upper-division transfer students. It can also be declared at the program or major level. Even campuses that have not declared impaction at the freshman or junior level may have at least one program impacted. Attachment A provides the details of each campus’ program impaction.

### *California Education Code 89030.5: Admission Procedural Requirements*

For campuses to make any significant changes to their impaction status they must conduct a annual process, part of which is required by California Education Code section 89030.5. The process is meant to provide transparency in the impaction process to the local stakeholders of each CSU campus. Section 89030.5 reads:

- (a) In order to provide notice to the public and ensure the transparency of decisions affecting admissions criteria for all of the campuses of the California State University, the trustees shall ensure that a change in the criteria for admission to a campus of the university complies with all of the following requirements:
  - (1) Prior to adopting a change in the criteria for admission that affects applicants residing within the local service area of a campus of the university, the campus affected by the proposed change shall do all of the following:
    - (A) Consult with stakeholders, including the governing boards of school districts, governing boards of community college districts, and community organizations, that are located within the local service area of the affected campus. These consultations shall occur in a public meeting.

(B) Hold three public hearings in the local service area of the affected campus. The hearings shall solicit public comments relative to the proposed change in admissions criteria.

(C) Provide public notice of the proposed change in admissions criteria. The notice shall be published on the Internet Web site for the affected campus and in three newspapers of general circulation in the local service area of the affected campus. The notice shall include a description of the proposed change, the right of the public to comment orally or in writing on the proposed change, and the dates, times, and locations of the public meetings pursuant to subparagraph (A) and the public hearings pursuant to subparagraph (B). The notice shall be published at least 10 days before the first public meeting or public hearing.

(D) Publish on the Internet Web site of the affected campus, all public comments received pursuant to this paragraph and all responses by the university to those public comments.

(E) Publish on the Internet Web site of the affected campus, and distribute to community officials and local high schools, the university's final decision on the proposed change.

(2) After meeting all of the requirements specified in paragraph (1), the president of the affected campus shall submit the proposed change to the Chancellor of the California State University for approval, in accordance with the policies of the trustees. The chancellor shall report the decision regarding approval, and the reasoning behind the decision, to the trustees in writing at the next regularly scheduled meeting of the trustees.

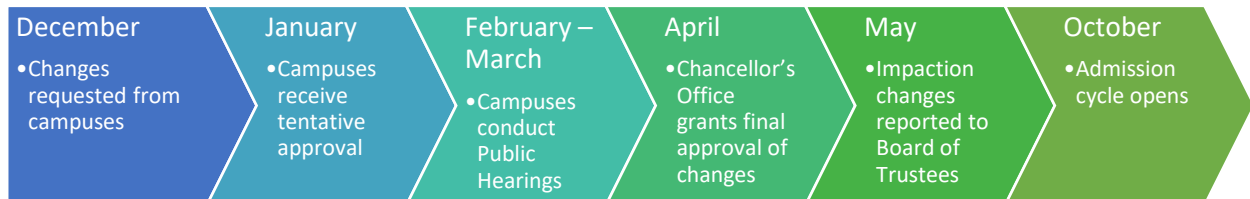
(3) Except as provided in paragraph (4), a change in the criteria for admission to a campus that affects applicants within the local service area of the affected campus shall become effective only after a period of at least one year has elapsed after that change is approved by the chancellor.

(4) A change in the criteria for admission to a campus based on resources that affects applicants within the local service area of the affected campus shall become effective only after a period of at least six months has elapsed after that change is approved by the chancellor.

(b) The requirements set forth in subdivision (a) shall apply to all changes in the criteria for admission to a campus that affect the eligibility of applicants residing within the local service area of a campus to enroll at that campus, including changes to transfer requirements and determinations regarding impact of majors.

(c) As used in this section, "local service area" means the California State University service area for the campus as set forth in the California State University Coded Memorandum AA-2005-05, dated February 23, 2005, or as subsequently amended.

Based on the requirements of section 89030.5 an annual impaction timeline has been established to ensure compliance. The timeline is as follows:



### *Supplemental Impaction Criteria*

Each campus provides to the Office of the Chancellor an annual plan of how enrollment will be managed, how impaction will be implemented on the campus and the program-specific supplemental criteria that will be required for incoming applicants. Impacted campuses may use additional criteria above and beyond the minimum CSU-eligibility requirements. Some of the most commonly used criteria are:

- Requiring SAT or ACT scores of all first-time freshman applicants regardless of GPA;
- Rank ordering first-time freshmen based on their eligibility index score and setting a higher index for admission;
- Requiring completion of specific major preparation courses for upper-division transfers; and
- Rank ordering transfer students based on transferable grade point average (GPA) and major preparation.

### **Local Admission and Outreach Areas**

#### *Local Admission Areas*

Due to the volume of applications received by the CSU, local admission and service areas were established by the system in the early 1990s. When a campus has declared impaction it establishes a local admission area that defines the high schools and community colleges that feed into that campus. These areas are used as one factor in admission decisions to ensure students have access to their local CSU campus. Local area is not currently considered for impaction at the program level.

Non-impacted campuses do not establish specific local admission areas, as the entire state serves as their local area. These campuses include Bakersfield, Channel Islands, Dominguez Hills, Maritime, San Francisco and Stanislaus. At the same time, not all areas of the state are included in a local admission area for an impacted. Attachment B outlines the areas that are currently covered by a CSU local admission area.



Local admission areas can be a source of confusion. Applicants and their families may be unclear about which CSU is local to their high school or community college. Some schools suggest they should be affiliated with CSU campuses that do not include them in the local admission area. And in some cases, an applicant or their high school may be closer to a particular CSU but they are not in the local admission area for that campus. The CSU strives to be clear about campus impactation and local admission areas to ensure that students and their families have the necessary information. Information about impactation is included on the CSU website, included on campus websites, covered during conferences the CSU hosts for high school and community college counselors and featured in campus outreach efforts.

#### *Local Service Areas*

All campuses, regardless of impactation, have a defined local service area. These are regions where each CSU campus focuses its efforts on outreach, recruiting and providing local high school and community college support. Attachment B provides the local admission and service areas for each campus.

#### *Campus Promise Programs*

Campuses reinforce connections with their local community by creating admission promise programs between a CSU campus and a local organization, typically a local school district or a California Community College (CCC). These alliances enhance and expand the educational opportunities for students in the local communities. Examples of these programs include:

- Scholarships for students from a specific school district or high school;
- Partnerships between a CSU campus and a PK-12 school district;
- Partnerships with CCCs to guarantee transfer to a specific CSU;
- Partnerships with high schools and CCCs to move students through the pathway of the CCC to the CSU; and
- Partnerships with PK-12 districts, CCCs and workforce organizations.

#### *Current Admissions Impactation Statuses*

Below is an overview of the current impactation status for each CSU campus.

Non-impacted campuses that admit using the minimum CSU eligibility\*:

##### **Freshman**

- Bakersfield
- Channel Islands
- Dominguez Hills
- Maritime Academy
- San Francisco
- Stanislaus

##### **Transfer**

- Bakersfield
- Channel Islands
- Dominguez Hills
- Humboldt
- Maritime Academy
- San Francisco
- Stanislaus

*\*Campuses may have impacted programs*

Campuses that are impacted at the freshman level, the upper-division transfer level, or both:

**Freshman**

- Chico
- East Bay
- Humboldt
- Los Angeles
- Monterey Bay
- Northridge
- Pomona
- Sacramento
- San Bernardino
- San Marcos
- Sonoma

**Transfer**

- Chico
- East Bay
- Los Angeles
- Monterey Bay
- Northridge
- Pomona
- Sacramento
- San Bernardino
- San Marcos
- Sonoma

Campuses that are impacted for all student levels and programs:

- Fresno
- Fullerton
- Long Beach
- San Diego
- San Jose
- San Luis Obispo

**Redirection**

In 1997, Executive Order 673 established specific procedures for redirection and a definition of redirection. Executive Order 673 defined redirection as follows:

Redirection is a process that ensures applicants for admission who cannot be accommodated at their first-choice campus if their designated major(s) are redirected promptly to other CSU campuses without asking the redirected applicant (1) to complete another admission application, (2) to supply another complement of transcripts and test scores, or (3) to pay an additional admission application fee. Redirection must occur early enough to provide applicants with viable CSU enrollment options.

In 2002, an agreement with the governor renewed efforts to ensure redirection was completed. In 2004, Executive Order 903 encouraged the submission of electronic applications for admission and rendered the process of redirection obsolete due to the increasing number of impacted campuses and the requirements to evaluate applicants for supplementary impact criteria.

With the passage of Senate Bill 440 in 2013, the CSU is now required to complete redirection of Associate Degree for Transfer (ADT) applicants who are CSU eligible, have an ADT degree verified by the California Community College and were not able to be admitted to the impacted campus that they applied.

### **Summary**

CSU campuses employ strategies to manage the enrollment of continuing and new students. To create capacity for new enrollment, campuses actively monitor and advise continuing students in order to help them earn a degree. Even with these efforts, nearly all CSU campuses enroll a student population that exceeds their currently funded target. Campuses must therefore carefully manage the admission and enrollment of new students to ensure that they continue to offer sufficient access to the CSU and that students are not only provided adequate resources at entry but are supported throughout their academic career at the CSU.

### **Future Updates**

In January 2018, staff will present proposed draft policies on application redirection and impaction which address the policy directives included in the 2017-18 state budget. These proposals will be developed through consultation with campus administrators, faculty and students. These policies will then be presented as an action item at the March 2018 meeting for board approval. This timeline ensures that the CSU meets the legislated deadline for these new policies.

# 2018-2019 CSU UNDERGRADUATE IMPACTED PROGRAMS MATRIX

	Bakersfield	Channel Islands	Chico	Dominguez Hills	East Bay	Fresno*	Fullerton*	Humboldt	Long Beach*	Los Angeles	Maritime Academy N	Monterey Bay	Northridge	Pomona	Sacramento	San Bernardino	San Diego*	San Francisco	San José*	San Luis Obispo*	San Marcos	Sonoma	Stanislaus
Apparel Design & Merchandising														O	O			I					
Architecture														I							I		
Art	O	O	O	O	O	I	I	O	I	O		O	O	O	O	O	I	N	I	I	O	O	O
Biological Sciences**	O	O	O	O	O	I	I	N	I	I		I	I	I	I	O	I	I	I	I	O	I	O
Business	O	O	O	O	O	I	I	O	I	I	O	I	N	N	I	O	I	N	I	I	I	I	O
Chemistry/Biochemistry	O	O	O	O	O	I	I	O	I	I			O	I	O	O	I	I	I	I	O	O	O
Child/Human Development	O		O	O	O	I	I	O	I	I		O	O		O	O	I	I	I	I	O	N	O
Communication	O	O	O	O	O	I	I	O	I	I		O	I	I	O	O	I	O	I	I	I	I	O
Computer Science	O	O	O	O	O	I	I	O	I	I		I	O	I	O	O	I	O	I	I	O	O	O
Criminology/Criminal Justice	O		O	O	O	I	I	O	I	I					I	I	I	I	I	I	O	I	O
Economics	O	O	O	O	O	I	I	O	I	I		O	O	O	O	O	I	O	I	I	O	O	O
Engineering	O		O	O	O	I	I	O	I	N	I		O	N	O	O	I	O	I	I		O	O
English	O	O	O	O	O	I	I	O	I	O		O	O	O	O	O	I	O	I	I	O	O	O
Environmental Studies/Sciences					O			N				N		N	O	O	I	I	I			I	
Family & Consumer Sciences						I			I				O		O			O					
Film & Electronic Arts/Cinema							I	O	I	I		O	I		O			O					
Food & Nutrition/Dietetics			O			I			I	I			O	O	O	O	I	I	I	I			
Graphic Design			O	O	O	I	I		I	O		O	O	O	I	O	I	N	I	I			
Health Science/Education	O		O	O	O	I	I		I	I			I	O	I	O	I	I	I				
History	O	O	O	O	O	I	I	O	I	O		O	O	O	O	O	I	O	I	I	O	O	O
Hospitality & Tourism Management			O		O				I				O	O			I	O	I				
Information Systems	O		O	O	O	I	I		I	O		O	O	O	O	O	I	O	I	I	O		O
Interior Design			O			I			I						O		I	O	I				
International Business (B.A.)							I										I						
Journalism/Mass Communications			O	O	O	I	I	O	I			O	O	O	O		I	O	I	I	I		
Kinesiology/Physical Education	O		O	O	O	I	I	O	I	I		I	I	I	O	N	I	I	I	I	I	I	O
Liberal Studies	O	O	O	O	O	I	I	O	I	O		O	O	O	O	O	I	O	I	I	O	N	O
Marine Transportation											I												
Music	O		N	O	O	I	I	O	I	O		O	I	N	O	O	I	O	I	I		O	O
Nursing, Basic	I	I	I		I	I	I		I	I					I	I	I	I	I		I	I	I
Nursing, RN to BSN	I	O	O	O	O	I	I		I	O		O		O	O	I	O	I			O	I	O
Occupational Therapy				O																I			
Physics	O	O	O	O	O	O	I	O	I	O		O	O	I	O	O	I	O	I	I	O	O	O
Political Science	O	O	O	O	O	I	I	O	I	O		O	O	O	O	O	I	O	I	I	O	O	O
Psychology	O	O	O	O	O	I	I	O	I	I		I	I	O	I	O	I	I	I	I	O	I	O
Public Administration	O		O	O	O	I	I		I	O			O			O	I		I			O	O
Radio-Television & Film			O	O	O	I	I			O		O	O				I	O	I				
Social Science			O				I	O		O		O		O	O	O	I		I	I	O		O
Social Work			I			I		I	I	I		O		O	O	N	I	I	I				
Sociology	O	O	O	O	O	I	I	O	I	O		O	O	O	O	O	I	I	I	I	O	I	O
Spanish	O	O	O	O	O	I	I	O	I	O		O	O	O	O	O	I	O	I		O	O	O
Theater/Performing Arts	O	O	O	O	O	I	I	O	I	O		O	O	O	O	O	I	O	I	I	O	O	O
Undeclared							I		I	N		I					I	N	I				

Codes: \* = All programs are impacted I = Programs impacted at the campus N = See notes for the campus on the next page  
 O = Programs offered at the campus but not impacted □ = A blank cell indicates that the program is not offered at this campus  
 \*\*Biological Sciences should include Biology, Biotechnology, Microbiology, and Medical Technology

**NOTES FOR FIRST TIME FRESHMEN (FTF) AND UPPER DIVISION TRANSFERS (UDT)**

<b>Bakersfield</b>	Impacted for FTF and UDT in nursing (basic) and the RN to BSN nursing programs.
<b>Channel Islands</b>	Impacted for FTF and UDT in the nursing (basic) program.
<b>Chico</b>	Impacted for FTF and UDT, and programs in nursing (basic) and option in recording arts (BA in Music) and social work.
<b>Dominguez Hills</b>	No campus impactation for FTF or UDT.
<b>East Bay</b>	Impacted for FTF and UDT and in the nursing (basic) program.
<b>Fresno</b>	Impacted for FTF and UDT, and in all undergraduate programs, pre-programs, undeclared/undecided programs.
<b>Fullerton</b>	Impacted for FTF and UDT, and in all undergraduate programs, pre-programs, undeclared/undecided programs.
<b>Humboldt</b>	Impacted for FTF, no campus impactation for UDT. Impacted programs in biology (FTF and UDT), botany (FTF and UDT), environmental resource engineering (UDT only), environmental science (FTF and UDT), social work (FTF and UDT), wildlife (FTF and UDT) and zoology (FTF and UDT).
<b>Long Beach</b>	Impacted in all undergraduate programs, pre-programs for FTF and UDT and undeclared/undecided programs for FTF only.
<b>Los Angeles</b>	Impacted for FTF and UDT, and programs in biology, business administration, criminal justice, engineering (civil, electrical and mechanical), fire protection administration (UDT only), nursing (general), psychology, social work, urban learning (ITEP option), and undeclared/undecided (with interest in nursing).
<b>Maritime Academy</b>	Impacted in facilities engineering technology, marine engineering technology, marine transportation and mechanical engineering. New students in all majors must complete a physical examination and pass a health review prior to enrollment.
<b>Monterey Bay</b>	Impacted for FTF and UDT, and programs in biology (all options), business administration, computer science, environmental science, technology and policy (UDT only), marine science, kinesiology, mathematics (UDT only), psychology and undeclared/undecided.
<b>Northridge</b>	Impacted for FTF and UDT, and programs in accountancy, biology, business administration (insurance and financial services option), cinema & television arts, communication studies, finance, health sciences, kinesiology, music and psychology.
<b>Pomona</b>	Impacted for FTF and UDT, and programs in animal science, animal health science, architecture, biology, biotechnology, business administration (accounting option), chemistry, communication, computer science, environmental biology, engineering (aerospace, chemical, civil and computer), kinesiology (exercise science option and health promotions option), music (industry studies option) and physics.
<b>Sacramento</b>	Impacted for FTF and UDT, and programs in biological science, business administration (all options), criminal justice (general), graphic design (general), health science (all options), nursing (general), and psychology (general).
<b>San Bernardino</b>	Impacted for FTF and UDT, and programs in criminal justice (all options), kinesiology (pre-physical therapy), nursing (general), and social work (pre-social work).
<b>San Diego</b>	Impacted for FTF and UDT, and in all undergraduate programs, pre-programs, and undeclared/undecided programs.
<b>San Francisco</b>	Impacted in apparel design and merchandising, biochemistry, biology (all options), business administration (accounting), chemistry, child and adolescent development (all options), criminal justice, dietetics, environmental studies (all options), health education, industrial arts/design (all options), kinesiology (all options), nursing (general), psychology, social work, sociology, visual communication design, and undeclared/undecided (with an interest in nursing).
<b>San José</b>	Impacted for FTF and UDT, and in all undergraduate programs, pre-programs, and undeclared/undecided programs.
<b>San Luis Obispo</b>	Impacted for FTF and UDT in all undergraduate programs (and does not consider alternate majors).
<b>San Marcos</b>	Impacted for FTF and UDT, and programs in business administration, communication, kinesiology, mass media, and nursing (basic).
<b>Sonoma</b>	Impacted for FTF and UDT, and programs in biology, business administration, communication studies, criminology and criminal justice studies, early childhood studies, environmental studies and planning (all options), human development, kinesiology (all options), liberal studies, nursing (pre-nursing and pre-licensure BSN), psychology, and sociology.
<b>Stanislaus</b>	Impacted for FTF and UDT in nursing (generic or basic) program.

Please go to [www2.calstate.edu/pages/ImpactionSearch.aspx](http://www2.calstate.edu/pages/ImpactionSearch.aspx) for the most accurate and up-to-date information regarding impacted campuses and programs at the CSU. To find all degrees/programs available by CSU campus, visit <http://degrees.calstate.edu>. Programs offered through CSU Extended Education may also be available at campuses and are not reflected in the matrix.

<b>CSU</b>	<b>Local Admission Area</b>		<b>Service Area</b>
<b>Campus</b>	<b>First-Time Freshman Admission</b>	<b>Upper-Division Transfer Admission</b>	<b>Outreach, Recruitment, EAP</b>
<b>Bakersfield</b>	Not Impacted: State of California	Not Impacted: State of California	Antelope Valley, Lancaster, Palmdale and the counties of Inyo, Kern, Mono, Tulare (South of Tulare & Lindsay)
<b>Channel Islands</b>	Not Impacted: State of California	Not Impacted: State of California	Malibu, Santa Barbara County (Channel Islands to San Luis Obispo south of Gaviota, and Ventura County)
<b>Chico</b>	All high schools in counties of Butte, Colusa, Glenn, Lassen, Modoc, Plumas, Shasta, Siskiyou, Sutter, Tehama, Yuba and 4 school districts in Trinity: Mountain Valley, Southern Trinity, Trinity Alps, and Trinity High School	30 units of coursework from one or more of the community colleges in Butte, Lassen, Shasta, Plumas, Siskiyou, and Yuba Counties	Butte, Glenn, Lassen, Modoc, Plumas, Shasta, Siskiyou, Sutter, Eastern Trinity, Tehama, and Yuba Counties
<b>Dominguez Hills</b>	Not Impacted: State of California	Not Impacted: State of California	Los Angeles County (see Attachment B/C)
<b>East Bay</b>	Priority given to students from high schools in Alameda, Contra Costa, San Mateo, San Francisco, Santa Clara and Solano. counties.	Priority given to students who complete the majority of their units in Alameda, Contra Costa, San Mateo, San Francisco, Santa Clara and Solano counties. Priority also given to students who complete an ADT at any California Community College.	Alameda and Contra Costa Counties
<b>Fresno</b>	Each program is impacted. Applicants from high schools in Fresno, Kings Madera, Tulare counties and partner high school with a historic relation with Fresno State in other counties.	Each program is impacted. Majority of transferable coursework from Allan Hancock College, Clovis Community College, College of the Sequoia, Fresno City College, Hartnell Community College, Merced College, Modesto Junior College, Porterville College, Reedley College, and West Hills College including Lemoore campus	The counties of Fresno, Kings, Madera, Tulare (Fresno to Bakersfield), North of Tulare and Lindsay
<b>Fullerton</b>	Each program is impacted. All high schools in Orange County, Chino, Corona/Norco, Walnut, Whittier, and Alvorad School District.	Majority of courses from or in combination with each of the community colleges in Orange County	Orange County (see Attachment B and C)
<b>Humboldt</b>	All high schools in Del Norte, Humboldt, Northern Mendocino, and Western Trinity	Not Impacted: State of California	Del Norte, Humboldt, Northern Mendocino (North of Ukiah), and Western Trinity County

Campus	First-Time Freshman Admission	Upper-Division Transfer Admission	Outreach, Recruitment, EAP
<b>Long Beach</b>	Each program is impacted. The following school districts: ABC, Anaheim (Cypress and Oxford only), Bellflower, Compton, Downey, Huntington Beach, Long Beach, Los Alamitos, and Paramount	Each program is impacted. Transfer applicants will receive "Local Preference" for admission consideration based on their high school of graduation. The same geographic boundaries used to determine local area high schools for freshmen will now be used to determine local preference for incoming transfers as well. As part of our commitment to provide access to veterans, CSULB will give "Local Preference" to all military veterans regardless of their school of origin.	Los Angeles and Orange Counties  (see Attachment B and C)
<b>Los Angeles</b>	All high schools located East to the 605 freeway and the Los Angeles County Line, North to the LA County Line, South to Highway 42 (Firestone Blvd.), West to the Intersection of the 405 freeway and Culver, north on Culver to La Cienega, north on La Cienega to Sunset-Hollywood Blvd. east of Hollywood Blvd to Los Feliz, east on Los Feliz to the 5 freeway to Sunland Blvd east on Sunland blvd to Highway 14	Majority of coursework, or last school attended, or ADT from the following community colleges: Los Angeles Community College District (LACCD), Glendale Community College, Pasadena City College, Rio Hondo College, Santa Monica College	Los Angeles County  (see Attachment B and C)
<b>Maritime</b>	Not Impacted: State of California	Not Impacted: State of California	Solano County
<b>Monterey Bay</b>	Impacted for non-local area only - applicants outside of Monterey, San Benito, and Santa Cruz counties.	Marine Science and Biology upper division transfers are impacted for the entire state and local admissions area - Monterey, Santa Cruz, and San Benito Counties	Monterey, San Benito, and Santa Cruz Counties

Campus	First-Time Freshman Admission	Upper-Division Transfer Admission	Outreach, Recruitment, EAP
<b>Northridge</b>	Most of the Los Angeles Unified School District (excluding the East Educational Service Center), Acton-Agua Dulce Unified School District, Antelope Valley Union, Beverly Hills Unified School District, Burbank Unified School District, Compton Unified School District, Culver City Unified School District, Glendale Unified School District, Gorman Elementary School District, Inglewood Unified School District, La Canada Unified School District, Las Virgenes Unified School District, Lennox Elementary School District, Lynwood Unified School District, Pasadena Unified School District, San Gabriel Unified School District, San Marino Unified School District, Santa Monica-Malibu Unified School District, and William S. Hart Union High School District.	Antelope Valley College, College of the Canyons, East Los Angeles College, Glendale Community College, Los Angeles City College, Los Angeles Harbor College, Los Angeles Mission College, Los Angeles Pierce College, Los Angeles Trade Technical College, Los Angeles Valley College, Moorpark College, Oxnard College, Pasadena City College, Santa Monica College, Southwest Los Angeles College, Ventura College, and West Los Angeles College.	Los Angeles County (see Attachment B and C)
<b>Pomona</b>	All high schools west of the 15 Freeway, north of the 60 Freeway, east of the 605 Freeway and south of the 210 Freeway.	Majority of courses from Mt. San Antonio College or Citrus College or both	Los Angeles and San Bernardino counties (see Attachment B and C)
<b>Sacramento</b>	All high schools in El Dorado, Placer, Sacramento, San Joaquin, Solano, and Yolo Counties.	Majority of coursework from either American River, Cosumnes River, Folsom Lake, Lake Tahoe Community, Sacramento City, San Joaquin Delta, Sierra, Solano or Woodland College.	Alpine, Amador, Colusa, El Dorado, Nevada, Placer, Sacramento, Sierra, Solano, Sutter, San Joaquin, and Yolo Counties
<b>San Bernardino</b>	The following school districts in San Bernardino County: Apple Valley, Chaffey, Colton, Fontana, Hesperia, Morongo, Redlands, Rialto, Rim of the World, San Bernardino City, Victor Valley, and Yucaipa. Riverside County: Banning, Beaumont, Coachella Valley, Desert Sands, Jurupa Valley, Moreno Valley, Palm Springs, and Riverside.	Majority of coursework from or in combination with the community colleges in San Bernardino and Riverside Counties.	Riverside and San Bernardino Counties (see Attachment B and C)



Campus	First-Time Freshman Admission	Upper-Division Transfer Admission	Outreach, Recruitment, EAP
<b>San Diego</b>	Each program is impacted. Students from all high schools in San Diego County south of State Hwy 56 and Imperial County.	Each program is impacted. Students transferring from or earning an ADT from Cuyamaca College, Grossmont College, Imperial Valley College, San Diego City College, San Diego Mesa College, San Diego Miramar College, and Southwestern College. Students transferring from MiraCosta College and Palomar College in majors not offered at CSU, San Marcos.	South of State Hwy 56 in San Diego County and Imperial County.
<b>San Francisco</b>	Not Impacted: State of California	Not Impacted: State of California	San Francisco and San Mateo Counties
<b>San Jose</b>	Graduates from high schools in Santa Clara County.	At the time of application, majority of coursework from community colleges in Santa Clara and Santa Cruz Counties	Santa Clara County
<b>San Luis Obispo</b>	Each program is impacted. Students applying from high schools in San Luis Obispo, southern Monterey, and northern Santa Barbara counties may be assigned additional points in the multi-valued selection criteria.	Each program is impacted. Students whose home domicile is within San Luis Obispo, southern Monterey, and northern Santa Barbara counties may be assigned additional points in the multi-valued selection criteria.	San Luis Obispo County and region north of Gaviota in Santa Barbara County
<b>San Marcos</b>	Those high schools that are north of Hwy 56 in San Diego County plus Capistrano and Saddleback Valley, Hemet, Lake Elsinore, Murrieta Valley, San Jacinto, Temecula, and Val Verde districts.	Last school attended was at Mount San Jacinto, Palomar, and/or Mira Costa community colleges	San Diego County North of Hwy 56, Southwest Riverside County
<b>Sonoma</b>	All high schools in Lake, Marin, Mendocino, Napa, Solano, and Sonoma Counties	Majority of coursework from California Community Colleges in Lake, Marin, Mendocino, Napa, Solano, and Sonoma Counties	Lake, Marin, Napa, Sonoma , and Southern Mendocino Counties (including Ukiah)
<b>Stanislaus</b>	Not Impacted: State of California	Not Impacted: State of California	Calaveras, Mariposa, Merced, San Joaquin, Stanislaus, and Tuolumne Counties

**CSU Service Areas for School – College Relations  
Arranged North to South by Campus and County**

**Humboldt:** *Del Norte, Humboldt, Mendocino<sup>1</sup> North of Ukiah, Trinity<sup>2</sup> Western half*

**Chico:** *Butte, Glenn, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama, Trinity<sup>2</sup> Eastern half, Yuba*

**Sacramento:** *Alpine, Amador, Colusa, El Dorado, Nevada, Placer, Sacramento, Sierra, Sutter, Yolo*

**Sonoma:** *Lake, Marin, Mendocino<sup>1</sup> South of Ukiah, Napa, Sonoma*

**Maritime:** *Solano*

**East Bay:** *Alameda, Contra Costa*

**San Francisco:** *San Francisco, San Mateo*

**San Jose:** *Santa Clara*

**Monterey Bay:** *Monterey, San Benito, Santa Cruz*

**Stanislaus:** *Calaveras, Mariposa, Merced, San Joaquin, Stanislaus, Tuolumne*

**Fresno:** *Fresno, Madera, Kings, Tulare<sup>3</sup> (North of Tulare & Lindsay)*

**Bakersfield:** *Inyo, Kern, Mono, Tulare<sup>3</sup> (South of Tulare & Lindsay)*

**San Luis Obispo:** *San Luis Obispo, Santa Barbara<sup>4</sup> (South of Gaviota)*

**Channel Islands:** *Malibu, Santa Barbara<sup>4</sup> (South of Gaviota), Ventura*

**Northridge:** *Los Angeles<sup>5</sup>*

**Dominguez Hills:** *Los Angeles<sup>5</sup>*

**Long Beach:** *Los Angeles<sup>5</sup>, Orange<sup>6</sup>*

**Los Angeles:** *Los Angeles<sup>5</sup>*

**Pomona:** *Los Angeles<sup>5</sup>, San Bernardino<sup>7</sup>*

**Fullerton:** *Orange<sup>6</sup>*

**San Bernardino:** *Riverside, San Bernardino<sup>7</sup>*

**San Marcos:** *San Diego<sup>8</sup> North Hwy 56, Southwest Riverside County*

**San Diego:** *Imperial, San Diego<sup>8</sup> South Hwy 56*

<sup>1</sup> Humboldt-Sonoma

<sup>2</sup> Humboldt-Chico

<sup>3</sup> Fresno-Bakersfield

<sup>4</sup> Channel Islands-San Luis Obispo

<sup>5</sup> Northridge-Los Angeles-Dominguez Hills-Long Beach-Pomona

<sup>6</sup> Long Beach-Fullerton

<sup>7</sup> Pomona-San Bernardino

<sup>8</sup> San Diego-San Marcos

## **CSU Service Areas Boundaries for School-College Relations Delineated for Los Angeles County**

### **Dominguez Hills**

- East Boundary Pacific Ocean and Long Beach Blvd. north on Long Beach Boulevard to Highway 91, east to Paramount
- North Boundary Intersection of Firestone and Paramount west on Firestone to Highway 710, north to Florence, west to La Brea to Centinela, west to Highway 405, north to Culver
- South Boundary Pacific Ocean from Long Beach Blvd. to western limit of Palos Verdes Peninsula
- West Boundary Palos Verdes Peninsula north to Culver, north on Culver to Highway 405

*(This area includes Lynwood, Dominguez, San Pedro, El Segundo, and Carson.)*

### **Fullerton**

- East Boundary Orange County – Riverside County border, Orange County – San Bernardino County border, San Bernardino County line to where it intersects with Highway 60 (Pomona Freeway)
- North Boundary Highway 60 to Highway 605 (San Gabriel River Freeway)
- South Boundary Orange County – San Diego County border, the Pacific Ocean to Hwy 39 (Beach Blvd.)
- West Boundary Santa Ana River north to Highway 405 (San Diego Freeway), west on Hwy 405 to Beach, north on Beach to Highway 22 (Garden Grove Freeway), west on Highway 22 to Valley View, north on Valley View to Highway 91 (Riverside Freeway), west on Hwy 91 to Highway 605 (San Gabriel River Freeway), north on Hwy 605 to Highway 60 (Pomona Freeway)

*(This area includes Whittier, Santa Fe Springs, Norwalk, and parts of Cerritos and Garden Grove. It excludes Hawaiian Gardens, Lakewood, Los Alamitos, and Rossmoor.)*

## **Los Angeles**

- East Boundary Highway 605 (San Gabriel River Freeway) from Firestone north to its terminal point and then north to the northern boundary of Los Angeles County through Pearblossom
- North Boundary The Los Angeles County line
- South Boundary Intersection of Firestone and Highway 605, west on Firestone to Highway 710, north to Florence, west to La Brea to Centinela, west to Highway 405, north to Culver
- West Boundary Intersection of Highway 405 and Culver, north on Culver to La Cienega, north on La Cienega to Sunset-Hollywood Blvd., east on Hollywood Blvd. to Los Feliz, east on Los Feliz to Highway 5 (Golden State Freeway), north on Highway 5 to Sunland Blvd., east on Sunland Blvd., Big Tujunga Canyon Road, and Angeles Forest Road to Highway 14 (Antelope Valley Freeway), north to the Los Angeles County border

*(This area includes Pico Rivera, Duarte, Bradbury, Glendale, and Sunland. It excludes Santa Monica, Beverly Hills, Burbank, Palmdale, and Downey.)*

## **Long Beach**

- East Boundary Santa Ana River north Highway 405 (San Diego Freeway), west on Highway 405 to Beach, north on Beach to Highway 22 (Garden Grove Freeway), west on Highway 22 to Valley View, north on Valley View to Highway 91 (Riverside Freeway), west on Highway 91 to Highway 605 (San Gabriel Freeway), north on Highway 605 to Firestone
- North Boundary Intersection on Paramount and Firestone, east on Firestone to Highway 605
- South Boundary Pacific Ocean from Highway 39 to Long Beach Boulevard
- West Boundary Pacific Ocean and Long Beach Boulevard north on Long Beach Boulevard to Highway 91, east to Paramount

*(This area includes Hawaiian Garden, Downey, Westminster, Seal Beach, Long Beach, Los Alamitos, Rossmoor, Lakewood, Bellflower, Paramount, and parts of Cerritos and Garden Grove. It excludes San Pedro.)*

## **Northridge**

- East Boundary North on La Cienega from the intersection with Highway 10 (Santa Monica) to Sunset-Hollywood Blvd., east on Los Feliz to Highway 5 (Golden State Freeway), north on Highway 5 to Sunland, north on Big Tujunga Canyon Road and Angeles Forest Highway to Highway 14 (Antelope Valley Freeway), north on Highway 14 to the Los Angeles County line
- North Boundary The Pacific Ocean north from the Santa Monica Freeway to the Ventura County line
- South Boundary The Los Angeles County line
- West Boundary From Pacific Ocean north on Culver to La Cienega, north on La Cienega to Sunset-Hollywood Blvd., east on Hollywood Blvd. to Los Feliz, east on Los Feliz to Highway 5 (Golden State Freeway), north on Highway 5 to Sunland Blvd., east on Sunland Blvd., Big Tujunga Canyon Road, and Angeles Forest Road to Highway 14 (Antelope Valley Freeway), north to the Los Angeles County border

*(This area includes Santa Monica, Santa Barbara, Beverly Hills, Burbank, Palmdale, and Lancaster.)*

## **San Bernardino**

- East Boundary East boundary of San Bernardino and Riverside Counties
- North Boundary Northern boundary of San Bernardino County
- South Boundary Southern boundary of Riverside County
- West Boundary East of the San Bernardino – Los Angeles County boundary to a point where it intersects an extension of State Highway 30 (19<sup>th</sup> Street, Highland Avenue), north of State Highway 30 to where it intersects Etiwanda Avenue, east of Etiwanda Avenue to where it intersects Limonite Avenue, south of Limonite Avenue to where it intersects Hamner Avenue, east of Hamner Avenue to where it intersects State Highway 91 (Riverside Freeway), south of Highway 91 to where it intersects the Riverside – Orange County border, east of that county border to where it intersects the San Diego County border

*(This western boundary includes Etiwanda, Mira Loma, Norco, and Corona.)*

## **Pomona**

- East Boundary West of the San Bernardino – Los Angeles County boundary to a point where it intersects an extension of State Highway 30 (19<sup>th</sup> Street, Highland Avenue), south of State Highway 30 to where it intersects Etiwanda Avenue, west of Etiwanda to where it intersects Limonite Avenue, north of Limonite Avenue to where it intersects Hamner Avenue, west of Hamner Avenue to where it intersects State Highway 91 (Riverside Freeway)
- North Boundary Northern boundary of Los Angeles County
- South Boundary North of Highway 91 to the San Bernardino – Orange County boundary, east of that County boundary to where it intersects Highway 60 (Pomona Freeway), north of Highway 60 to where it intersects Highway 605 (San Gabriel River Freeway)
- West Boundary Highway 605 north to its terminal point and then north to the northern boundary of Los Angeles County through Pearblossom

*(This area includes Rowland Heights, Diamond Bar, City of Industry, Baldwin Park, Irwindale, and Azusa. It excludes Etiwanda, Mira Loma, Norco, Corona, and Duarte.)*



## **COMMITTEE ON EDUCATIONAL POLICY**

### **Basic Needs Initiative**

#### **Presentation By**

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Student Academic Services

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#### **Summary**

The California State University is a national leader in studying and addressing the problem of food and housing insecurity in higher education. Campuses are providing resources for local students who are experiencing food and housing insecurity. Through the Basic Needs Initiative, the Office of the Chancellor is building on the work performed at the campus level to create a systemwide framework of services and partnerships to ensure that all students have access to the resources they need.

#### **Definitions**

For the purposes of this agenda item, and for the CSU work to address the basic needs of students, the U.S. Department of Agriculture's definition of food insecurity is used. It defines food insecurity as lacking access to enough food for an active, healthy life. Food insecurity exists upon a continuum, with hunger the most extreme example.

For housing insecurity, the McKinney-Vento Act defines it as individuals who lack fixed, regular and adequate nighttime residence. The U.S. Department of Health and Human Services' definition adds that high housing costs in proportion to income, poor housing quality, unstable neighborhood and housing structures, overcrowding or homelessness are all factors that can cause housing insecurity.



## **National Research**

The number of students who experience food and housing insecurity nationwide is largely unknown and often underreported. Fear of being stigmatized often keeps students from disclosing their food or housing insecurity.

The results from a 2016 national research study shed some light on the prevalence of these issues on college campuses. The report was a collaboration among the College and University Food Bank Alliance, the National Student Campaign Against Hunger and Homelessness, the Student Government Resource Center and the Student Public Interest Research Groups. Survey results revealed that:

- 48 percent of respondents reported food insecurity within the previous 30 days;
- 20 percent of college students at 4-year universities qualified as having “very low” food security;
- 64 percent of students experiencing food insecurity also reported experiencing some type of housing insecurity;
- 15 percent of food insecure students reported experiencing some form of homelessness—the most extreme form of housing insecurity—in the past 12 months;
- 56 percent of students experiencing food insecurity reported having a paying job, with 38 percent working 20 hours or more per week; and
- 32 percent of students experiencing food or housing insecurity reported that these issues had an impact on their educational attainment.

## **Food and Housing Insecurity at the CSU**

In February 2015, the CSU commissioned a snapshot study, *Serving Displaced and Food Insecure Students in the CSU*, in order to gain a baseline understanding of the breadth of food and/or housing insecurity on campuses. The study tapped the perceptions and understanding of these issues among students, faculty, staff and administrators. A survey was administered to 1,039 students on the CSU Long Beach campus, and focus groups, surveys and qualitative interviews were conducted at other CSU campuses to understand trends that may be occurring throughout the CSU. The snapshot estimated that one-in-five students experience food insecurity and one-in-twelve experience housing insecurity.

Based on the results of the snapshot study, the CSU dispersed additional resources to spearhead research on all 23 campuses to gauge the magnitude and impact of food and housing insecurity systemwide. The CSU is the first public university system in the nation to conduct extensive research on these issues with the goal of developing systemic solutions that will enable impacted students to persist and graduate.

This research is a more robust study across all 23 campuses. It is being led by Rashida Crutchfield, Ed.D., MSW of CSU Long Beach and Jennifer Maguire, Ph.D., MSW of Humboldt State University. The goals for this research are to a) compare the findings of the initial study to confirm the scope of the problem; and b) identify best practices that will inform a systemwide framework, which will build on and expand campus-based intervention programs to support students. These survey results are expected to be finalized by early 2018.

### **CSU Basic Needs Initiative**

Through the Basic Needs Initiative, the CSU is working to address students' basic needs by establishing a systemwide framework that will connect students with resources addressing food and housing insecurity, and other resources as needed. The initiative is structured as a progressive rollout with five key areas: 1) addressing the immediate needs of students; 2) growing campus-based basic needs' services, allowing them to reach additional students; 3) scaling best practices from one campus to across the system; 4) working with partners; and 5) ensuring long-term sustainability of basic needs services.

#### *Immediate Needs*

In the wake of the snapshot survey, campuses have taken significant action to meet the immediate needs of students. This is often considered the "triage" stage of helping a student in crisis. Campuses established a foundation of basic needs practices and procedures on each campus, with the purpose of developing a safety net to address immediate needs.

For example, there is currently a food pantry or food distribution program at all 23 CSU campuses. This serves as a nexus point for students to connect and learn about various programs, services and resources that can help alleviate challenges they are facing with food insecurity. A number of campuses have emergency housing programs for students who find themselves needing short-term housing. Several campuses have implemented a case manager model in which there is a point person who contacts a student in crisis to connect them with available resources, either on or off campus. And many campuses have developed websites that students can use to obtain information regarding food and housing resources.

#### *Growth*

In this second area, the Office of the Chancellor is working with campuses to track promising practices and identify areas where there are gaps, ultimately to grow the campus' basic needs services to reach additional students. This includes building connections between campus departments so that services flow seamlessly to students.

A significant action in this area is capitalizing on Senate Bill 85 and its corresponding one-time \$2.5 million allocation to the CSU for campuses to receive “Hunger-Free Campus” designations. The CSU is leveraging these funds for greater impact by creating a Request for Proposal (RFP). This process will allow campuses to apply for funds to either enhance or develop additional supports to address food and housing insecurity among students. Funds will be distributed based on the strategies the campuses are committed to implementing and the number of students being served.

Among other actions, campuses will use these funds to develop and enhance food pantries, create or expand a system where students can donate unused meals from a meal plan and designate a campus point of contact who is knowledgeable about CalFresh, and can help students with the application process. CalFresh is the name for California’s federally funded Supplemental Nutrition Assistance Program, which provides healthy and nutritious foods to low-income individuals who meet income eligibility rules.

#### *Scale*

The Office of the Chancellor will be developing strategies to scale best practices that are being implemented on a single campus to systemwide. For example, the Office of the Chancellor has partnered with CSU Chico’s Center for Healthy Communities on the first-ever higher education systemwide effort to conduct CalFresh Outreach with students on college campuses. For the current Outreach cycle (2016-18), CSU Chico works with 10 other CSU campuses to increase CalFresh awareness, help eligible students apply for CalFresh and partner with local county social service offices to identify and reduce barriers associated with program enrollment. The goal is to continue looking for ways to increase access to these services, and expand to include all 23 campuses engaged in CalFresh activities.

#### *Collaboration*

The Basic Needs Initiative includes a focus on partnerships with other California higher education institutions. A higher education “alliance” has been created between the California Community Colleges (CCC), the University of California (UC) and the CSU to work collectively to spearhead efforts statewide and prioritize the implementation and advocacy for basic needs resources for students across the state.

Collaboration on basic needs efforts is also within the CSU. Both the California State Student Association and the CSU Alumni Council have identified the Basic Needs Initiative as one of their strategic foci for the year. The CSU will be working closely with both groups to meet the basic needs of students. A systemwide Basic Needs committee is being established, which will include students, faculty and staff from different departments and sectors regularly meeting and discussing ways of addressing food and housing insecurities among students.

Additionally, the Office of the Chancellor has begun key conversations with federal and state agencies to discuss ways to make Electronic Benefits Transfer (EBT) on CSU campuses more convenient to implement. EBT programs allow students to use their CalFresh dollars to purchase healthy food while on campus. Additionally, the CSU, CCC and UC met with the California Department of Social Services (CDSS) to explore ways to more efficiently and effectively deliver services, specifically CalFresh, to college students statewide.

### *Sustainability*

The need for sustainable strategies around food and housing insecurities is essential. The CSU must act innovatively to expand the continuum of care, reaching not only students who ask for help but also identifying and reaching students who may be reluctant to speak up. This includes raising the awareness level of faculty and staff on campuses to assist them in identifying and directing students who might need help to resources. Another aspirational strategy is to integrate basic needs screenings into on-campus health center visits, so that when students make an appointment, they are asked if they are currently experiencing food or housing insecurity. Within this area of sustainability, there will also be a focus on research and evaluation, as the use of data-driven results is important when implementing innovative strategies.

### **Conclusion**

As the CSU works to ensure that all students have the opportunity to be successful, its commitment—both at the campus level and as a system—to addressing the basic needs of students is unwavering. Work continues on the Basic Needs Initiative in order to grow campus programs to reach more students; scale best practices systemwide; collaborate with internal and external partners, and think and act innovatively to ensure the long-term sustainability of the initiative.

## COMMITTEE ON EDUCATIONAL POLICY

### Graduation Initiative 2025

#### Presentation By

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Student Success Strategic Initiatives

#### Summary

Graduation Initiative 2025 is the California State University's (CSU) signature effort aimed at increasing degree completion rates and eliminating equity gaps, thereby ensuring student success and meeting the future workforce needs of California. More than one year into the initiative, this information item provides a progress update based on new systemwide graduation rate data. It also highlights recent policy changes designed to improve student outcomes, particularly for students from historically underserved communities. Finally, this information item highlights two new studies: the first quantifying Graduation Initiative 2025's benefit to students and the second presenting an alternative model for looking at equity gaps in the CSU.

#### Background

There are six priority areas of systemwide focus to achieve the Graduation Initiative 2025 goals. The following represents the CSU's aspirational goals with respect to each of these areas of focus:

- 1. Academic preparation:** We will provide CSU students, including those who arrive academically underprepared, the opportunity and support needed to complete 30 college-level semester units—45 quarter units—before beginning their second academic year.
- 2. Enrollment management:** We will ensure students are able to enroll in the courses they need, when they need them.
- 3. Student engagement and well-being:** We will continue to address the wellbeing of all CSU students while fostering a strong sense of belongingness on campus.
- 4. Financial support:** We will ensure that financial need does not impede student success.

5. **Data-driven decision making:** We will use data-rich evidence to identify and advance the most successful academic support programs.
6. **Administrative barriers:** We will identify and remove unnecessary administrative impediments.

The Office of the Chancellor has created cross-representational workgroups for each of the six priority areas of Graduation Initiative 2025 to provide implementation guidance. These workgroups include a mixture of faculty, students, alumni, campus administrators and external stakeholders. The Academic Preparation workgroup has met twice, and the other groups have scheduled their initial meetings.

### **Progress Update**

Meeting the student success goals of Graduation Initiative 2025 requires the CSU to consistently measure progress. One year into the initiative, data indicate that the CSU is making good progress toward its goals but will continue to need to focus on closing equity gaps. While progress from year-to-year will not always be linear, we anticipate that trends will demonstrate long range progress in meeting the initiative goals.

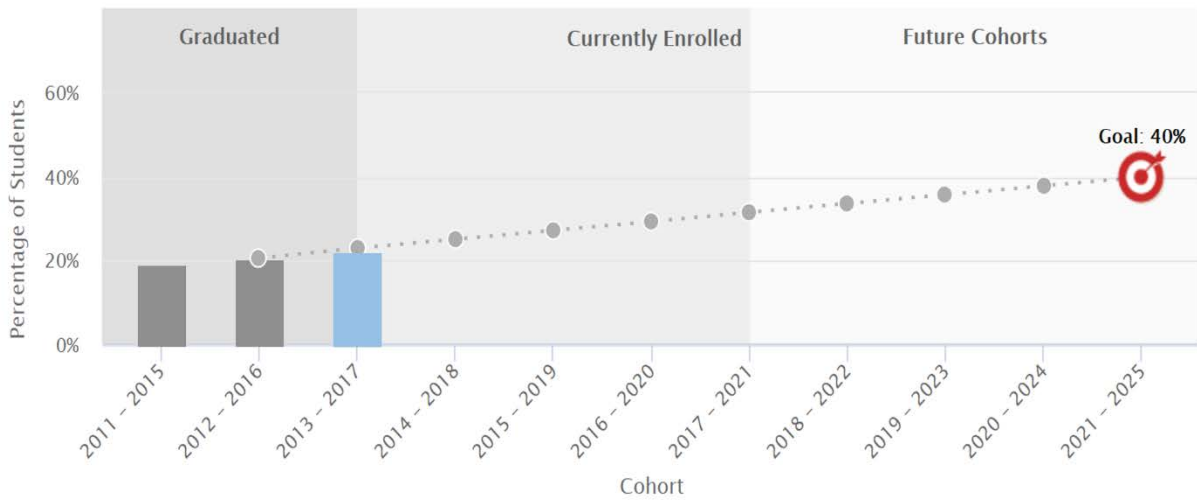
In the 2016-17 academic year, nearly 99,000 CSU students earned their baccalaureate degree. This represents a record high for the CSU, with nearly 7,000 additional students crossing the commencement stage compared to the previous year.

With a baccalaureate degree completed, these students are able to join the workforce or continue in their education. They are poised to earn 66 percent higher incomes than those with only a high school diploma and are far less likely to face unemployment. The average early-career median salary for new CSU alumni is above the national average at approximately \$47,000. Therefore, the 7,000 additional graduates who earned their degree last year could collectively earn \$328.3 million in their first year in the workforce alone.

*Freshman 4-Year Graduation Goal*

The 4-year graduation rate for the freshman cohort that began in 2013 and graduated in 2017 or earlier was 23 percent. This rate is the highest ever for the CSU, and builds on recent momentum as demonstrated in the charts below.

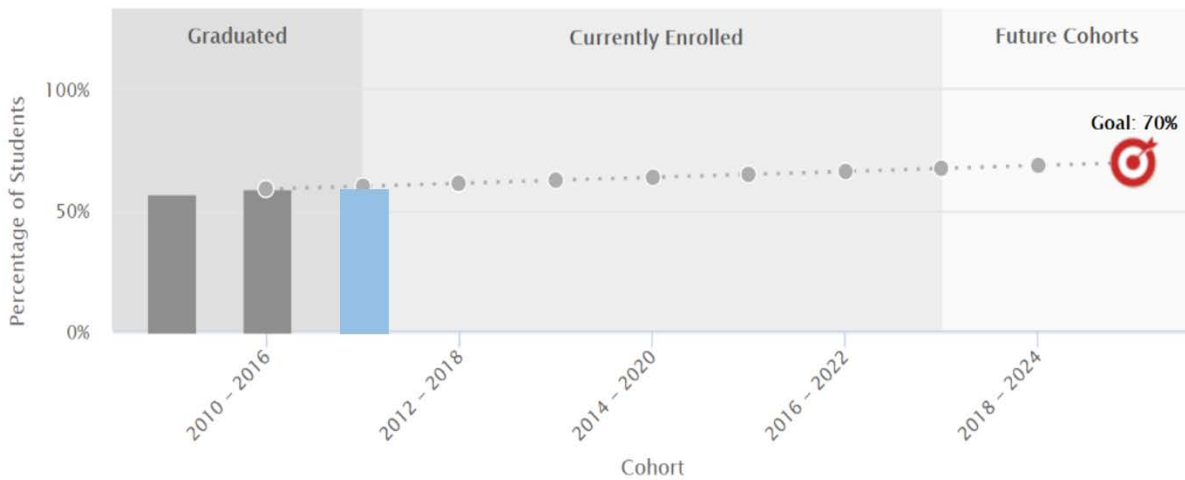
Cohort	Grad Rate (%)
2006-2010	15.8
2007-2011	15.9
2008-2012	16.2
2009-2013	17.8
2010-2014	18.6
2011-2015	19.2
2012-2016	20.7
2013-2017	22.6
<b>2025 Goal</b>	<b>40</b>



*Freshman 6-Year Graduation Goal*

The 6-year graduation rate for the freshman cohort that began in 2011 and graduated in 2017 or earlier was 59 percent. This rate remained stable, following significant increases in the 2008, 2009 and 2010 cohorts (as demonstrated in the chart below).

Cohort	Grad Rate (%)
2006-2012	51.4
2007-2013	51.8
2008-2014	54.0
2009-2015	57.0
2010-2016	59.1
2011-2017	59.2
<b>2025 Goal</b>	<b>70</b>





*Transfer 2-Year Graduation Goal*

The 2-year graduation rate for the transfer cohort that began in 2015 and graduated in 2017 or earlier was 35 percent. This rate is the highest ever for the CSU, and builds on recent momentum as demonstrated in the charts below.

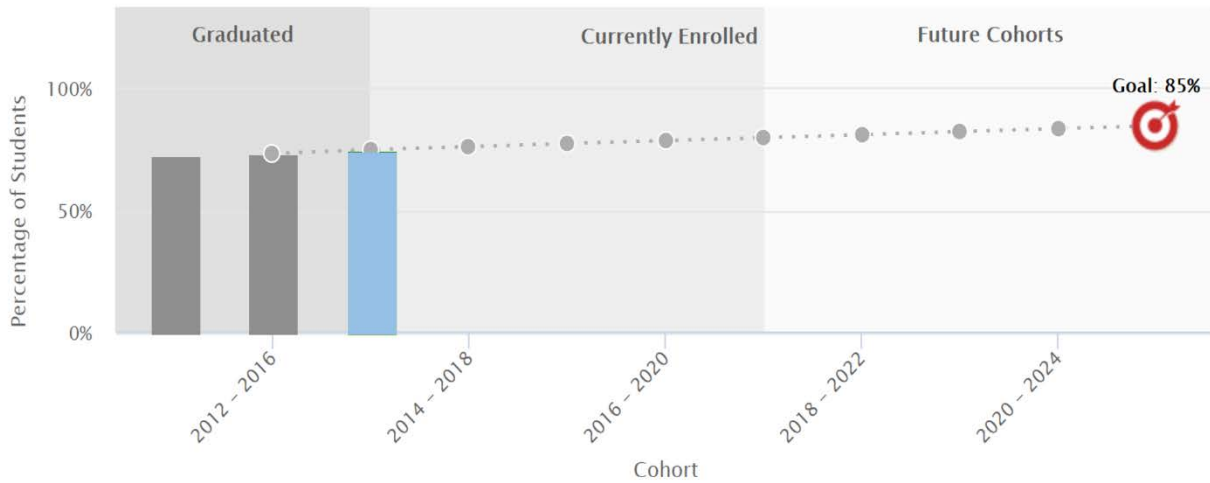
Cohort	Grad Rate (%)
2008-2010	23.3
2009-2011	24.5
2010-2012	27.8
2011-2013	26.7
2012-2014	28.4
2013-2015	30.5
2014-2016	32.6
2015-2017	35.0
<b>2025 Goal</b>	<b>45</b>



*Transfer 4-Year Graduation Goal*

The 4-year graduation rate for the transfer cohort that began in 2013 and graduated in 2017 or earlier was 75 percent. This rate is the highest ever for the CSU, and builds on recent momentum as demonstrated in the charts below.

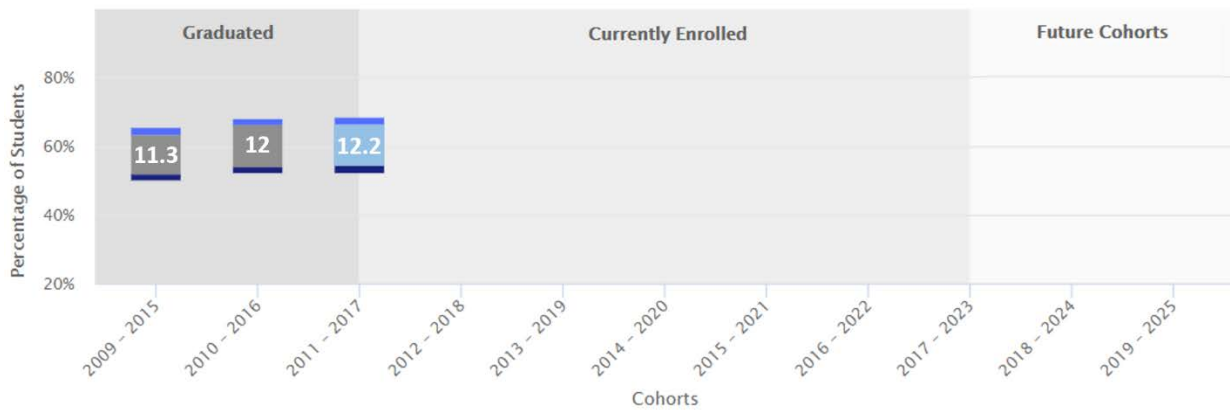
<b>Cohort</b>	<b>Grad Rate (%)</b>
2008-2012	67.2
2009-2013	69.2
2010-2014	72.8
2011-2015	72.9
2012-2016	73.9
2013-2017	75.2
<b>2025 Goal</b>	<b>85</b>



*Underrepresented Minority Equity Gap Goal*

The data indicate that students from historically underrepresented communities—those who identify as African-American, American-Indian or Latino—continue to make gains in their graduation rates, rising at rates equal to their peers. However more work is needed to begin closing the gap. The gap for the 2011 cohort that graduated within six years remained stable at 12.2 percentage points.

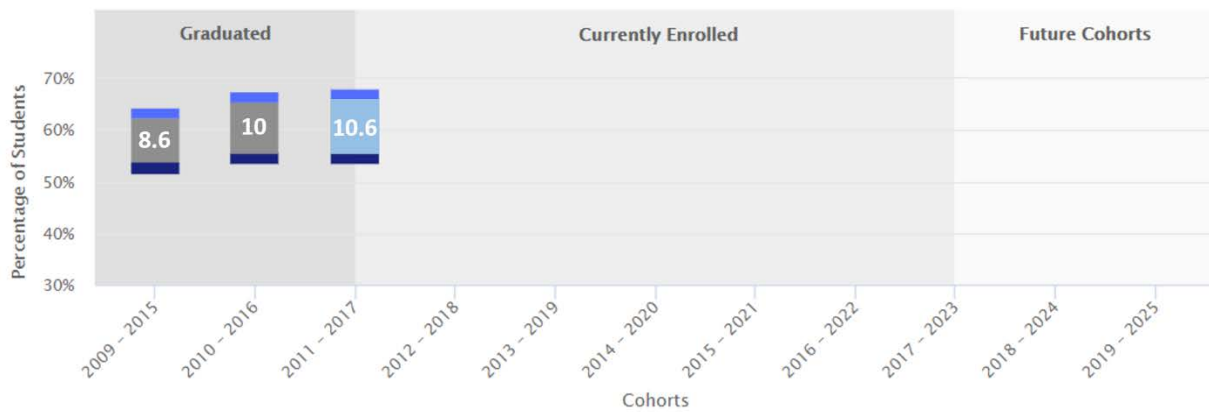
Cohort	Grad Rate (percentage points)
2006-2012	13.5
2007-2013	13.4
2008-2014	12.3
2009-2015	11.3
2010-2016	12.0
2011-2017	12.2
<b>2025 Goal</b>	<b>0</b>



*Pell Equity Gap Goal*

The data indicate that Pell-eligible students continue to make gains in their graduation rates, rising at rates equal to non-Pell students. However, more work is needed to begin closing the gap. The gap between the 2011 cohort that graduated within six years remained steady at 10.6 percent.

<b>Cohort</b>	<b>Grad Rate (percentage points)</b>
2006-2012	10.4
2007-2013	9.3
2008-2014	9.1
2009-2015	8.6
2010-2016	10.0
2011-2017	10.6
<b>2025 Goal</b>	<b>0</b>



*Annual Updates*

The CSU will annually assess progress in achieving the goals of Graduation Initiative 2025, both systemwide and for individual campuses. In partnership with campuses, these data will be used to inform ongoing strategic work supporting student success and completion.

## **Recent Policy Changes**

The CSU recently introduced policy changes intended to significantly improve how the CSU serves students. There are two distinct but related executive orders which were issued in August 2017.

### *Executive Order 1100-Revised, General Education Breadth Requirements*

Executive Order 1100-Revised updates the existing CSU general education (GE) framework, clarifying requirements, affording equity in the application of GE policy and expanding student options for satisfying the GE mathematics/quantitative reasoning requirement. Updates were developed based upon surveys and feedback from campus constituents regarding the existing GE policy. This action follows initial interest from CSU trustees, legislators and the Academic Senate CSU and includes feedback from faculty, students and campus administrators. The policy is effective fall 2018.

Total GE units and specific categories of GE required for graduation remained consistent with the previous policy. One of the more significant updates in the CSU GE policy reflects an educational trend that has been supported across the country: allowing university students to complete their GE mathematics/quantitative reasoning requirement through a greater variety of courses, thereby providing an improved linkage from mathematics/quantitative reasoning to careers, majors and real-world applications.

Courses meeting the GE mathematics/quantitative reasoning requirement may include traditional mathematics (e.g., algebra, trigonometry and calculus) as well as statistics. Additionally, GE mathematics/quantitative reasoning options now may include courses that are not exclusively algebra-based, such as personal finance, game theory or computer science. The change allows students more flexibility in completing their bachelor's degrees, and more opportunities to apply mathematics/quantitative reasoning thinking to the world around them.

Other policy changes in Executive Order 1100-Revised include:

- Clarifying that a C- grade is the minimum required for oral communication, written communication, critical thinking and mathematics/quantitative reasoning GE courses;
- Specifying, systemwide, what is required at the lower-division and upper-division levels;
- Clarifying language to remove ambiguity;
- Clarifying the ability of online GE courses to satisfy GE requirements;
- Specifying that approved GE courses will “double count” toward more than one degree requirement. For example, GE courses can also satisfy a major requirement;
- Clarifying the maximum number of units of GE courses as 48 semester units; and
- Stipulating that approved GE courses will be transferrable among CSU campuses.

The policy introduced no changes to admission or major requirements. Campuses may also still retain campus-based graduation requirements, such as cultural studies requirements, which complement GE and allow a degree to be completed in 120 semester units.

*Executive Order 1110, Assessment of Academic Preparation and Placement in First-Year General Education Written Communication and Mathematics/Quantitative Reasoning Courses*

In August 2017, the CSU enacted changes to systemwide policies aimed at: a) revising its assessment protocol used to determine college readiness and course placement in the first year; b) strengthening its Early Start Program to offer students college credit in the summer before their first term; and c) reforming its approach to developmental education.

The development of these elements stem from assessments of current practices coupled with strong research and outcomes from institutions in other states which have made similar shifts in addressing academic preparation. The majority of CSU campuses have implemented significant reforms to approaches in developmental English instruction. The new policy builds on these models. A draft executive order was published and circulated for feedback from campus constituents in late spring. The final policy reflects the collective guidance of experts from around the CSU and the nation.

Improving Assessment of College Readiness

Executive Order 1110 improves assessment and the determination of readiness for incoming students. The policy calls for lessening the reliance on standardized placement exams and incorporating high school grades, courses and grade point average. High school grades, when used as one of multiple measures of assessment, are shown to be a stronger predictor of how likely students are to achieve course outcomes over an academic term. Placing a greater emphasis on previous classroom performance is expected to improve student assessment and help customize academic support. The policy retired the Entry Level Mathematics exam and the English Placement Test, which were CSU-based exams administered after students were admitted.

Strengthening the Early Start Program

Currently, students who are identified by the CSU assessment protocol as underprepared academically are required to participate in the CSU Early Start Program in the summer immediately preceding their first term. This traditional one-unit experience is designed to allow students to get a head start on the developmental education sequence they are required to take, however Early Start units do not count toward a degree.

Effective summer 2019, students assigned to the Early Start Program will be placed in college-level courses with academic support attached to, or embedded in, the course. This will allow for intensive summer experiences that build academic skills while allowing students to earn college credit if they successfully complete the course. College credit earned in any CSU Early Start Program will be recognized by (and transferable to) any other CSU campus.

### Restructuring Developmental Education

Effective fall 2018, the CSU will no longer require students to take non-credit bearing prerequisite courses before enrolling in college-level courses. These prerequisites are commonly referred to as developmental education courses.

Moving beyond the traditional model of prerequisite, non-credit bearing developmental education courses, the CSU is empowering faculty to design entry-level college courses with appropriate support structures. Throughout this academic year, faculty and campus leaders across the CSU will work to redesign college-level courses to serve students more effectively. Students who need additional academic support—as identified by the revised assessment policy described above—will receive support while taking a college-level GE course.

### Purpose of the Policy Changes

While the CSU has made steady progress improving college readiness, nearly 40 percent of first-time students (approximately 25,000 each fall) are informed that they are admitted but are not ready for college-level coursework. Students from traditionally underserved communities are far more likely to be required to complete developmental education courses. For example, 59 percent of African-American students and 47 percent of Latino students are informed that they are not prepared for college coursework after being admitted.

The overwhelming majority of these students are required to take developmental education courses, for which they will not receive course credit. Being assigned to these courses has a negative impact on a student's credit accumulation in the first year, inadvertently sending the message that the student does not belong in college and decreasing the likelihood that the student earns a degree. Further, success rates indicate that nearly one-third of students repeat the course, further delaying their ability to enroll in a credit-bearing course and slowing progress to a degree.

The recent policy changes ensure that all CSU students will receive the support they need while they earn college credit beginning their first day on campus. Many CSU campuses are already leading the way on improving academic preparation, whether by restructuring developmental education or through implementation of a more robust Early Start Program. These policy changes build on this momentum, improving systemwide policies and procedures to better serve all CSU students.

### Implementation

The Office of the Chancellor is providing support to campus faculty and administrators to implement the recent policy changes, reallocating \$10 million to campuses from one-time sources to support faculty and professional development. In August, the Office of the Chancellor held a two-day Co-Requisite Mathematics Summit. More than 200 individuals from across the CSU participated. In September, a two-hour webinar was held to answer any outstanding questions about the recent policy changes for the CSU community. On November 16-17, 2017, a second professional development mathematics summit will be held.

### **New CSU Studies**

Recently, staff from the Office of the Chancellor partnered with faculty to conduct two new studies related to Graduation Initiative 2025.

#### *Student Benefits of the CSU Graduation Initiative 2025*

Achieving the Graduation Initiative 2025 goals will confer a host of benefits to CSU students, including substantial financial gains. Research was conducted to determine the economic benefits for the average CSU student when the CSU reaches its goals. To answer this question, time-to-degree improvements were forecasted through the year 2025 for CSU students, adjusting for the fact that there will be both an increase in the number of graduates and a decrease in the average time it will take them to complete their degree.

The research shows that first-time freshmen will earn their degree an average of one term earlier. Graduating sooner means that students will begin collecting a salary sooner, and they will avoid paying for an additional term of college. As a result, students will see an immediate economic gain of \$13,264 and a long-term gain of \$31,370. Transfer students will also earn their degrees sooner on average, resulting in an immediate gain of \$5,823 and a long-term gain of \$13,772.

The full report is available at <http://www.calstate.edu/2025studentgains>.

#### *Redefining Historically Underserved Students in the CSU*

The second study seeks to redefine historically underserved students in the CSU by moving beyond race and economic status to close equity gaps, a key goal of Graduation Initiative 2025. To ensure that all students have an equal opportunity to complete a college degree, several factors have been identified that research has shown to be related to college completion, including first-generation status, economic challenges, college readiness and coming from an underserved community.



The new research indicates that all of these variables are related to student success and that considering some or all of them in combination can increase accuracy in understanding which students may need additional support on their path to a degree. A student does not need to have all of these characteristics to be considered historically underserved. In fact, it is possible that a student possessing only one of the characteristics may need assistance during their college career. This research provides a better understanding of the complexity of CSU students and, more importantly, helps identify and provide the support they need to be successful.

The full report is available at <http://www.calstate.edu/rethinkingthegap>.

### **Conclusion**

The CSU continues to work diligently toward achieving the goals of Graduation Initiative 2025 to ensure that all students have the opportunity to be successful and graduate according to their own personal goals. One year into the initiative, graduation rates indicate that strong progress is being made but greater improvements will be needed in order to close equity gaps. The recent policy changes to general education, placement and assessment, the Early Start Program and developmental education will play an integral role in helping the CSU close these gaps.

## AGENDA

### COMMITTEE ON FINANCE

**Meeting:** 3:30 p.m., Tuesday, November 7, 2017  
Glenn S. Dumke Auditorium

Peter J. Taylor, Chair  
John Nilon, Vice Chair  
Jane W. Carney  
Adam Day  
Hugo N. Morales  
Jorge Reyes Salinas  
Lateefah Simon

**Consent** Approval of Minutes of the Meeting of September 19, 2017

1. Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University, San Bernardino and California State University, Stanislaus, *Action*
2. 2018-2019 Lottery Budget and Report, *Action*
3. 2017-2018 Student Fee Report, *Information*

**Discussion** 4. Approval of the 2018-2019 Operating Budget Request, *Action*  
5. Approval of a New Master Investment Policy for the California State University, *Action*

**MINUTES OF THE MEETING OF THE  
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 19, 2017**

**Members Present**

Peter J. Taylor, Chair  
John Nilon, Vice Chair  
Jane W. Carney  
Adam Day  
Hugo N. Morales  
Jorge Reyes Salinas  
Lateefah Simon  
Rebecca Eisen, Chair of the Board  
Timothy P. White, Chancellor

Trustee Peter J. Taylor called the meeting to order.

**Public Comment**

Representative of the CSU Employees Union (CSUEU) commented about bargaining needs and the value of CSUEU employees. They also commented about a state audit report on management salaries. Hector Fernandez of the State Employees Trades Council asked the trustees to not only consider the benefit of public-private partnerships, but also analyze the long term costs and commitments.

**Approval of Minutes**

The minutes of the July 18, 2017 meeting were approved as submitted.

**Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for the New Student Residence Hall Project at San Diego State University**

Trustee Taylor presented agenda item one as a consent action item. The committee recommended approval of the proposed resolution (RFIN 09-17-10).

**Conceptual Approval of a Public-Private Partnership Student Housing Development Project at California State University, Sacramento**

Trustee Taylor presented agenda item two as a consent action item. The committee recommended approval of the proposed resolution (RFIN 09-17-11).

**Conceptual Approval of a Public-Private Partnership Mixed-Use Development Project at California State University, Dominguez Hills**

Trustee Taylor presented agenda item three as a consent action item. The committee recommended approval of the proposed resolution (RFIN 09-17-12).

**California State University Annual Investment Report and Establishment of the Investment Advisory Committee**

Trustee Taylor presented agenda item four as a consent action item. The committee recommended approval of the proposed resolution (RFIN 09-17-13).

**Planning for the 2018-2019 Operating Budget**

The proposed operating budget for the 2018-2019 fiscal year was presented.

Following the presentation, trustees asked questions related to budget calculations, mandatory costs, and efficiencies. They also asked what actions and strategies could be taken to maximize advocacy efforts.

**California State University Reserve Policy and Summary of Reserves**

Information about the CSU's policy on reserves was presented.

Following the presentation, trustees asked questions related to benchmarks for reserves, use of carryover funds, designation of reserves, and restriction of funds.

Trustee Taylor adjourned the meeting on Finance Committee.

## COMMITTEE ON FINANCE

### **Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University, San Bernardino and California State University, Stanislaus**

#### **Presentation By**

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

#### **Summary**

This item requests that the California State University Board of Trustees authorize the issuance of long-term Systemwide Revenue Bond (SRB) financing and related debt instruments, including shorter term and variable rate debt, floating and fixed rate loans placed directly with banks, and bond anticipation notes (BANs) to support interim financing under the CSU commercial paper (CP) program in an aggregate amount not-to-exceed \$110,575,000 to provide financing for two campus projects:

1. California State University, San Bernardino College of Extended Learning Expansion
2. California State University, Stanislaus University Union Renovation and Expansion

The trustees are being asked to approve resolutions related to these financings.

#### **Background**

The SRB program provides capital financing for projects of the CSU – student housing, parking, student union, health center, continuing education facilities, certain auxiliary projects, and other projects, including academic facilities, approved by the CSU Board of Trustees. Revenues from these programs and other revenues approved by the board, including CSU operating funds, are used to meet operational requirements for the projects and to pay debt service on the bonds issued to finance the projects. The consolidated pledge of gross revenues to the bondholders strengthens the SRB program and has resulted in strong credit ratings and low borrowing costs for the CSU. Prior to issuance of bonds, some projects are funded through BANs issued by the CSU in support of its CP program. The BANs are provided to the CSU Institute, a recognized systemwide auxiliary organization, to secure the CSU Institute's issuance of CP used to finance the projects. CP notes provide greater financing flexibility and lower short-term borrowing costs during project construction than long-term bond financing. Proceeds from the issuance of bonds are then used to retire outstanding CP and finance any additional costs not previously covered by CP.

**1. California State University, San Bernardino College of Extended Learning Expansion**

The California State University, San Bernardino College of Extended Learning Expansion project was approved by the trustees at their November 17–18, 2015 meeting as part of the 2016-2017 Capital Improvement Plan and schematics for the project were approved at the January 31–February 1, 2017 meeting. The project will provide instructional and administrative space for the College of Extended Learning to accommodate enrollment growth of the International Student Programs and the Extended Learning Program. The new 71,465 gross square foot building will include configurable classrooms of varying sizes, a 250-seat auditorium, multi-purpose rooms, administrative offices, study lounges, retail food service, and ten shared classroom spaces to increase lecture space for campus wide institutional use. The project will be funded by the College of Extended Learning revenues and reserves.

The not-to-exceed par amount of the proposed bonds is \$55,170,000, based on a total budget of \$55,000,000 with a contribution of \$6 million from College of Extended Learning reserves. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$6,170,000), are expected to be funded from bond proceeds. The project is scheduled to start construction in December 2017 with completion expected in August 2019.

The following table summarizes key information about this financing transaction.

Not-to-exceed amount	\$55,170,000
Amortization	Approximately level debt service over 30 years
Projected maximum annual debt service	\$3,625,305
Projected debt service coverage including the new project:	
Net revenue – San Bernardino pledged revenue programs: <sup>1</sup>	1.60
Net revenue – Projected campus continuing education program:	1.40

1. Based on campus projections for all pledged revenue programs in 2020-2021, the first full year of operations of the project.

The not-to-exceed amount for the project, the maximum annual debt service, and the financial ratios above are based on an all-in interest cost of 5.30 percent, which includes a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan assumes level amortization of debt service, which is the CSU program standard. The campus financial plan projects a continuing education program net revenue debt service coverage of 1.40 in fiscal year 2020-2021, the first full year of operations, which exceeds the CSU benchmark of 1.10 for the program. Combining the project with projected information for all campus pledged revenue programs yields a campus net revenue debt service coverage for the first full year of operations of 1.60, which exceeds the CSU benchmark of 1.35 for a campus.

**2. California State University, Stanislaus University Union Renovation and Expansion**

The California State University, Stanislaus University Union Renovation and Expansion project was approved by the trustees at their November 17-18, 2015 meeting as part of the 2016-2017 Capital Improvement Plan and schematics for the project were approved at the January 31-February 1, 2017 meeting. The project consists of a new two-story 72,540 gross square foot building that will replace the existing University Union building originally built in 1978. The project will also include the renovation and repurposing of the adjacent campus bookstore into an event center. The new building will include a multi-purpose assembly space, food services and retail facilities, the relocated bookstore, student government and leadership offices, a cross cultural center, a lounge, conference rooms, and a coffee shop.

The not-to-exceed par amount of the proposed bonds is \$55,405,000, based on a total budget of \$55,539,000 with a contribution of \$6,868,000 from student union program reserves. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$6,734,000), are expected to be funded from bond proceeds. The project is scheduled to start construction in March 2018 with completion expected in November 2019.

The following table summarizes key information about this financing transaction.

Not-to-exceed amount	\$55,405,000
Amortization	Approximately level debt service over 30 years
Projected maximum annual debt service	\$3,640,943
Projected debt service coverage including the new project:	
Net revenue – Stanislaus pledged revenue programs: <sup>1</sup>	1.83
Net revenue – Projected campus student union program:	1.30

1. Combines 2016-2017 information for all campus pledged revenue programs with 2020-2021 projections for the project.

The not-to-exceed amount for the project, the maximum annual debt service, and the financial ratios above are based on an all-in interest cost of 5.30 percent, which includes a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan assumes level amortization of debt service, which is the CSU program standard. The campus financial plan projects a student union program net revenue debt service coverage of 1.30 in fiscal year 2020-2021, the first full year of operations, which exceeds the CSU benchmark of 1.10 for the program. Combining the project with 2016-2017 information for all campus pledged revenue programs yields overall net revenue debt service coverage for the first full year of operations of 1.83, which exceeds the CSU benchmark of 1.35 for a campus.

### **Trustee Resolutions and Recommendation**

Orrick, Herrington & Sutcliffe LLP, as bond counsel, is preparing resolutions to be presented at this meeting that authorize interim and permanent financing for the projects described in this agenda. The proposed resolutions will be distributed at the meeting and will achieve the following:

1. Authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate amount not-to-exceed \$110,575,000 and certain actions relating thereto
2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

Approval of the financing resolutions for these projects as described in this Agenda Item 1 of the Committee on Finance at the November 7–8, 2017, meeting of the CSU Board of Trustees is recommended for:

**California State University, San Bernardino College of Extended Learning Expansion**

**California State University, Stanislaus University Union Renovation and Expansion**



## **COMMITTEE ON FINANCE**

### **2018-2019 Lottery Budget and Report**

#### **Presentation By**

Ryan Storm  
Assistant Vice Chancellor  
Budget

#### **Summary**

This item requests that the California State University Board of Trustees approve the 2018-2019 lottery budget. The 2018-2019 lottery budget includes an additional \$2.0 million over last year to increase funding to campus-based programs and the DREAM Loan program. In accordance with CSU Lottery Guidelines, this item also contains a report of actual lottery fund expenditures in 2016-2017.

#### **Background**

The Lottery Act allows for the expenditure of lottery receipts for public education. The Lottery Act requires that funds are “exclusively for the education of pupils and students” and the CSU has adopted guidelines to ensure that lottery funds are used only in support of instruction or instruction-related purposes. Non-instructional purposes, such as the acquisition of real property, construction of facilities, or financing research are not permissible uses of lottery funds.

To date, the CSU has received \$1.2 billion in lottery funds from the state. Over the past five years, annual CSU Lottery Fund receipts have averaged \$48.4 million. Approximately 90 percent of lottery resources are allocated directly to the campuses for instruction-related programs and activities. Remaining funds are allocated for systemwide programs, such as the Summer Arts, Pre-Doctoral, Doctoral Incentive, and DREAM Loan programs. The Chancellor’s Office uses approximately 1.3 percent of lottery resources to centrally manage lottery fund operations and meet reporting requirements.

Each year, the trustees adopt a systemwide lottery budget that incorporates CSU guidelines and adheres to Lottery Act provisions. The plan includes estimates of CSU lottery receipts for the budget year and the program areas for allocation of those anticipated receipts, including an expenditure allowance for the general management of lottery fund operations and reporting requirements.

The trustees have delegated to the chancellor oversight of the lottery budget, including the deposit, control, investment, and expenditure of lottery funds.

## **2018-2019 Lottery Budget Proposal**

The System Budget Office estimates total lottery receipts available to the CSU in 2018-2019 will be \$52.6 million. After setting aside \$5 million as a reserve to assist with cash-flow variations in quarterly lottery receipts and other economic uncertainties, the \$47.6 million 2018-2019 lottery budget proposal remains principally designated for campus-based programs and three systemwide programs that have traditionally received annual lottery funding support. It is proposed that the fourth systemwide program, the recently created DREAM Loan program, receive a funding increase of \$1 million to align with anticipated demand for the program. The proposed budget also includes an \$11,000 increase for administration of the Lottery Fund and administration of systemwide programs.

### *Systemwide Programs*

Under the proposed budget, approximately \$6.9 million would be allocated to the four systemwide programs and administration costs:

- DREAM Loan Program (\$2.0 million) provides loans to students who satisfy specified academic, enrollment, and high school graduation requirements.
- Chancellor's Doctoral Incentive Program (\$2.0 million) provides financial assistance to graduate students to complete doctoral study in selected disciplines of particular interest and relevance to the CSU.
- California Pre-Doctoral Program (\$814,000) supports CSU students who aspire to earn doctoral degrees and who have experienced economic and educational disadvantages.
- CSU Summer Arts Program (\$1.5 million) offers academic credit courses in the visual, performing, and literary arts.
- Administration of Lottery Fund & System Programs (\$618,000) provides Lottery Fund and program administration functions.

### *Campus-Based Programs*

The remaining \$40.6 million of anticipated 2018-2019 lottery receipts would be used to fund campus-based programs and the Early Start Program. \$32.6 million would be allocated directly to campuses, allowing presidents flexibility to meet unique campus needs. Traditionally, projects receiving lottery funds have included the replacement and purchase of instructional equipment, curriculum development, and scholarships. Based on steady cash-flow projections and higher lottery receipts, the \$32.6 million allocation represents a \$1 million increase over the prior year.

The proposed lottery budget would provide \$8 million to the Early Start Program for campus-based financial aid. An eligible student may receive a need-based fee waiver to ensure that financial hardship is not a barrier to enrollment in the Early Start summer curriculum. The program serves first-time freshmen students who need additional college preparation in math and/or English and take courses during the summer term prior to matriculation at any of the CSU campuses.

As stated, the proposed budget sets aside \$5 million as a reserve to assist with cash-flow and economic uncertainties. If quarterly lottery receipts remain strong, the Chancellor’s Office will work with campuses during 2018-2019 to allocate the \$5 million reserve for innovative campus-based programs that support Graduation Initiative 2025 efforts. Because lottery receipts were strong in 2017-2018, the Chancellor’s Office allocated \$5 million for Graduation Initiative 2025.

The CSU Lottery Budget proposed for 2018-2019 is as follows:

<b>2017-2018 Adopted and 2018-2019 Proposed Lottery Budget</b>		
	<b>2017-2018 Adopted Budget</b>	<b>2018-2019 Proposed Budget</b>
<b>Sources of Funds</b>		
Beginning Reserve	\$5,000,000	\$5,000,000
Receipts	45,565,000	47,576,000
<b>Total Revenues</b>	<b>\$50,565,000</b>	<b>\$52,576,000</b>
<i>Less Systemwide Reserve</i>	<i>(5,000,000)</i>	<i>(5,000,000)</i>
<b>Total Available for Allocation</b>	<b>\$45,565,000</b>	<b>\$47,576,000</b>
<b>Uses of Funds</b>		
<i>System Programs</i>		
Chancellor's Doctoral Incentive Program	\$ 2,000,000	\$2,000,000
California Pre-Doctoral Program	814,000	814,000
CSU Summer Arts Program	1,500,000	1,500,000
DREAM Loan	1,000,000	2,000,000
	\$5,314,000	\$6,314,000
<i>Campus-Based Programs</i>		
Campus Programs	\$31,644,000	\$32,644,000
Campus Early Start Financial Aid	8,000,000	8,000,000
	\$39,644,000	\$40,644,000
<i>Lottery Fund &amp; System Programs Administration</i>	\$607,000	\$618,000
<b>Total Uses of Funds</b>	<b>\$45,565,000</b>	<b>\$47,576,000</b>

### Reporting Requirement

In accordance with the CSU lottery guidelines, the CSU annually reports past year actual lottery expenditures to the trustees. This section of the agenda item satisfies that requirement.

In 2016-2017, similar to prior years, the majority of lottery funds were spent on instructional and instructionally-related programs and services that supplement the CSU operating budget. The following table summarizes how available lottery revenues were spent in 2016-2017:

2016-2017 Lottery Expenditures		
Program Support Area	Expenditures	Percentage of Total Expenditures
Academic Programs and Support	\$18,589,632	37.4%
Library Services	11,519,045	23.2%
Student Services	5,511,683	11.1%
Lottery Fund & Programs Administration	4,365,427	8.8%
Financial Aid	9,667,259	19.5%
<b>Total</b>	<b>\$49,653,046</b>	<b>100.0%</b>

Note: The amount included in the table for lottery fund & programs administration includes Chancellor's Office and campus costs.

Carry forward balances from prior years were also used in 2016-2017 to fund several systemwide and campus programs, such as library services, early assessment program support, and technology initiatives.

### Recommendation

The following resolution is presented for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the 2018-2019 lottery budget totaling \$52.6 million be approved for implementation by the chancellor, with the authorization to make transfers between components of the lottery budget and to adjust expenditures in accordance with receipt of lottery funds; and be it further

**RESOLVED**, that the chancellor is hereby granted authority to adjust the 2018-2019 lottery budget approved by the Board of Trustees to the extent that receipts are greater or less than budgeted revenue to respond to opportunities or exigencies; and be it further

**RESOLVED**, that a report of the 2018-2019 lottery budget receipts and expenditures be made to the Board of Trustees.

## **COMMITTEE ON FINANCE**

### **2017-2018 Student Fee Report**

#### **Presentation By**

Ryan Storm  
Assistant Vice Chancellor  
Budget

#### **Summary**

As required by California State University Fee Policy, this information item presents the CSU Board of Trustees with the 2017-2018 annual campus fee report. The report provides total average tuition and mandatory fees for the CSU System, and the range of mandatory fees charged by campus.

#### **2017-2018 CSU Student Fee Report**

Total tuition and average systemwide campus-based mandatory fees increased between 2016-2017 and 2017-2018 by an average of \$338 per student. When compared to peer institutions, a CSU education remains affordable. Those already low rates, coupled with the many institutional financial aid programs offered at the CSU, continue to make CSU an affordable option for students from all socio-economic backgrounds. Overall:

- About 80 percent (374,000+) of all CSU students received nearly \$4.2 billion in total financial assistance.
- 61 percent of all undergraduates have their tuition fully covered by grants or waivers.
- 51 percent of CSU baccalaureate recipients graduated with zero education loan debt.
- Of the 49 percent who graduated with debt, the average loan debt of \$15,531 is lower than the California average of \$22,191 and well below the national average of \$30,100.

#### **2017-2018 CSU Comparison Institution Tuition and Fees**

After five consecutive years of unchanged tuition rates, tuition increased for the 2017-2018 academic year. The tables that follow outline the systemwide average tuition plus average campus-based mandatory fees at the CSU as compared with other public institutions' tuition and mandatory fees.

The total of the CSU's *resident undergraduate* tuition and average campus-based fees is lower than those of the fifteen comparison institutions identified by the California Postsecondary Education Commission. The 2017-2018 comparison institution tuition and fee average is \$11,233, and the CSU tuition and fee average is \$7,216, or 36 percent below the comparison average. The following table lists the 2016-2017 tuition and average campus-based mandatory fee rates with a comparison to 2017-2018 rates:

<b>2017-2018 Comparison Institution Academic Year Undergraduate Resident Tuition and Fees</b>			
<b>Campus</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Increase</b>
University of Connecticut (Storrs, CT)	\$14,066	\$14,880	\$814
Rutgers University (New Brunswick, NJ)	14,372	14,638	266
Illinois State University (Normal, IL)	14,061	14,061	0
Wayne State University (Detroit, MI)	13,363	13,864	501
George Mason University (Fairfax, VA)	11,300	11,924	624
University of Maryland, Baltimore County	11,264	11,518	254
University of Colorado at Denver	10,741	11,258	517
<b>Comparison Average</b>	<b>\$10,944</b>	<b>\$11,233</b>	<b>\$289</b>
Georgia State University at Atlanta	10,686	10,858	172
Arizona State University at Tempe	10,640	10,792	152
Cleveland State University	9,636	9,636	0
University of Wisconsin at Milwaukee	9,493	9,565	72
State University of New York at Albany	9,263	9,550	287
University of Texas at Arlington	9,202	9,538	336
North Carolina State University	8,880	9,058	177
University of Nevada at Reno	7,192	7,359	168
<b>California State University</b>	<b>\$6,878</b>	<b>\$7,216</b>	<b>\$338</b>

The CSU has the lowest *resident graduate* tuition and fee rates among the 15 comparison institutions. The 2017-2018 comparison institution tuition and fee average is \$13,399, and the CSU tuition and fee average is \$8,650, or 35 percent below the comparison average. The following table compares the 2016-2017 tuition and fee rates with the 2017-2018 rates:

<b>2017-2018 Comparison Institution Academic Year Graduate Resident Tuition and Fees</b>			
<b>Campus</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Increase</b>
Rutgers University (New Brunswick, NJ)	\$18,618	\$18,984	\$367
University of Maryland, Baltimore County	17,592	18,072	480
Wayne State University (Detroit, MI)	16,503	17,163	660
University of Connecticut (Storrs, CT)	15,996	16,810	814
George Mason University (Fairfax, VA)	13,643	14,547	904
Cleveland State University	13,816	13,816	0
<b>Comparison Average</b>	<b>\$13,083</b>	<b>\$13,399</b>	<b>\$316</b>
State University of New York at Albany	12,734	12,786	52
Arizona State University at Tempe	11,776	11,938	162
University of Wisconsin at Milwaukee	11,789	11,861	72
Illinois State University (Normal, IL)	11,798	11,798	0
Georgia State University at Atlanta	11,296	11,488	0
North Carolina State University	10,572	11,027	192
University of Texas at Arlington	10,578	10,968	454
University of Colorado at Denver	10,111	10,283	172
University of Nevada at Reno	9,430	9,444	14
<b>California State University</b>	<b>\$8,144</b>	<b>\$8,650</b>	<b>\$506</b>

CSU has the second lowest *non-resident undergraduate* tuition and average campus-based mandatory fees of the CSU's public peer comparison institutions. CSU non-resident undergraduate tuition (which includes the systemwide tuition charge) and fees is \$19,096 per academic year in 2017-2018. This is approximately 29 percent below the comparison average rate of \$26,915.

<b>2017-2018 Comparison Institution Academic Year Undergraduate Non-Resident Tuition and Fees</b>			
<b>Campus</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Increase</b>
University of Connecticut (Storrs, CT)	\$35,858	\$36,948	\$1,090
George Mason University (Fairfax, VA)	32,582	34,370	1,788
University of Colorado at Denver	30,361	31,448	1,087
Rutgers University (New Brunswick, NJ)	30,023	30,579	556
Wayne State University (Detroit, MI)	28,925	30,094	1,169
Georgia State University at Atlanta	28,896	29,432	536
North Carolina State University	26,399	27,406	1,006
Arizona State University at Tempe	26,470	27,372	902
<b>Comparison Average</b>	<b>\$26,080</b>	<b>\$26,915</b>	<b>\$835</b>
University of Maryland, Baltimore County	24,492	25,654	1,162
Illinois State University (Normal, IL)	25,168	25,168	0
University of Texas at Arlington	23,046	24,738	1,692
State University of New York at Albany	24,343	24,430	87
University of Nevada at Reno	21,102	21,551	450
University of Wisconsin at Milwaukee	19,850	20,845	994
<b>California State University</b>	<b>\$18,038</b>	<b>\$19,096</b>	<b>\$1,058</b>
Cleveland State University	13,687	13,687	0

### **Campus-Based Mandatory Fees**

Campus-based mandatory fees (Category II) are charged to all students who enroll at a particular CSU campus. In addition, campuses charge miscellaneous course fees (Category III) for some courses to provide materials or experiences that enhance basic course offerings. Campuses also charge fees for self-support programs (Category V), such as parking, housing, and student unions. As required by the CSU Fee Policy, this annual report focuses primarily on campus-based mandatory fees.

The table on the following page displays the 2017-2018 academic year campus-based mandatory fee rates by campus and by fee category.



<b>2017-2018 Category II Campus-Based Mandatory Fee Rates</b>								
	Health Facilities	Health Services	Instructionally Related Activities	Materials Services & Facilities	Student Success	Student Association	Student Center	Total Campus- Based Mandatory Fees
Bakersfield	\$6	\$302	\$183	\$62	\$0	\$383	\$469	<b>\$1,405</b>
Channel Islands	6	190	260	145	0	150	324	<b>1,075</b>
Chico	6	276	286	106	0	134	798	<b>1,606</b>
Dominguez Hills	6	150	10	5	455	135	334	<b>1,095</b>
East Bay	6	225	129	3	240	129	360	<b>1,092</b>
Fresno	6	226	264	46	0	69	232	<b>843</b>
Fullerton	6	163	73	73	369	151	273	<b>1,108</b>
Humboldt	6	436	674	333	0	117	185	<b>1,751</b>
Long Beach	6	90	50	10	346	120	366	<b>988</b>
Los Angeles	6	165	126	5	266	54	275	<b>897</b>
Cal Maritime	14	680	130	280	0	210	0	<b>1,314</b>
Monterey Bay	0	186	254	165	0	96	600	<b>1,301</b>
Northridge	6	120	30	5	228	188	556	<b>1,133</b>
Pomona	6	256	48	0	415	133	739	<b>1,597</b>
Sacramento	45	236	373	0	0	134	674	<b>1,462</b>
San Bernardino	26	252	156	15	173	123	398	<b>1,143</b>
San Diego	50	300	374	50	400	70	474	<b>1,718</b>
San Francisco	6	314	236	684	0	108	164	<b>1,512</b>
San Jose	120	295	0	31	631	185	717	<b>1,979</b>
San Luis Obispo	10	315	313	1,180	833	321	718	<b>3,690</b>
San Marcos	50	302	80	249	500	100	630	<b>1,911</b>
Sonoma	36	400	484	36	0	234	792	<b>1,982</b>
Stanislaus	20	392	316	278	0	126	164	<b>1,296</b>

The following table compares total campus-based mandatory fees by campus for the 2016-2017 and 2017-2018 academic years. As shown in the table, the systemwide average of campus-based mandatory fees increased by \$68 (4.8 percent). Increases in these fees occurred for various reasons. Some campuses have authorized annual incremental increases for certain fees that keep pace with inflation such as the California Consumer Price Index or Higher Education Price Index. Student success fee increases approved when the fees were originally authorized account for a large part of the increase at Dominguez Hills and San Diego. Additionally, Monterey Bay increased their student center fee to expand the student union and increased their instructionally-related activities fee to enhance recreation activities, fitness facilities, and intercollegiate athletics. San Francisco also increased their student center fee to provide a new wellness center and instituted a new transit pass fee.

<b>Comparison: 2016-2017 and 2017-2018            Category II Campus-Based Mandatory Fee Rate            Totals by Campus</b>			
<b>Campus</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Increase</b>
Bakersfield	\$1,385	\$1,405	\$20
Channel Islands	1,075	1,075	0
Chico	1,568	1,606	38
Dominguez Hills	951	1,095	144
East Bay	1,092	1,092	0
Fresno	841	843	2
Fullerton	1,088	1,108	20
Humboldt	1,737	1,751	14
Long Beach	988	988	0
Los Angeles	889	897	8
Cal Maritime	1,314	1,314	0
Monterey Bay	907	1,301	394
Northridge	1,115	1,133	18
Pomona	1,585	1,597	12
Sacramento	1,428	1,462	34
San Bernardino	1,127	1,143	16
San Diego	1,612	1,718	106
San Francisco	1,012	1,512	500
San Jose	1,945	1,979	34
San Luis Obispo	3,603	3,690	87
San Marcos	1,911	1,911	0
Sonoma	1,916	1,982	66
Stanislaus	1,256	1,296	40
<b>Average</b>	<b>\$1,406</b>	<b>\$1,474</b>	<b>\$68</b>

## COMMITTEE ON FINANCE

### Approval of the 2018-2019 Operating Budget Request

#### Presentation By

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Ryan Storm  
Assistant Vice Chancellor  
Budget

#### Summary

This item seeks approval by the California State University Board of Trustees of the 2018-2019 CSU Operating Budget Request. Accompanying this agenda item as Attachment A is the proposed 2018-2019 CSU Operating Budget Request, which contains historical detail as well as prospective information, for the trustees' consideration.

The California State Constitution requires the submittal of the governor's budget proposal each year by January 10. In order to meet consequent deadlines of the Department of Finance, it is necessary to adopt the proposed 2018-2019 CSU Operating Budget Request at the November CSU Board of Trustees meeting.

At its September 2017 meeting, the board reviewed a preliminary plan for purposes of crafting the CSU's operating budget request to the state. That preliminary plan included consideration of past and forecasted information regarding the state's economy and tax revenue as well as past and planned funding of the CSU. Additionally, comments on the preliminary plan have been considered and incorporated into the proposed request. With that history and context, the focus of this item will be the details of the proposed 2018-2019 CSU Operating Budget Request.

The executive summary in Attachment A is the official presentation of the operating budget request and, if approved, will be distributed to the governor, legislators, and other policy makers in the capitol. It can be accessed, along with additional supplemental detail, at <https://www2.calstate.edu/csu-system/about-the-csu/budget>.

## **2018-2019 Operating Budget Expenditure Plan Priorities**

The proposed operating budget request prioritizes certain areas of expenditures to continue the CSU's commitment to Graduation Initiative 2025, maintaining access to the university, increasing compensation for faculty and staff, attending to the highest priority academic infrastructure and deferred maintenance needs, and funding mandatory cost obligations.

### *Graduation Initiative 2025*

The CSU is committed to improving the opportunities for a more timely graduation for all our students, including a doubling of the four-year graduation rate from 19 percent to 40 percent, achieving a 70 percent six-year graduation rate, shortening time-to-degree for transfer students, and closing the achievement gap among low-income and underserved students. To meet these goals, the CSU will continue to invest in people, programs, technologies, and strategies that have demonstrated success in improving graduation rates, shortening time-to-degree, and eliminating achievement gaps. Each campus has developed multi-year plans to reach their Graduation Initiative 2025 goals that require multi-year investments across the system in: tenure track faculty hiring, increased course taking opportunities, enhanced advising and education plans, academic and student support, and leveraging data for campus decision-making. Over the course of this second year of the Graduation Initiative 2025, campuses would spend incremental recurring funding on their local priorities to improve student success and completion. The 2018-2019 fiscal year represents the second year of a six-year, \$450 million investment plan in support of the Graduation Initiative.

### *Employee Compensation*

Central to the student experience is the ability to interact, learn from, and be guided by outstanding faculty and staff. The CSU is proud of the thousands of employees who are dedicated to students and their success. As such, compensation increases are a significant priority for the CSU to remain competitive to recruit and retain faculty, staff, and administrators who are committed to students' well-being and academic success.

### *Funded Enrollment Growth*

The CSU confers the most baccalaureate degrees in the state and contributes significantly to the California workforce. Increased enrollment funding contributes to new sections of high-demand courses, hiring new tenure-track and temporary faculty, providing more academic and student support services, and bolstering overall institutional support and operation of the campus to serve additional students. With a total student body of more than 480,000 students, the CSU continues to see increased demand from qualified applicants each year. New incremental funding would allow for growth in the average unit load for continuing students in support of graduation rate goals, and a steady number of new students admitted and served.

*Academic Facilities & Campus Infrastructure*

Leading-edge academic facilities support quality degree programs setting the stage for CSU graduates to be workforce ready and equipped to excel in their chosen field. Although CSU campuses have several of these academic and laboratory spaces, a significant portion of CSU facilities are outdated and need improvement. Specifically, 52 percent of all CSU buildings are more than 40 years old and the systemwide deferred maintenance backlog for these and other facilities total over \$2 billion. While the CSU has maintained its buildings as best as it could with available funding, the state funded most of the costs associated with the construction and maintenance of academic buildings and campus infrastructure. The state shifted this obligation to the CSU in 2014, making facilities and infrastructure a significant consideration when developing and implementing the CSU operating budget. Dedicating a portion of the CSU operating budget to facilities and infrastructure is essential to allow the most pressing facility and infrastructure needs on campuses to be addressed.

*Mandatory Costs*

Mandatory costs are the expenditures in the operating budget that annually increase due to state, federal or statutory mandates that apply to the CSU. These include changes in the cost of health care and retirement for employees, changes in state wage laws—including a multi-year incremental increase in the minimum wage—and the increased cost of operating and maintaining new facilities. Without funding for mandatory cost increases, campuses would have to make cuts and redirect resources from other program areas to meet these obligations.

**Proposed 2018-2019 CSU Operating Budget Request**

As shown in the below table and in Attachment A, the 2018-2019 Operating Budget Request proposes an overall CSU operating budget of \$6.8 billion. The plan is an increase of \$282.9 million, with the CSU’s highest priority being effective advocacy for \$263.0 million in new general fund from the state paired with \$19.9 million in new tuition revenue from a one percent increase in full-time equivalent students (FTES) of approximately 3,641. The expenditure plan exceeds the anticipated \$102 million from the governor’s administration for 2018-2019, but it is a reasonable representation of the university’s funding needs.

**Proposed Incremental Expenditures:**

• Graduation Initiative 2025	\$75.0 million
• New Compensation	122.1 million
• Full-Time Equivalent Student Growth: 3,641 FTES	39.9 million
• Facilities and Infrastructure Needs	15.0 million
• Mandatory Costs	30.9 million
<b>Total Incremental Expenditures</b>	<b>\$282.9 million</b>
• Other Inflationary Costs	\$17.4 million

**Anticipated Revenue**

- |                                                     |                      |
|-----------------------------------------------------|----------------------|
| • General Fund Revenue from Governor’s Funding Plan | \$102.0 million      |
| • Net Tuition from Enrollment Growth                | 19.9 million         |
| • <b>Board of Trustees Additional Request</b>       | <b>161.0 million</b> |

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**Total Anticipated Revenue** **\$282.9 million**

- |                                                       |                |
|-------------------------------------------------------|----------------|
| • Cost Avoidance, Efficiencies & Program Reallocation | \$17.4 million |
|-------------------------------------------------------|----------------|

**Potential Opportunities to Address Operating Budget Revenue Needs**

The final operating budget request, if adopted by the board, concludes that the expenditure priorities require investment of \$282.9 million in additional revenue. Assuming revenue from the governor’s January budget proposal and tuition revenue from one percent enrollment growth, the CSU estimates a \$161.0 million funding gap between anticipated state funding and the budget priorities of the university.

The CSU’s highest priority is to continue to advocate for and pursue increased state funding to cover the full operating budget request. The CSU will work with stakeholders and partners across the system including trustees, students, faculty, staff, union leaders, alumni, business partners and friends to make the case in Sacramento for the level of new funding that supports our stated priorities, all leading to greater student success. With the historic gains made in four-year and six-year graduation rates, the aggressive targets set out in Graduation Initiative 2025, and the state recently focusing on these same goals, arguments for increased state funding are strong. While additional state funding is the highest priority and the best option for the university, the state allocation will not be known until a final budget agreement is reached in June 2018.

To ensure the university has all revenue options available to meet its 2018-2019 priorities, the CSU must regrettably continue a conversation about a possible tuition increase. The statutory process to potentially increase tuition begins with a written proposal by the Chancellor’s Office to the California State Student Association (CSSA) later this month. Consultative meetings between CSSA leadership and Chancellor’s Office representatives to discuss the proposal will follow. Appropriate consultation with, and feedback from, other CSU stakeholders on this possible tuition proposal will also occur.

If additional funding is not secured through other options, priority areas of the operating budget would be reduced or eliminated and campuses would have to redirect funding from existing programs, services and priorities like the Graduation Initiative to fund mandatory cost obligations and finalized employee compensation commitments. Fewer course sections would be available to students, average unit load would go down and ultimately it could take longer for students to graduate.

Each year, inflation and other price increases have an effect on each campus' bottom line. For the most part, annual operating budget requests address these types of increases on salaries and benefits through the mandatory costs category described above. However, in recent years, campuses have not received annual funding increases to cover inflationary costs in areas such as communication, information technology, contractual services, library subscriptions and instructional equipment. Chancellor's Office staff estimate that inflationary cost increases over the past five years exceeded \$46 million. It is anticipated that these costs will increase for 2018-2019. Campus leadership regularly unearths and create ways of covering inflationary costs without additional resources and they deserve credit for being both highly efficient with their resources and effective in their outcomes.

Above and beyond efforts to address regular inflationary pressures, the CSU will continue to pursue cost avoidance strategies and administrative efficiencies to be good stewards of state and tuition resources as well as address as many unfunded cost increases as possible. Campuses and the Chancellor's Office make decisions annually to redistribute budgets to cover increased costs, pursue and implement efficiencies and cost sharing across the system, and reallocate from under-utilized programs to the most pressing needs of the campus and system.

### **Conclusion**

The current funding assumptions from the state fall short of providing the necessary resources to properly invest in operating budget priorities. The CSU will work throughout the spring with its partners to advocate for full funding by the state of the trustees' budget priorities.

This is an action item presenting a final recommendation for the CSU 2018-2019 Operating Budget Request to the governor and legislature. It is the CSU goal that the state fully fund the budget plan so that the CSU can focus on the transformational goals of Graduation Initiative 2025 while continuing to invest in enrollment growth, faculty and staff salary increases, and important infrastructure needs.

### **Recommendation**

The following resolution is presented for approval:

**RESOLVED**, that the Board of Trustees of the California State University acknowledges and expresses its appreciation to the governor and legislature for their increased budget support; and be it further

**RESOLVED**, that the Board of Trustees understands there are numerous competing interests for budgetary support given the fiscal constraints and competing policy priorities under which California continues to operate; and be it further

**RESOLVED**, that the future of California rests on CSU's ability to provide a high-quality, affordable, and accessible education to hundreds of thousands of students; and be it further

**RESOLVED**, by the Board of Trustees that the proposed CSU 2018-2019 Operating 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.



**CSU** The California  
State University

# 2018–2019 OPERATING BUDGET

[www.calstate.edu/budget](http://www.calstate.edu/budget)









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# CHANCELLOR'S MESSAGE



We Californians have big plans for the future.

We plan to lead in infrastructure, constructing new roads, expanding and greening ports, retrofitting our buildings and developing 21st century transportation systems.

We plan to lead in technology, building upon our half-century legacy as the birthplace of the modern Internet to develop the next generations of computers, software, electric cars and reusable rockets.

We plan to lead in diversity, ensuring that all Californians, regardless of background, gender, race, orientation, ethnicity, nationality, circumstance or status, have the same opportunity to contribute to their communities and our state.

And we plan to lead in sustainability, developing new ways to generate energy, reduce carbon emissions and pollutants, responsibly grow the nation's food supply, and make certain that future generations are healthy.

These plans – and our success in meeting them – will move California's economy, society, and people forward together toward shared prosperity, equity and opportunity for success.

Of course, we know that in order to achieve these plans, we must also plan to lead in public higher education.

Californians expect it.

The California State University and its 23 campuses will continue to lead, but we need a commitment from the state that matches our ambitious plans to save the state's future-built goals.

Indeed, the only way to move California forward on its plans is through robust investment in the CSU. With this year's operating budget plan, the CSU will:

- Ensure quality through Graduation Initiative 2025 by keeping standards high, removing barriers to achievement, and providing students with necessary tools, advice and resources;
- Compensate our employees fairly, allowing our world-class and dedicated faculty and staff to serve our students and take pride in the CSU;
- Maintain affordability through an increased investment by the state;
- Expand access through enrollment growth, ensuring that more Californians are able to enroll in the CSU and earn a degree; and
- Renew and repair our aging facilities and infrastructure to provide the best environment possible for students to engage with faculty in learning, research, creative pursuits and discovery.

With your steadfast support for our operating budget plan and robust investment in the CSU, we will fulfill our six-decade-plus mission to serve the people of California.

Let's work toward the future, together.



Timothy P. White  
Chancellor  
The California State University

# THE CSU TODAY







This year, the CSU will serve more than 480,000 students, a number which has steadily grown over the past decade. Additionally, a record number of students, over 119,000, graduated last year.

In September 2016, the CSU reset the goals for Graduation Initiative 2025 to reduce time-to-degree, increase graduation rates, and eliminate achievement gaps for underrepresented students, low-income students, and first-generation students. In 2017-18, campuses invested \$87 million in recurring and one-time funds to reduce barriers to degree, hire more faculty, expand course offerings, and scale up existing student success initiatives. This investment allows the CSU to do its part to meet California's need for more bachelor's degrees by 2030.

At the close of the Great Recession, the CSU entered into new, multi-year collective bargaining agreements that committed to providing faculty and staff competitive salaries and benefits packages. Recruiting and retaining the best faculty and staff is key to providing a quality educational experience to all CSU students.

These priorities require new and significant recurring financial investments that cannot be supported by the state's current level of investment in higher education. Consequently, the CSU made the difficult choice to raise tuition in 2017-18 for the first time in six years. The new tuition revenue generated from the tuition increases helped to cover rising costs and expand Graduation Initiative 2025 priorities that are critical for student success and completion.

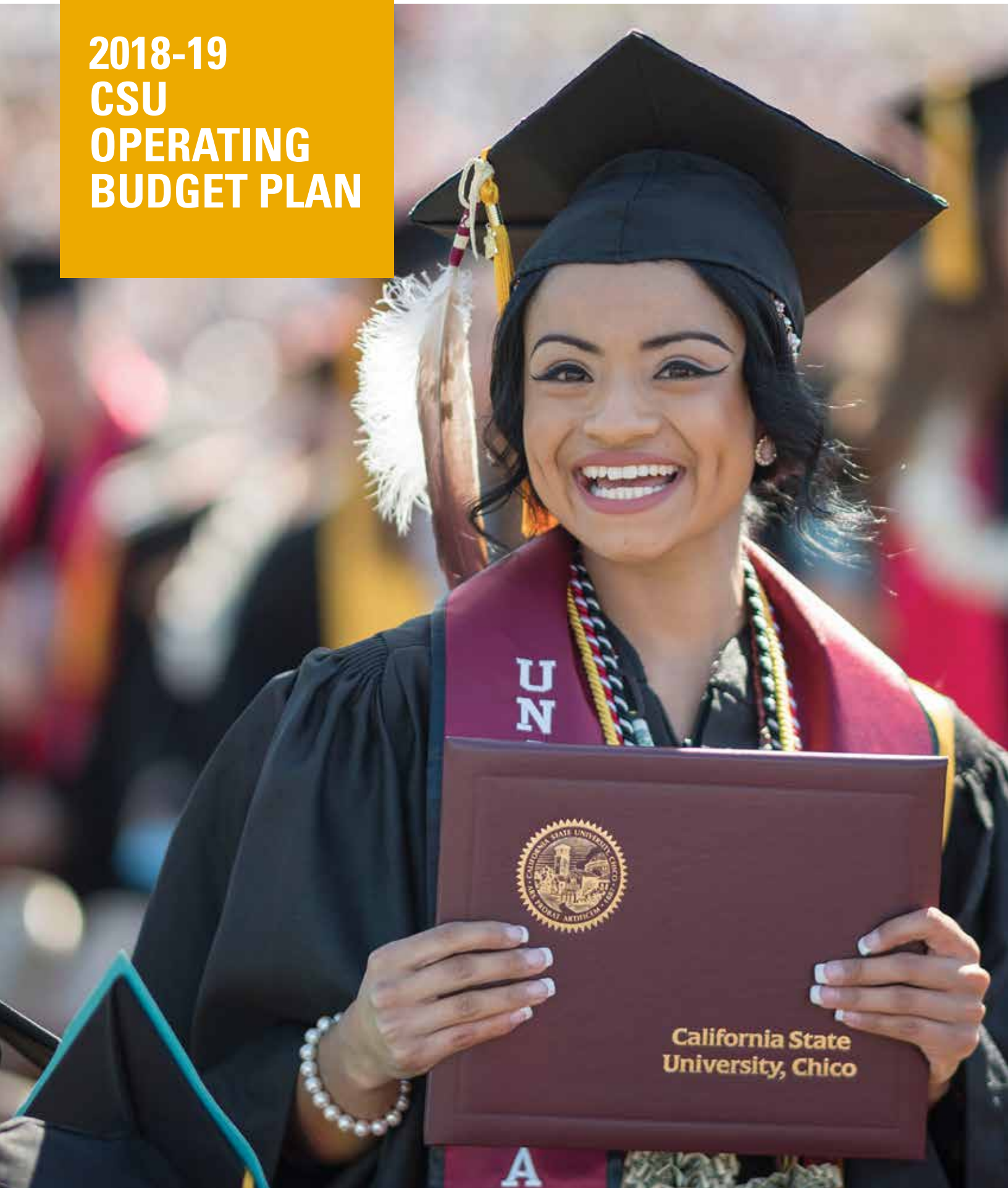
Heading into 2018-19, the CSU looks to build upon its momentum by proposing a \$6.8 billion operating budget, with the first priority being a \$263.0 million increase in general fund from the state. The budget plan seeks additional funds for:

- the second year of Graduation Initiative 2025;
- significant funding for compensation increases for all employee groups;
- enrollment growth of one percent, 3,641 full-time equivalent students;
- investment in critical infrastructure; and
- mandatory cost increases for health care, minimum wage and retirement costs.

With greater support, the CSU can go further and faster on the path it has set for itself with Graduation Initiative 2025. The operating budget increase proposed here will continue to ensure that all students have the opportunity to graduate in a timely manner, positively impacting their future, and producing the graduates needed to power California and the nation.



**2018-19  
CSU  
OPERATING  
BUDGET PLAN**



The 2018-19 operating budget plan calls for continued and increased state investment in the CSU. We believe this budget plan, which totals \$282.9 million in new resources for 2018-19, reflects the current needs of the CSU and sustains the momentum built in recent years. The new resources are comprised of \$263.0 million in General Fund and \$19.9 million of tuition revenue from enrollment growth. Additionally, campuses will address inflationary cost increases of \$17.4 million using cost avoidance, efficiencies, and program reallocation. The CSU's \$6.8 billion total operating budget plan is comprised of: \$3.7 billion in state general fund and \$3.1 billion from tuition and fee revenue.

At the heart of the operating budget plan lies Graduation Initiative 2025. The CSU has set ambitious and challenging goals to raise four and six-year graduation rates, completely eliminate the achievement gap, and educate more students to meet the societal and workforce needs of the state. The operating budget includes a \$75.0 million increase for campuses for a multi-faceted approach, including a focus on students taking full-time course loads each term, using data to increase the availability of the right sequence of courses, hiring more tenure-track faculty, and restoring student services that were cut during the recession years.

The budget plan also dedicates an additional \$122.1 million for employee compensation increases. Faculty and staff are critical to the success of students. Funding requests for compensation are based on the cost of current and tentative collective bargaining agreements, as well as a compensation pool for non-represented employee groups in 2018-19.

The CSU anticipates funded enrollment growth of 3,641 resident full-time equivalent students (FTES), raising the total systemwide funded FTES to 367,772. A \$39.9 million expenditure augmentation is included in the budget plan to fund this enrollment growth.

This plan includes \$15.0 million for academic facilities and infrastructure needs. This would allow the CSU to slow the growth in the deferred maintenance backlog and reduce its overall impact across the system.

In addition to the Board of Trustees priorities outlined here, new state funding will be used to fund \$30.9 million of mandatory cost increases for health benefits, retirement, the operation and maintenance of new buildings, and the effect on salaries due to changes in state minimum wage laws.

New to this year's operating budget plan is the acknowledgment that campuses regularly face inflation and other cost increases and do so without funding from the state or the Office of the Chancellor. Instead, campuses confront cost increases on routine services, supplies and equipment and make difficult business choices. As a result, campuses are extremely efficient with their resources and, by comparison to other institutions, have considerably low administrative overhead.

Going forward, a number of fiscal challenges must be addressed so the CSU can focus on its core mission. The 2018-19 operating budget plan is a step in the right direction and represents a significant investment in a multi-year effort to meet the education and workforce needs of the state. Yet, without increased investment from the state, the CSU cannot meet its obligations to the people of California or its mission to provide a high-quality, affordable, and accessible education to all students.

## 2018-19 Operating Budget Increases

- \$75.0 million for Graduation Initiative 2025
- \$122.1 million for compensation
- \$39.9 million for a one percent increase in funded enrollment
- \$15.0 million for academic facilities and infrastructure needs
- \$30.9 million for mandatory costs



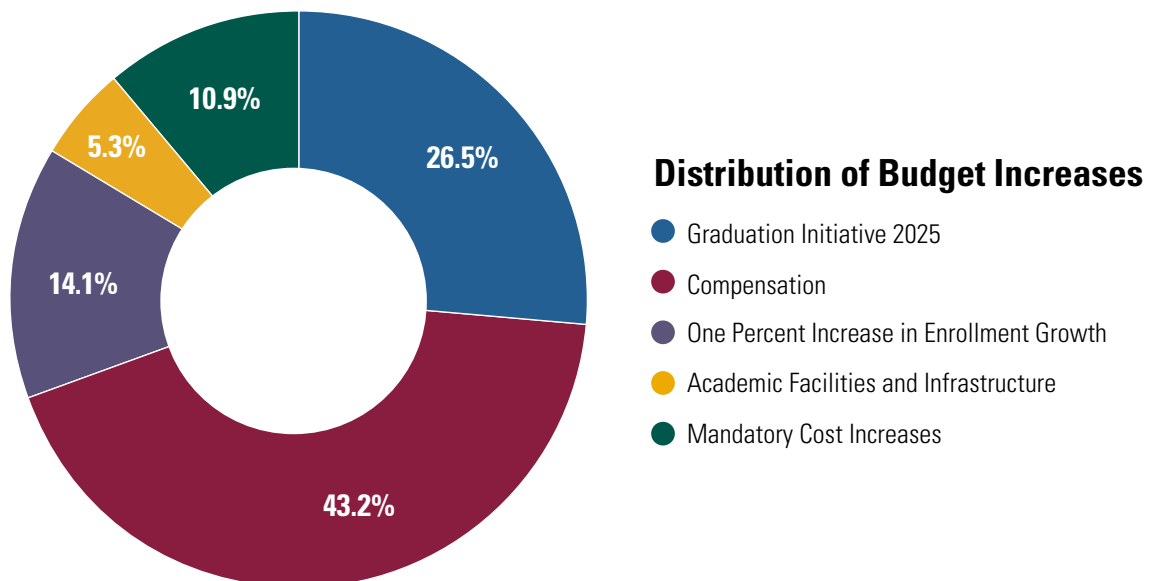
## Sources and Uses of Funds

### SOURCES OF FUNDS

<b>General Fund Increase</b>		<b>\$263,015,000</b>
Operating Budget	248,015,000	
Academic Facilities and Infrastructure	15,000,000	
<b>Tuition from 1% Enrollment Growth</b>		<b>19,878,000</b>
(3,641 Full-Time Equivalent Students' Revenue)		
<b>TOTAL NEW SOURCES</b>		<b>\$282,893,000</b>
<b>Cost Avoidance, Efficiencies &amp; Program Reallocation</b>		<b>17,400,000</b>

### USES OF FUNDS

<b>Graduation Initiative 2025</b>		<b>\$75,000,000</b>
<b>Compensation</b>		<b>122,100,000</b>
<b>One Percent Increase in Enrollment Growth</b>		<b>39,905,000</b>
<b>Academic Facilities and Infrastructure</b>		<b>15,000,000</b>
<b>Mandatory Cost Increases</b>		<b>30,888,000</b>
Health Benefits	12,029,000	
Retirement	11,100,000	
Minimum Wage Increase	4,158,000	
Maintenance of New Facilities	3,601,000	
<b>TOTAL NEW USES</b>		<b>\$282,893,000</b>
<b>Other Inflationary Cost Increases</b>		<b>17,400,000</b>







## Three-Year Budget Summary

<b>Table 1: Operating Budget</b>	<b>2016-17 Actuals</b>	<b>2017-18 Final Budget<sup>1</sup></b>	<b>2018-19 Plan</b>
General Fund	\$2,911,449,000	\$3,077,995,000	\$3,326,010,000
Tuition and Other Fee Revenue	3,077,413,000	3,071,412,000	3,091,290,000
<b>TOTAL OPERATING BUDGET</b>	<b>\$5,988,862,000</b>	<b>\$6,149,407,000</b>	<b>\$6,417,300,000</b>

<b>Table 2: Academic Facilities and Infrastructure</b>	<b>2016-17 Actuals</b>	<b>2018-18 Final Budget<sup>1</sup></b>	<b>2018-19 Plan</b>
General Fund Debt Service and Capital Facilities <sup>2</sup>	\$311,809,000	\$316,879,000	\$316,879,000
Budget Plan: Maintenance and Infrastructure Totals	35,000,000	35,000,000	50,000,000
<b>TOTAL ACADEMIC FACILITIES AND INFRASTRUCTURE</b>	<b>\$346,809,000</b>	<b>\$351,879,000</b>	<b>\$366,879,000</b>

<b>Total Operating Budget General Fund Increase</b>	<b>\$248,015,000</b>
<b>Academic Facilities and Infrastructure Increase</b>	<b>15,000,000</b>
<b>Tuition from 1% Enrollment Growth</b>	<b>19,878,000</b>

<b>TOTAL SOURCES OF FUNDS</b>	<b>\$282,893,000</b>
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<b>Table 3: Sum of Tables 1 &amp; 2</b>	<b>2016-17 Actuals</b>	<b>2017-18 Final Budget<sup>1</sup></b>	<b>2018-19 Plan</b>
Total Operating Budget	\$5,988,862,000	\$6,149,407,000	\$6,417,300,000
Total Academic Facilities and Infrastructure	346,809,000	351,879,000	366,879,000
<b>GRAND TOTALS</b>	<b>\$6,335,671,000</b>	<b>\$6,501,286,000</b>	<b>\$6,784,179,000</b>

<sup>1</sup> The 2017-18 GF Base in Table 1 includes \$39,310,000 in state funded 2017-18 employer paid retirement adjustment received mid-year. The \$351,879,000 for Debt Service and Capital Facilities is shown separately in Table 2.

<sup>2</sup> Beginning in 2014-15, state lease revenue bond and general obligation (GO) bond debt service attributable to CSU academic facilities are included in the CSU appropriation.

## Three-Year Summary of State University Grants (SUGs) and Tuition Waivers

<b>Table 4</b>	<b>2016-17 Actuals</b>	<b>2017-18 Final Budget</b>	<b>2018-19 Plan</b>
SUG Awards <sup>1</sup>	\$634,020,000	\$701,204,000	\$701,604,800
Tuition Waivers <sup>2</sup>	71,617,000	75,239,000	75,338,000
<b>TOTAL SUG AWARDS AND WAIVERS</b>	<b>\$705,637,000</b>	<b>\$776,443,000</b>	<b>\$776,942,800</b>

<sup>1</sup> SUG awards cover tuition for eligible students.

<sup>2</sup> Includes the campus tuition waivers reported annually in Enrollment Reporting System Students (ERSS) database (Waiver Codes 01-08).

## Three-Year Budget Summary and Highlights by Program

<b>Table 5</b>	<b>2016-17 Actuals</b>	<b>2017-18 Final Budget</b>	<b>2018-19 Plan</b>
Instruction	\$2,490,867,000	\$2,671,051,000	\$2,671,051,000
Research	15,010,000	13,678,000	13,678,000
Public Service	13,720,000	12,483,000	12,483,000
Academic Support	637,971,000	641,665,000	641,665,000
Student Services	670,496,000	639,398,000	639,398,000
Institutional Support	778,827,000	849,747,000	849,747,000
Operation and Maintenance of Plant	1,051,817,000	932,770,000	932,770,000
Student Grants and Scholarships	676,963,000	740,494,000	740,494,000
New Expenditures (less efficiencies)	0	0	282,893,000
<b>TOTAL EXPENDITURES</b>	<b>\$6,335,671,000</b>	<b>\$6,501,286,000</b>	<b>\$6,784,179,000</b>



# SOURCES OF FUNDS





## State General Fund

The proposed budget includes a \$263.0 million increase to the CSU's General Fund base budget, for a total of \$3.7 billion, including debt service that, when combined with tuition and fee revenue, represents an operating budget total of \$6.8 billion. The proposed General Fund increase will fund Graduation Initiative 2025, compensation increases, one percent enrollment growth, facilities and infrastructure needs, and various mandatory cost obligations including increased employer costs for health care and retirement.

## Tuition and Fee Revenue

The CSU receives about 46 percent of its gross operating revenue from tuition and fees. Estimated tuition and fee revenue in the 2018-19 operating budget is \$3.1 billion, with \$19.9 million in new tuition revenue from a one percent resident enrollment increase. From this tuition revenue, the CSU allocates over \$700 million for State University Grants.

## Cost Avoidance, Efficiencies, and Program Reallocation

Each year the CSU at its 23 campuses and the Chancellor's Office face price increases and inflation. These cost increases in areas such as communication, information technology, contractual services, library subscriptions, instructional equipment, and travel are not built into the incremental budget request of the CSU. Instead, campuses make decisions annually to redistribute budgets to cover these costs, finding efficiencies in purchasing and cost sharing across the system, and reallocating from under-utilized programs to the most pressing needs of the campus. The cost increases in non-personnel costs for 2018-19 are estimated to be \$17.4 million using a ten-year average of the Higher Education Price Index.

### Sources of Funds:

The total proposed 2018-19 operating budget plan is \$282.9 million from a combination of state General Fund and tuition and fee revenue.

State General Fund Increase	\$263,015,000
Tuition from 1% Enrollment Growth	19,878,000
<b>TOTAL</b>	<b>\$282,893,000</b>
Cost Avoidance, Efficiencies & Program Reallocation	17,400,000

The CSU's highest priority is the full funding by the state of the 2018-19 operating budget plan. If the CSU is not fully successful in this effort, the university will have to consider other, more difficult options. One of those options is to consider raising tuition for the 2018-19 academic year. The university will follow the consultative process required by the Working Families Student Fee Transparency and Accountability Act. If a tuition proposal is made, it will be provided to student leadership later this fall, discussed with the Board of Trustees at its January 2018 meeting, and potentially considered by the Board of Trustees at its March 2018 meeting.



# USES OF FUNDS



## Graduation Initiative 2025: \$75,000,000

The CSU currently enrolls more than 480,000 students. One-in-three undergraduates are the first in their family to attend college, and more than half of CSU undergraduates are Pell recipients. In 2015-16, more than half of CSU bachelor's degrees earned were by first generation college students. Improving degree completion rates at the CSU will not only have significant consequences for individual students and their families but will also contribute to the state and national economy by moving thousands of additional graduates into the workforce annually. Today, CSU students earn nearly 100,000 bachelor degrees annually. Over the next 14 years with no gains in outcome rates, CSU students are estimated to earn 1.4 million bachelor degrees. Achieving the Graduation Initiative goals, coupled with enrollment growth, will enable the CSU to introduce an additional 500,000 college graduates into the workforce between now and 2030.

The CSU carefully established a set of five areas of investment that will be the most important for dramatically improving student success. It is in these five areas that campuses have invested over \$85.0 million in ongoing funding and \$47.5 million in one-time allocations. This funding started the ball rolling on strategic initiatives that can be brought to scale as momentum builds across the system. For 2018-19, an additional \$75.0 million will be invested as the second year of a six-year plan totaling \$450.0 million.

- **Improve Course Taking Opportunities** – For students to graduate sooner, they need to know which classes are required for their selected major, and campuses need to know when to offer them so that students can stay on-track to graduation. Investments will focus on offering more sections of high-demand courses, when students need them.
- **Tenure-Track Faculty Hiring** – In order to offer more courses, and redesign the CSU's approach to developmental education, more tenure-track faculty will be critical to the success of the initiative. Improved ratios of tenure-track faculty to lecturers will lay the groundwork for long-term success of all our students.
- **Enhanced Advising** – Advising students more effectively and efficiently is an imperative for Graduation Initiative 2025. Hiring more professional advisors and giving them the tools to provide clear and accurate education plans will help students align their academic goals and career goals, improving both student services and institutional efficiency.
- **Academic and Student Support** – Students can succeed academically when the university supports engagement and well-being. Expanded programs for student wellness and basic needs alongside improved academic support programs like supplemental instruction, tutoring and co-requisite models for developmental education will keep all students on track toward their chosen degree.
- **Data-Driven Decision Making** – Keeping advising, course scheduling and resources in line with student needs requires innovative use of data across campuses and the system. Campuses will continue to invest in student information systems and data tools to facilitate strategic and intentional campus decision making.

The CSU has already taken major steps to improve academic preparation. Beginning in fall 2018, two strategies will be implemented to change the way students work on academic skills in math and English. The CSU will offer credit-bearing academic courses rather than developmental courses, and strengthen the Early Start Program to offer students college credits in the summer before their first term. The CSU is also in the process of revising its assessment and placement protocols used to determine college readiness. Through these deliberate policy changes, the CSU is fundamentally changing the academic interventions provided to students, removing deficit models, and relying on innovative approaches to better serve students.

**Compensation Increase: \$122,100,000**

The CSU Board of Trustees recognizes compensation for faculty, staff, and management as a key element of the university’s success. Continued investment to make progress toward competitive salaries is critical for the CSU to fulfill its primary mission of access to an affordable and high-quality education. A competitive compensation package is essential to the CSU’s ability to recruit and retain faculty, staff, and management employees who contribute to the CSU’s mission of excellence.

This budget plan calls for \$122.1 million to fund a compensation pool for current, tentative, and pending contracts, new contracts open in 2018-19 and commitments to non-represented employees.

**Funded Student Enrollment: \$39,905,000**

The CSU was established to provide a high-quality, affordable education to the top one-third of high school graduates and eligible community college transfer students in California. Each year, nearly 480,000 undergraduate students attend the CSU and more than 119,000 students graduate ready to contribute to their communities. The CSU is the largest and most diverse system of higher education in the country, and more and more qualified students apply for admission to the CSU each year.

As the population of California remains steady, the number of high school graduates completing admissions requirements for the CSU continues to grow. To meet growing demand from students, and the longer term workforce needs of California for more baccalaureate degrees, the CSU continues to ask for funding for enrollment growth in its annual operating budget request. The Public Policy Institute of California projects a shortage of baccalaureate degrees by 2030—in excess of one million degrees. For the CSU to do its part, the CSU has to graduate an additional 500,000 students by 2030, or about 5,300 additional degrees each year from 2018 through 2030. This growth is a part of the projections included with the goals of Graduation Initiative 2025.

As part of the 2018-19 operating budget plan the CSU requests \$39.9 million to fund one percent enrollment growth (3,641 FTES). Even with this funding, there are eligible students that the CSU cannot admit due to the lack of capacity or resources. A recent study commissioned by the Governor’s Office of Planning and Research found that 41 percent of high school students in 2015 were eligible for CSU admission, which is far higher than the 33 percent target recommended by the Master Plan. The Board of Trustees will be adopting an enrollment management plan in March 2018 to better serve the students who qualify for the CSU, and that they have the opportunity to enroll at one of the 23 campuses.

**Enrollment Growth**

<b>2017-18 Resident FTES Base</b>	<b>364,131</b>
Proposed Growth (1%)	3,641
<b>2018-19 TOTAL RESIDENT FTES</b>	<b>367,772</b>
Marginal Cost Rate per FTES	\$10,960
<b>Total Cost of Enrollment Growth</b>	<b>\$39,905,000</b>

**Academic Facilities and Infrastructure: \$15,000,000**

The CSU prioritizes critical infrastructure and utility renewal projects and facility renovation to support the campuses' academic program needs. The \$15.0 million request will also enable the CSU to fund limited capacity growth to serve new enrollment. Under current bond market conditions, \$15.0 million would finance approximately \$225 million for capital projects across the system.

The budget plan will allow the CSU to keep pace with the aging infrastructure (annually growing by approximately \$150 million) and will help reduce the academic facility deferred maintenance backlog, which currently stands at approximately \$2 billion. For more information on specific projects and priorities, see the CSU 2018-19 Capital Outlay Program and the Five-Year Facilities Renewal and Improvement Plan.

**Mandatory Costs: \$30,888,000**

Mandatory costs are expenditures the university must pay regardless of the level of funding allocated by the state, and they often increase independent of the state budget condition. These costs include increases for employee health and retirement benefits, state minimum wage cost increases, and the operations and maintenance of newly constructed facilities. The 2018-19 operating budget includes \$30.9 million to address increases in mandatory cost obligations.

Health Benefits	\$12,029,000
Retirement Benefits	11,100,000
Maintenance of New Facilities	3,601,000
State Mandate (minimum wage)	4,158,000
<b>Total</b>	<b>\$ 30,888,000</b>

**Health Benefits**

Permanent base budget costs associated with January 2018 employer-paid health care premium increases are over \$12.0 million. Health care premiums are shared between the CSU and its employees, with the CSU funding a significant portion of the costs. The CSU is governed by Government Code Section 22871 that defines the employer-paid contribution rates.

**Retirement Benefits (above state-funded)**

Beginning with the 2014-15 fiscal year, a limit was placed on the state's obligation to adjust CSU retirement funding due to annual changes in CalPERS rates. While the state's obligation to adjust retirement funding based on rate changes continues (Government Code Section 20814), the salary base applied to the incremental rate change is set to the CSU 2013-14 pensionable payroll level as reported by the State Controller's Office. The current projected CSU cumulative cost of retirement (above state-funded) from 2014-15 to 2018-19 is \$26.5 million. The \$11.1 million included here represents the 2018-19 share.

**Maintenance of New Facilities**

The CSU is scheduled to open 315,545 square feet of new facilities in 2018-19. The cost to fund regular maintenance of these facilities is \$11.41 per square foot, for a total of \$3.6 million in 2018-19. Regular maintenance of new facilities includes the cost of utilities, building maintenance, custodial, landscape, and administrative support.

**Minimum Wage Increase**

In January 2018, the California minimum wage will increase from \$10.50/hour to \$11.00/hour. The estimated annualized cost of the increase is over \$4.1 million. Further, the California minimum wage will increase in each subsequent year until January 2022 when it reaches \$15/hour. The current projected CSU cumulative cost of minimum wage increases from 2017 to 2022 is \$66.0 million.



**Other Inflationary Cost Increases: \$17,400,000**

As is the case with any large and complex organization, there are cost increases each year based on both explicit and implicit factors. The CSU has acknowledged and included mandatory cost increases (e.g. employee benefit costs) for many years in its operating budget request to the state. In addition to these explicit cost increases, the university faces implicit cost increases associated with the regular ongoing obligations of the university. These cost increases are affected by larger economic factors, such as inflation.

Inflation affects campus and system contracts, supplies, services, and equipment each year, but the CSU has not made it a practice to include inflationary cost increases in the annual operating budget request. It is necessary to start this practice to better understand the budgetary pressures that these costs represent and to acknowledge the success of campuses in absorbing these new costs to balance their budgets while also bolstering student success.

To estimate the effect of inflation on campus budgets, the Higher Education Price Index (HEPI) was applied to non-personnel costs such as communications, information technology (software, hardware, and infrastructure), library subscriptions, contractual services, instructional equipment, and travel. Over the past five years it is estimated that these inflationary cost increases accumulated to over \$46.4 million.

In addition to inflationary costs, this line in the budget acknowledges many new costs from recent state and federal mandates not accompanied by additional state or federal funding. Examples include American Disabilities Act compliance and accommodations, new positions for diversity and inclusion and federal Title IX compliance, Clery Act and California Fair Pay Act compliance, and State Fire Marshal and environmental regulations. The CSU is committed to providing an environment that recognizes the needs of all our students to study in a safe and adaptable educational setting. It must be acknowledged that new state and federal mandates and changes to various regulations increase costs that must ultimately be absorbed by individual campuses that must make year-to-year decisions to create greater efficiencies and reallocate funds to the highest priorities.

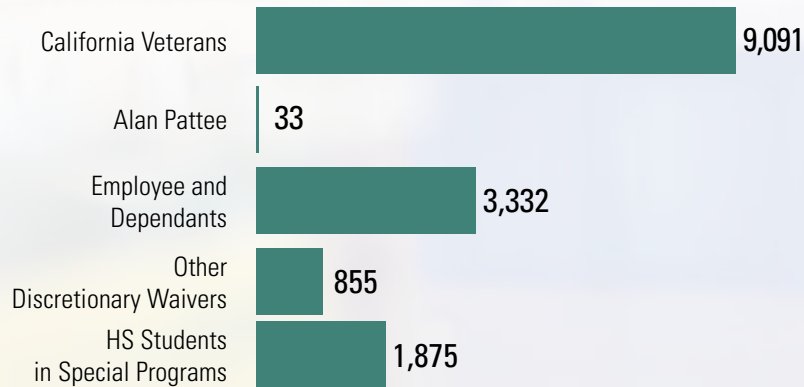
For the 2018-19 operating budget, it is estimated that inflationary cost increases and other unfunded obligations total \$17.4 million and the resulting, offsetting cost avoidance, efficiencies, and program reallocations represent a like amount.



# CSU FINANCIAL AID



## 2016–17 Systemwide Tuition Waivers





Each year, the CSU provides substantial financial aid from its operating budget to make the CSU an affordable opportunity for the largest number of California students as possible. For 2018-19, the CSU projects \$776.9 million in grants and waivers will be awarded. Tens of thousands of State University Grants (SUG) are awarded each year to assist students with the greatest financial need. The CSU also provides waivers for eligible students under state and CSU programs. A summary of the total value of institutional financial aid from 2016-17 through 2018-19 is included in Table 4 on page 9.

## State University Grant Program

The SUG program is an important source of financial assistance for CSU students. Since its inception in 1982-83, the SUG program has provided awards to offset the cost of tuition for resident students who have the greatest financial need.

For the first ten years of the program, until 1992-93, the state funded the SUG program. Since 1992-93, however, the CSU has continued to grow the SUG program by setting aside a portion of new revenue generated from increases in tuition.

As tuition prices went up during the Great Recession, the CSU expanded its commitment to financial aid grants to its students – in the form of SUG awards. Total systemwide SUG costs grew by 189 percent from \$242.7 million in 2007-08 to \$701.2 million in 2017-18. As the CSU continues its commitment to be an affordable option for all students in California, the number and value of SUG awards continues to rise. By 2018-19, nearly twelve percent of the total CSU operating budget will be dedicated to the SUG program. The CSU expects to provide at least \$701.6 million in SUG awards in 2018-19.

## Tuition Waivers

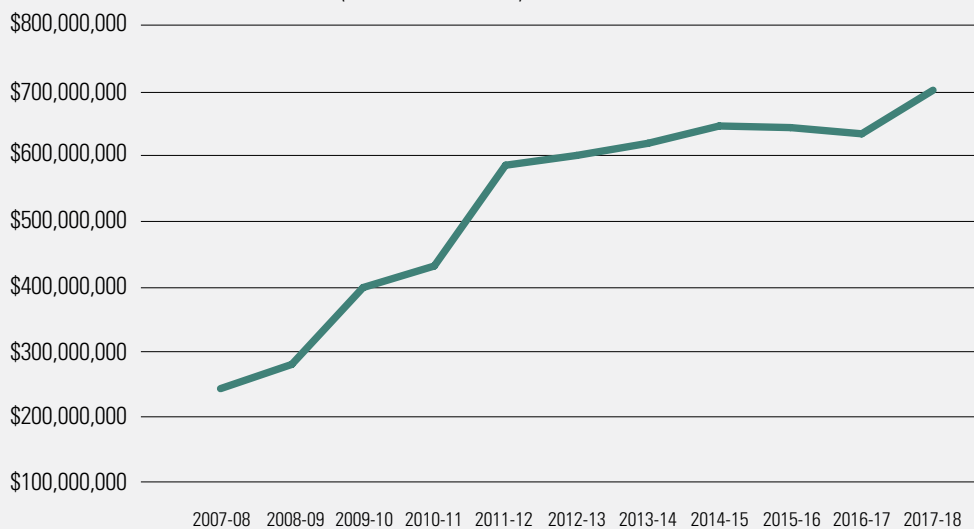
Under current state law, there are four mandatory resident tuition waiver programs:

- California Veterans Waiver for children of disabled/deceased veterans (Education Code 66025.3);
- Alan Pattee Waiver for dependents of deceased law enforcement or fire suppression personnel (Education Code 68120);
- The tuition waiver for California residents who were dependents of victims killed in the September 11, 2001 terrorist attacks (Education Code 68121); and
- The tuition waiver for the two student trustees (Education Code 66602).

In addition to the waiver programs mentioned above, the CSU also offers partial tuition waivers for employees and employee dependents pursuant to collective bargaining agreements and human resources technical memoranda. Some optional waivers have been established by Board of Trustees policy and California statute including programs for high school students and California residents age 60 or older, among others. The state has not provided General Fund support for any CSU tuition waiver programs since 1992–93.

In the 2016-17 college year (fall, winter, spring, and summer), 15,186 tuition waivers were granted to CSU students. When tuition rates are applied to these waivers based on student enrollment status, it amounts to approximately \$71.6 million in waivers provided by the CSU.

**State University Grants  
2007-08 to 2017-18**  
(in whole numbers)





# ONE-TIME REQUESTS



In addition to the permanent funding increases included in this plan, the 2018-19 operating budget plan seeks additional, one-time investments from the state. In the recent past, the state has proposed and provided one-time non-recurring funding for a variety of energy efficiency and maintenance projects on CSU campuses.

### **Cap-and-Trade: \$25,000,000**

The CSU plan seeks funds from the California Cap-and-Trade Program for renewable energy and energy efficiency projects. As these state funds are purposed for implementing energy efficiency and greenhouse gas reduction projects, the CSU plan seeks \$25.0 million from the Cap-and-Trade Program for 2018-19 to further these efforts. In addition, discussions with the CSU/UC Investor-Owned Utility Partnership Executive Committee to potentially leverage the utility rebate incentive program in partnership with the Cap-and-Trade funding would further incentivize energy conservation projects across the CSU system.

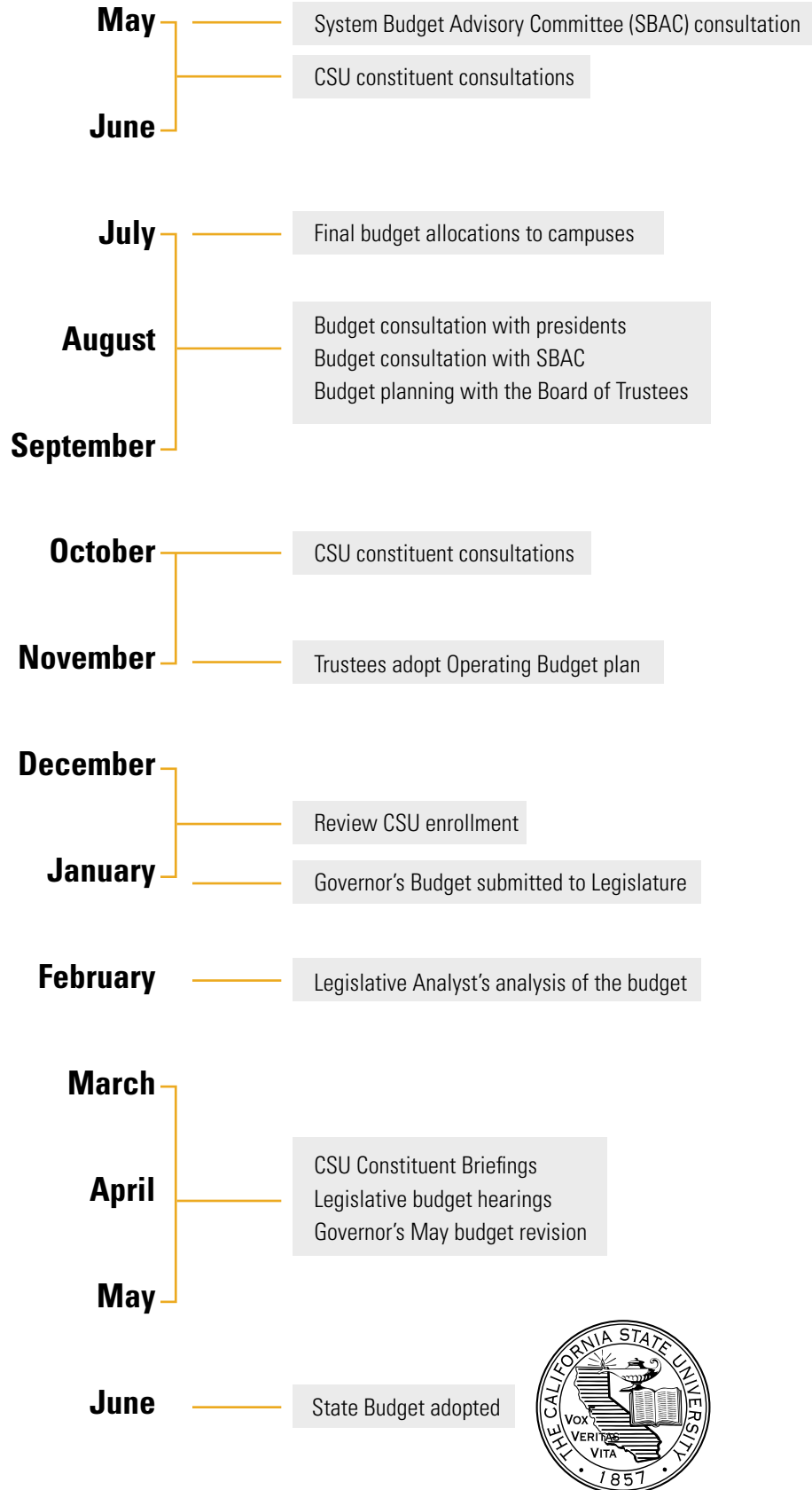
### **Deferred Maintenance Backlog: \$50,000,000**

The CSU plan seeks an additional \$50.0 million of one-time funding to further address the growing maintenance backlog. Critical deficiencies identified throughout the 23 campuses will be addressed to enable campuses to continue essential operations, reduce the likelihood of catastrophic failures, and meet current code requirements to operate safe facilities. Major building systems that have exceeded the expected service life will be modernized to enable campuses to operate utilities more effectively, improve HVAC systems efficiency, reduce energy and lighting costs, reduce water consumption and greenhouse gas emissions, and extend the useful life of existing facilities. The one-time funding will be spent on projects on a pay-as-you-go basis.

Together, funds from the Cap-and-Trade Program and funds for deferred maintenance will directly support statewide initiatives to attain energy and water conservation and greenhouse gas reductions.



# BUDGET CYCLE







# 23 California State University Campuses







**CSU** The California State University

401 Golden Shore, Long Beach, CA 90802

[www.calstate.edu](http://www.calstate.edu)



## **COMMITTEE ON FINANCE**

### **Approval of a New Master Investment Policy for the California State University**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

#### **Summary**

This item requests that the California State University Board of Trustees approve a new Master Investment Policy for the California State University.

#### **Background**

Most CSU funds are currently invested through the CSU Systemwide Investment Fund-Trust (SWIFT) investment portfolio, 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, and for investment management purposes, the SWIFT portfolio is divided equally between two investment management firms, US Bancorp Asset Management and Wells Capital Management. Neither state general fund nor CSU auxiliary funds are included in the SWIFT portfolio.

The California 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. In order to facilitate certain expenditures, the CSU maintains small amounts of funds with the State that might otherwise be invested in the SWIFT portfolio.

The California State University Investment Policy currently in effect is included as Attachment A.

On January 1, 2017, legislation became effective that granted new investment authority to the CSU. Key components of the new authority are:

1. Allows the CSU to invest in mutual funds, including equity mutual funds, subject to registration by, and under the regulatory authority of, the United States Securities and Exchange Commission and United States registered real estate investment trusts.
2. Limits the amount of funds that the CSU may place in the new investment options and phases in such investment as follows:
  - In the fiscal year ending June 30, 2017, no more than \$200,000,000.
  - In the fiscal year ending June 30, 2018, no more than \$400,000,000.
  - In the fiscal year ending June 30, 2019, no more than \$600,000,000.
  - In the fiscal year ending June 30, 2020, and each fiscal year thereafter, no more than 30 percent of all CSU investments.
3. Requires the board to establish an investment advisory committee to oversee investments. The committee must include a majority of members with investment expertise and who are not CSU employees. The State Treasurer has the option to serve, or appoint a deputy treasurer to serve, as a member of the committee.
4. Enhances investment reporting to the board and includes an annual reporting requirement to the legislature.
5. Restricts the use of earnings from the new investments to meet non-recurring capital needs, including deferred maintenance and critical infrastructure.
6. Prohibits the CSU from citing any losses associated with the new investments as justification for increases in student tuition or fees, and from seeking State general fund dollars to offset any losses associated with the new investments.

At its September 2017 meeting, the trustees established the CSU Investment Advisory Committee or “IAC” comprised of the following individuals:

- Ex Officio, the Chair of the Committee on Finance of the CSU Board of Trustees. Peter J. Taylor currently serves in this position. This position will also serve as Chair of the IAC.
- Ex Officio, the Executive Vice Chancellor and Chief Financial Officer of the California State University. Steve Relyea currently serves in this position. This position will also serve as Vice Chair of the IAC.
- Ex Officio, the Assistant Vice Chancellor, Financing, Treasury, and Risk Management, California State University. Robert Eaton currently serves in this position.
- Ex Officio, Timothy J. Schaefer, Deputy Treasurer for Public Finance at the State Treasurer’s Office.
- David Bach – Principal, The Bach Group; former investment officer for the California Public Employees’ Retirement System; board member for University Enterprises, Inc. at California State University, Sacramento.



- Leona M. Bridges – Director, San Francisco Municipal Transportation Agency; board member for the San Francisco State Foundation.
- Michael A. Lucki – Former Chief Financial Officer and member of the board of directors for CH2M Hill Companies, Ltd.; board member of the California State University Foundation.
- Irwin Rothenberg – Wealth Advisor, Buckingham Asset Management; board member for the Sonoma State University Foundation.

The basic charge of the IAC will be to oversee the portfolio of CSU investments that will be established under the new investment authority. The IAC will develop, periodically review, and amend, as needed, specific policies for the portfolio consistent with established investment policy of the board and state law; review and recommend the retention or replacement of investment managers; monitor portfolio asset allocations, review rebalancing activities; and monitor performance to stated objectives. All actions of the IAC will be in the form of recommendations to the board for approval or to staff for implementation under delegated authority.

### **New Master Investment Policy for the California State University**

The existing California State University Investment Policy needs to be updated and enhanced to effectively and prudently implement the new investment authority and related investment goals of the CSU. Staff has developed a draft of a new Master Investment Policy for the California State University (MIP) for the CSU, which is included herein as Attachment B. This item requests the board to approve the new MIP.

The MIP provides a framework for the investment of CSU funds and includes the following key elements as further described in the MIP:

- The articulation of standards and expectations to be met by parties involved in the investment of CSU funds, such as compliance with law, adherence to policy, “prudent investor” rule, acknowledgment of investment risk and potential loss of value, refraining from conflicts of interest, and the consideration of environmental, social, and governance factors in making investment decisions.
- Roles and responsibilities of the Board of Trustees, the chancellor and his or her staff, and the IAC, as fiduciaries for the investment of CSU funds, including delegations of authority from the Board of Trustees to the chancellor, staff, and the IAC to implement the provisions of the MIP.
- Investment objectives that shall govern CSU investments—safety of principal, liquidity needs of the CSU, and returns commensurate with acceptable levels of risk.
- Direction to the chancellor, staff, and the IAC to establish three investment portfolios, within acceptable allocation ranges and targets set by the Board of Trustees, each with their own investment objectives and policies.

The three portfolios will allow the CSU to segment funds necessary to be maintained in short-term investments for liquidity purposes from those available to invest over a longer time horizon in an effort to generate increased investment earnings over time and assist in the funding of CSU operating and capital needs.

The general purpose of each portfolio will be as follows:

**Liquidity Portfolio (Systemwide Investment Fund—Trust or SWIFT)**

The purpose of this portfolio will be to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives for this portfolio shall be safety of principal and liquidity. The existing SWIFT portfolio shall serve as the Liquidity Portfolio.

**Intermediate Duration Portfolio**

The purpose of this portfolio is to provide opportunity for modest, additional risk-adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives for this portfolio shall be safety of principal, liquidity, and return.

**Total Return Portfolio**

The purpose of this portfolio is to provide opportunity for additional risk-adjusted returns on CSU funds over a full market cycle. The investment objectives for this portfolio shall be to achieve a prudent total return within a moderate risk level. The Total Return Portfolio shall be the portfolio of investments that takes advantage of the new investment authority.

**Recommendation**

The following resolution is presented for approval:

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

1. Approve the Master Investment Policy for the California State University as presented in Agenda Item 5 and included as Attachment B of the November 7-8, 2017, meeting on the Committee on Finance;
2. Authorize the chair of the Committee on Finance; the chancellor; the executive vice chancellor and chief financial officer; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all actions necessary under delegated authority to implement this resolution.

This resolution supersedes RFIN 11-13-09 and shall take effect immediately upon approval by the Board of Trustees.

## **The California State University Investment Policy**

The following investment guidelines have been developed for 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 the Chancellor and his designees with the greatest possible flexibility to maximize investment opportunities. However, as agents of the trustees, 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 CSU funds, the primary objective of the CSU shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the CSU. The third objective shall be to return an acceptable yield.

### **Investment Authority**

The 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;

- 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 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 the CSU, including market values.

(Approved by the CSU Board of Trustees in January 1997; and as amended in September 2011 and November 2013)



DRAFT

Master Investment Policy  
For The California State University

Approved on November 8, 2017  
By The Board of Trustees of The California State University

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## **I. Scope and Purpose**

This California State University Master Investment Policy (“MIP”) governs the investment of California State University (“CSU”) funds. CSU investments are centrally managed on behalf of the CSU System and its campuses.

The purpose of the MIP, together with investment policies that govern individual Portfolios (as defined in Section IV) and are created pursuant to delegated authority contained herein, is to provide a framework for the investment of CSU funds consistent with the goals of the CSU Board of Trustees (the “Board”) and the educational mission of the CSU.

The MIP sets forth objectives, guidelines, and responsibilities that the Board deems to be appropriate and prudent in consideration of the needs of, and the legal requirements applicable to, the CSU’s investment program. The MIP is also intended to ensure that the Board, and any parties to whom the Board delegates authority, are fulfilling their fiduciary responsibilities in the oversight of CSU investments.

The MIP is a dynamic document and will be reviewed from time to time. The MIP will be modified, if necessary, to reflect the changing nature of the CSU’s assets and investment program, organizational objectives, and economic conditions.

## **II. Compliance with Law and Adherence to Policy**

CSU investments are to be managed in full compliance with all applicable laws, rules, and regulations from various local, state, federal, and international political entities that may impact the CSU’s assets, including but not limited to the provisions of the California Education Code and California Government Code applicable to the investment of CSU funds, and in accordance with the policy objectives, guidelines, and responsibilities expressed herein.

## **III. Background and Investment Objectives**

The investment objectives for the investment of CSU funds have been established in conjunction with a comprehensive review of current and projected financial requirements. The Board desires to provide the Chancellor, the Chancellor’s Staff, and the IAC (as defined in Section V) with the greatest possible flexibility to maximize investment opportunities. However, as agents of the Board, the Chancellor, the Chancellor’s Staff, and the IAC must recognize the fiduciary

responsibility of the Board to conserve and protect the assets of the CSU investment program, and, by prudent management, prevent exposure to undue and unnecessary risk.

The following objectives shall govern the investment of CSU funds:

1. Safeguard the principal.
2. Meet the liquidity needs of the CSU.
3. Obtain the best possible return commensurate with the degree of risk the CSU is willing to assume in obtaining such return.

The Board acknowledges that these objectives may be weighted or prioritized differently for individual Portfolios depending upon the purpose of the Portfolio.

#### **IV. Investment Portfolios**

Consistent with its investment objectives, the Board has determined that CSU funds may be invested in three investment portfolios (individually, a "Portfolio" and together, the "Portfolios") created by the CSU, with oversight by the Chancellor, the Chancellor's Staff, and the IAC, and each with its own investment policy.

The three Portfolios and general purpose of each Portfolio are as follows:

##### **Liquidity Portfolio (Systemwide Investment Fund—Trust or "SWIFT")**

The purpose of this Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives for this Portfolio shall be safety of principal and liquidity. The existing CSU Systemwide Investment Fund—Trust (SWIFT) shall serve as the Liquidity Portfolio and shall be comprised of investments authorized pursuant to California Government Code Sections 16330 and 16430.

##### **Intermediate Duration Portfolio (IDP)**

The purpose of this Portfolio is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives for this Portfolio shall be safety of principal, liquidity and return. The Intermediate Duration

Portfolio shall be comprised of investments authorized pursuant to California Government Code Sections 16330 or 16430.

**Total Return Portfolio (TRP)**

The purpose of this Portfolio is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objectives for this Portfolio shall be to achieve a prudent total return within a moderate risk level. The Total Return Fund shall be comprised of investments authorized pursuant to California Government Code Sections 16330 and 16430, as well as California Education Code Sections 89724 and 89725.

The acceptable allocations for the Portfolios are as follows:

<u>Portfolio</u>	<u>Min – Target – Max</u>
Liquidity Portfolio (“SWIFT”)	<b>5% - 20% - 100%</b>
Intermediate Duration Portfolio (“IDP”)	<b>0% - 52% - 95%</b>
Total Return Portfolio (“TRP”) <b>30%<sup>1</sup></b>	<b>0% - 28% -</b>

In addition, the CSU may invest any amount (from 0% to 100%), in any California State Treasury investment option, available now, or in the future, that the IAC and the staff deem prudent, including, but not limited to:

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

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<sup>1</sup> Percentage allocations to the TRP are subject to annual phase-in restrictions through June 30, 2020 per state law.

## **V. Roles and Responsibilities**

### **Board of Trustees**

The Board assumes fiduciary responsibility to conserve and protect the investment assets of the CSU, and by prudent management, to prevent exposure to undue and unnecessary risk. However, the Board also acknowledges investments are inherently risky with risk of loss and, as such, are viewed with a long-term time horizon.

As a fiduciary, the primary responsibilities of the Board are to:

1. Maintain and approve the MIP.
2. Ensure that CSU investments are prudently diversified in order to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume.
3. Report annually to the California state legislature and the California Department of Finance regarding the investment of CSU funds.

The Board shall have oversight responsibility for investment of the assets and has delegated investment authority to the Chancellor, the Chancellor's Staff, and the IAC.

### **Chancellor and Chancellor's Staff**

As agents of the Board, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor responsible for CSU investments, and their designees (the "Chancellor's Staff"), recognize the fiduciary responsibility of the Board to conserve and protect the investment assets of the CSU and, by prudent management, to prevent exposure to undue and unnecessary risk.

The Chancellor and the Chancellor's Staff are hereby authorized to establish policies and procedures to implement the provisions of this MIP, including, but not limited to, the following activities:

1. Overseeing and implementing general administrative and investment operations for the Portfolios.

2. Informing the IAC on the overall investments of the CSU and each of the Portfolios to assist the IAC in fulfilling its duties.
3. Developing and implementing policies that are suitable for achieving the strategic objectives for each Portfolio, including coordination with the IAC in developing and implementing policies for the TRP.
4. Selecting, contracting with, and monitoring third party service providers, including, but not limited to, investment advisors, investment managers, and custodians. For the TRP, such actions will be based on the recommendations of the IAC.
5. Directing the investment of funds, including the ordering of purchase and sale transactions to, from and between the Portfolios to meet investment objectives and strategic asset allocations.
6. Monitoring and reviewing the performance of the Portfolios to their stated objectives.
7. Reporting to the Board regarding the investment of CSU funds as requested, but no less than quarterly.
8. Controlling and accounting for all investment, record keeping, and administrative expenses associated with the Portfolios.
9. Identifying the need for updates, monitoring the Portfolios for legal and policy compliance, and acting on the recommendations of the IAC, as appropriate.
10. All other duties designated or delegated by the Board or the IAC.

### **Investment Advisory Committee**

As required by state law, the CSU has created an Investment Advisory Committee (the "IAC"), to provide investment advice and expertise to the Board, particularly with respect to the management of the TRP.

The IAC shall be an advisory body and shall make recommendations, as appropriate, to the Board for approval or to the Chancellor and the Chancellor's Staff for implementation. The IAC shall be responsible for overseeing all aspects of the TRP and is hereby authorized to recommend policies

and procedures for the creation and implementation of the TRP, including, but not limited to, the following activities:

1. Understanding the overall investments of the CSU and each of the Portfolios as informed by the Chancellor's Staff, investment advisors and/or investment managers.
2. Developing and approving an IAC charter to establish guidelines for operations of the IAC.
3. Developing, approving, and overseeing the implementation of an investment policy statement for the TRP.
4. Reviewing and approving target asset allocations and ranges for the TRP.
5. Monitoring and reviewing the performance of the TRP to its stated objectives.
6. Prudently reviewing, selecting, monitoring, and replacing investment management firms engaged to manage the TRP's assets.
7. Monitoring and supervising all service vendors and fees for the TRP.
8. Any other investment or administrative duties deemed necessary to prudently oversee the investment program for the TRP.

### **Prudence, Ethics, and Conflict of Interest**

All participants in the investment process shall act responsibly. The standard of prudence applied by the Board, the Chancellor, the Chancellor's Staff, and the IAC, as well as any external service providers, shall be the "prudent investor" rule. The "prudent investor" rule in part, states, "A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution. A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the trust."

Furthermore, all participants in the investment process shall use the same care, skill, prudence, and due diligence under the circumstances then prevailing that a prudent person acting in a like

capacity and fully familiar with such matters would use in the conduct of an enterprise of like activities for like portfolios with like aims and in accordance and compliance and all other applicable laws, rules and regulations.

All investment personnel shall refrain from personal business activity which could create a conflict with proper execution of the investment program, or which could impair the ability to execute impartial investment decisions. All investment personnel shall disclose to the Chancellor's Staff or the IAC any material financial interests in financial institutions which conduct business within the jurisdiction and shall disclose any material financial investment positions which could be related in a conflicting manner to the performance of the Portfolios. All investment personnel shall report any potential conflicts of interest consistent with Government Code Section 87200. Further, the Chancellor shall report to the Board in writing any issues that could reflect any conflict in the performance of the Portfolios.

#### **Document Acceptance of the Investment Policy Statement**

The Chancellor's Staff shall provide a copy of this MIP, and the relevant Portfolio investment policy, to each firm retained to provide investment services to the CSU and each such firm shall acknowledge in writing receipt of the document and accept its content.

### **VI. Environmental, Social and Governance Framework**

The Board acknowledges the importance of understanding the potential risks and value that environmental, social, and governance ("ESG") factors may have on CSU investments. Therefore, the Board expects that the consideration of ESG factors shall be integrated into the investment decision processes of the CSU.

Approved:

The California State University Board of Trustees  
November 8, 2017



## AGENDA

### COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

**Meeting:** 8:00 a.m., Wednesday, November 8, 2017  
Glenn S. Dumke Auditorium

John Nilon, Chair  
Jane W. Carney, Vice Chair  
Adam Day  
Thelma Meléndez de Santa Ana  
Peter J. Taylor

**Consent** Approval of Minutes of the Meeting of September 19, 2017

1. Parking Structure E for California State University, Los Angeles, *Action*
2. Student Union Renovation and Expansion for California State University, San Bernardino, *Action*

**Discussion**

3. Approval of the 2018-2019 Capital Outlay Program and the 2018-2019 through 2022-2023 Five-Year Facilities Renewal and Capital Improvement Plan, *Action*
4. San Diego State University Potential Mission Valley Campus Expansion, *Information*

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

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

**September 19, 2017**

**Members Present**

John Nilon, Chair  
Jane W. Carney, Vice Chair  
Adam Day  
Thelma Meléndez de Santa Ana  
Peter J. Taylor  
Rebecca D. Eisen, Chair of the Board  
Timothy P. White, Chancellor

Trustee Nilon called the meeting to order.

**Public Comment**

Members of the San Diego community commented on Item 3, the proposed new student housing residence at San Diego State. Some spoke in support of project, noting the benefits of on-campus housing to enhance student success. Others expressed concerns with traffic impacts resulting from the new housing and requested that action be taken to mitigate such impacts.

Mr. Hector Fernandez, of the State Employee Trade Council-United (SETC) commented on Item 4, the five-year capital outlay program, expressing concern that deferred maintenance work is going to contractors rather than state SETC workers where it could also build the apprenticeship program.

**Approval of Minutes**

The minutes of the July 18, 2017 meeting were approved as submitted.

**Fermentation Sciences Complex for California Polytechnic State University, San Luis Obispo**

Trustee Nilon presented agenda item 1 as a consent action item.

The committee recommended approval of the proposed resolution (RCPBG 09-17-12).

## **Master Plan Revision with Enrollment Ceiling Increase for California State University, San Bernardino**

The 2017 California State University San Bernardino Campus Master Plan was presented. A Final Environmental Impact Report (FEIR) was prepared to analyze the potential significant environmental effects of the proposed master plan in accordance with California Environmental Quality Act (CEQA) requirements and State CEQA guidelines. The FEIR determined there was a number of potential impacts that remain significant and unavoidable. The CSU complied with its legal obligation to determine its proportionate cost of the traffic improvements and negotiated with the controlling agency, the City of San Bernardino, for traffic impacts. A memorandum of understanding between the CSU and the city noting CSU's fair share of off-site mitigation was approved by the city council.

Following the presentation, trustees asked questions related to the need for parking structures in the future and suggested planning for mobility options for students who may not choose to own cars. Ms. Elvyra San Juan, assistant vice chancellor for Capital Planning, Design, and Construction noted that CSU San Bernardino has partnered with the community in expanding a transit center at the campus to bring in more buses and has closely assessed the number of parking spaces needed. She added that CSU San Bernardino has the highest counts of installed electric vehicle charging stations in the system. President Morales added that the university and Associated Students, Inc. subsidize transit costs to provide free bus rides for students, faculty and staff.

The committee recommended approval of the proposed resolution (RCPBG 09-17-13).

## **New Student Residence Hall at San Diego State University**

The New Student Residence Hall at San Diego State University (SDSU) was presented. A master plan revision altering the footprint of the proposed residence hall was presented for approval. A FEIR was prepared to analyze the potential significant environmental effect of the project in accordance with CEQA requirements and State CEQA guidelines. The report concluded that the project will not result in any potential unavoidable significant impacts with the implementation of mitigation measures. Throughout the CEQA process, SDSU communicated in a variety of ways with the community and provided opportunities for input. In response to comments received from the community and elected officials, the campus modified the original project scope, which eliminated all significant and unavoidable impacts of the project which previously existed in the areas of aesthetics and traffic, and addressed concerns regarding sensitive wildlife habitats and biological resources. In addition, the campus increased the number of spaces that can be used for loading and unloading, and have begun in fall 2017 the identification of pick-up points on campus for ride share programs, including one at Plaza Deportes which is across from Chapultepec Hall.

Following the presentation, Trustee Adam Day commented on the numerous comments he received from the community regarding the project and the decision by the campus to eliminate phases 2 and 3 to address community concerns. The trustees expressed support for additional signage to address community concerns on traffic and pedestrian safety.

The committee recommended approval of the proposed resolution (RCPBG 09-17-14).

**Preliminary 2018-2019 Capital Outlay Program & Five-Year Facilities Renewal and Capital Improvement Plan**

The Preliminary Five-Year Facilities and Capital Improvement Plan was presented. The preliminary five-year plan identifies \$13.8 billion in academic and self-support projects, and \$1.56 billion for the preliminary 2018-2019 action-year request. The final request will go to the board for action in November.

Trustee Nilon adjourned the meeting.

## **COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

### **Parking Structure E for California State University, Los Angeles**

#### **Presentation By**

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

#### **Summary**

This item requests approval to amend the 2017-2018 Capital Outlay Program and approval of schematic plans for the Parking Structure E project for California State University, Los Angeles. The California State University Board of Trustees approved the 2017-2018 Capital Outlay Program at its November 2016 meeting. This item allows the board to consider the scope and budget of a project not included in the previously approved capital outlay program.

#### **Amend the 2017-2018 Capital Outlay Program**

CSU Los Angeles wishes to amend the 2017-2018 Capital Outlay Program for the design and construction of a new parking structure (#50<sup>1</sup>). The structure will be located along Paseo Rancho Castilla adjacent to existing Parking Structure C (#41) and Parking Lot 5 in the northwestern portion of the campus. This project will construct 2,200 parking spaces, primarily to replace parking that will be eliminated with the future development of on-campus student housing (#53) on an existing nine-acre site parking lot. The proposed project is consistent with the campus' strategic plan to develop traditional student housing in efforts to support student success and graduation rates. To that end, the proposed Parking Structure E will provide a more effective use of land in an urban environment by consolidating nine acres of surface parking into a 3.5-acre site thus opening land to the development of future on-campus student housing.

#### **Parking Structure E Schematic Design**

*Collaborative Design-Build Contractor: Rudolph and Sletten, Inc.*  
*Architect: WRNS Studio*

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<sup>1</sup> The facility number is shown on the master plan map and recorded in the Space and Facilities Database.

## **Background and Scope**

The proposed project will construct a five-story, 640,000 gross square foot (GSF) parking structure to replace spaces lost when the future student housing (#53) is constructed on existing surface Parking Lot 7.

Parking Lot 7 consists of approximately 1,250 stalls developed with the original campus in 1954. The lot is located at the base of an 80-foot hillside, with a staircase as the sole means of access to the campus, leaving no accessible path-of-travel. The lot lacks proper stormwater pollution prevention controls considering its direct drainage into the local stormwater channel system.

The proposed project will be constructed on the western portion of Parking Lot 5, which currently contains 433 stalls. Upon completion, the new parking structure will net 517 new additional stalls after accounting for the future loss of 1,250 stalls in Parking Lot 7 and replacement of 433 existing stalls in Parking Lot 5. Of the 517 new additional stalls, 417 stalls will serve student housing and 100 stalls will be available for general student parking.

Additional features of the proposed project include 35 new electric vehicle (EV) charging stations with infrastructure for an additional 135 EV stations. A new 750 kW photovoltaic array will cover a large portion of the roof deck while providing shade for parking stalls at the top level. An automobile parking guidance system is included to help motorists find unoccupied parking spaces. A pedestrian walkway along the eastern façade will provide pedestrian access at grade with the campus core to allow seamless access to the campus.

The new parking structure is designed to tie into Parking Structure C via a cantilevered walkway provided along the eastern elevation at level three. Project improvements to existing Parking Structure C and Parking Lot 5 include improved circulation and safety, and reconfiguration of existing parking due to new circulation and site constraints. A new 10-foot wide north-south concrete paved accessible path of travel walkway will be added, connecting the lower level of the structure with the existing Parking Structure C elevators. Modifications will be made to the existing Parking Structure C elevator lobbies including improvements to light fixtures, paint and surface improvements, graphics, and refinishing of existing floors.

Sustainable measures include use of low to medium water-using landscape and a high-efficiency irrigation system. Heat-island effect will be minimized by reducing the amount of asphalt, and using natural colored concrete and light-colored aggregates for pedestrian paving. The proposed project will minimize its carbon footprint through the addition of the photovoltaic system, and will utilize a naturally ventilated design to eliminate the need for mechanical equipment. All new lighting will use LED fixtures and include controls and sensors to reduce and shutdown lighting when not in use.

**Timing (Estimated)**

Preliminary Plans Completed	December 2017
Working Drawings Completed	May 2018
Construction Start (Site work and utilities)	May 2018
Construction Start (Building)	June 2018
Occupancy	June 2019

**Basic Statistics**

Gross Building Area	640,000 square feet
Assignable Building Area	480,000 square feet
Efficiency	75 percent
Parking Spaces	2,200 spaces

**Cost Estimate – California Construction Cost Index (CCCI) 6255<sup>2</sup>**

Building Cost (\$62 per GSF – \$18,097/space) \$39,814,000

<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>
a. Substructure (Foundation)	\$ 5.87
b. Shell (Structure and Enclosure)	\$ 37.20
c. Interiors (Partitions and Finishes)	\$ 3.52
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 8.38
e. Built-in Equipment and Furnishings	\$ 0.00
f. General Requirements	\$ 1.31
g. General Conditions and Insurance	\$ 5.93

Site Development 7,494,000

Construction Cost \$47,308,000

Fees, Contingency, Services 14,905,000

Grand Total (\$97 per GSF; \$28,279/space) \$62,213,000

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<sup>2</sup> The July 2016 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.



### **Cost Comparison**

The project's building cost of \$18,097 per space is less than the \$20,278 per space for Parking Structure 2 for California State University, Chico, approved in May 2011, and consistent with the \$18,243 per space for Parking Structure V for California State University, Sacramento, approved in November 2016, and the \$18,452 per space for Parking Structure I, Phase 2A for California State University San Marcos, approved in July 2008, all adjusted to CCCCI 6255.

### **Funding Data**

This project will be financed by the CSU Systemwide Revenue Bond Program (\$59.2 million), and designated capital reserves from parking (\$3 million). Parking revenue will repay the bond financing debt service. Financing approval for this project will be requested at a future meeting of the Committee on Finance.

### **California Environmental Quality Act (CEQA) Action**

The Parking Structure E project was addressed in the Final Environmental Impact Report (EIR) and Master Plan Revision for the California State University, Los Angeles, which was certified by the board in May 2017.

### **Recommendation**

The following resolution is presented for approval:

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

1. The California State University, Los Angeles Parking Structure E project is consistent with the Campus Master Plan approved in May 2017.
2. The project will benefit the California State University.
3. The 2017-2018 Capital Outlay Program is amended to include \$62,213,000 for preliminary plans, working drawings, and construction for the California State University, Los Angeles Parking Structure E project.
4. The schematic plans for the California State University, Los Angeles Parking Structure E project are approved at a project cost of \$62,213,000 at CCCCI 6255.

## **COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

### **Student Union Renovation and Expansion for California State University, San Bernardino**

#### **Presentation By**

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

#### **Summary**

This item requests approval to amend the 2017-2018 Capital Outlay Program and approval of schematic plans for the Student Union Renovation and Expansion for California State University, San Bernardino. The California State University Board of Trustees approved the 2017-2018 Capital Outlay Program at its November 2016 meeting. This item allows the board to consider the scope and budget of a project not included in the previously-approved capital outlay program.

#### **Amend the 2017-2018 Capital Outlay Program**

CSU San Bernardino wishes to amend the 2017-2018 Capital Outlay Program for the design and construction of the Student Union Expansion (#22A<sup>1</sup>) located in the center of campus, immediately north of the existing Santos Manuel Student Union (#22). This project will construct a new building to expand services offered in the existing student union. The expansion will include large meeting rooms, event space, space for centers, clubs, and student organizations, a game room and bowling alley, and retail and food services. This project will also renovate the north entrance of the Santos Manuel Student Union as well as vacated space after the completion of the expansion.

#### **Student Union Renovation and Expansion Schematic Design**

*CM at Risk Contractor: Hathaway Dinwiddie*  
*Architect: LPA, Inc.*

#### **Background and Scope**

The existing 86,400 gross square foot (GSF) Santos Manuel Student Union was originally constructed in 1977 with three subsequent minor renovations and additions over the years. It is not adequately sized to accommodate the current student population and lacks appropriate student support and activity space. The internal layout of the building does not support collaborative student services or efficient operations. An expansion of existing student union services through the construction of a new facility will address the needs of both current and future students as

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<sup>1</sup> The facility number is shown on the master plan map and recorded in the Space and Facilities Database.

enrollment continues to grow towards 25,000 Full-Time Equivalent (FTE) enrollment approved in the 2017 Campus Master Plan.

This project will construct a new three-story 111,225 GSF Student Union Expansion building on a vacant site adjacent to, and immediately north of, the existing student union. This new building will be comprised of a 14,000 assignable square foot (ASF) multi-purpose ballroom, an eight-lane bowling alley and game room, a pub, food service and retail space, collaboration spaces for student organizations and student support centers, and a bookstore.

The expansion building will have two primary entrances on the first level: the southern entrance nearest to the existing Santos Manuel Student Union and the north entrance accessed from Coyote Walk, the main campus pedestrian spine. The southern wing of the first level includes a pub with outdoor seating, game room, eight-lane bowling alley, and gathering space. The northern wing will house food vendors, retail space, dining and lounge space, and the relocated bookstore. Access to the northern wing of the building can be restricted during late-night hours when the pub and bowling alley remain open, if needed.

The second level is highlighted by a conference center with a ballroom dividable into five rooms with a catering kitchen and other event support spaces. The conference center opens to an outdoor plaza for breakout sessions and pre-function events. The double-height ceiling of the second floor creates a mezzanine which will house the building mechanical equipment. The third floor will house administrative offices for Associated Students Inc. (ASI) and student government, student success and cultural centers such as Women's Resources Center, Gender Equality Center, and Pride Center, as well as social and gathering space.

The new facility will be built with a steel moment frame structure with building skin featuring a combination of Ultra High Performance Concrete, textured metal panels, horizontal sunshades and glass in areas without direct sunlight. The architectural vocabulary of the building takes queues from surrounding campus buildings as well as the College of Extended Learning building currently under construction to the northwest. The building roof covering will utilize a single-ply membrane roofing system with conduits and supports installed for future solar photovoltaic installation.

Though the new facility will not be physically connected to the existing student union, this project will renovate the existing union to visually and functionally link the two buildings in a number of ways: creating a plaza between the south entrance of the expansion building and the north entrance of the existing building; converting the façade of the existing buildings' north entrance to a glass storefront; and renovating 29,000 GSF to include a new wellness and counseling center along with various meeting and support space.

Sustainable design features include LED lighting fixtures, low-flow plumbing fixtures, indirect natural daylighting, an energy-efficient HVAC system, and drought-tolerant landscaping. Infrastructure for potential future rooftop solar photovoltaic installation will also be in place as part of this project. The building massing intentionally stacks and offsets the second and third floors such that a 50-foot overhang is created at the north entrance that provides wind and solar protection for the building and students. The project will seek LEED Gold Certification.

### **Timing (Estimated)**

Preliminary Plans Completed	April 2018
Working Drawings Completed	January 2019
Construction Start	July 2019
Occupancy	July 2021

### **Basic Statistics**

#### *Student Union Expansion (new construction)*

Gross Building Area	111,225 square feet
Assignable Building Area	81,291 square feet
Efficiency	73 percent

#### *Santos Manuel Student Union (renovation)*

Gross Building Area	29,000 square feet
Assignable Building Area	13,914 square feet
Efficiency	48 percent

#### *Combined Components*

Gross Building Area	140,225 square feet
Assignable Building Area	95,205 square feet
Efficiency	68 percent

### **Cost Estimate – California Construction Cost Index (CCCI) 6255<sup>2</sup>**

New Construction Building Cost (\$459 per GSF)	\$51,089,000
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<sup>2</sup> The July 2016 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>	
a. Substructure (Foundation)	\$ 21.69	
b. Shell (Structure and Enclosure)	\$ 161.76	
c. Interiors (Partitions and Finishes)	\$ 50.65	
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 144.29	
e. Built-in Equipment and Furnishings	\$ 14.76	
f. Special Construction and Demolition	\$ 4.94	
g. General Requirements	\$ 8.33	
h. General Conditions and Insurance	\$ 52.91	
Renovation Building Cost (\$162 per GSF)		4,695,000
<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>	
a. Interiors (Partitions and Finishes)	\$ 95.83	
b. Built-in Equipment and Furnishings	\$ 3.45	
c. Special Construction and Demolition	\$ 40.59	
d. General Requirements	\$ 3.55	
e. General Conditions and Insurance	\$ 18.48	
Site Development (includes landscaping)		<u>6,947,000</u>
Construction Cost		\$62,731,000
Fees, Contingency, Services		<u>22,269,000</u>
Total Project Cost (\$606 per GSF)		\$85,000,000
Fixtures, Furniture and Movable Equipment		<u>3,000,000</u>
Grand Total		<u>\$88,000,000</u>

**Cost Comparison**

*Student Union Expansion (new construction) Component*

This project's student union new construction building cost of \$459 per GSF is comparable to the \$458 per GSF for the new construction component for the CSU Stanislaus Student Union Renovation and Expansion approved in February 2017 and lower than the \$502 per GSF for the CSU Monterey Bay Student Union approved in November 2016, the \$520 per GSF for the CSU Sacramento University Union Renovation and Expansion approved in September 2016, and the \$505 per GSF for the CSU Fullerton Titan Student Union Expansion approved in March 2015, all adjusted to CCCCI 6255.

*Santos Manuel Student Union (renovation) Component*

This project's student union renovation building cost of \$162 per GSF is lower than the CSU Cost Guide renovation cost for union buildings of \$322 per GSF, including Group I, and the \$217 per GSF of the renovation component for the CSU Stanislaus Student Union Renovation and Expansion.

**Funding Data**

This project will be financed by the CSU Systemwide Revenue Bond Program (\$79.2 million) and designated capital reserves from Student Union and Associated Students, Inc. (\$8.8 million). The debt service will be paid by student fees.

**California Environmental Quality Act (CEQA) Action**

This project was addressed in the Final Environmental Impact Report for the California State University, San Bernardino Campus Master Plan certified by the board in September 2017.

**Recommendation**

The following resolution is presented for approval:

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

1. The California State University, San Bernardino Student Union Renovation and Expansion is consistent with the Campus Master Plan approved in September 2017.
2. The project will benefit the California State University.
3. The 2017-2018 Capital Outlay Program is amended to include \$88,000,000 for preliminary plans, working drawings, construction, and equipment for the California State University, San Bernardino Student Union Renovation and Expansion project.
4. The schematic plans for California State University, San Bernardino Student Union Renovation and Expansion are approved at a project cost of \$88,000,000 at CCCI 6255.

## **COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

### **Approval of the 2018-2019 Capital Outlay Program and the 2018-2019 through 2022-2023 Five-Year Facilities Renewal and Improvement Plan**

#### **Presentation By**

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

#### **Summary**

The purpose of this item is to present for approval the campus capital renewal and improvement priorities for the 2018-2019 action year, and the 2018-2019 through 2022-2023 Five-Year Facilities Renewal and Improvement Plan (Five-Year Plan).

The preliminary plan was presented for information at the September 2017 board meeting to seek input from the board, and provide an update on the use of capital and facilities renewal funding to address critical infrastructure needs, seismic safety and support the delivery of academic program needs with a focus on the Science, Technology, Engineering and Math (STEM) disciplines.

#### **Background**

The primary objectives of the capital outlay program are 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 adequately serve students. The trustees approved the categories and criteria for priority setting for the Five-Year Facilities Renewal and Capital Improvement Plan (the "Categories and Criteria") at their May 2017 meeting. The Categories and Criteria helped guide the development of the campuses' five-year plans and the proposed academic priority list and self-support summary list.

#### **2018-2019 through 2022-23 Five-Year Facilities Renewal and Capital Improvement Plan**

The Five-Year Plan identifies the campuses' capital project priorities to address facility deficiencies and accommodate student enrollment growth. The campuses have identified a funding need of \$14.1 billion for the five-year period: approximately \$8.2 billion for academic facilities and \$5.9 billion for self-support facilities.

The Five-Year Plan can be viewed at:

[http://www.calstate.edu/cpdc/Facilities\\_Planning/majorcapoutlayprogram.shtml](http://www.calstate.edu/cpdc/Facilities_Planning/majorcapoutlayprogram.shtml).



For each campus the plan includes:

- Campus history
- Campus master plan map and building legend (including off-campus centers)
- Current Five-Year Plan
- Previous Five-Year Plan Funding

Systemwide information includes:

- Summary of campus capital funding
- Information regarding campus housing and parking capacity and planned projects
- Seismic Safety Action Plan (10-year period)
- Summary of Greenhouse Gas Emissions
- Summary of Renewal Backlog and Annual Renewal Need for Academic Facilities and Infrastructure.

### **2018-2019 Capital Outlay Program**

In November 2016 the trustees approved a \$1 billion multi-year financing plan to address academic facility and infrastructure needs. For the 2018-19 action year, an estimated \$201 million in projects may be funded based on the board's multi-year financing plan.

The need for campus academic projects and infrastructure is much greater than the available funds. As a result, a request to increase the permanent base operating budget is included in the CSU 2018-2019 budget request to the state. It is estimated that over \$400 million per year is needed to renew existing academic facilities, provide improvements needed to support the academic program, and address life, safety, and seismic deficiencies.

Attachment A includes the 2018-2019 priority list of academic projects and self-support projects. Since the September 2017 board meeting, changes have been made to project scope, budget, and schedule, resulting in an increase in the action year funding request for academic projects and a decrease in the funding amount for self-support projects. The academic priority list for 2018-2019 totals \$1.4 billion, and the self-support list totals \$14 million, for a total \$1.41 billion.

The list of self-support projects for 2018-2019 was significantly reduced since the September preliminary list. The projects have typically been pushed out to 2019-2020 as campus financial plans are still in development. These projects are likely to come forward to the trustees as amendments to the capital program on an individual project basis or return for consideration in 2019-2020.

The recommended 2018-2019 priority list aims to balance academic needs to:

- Correct infrastructure deficiencies
- Renovate or replace existing facilities, and
- Construct new classrooms, labs, faculty offices or instructional support space to accommodate growth in student enrollment.

The prioritization of academic projects uses the Categories and Criteria established by the trustees by proposing correction of critical infrastructure as the top priority, while advancing the replacement and renewal of existing space, supporting co-funding of projects and limiting growth. The priority list also identifies those projects that include a seismic strengthening component and are on one of the CSU seismic priority lists, denoted by the inclusion of “(Seismic)” as part of the project title.

To inform the recommended prioritization of academic projects, a number of reports are used to help staff weigh the relative need of a project:

- Summary of Campus Capacity – compares projected full-time equivalent (FTE) enrollment to FTE seat capacity to quantify lecture, lab, and faculty office needs
- Laboratory Enrollment versus Laboratory Capacity – quantifies enrollment by discipline
- Utilization Report – provides classroom and laboratory use by room size

These reports compare projected enrollment to available space using legislative or CSU standards. Campuses also submit a project justification, feasibility study, and other back-up material that are used to help assess relative need and balance the needs of the system.

Financing requests for self-support capital projects will continue to come forward to the board on an individual basis.

## **Recommendation**

The following resolutions are presented for approval:

**RESOLVED**, By the Board of Trustees of the California State University, that:

1. The 2018-2019 through 2022-2032 Academic and Self-Support Funded Five-Year Capital Improvement Plan totaling \$8.2 billion and \$5.9 billion, respectively, are approved.
2. The 2018-2019 Academic Capital Outlay Program included in the five-year program distributed with the agenda is approved at \$1.4 billion.
3. The 2018-2019 Self-Support Funded Capital Outlay Program included in the five-year program is approved at \$14 million.
4. The chancellor is authorized to proceed in 2017-2018 with design and construction to fast-track projects in the 2018-2019 program.
5. The chancellor is requested to explore all reasonable funding methods available and communicate to the board, the governor, and the legislature the need to provide funds to develop the facilities necessary to serve the academic program and all eligible students.
6. The chancellor is authorized to make adjustments to the 2018-2019 Capital Outlay Program, including the priority sequence, scope, phase, project cost, financing source, and total budget request for the Program and report budget adjustments in the subsequent Five-Year Plan.

## 2018-2019 Capital Outlay Program

Cost Estimates are at Engineering News Record California Construction Cost Index 6840 and Equipment Price Index 3443

### ACADEMIC PROJECTS PRIORITY LIST

(Dollars in 000s)

Priority Order	Cate-gory	Campus	Project Title	FTE	Phase	Campus Reserves/		Total Budget	Funds to Complete	Cumulative Total Budget
						Other Budget	SRB-AP*			
1	IA	Statewide	Water Conservation - GO Bonds	N/A	PWC	4,000	0	4,000	0	4,000
2	IA	Statewide	Infrastructure Improvements ***	N/A	PWC	57,733	263,607	321,340	0	325,340
3	IB	Pomona	Administration Replacement Building	N/A	E	0	1,380	1,380	0	326,720
4	IB	Sacramento	Science II Replacement Building, Ph. 2	N/A	E	4,200	0	4,200	0	330,920
5	IB	East Bay	Library Replacement Building (Seismic)	N/A	WCE	9,044	79,123	88,167	0	419,087
6	II	San Luis Obispo	Science/Ag. Teaching and Research Complex	336	PWCE	23,000	10,000	33,000	0	452,087
7	IB	Sonoma	Stevenson Hall Renovation/Addition	-14	SPWC	3,060	93,233	96,293	3,098	548,380
8	IB	Maritime Academy	Mayo Hall Renovation and Addition	N/A	SPWCE	545	17,548	18,093	201	566,473
9	IB	San Luis Obispo	Kennedy Library Renovation	566	PWCE	3,704	50,000	53,704	1,296	620,177
10	II	Channel Islands	Gateway Hall Renovation	N/A	SPWCE	3,455	38,854	42,309	0	662,486
11	II	San Bernardino	College of Arts & Letters/Theatre Building Reno/Addition	831	PWC	7,129	97,973	105,102	6,000	767,588
12	II	Northridge	Sierra Annex	4,242	SPWC	5,639	91,084	96,723	3,161	864,311
13	IB	Dominguez Hills	College of Business and Public Policy	0	P	3,476	0	3,476	80,054	867,787
14	IB	San Diego	Dramatic Arts Renovation	N/A	PWCE	8,300	14,000	22,300	0	890,087
15	IB	Fullerton	Visual Arts Complex Modernization	0	PWcCE	15,695	48,378	64,073	0	954,160
16	IB	Chico	Butte Hall Replacement	0	SPWC	8,242	91,672	99,914	3,500	1,054,074
17	IB	Los Angeles	Administration Building Renovation (Seismic)	N/A	P	228	2,052	2,280	70,234	1,056,354
18	IB	Fresno	Central Plant Distribution	N/A	PWC	2,500	25,251	27,751	0	1,084,105
19	II	Sacramento	Folsom 3rd Floor Improvements	0	SPWC	1,175	18,234	19,409	1,082	1,103,514
20	IB	Monterey Bay	Classroom Renovation, Ph. 1 (Secondary Effects)	0	PWC	0	24,119	24,119	472	1,127,633
21	IB	Pomona	Classroom Lab Building Renovation (Seismic)	0	PWC	2,472	44,636	47,108	0	1,174,741
22	IB	Long Beach	Peterson Hall 1 Replacement Building (Seismic)	0	PWC	6,471	120,445	126,916	3,188	1,301,657
23	II	Stanislaus	Classroom Building II	1,534	PWC	4,205	50,967	55,172	1,494	1,356,829
24	II	Bakersfield	Energy and Engineering Innovation Center	730	PWCE	3,699	39,435	43,134	0	1,399,963
25	IB	San Francisco	Science Replacement Building	0	P	9,846	0	9,846	284,021	1,409,809
26	II	Maritime Academy	Academic Building A/Learning Commons Part 1	TBD	S	250	0	250	38,150	1,410,059
27	IB	San Francisco	Thornton Hall Renovation	TBD	S	500	0	500	120,399	1,410,559
<b>Total Academic Projects</b>				<b>8,225</b>		<b>\$ 188,568</b>	<b>\$ 1,221,991</b>	<b>\$ 1,410,559</b>		<b>\$ 1,410,559</b>

### SELF-SUPPORT / OTHER PROJECTS LIST

(Dollars in 000s)

Alpha Order	Cate-gory	Campus	Project Title	Spaces	Phase	Campus Reserves/		Total Budget	Funds to Complete	Cumulative Total Budget
						Other Budget	SRB-SS**			
1	IA	Statewide	Infrastructure Improvements ***	N/A	SPWC	10,585	0	10,585	0	10,585
2	II	Bakersfield	University Police Relocation	N/A	PWC	3,585	0	3,585	0	14,170
<b>Total Self-Support / Other Projects</b>						<b>\$ 14,170</b>	<b>\$ -</b>	<b>\$ 14,170</b>		<b>\$ 14,170</b>
<b>Grand Total Academic and Self-Support Projects</b>				<b>8,225</b>		<b>\$ 202,738</b>	<b>\$ 1,221,991</b>	<b>\$ 1,424,729</b>		<b>\$ 1,424,729</b>

P = Preliminary Plans W = Working Drawings c = Partial Construction C = Construction E = Equipment S = Study

**Categories:**

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

**Notes:**

- \* SRB-AP: Systemwide Revenue Bonds - Academic Program
- \*\* SRB-SS: Systemwide Revenue Bonds - Self-Support Program
- \*\*\* The Infrastructure Improvements Program addresses smaller scale utility, building systems renewal and minor upgrades. Projects are listed separately on following page.

**COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**San Diego State University Potential Mission Valley Campus Expansion**

**Presentation By**

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

Sally Roush  
President  
San Diego State University

**Background**

One of the original tenants, San Diego State University (SDSU) has leased the sports stadium located in Mission Valley since it opened in 1967. The Mission Valley stadium is approximately three miles west of the SDSU campus, at the intersection of Interstates 8 and 15. Currently known as the San Diego County Credit Union (SDCCU) Stadium (and formerly named Qualcomm Stadium), the stadium is used by the SDSU football team as its home field and, until recently, was also home to the National Football League's San Diego Chargers. In February 2017, the Chargers announced their decision to leave San Diego. Their departure leaves SDSU as the only remaining permanent tenant of the 70,000-seat stadium (other than its annual use by the NCAA for the Holiday Bowl). The City of San Diego has announced that it no longer wants to own and operate the stadium, and is considering options to release its interest in the stadium and associated 233 acres of real property for other potential development.

**Summary**

Because of the city's decision, SDSU is currently assessing the opportunity to acquire the Mission Valley stadium site. This information item informs the board of that current due diligence process and initial concept for potential use of the site to support the university's educational and athletics programs. Depending on the results of the due diligence and the outcome of a citizens' initiative, an action item to approve the land acquisition may return to the board at a future date. Also per Board of Trustees' policy, any proposed real property long-term development agreements or the use of bond financing would first return to the trustees for approval.

SDSU envisions potential use of the site to achieve the following goals: 1) expand its educational, research, entrepreneurial and technology transfer programs and facilities; 2) house more upper-division and graduate students; 3) provide faculty and staff housing to assist in the recruitment and retention of nationally recognized talent; and 4) build a new multi-use 35,000-seat stadium for the Aztec football team and other potential sports partners. Metropolitan Transit System (MTS) trolley stations are hosted by both the stadium and the university, potentially minimizing traffic impacts in the area should the university acquire the site.

SDSU is currently engaged in due diligence regarding the site in order to be prepared for the possibility of its future acquisition. Any consideration of acquiring the site would first require future review and approval by the Board of Trustees.

### **Ballot Initiatives**

Currently, ballot initiatives are planned or being planned by at least two interest groups to influence the City of San Diego's release of the stadium site:

- The Friends of SDSU Initiative is supported by SDSU alumni and civic leaders who envision the site re-developed to serve higher education, the public good and the community's goals. The Friends of SDSU filed a citizens' initiative that, if approved by voters, would authorize, direct and provide the means for the City of San Diego to negotiate to sell approximately 132 acres of the site for the development of facilities that include: a new multi-use stadium; a river park; community recreation space; practice and intermural fields; and a mixed-use campus village and research park. Per the terms of the initiative, the sale price would be based on the Fair Market Value, including the consideration of various factors, such as the cost to demolish the stadium, addressing flooding concerns, restoring the adjacent River Park, etc.
- The SoccerCity Initiative is supported by FS Investors, a private investment entity which, by the terms of the initiative, would provide private investors access to re-develop the full stadium site. Coined "SoccerCity," the project would include a soccer stadium and hotel.

Depending on the results of the outcome of the two initiatives and the current due diligence process, the campus may return to the trustees at a future date as appropriate. Whether or not either ballot initiative passes, there is no obligation for SDSU to acquire the site. Any future action regarding the acquisition would require returning to the Board of Trustees for their review and approval.

## AGENDA

### COMMITTEE ON COLLECTIVE BARGAINING

**Meeting:**     **11:00 a.m., Tuesday, November 7, 2017**  
                  **Munitz Conference Room—Closed Session**  
                  **Government Code §3596(d)**

**8:30 a.m., Wednesday, November 8, 2017**  
**Glenn S. Dumke Auditorium —Open Session**

Adam Day, Chair  
Lateefah Simon, Vice Chair  
John Nilon  
J. Lawrence Norton  
Jorge Reyes Salinas  
Peter Taylor

#### **Open Session– Glenn S. Dumke Auditorium**

**Consent**     Approval of Minutes of the Meeting of July 18, 2017

**Discussion**   1. Ratification of the Extension of the Collective Bargaining Agreement with Bargaining Unit 3, California Faculty Association, *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**

**July 18, 2017**

**Members Present**

Adam Day, Chair  
Lateefah Simon, Vice Chair  
John Nilon  
Jorge Reyes-Salinas  
Peter J. Taylor  
Timothy P. White, Chancellor  
Rebecca Eisen, Chair of the Board

Chair Day called the Committee on Collective Bargaining to order.

**Approval of Minutes**

The minutes of the March 21, 2017 meeting were approved as submitted.

**Presentation of Action Item**

Vice Chancellor Melissa Bard presented the action item.

**Public Speakers**

The committee heard from 15 public speakers who spoke on various topics.

**Action Item**

The committee then unanimously approved the following action item:

1. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 3, the California Faculty Association

Chair Day then adjourned the committee meeting.

**COMMITTEE ON COLLECTIVE BARGAINING**

**Ratification of the Extension of the Collective Bargaining Agreement with Bargaining Unit 3,  
California Faculty Association**

**Presentation By**

Melissa Bard  
Vice Chancellor  
Human Resources

**Summary**

The agreement to extend the collective bargaining agreement between the California State University and Bargaining Unit 3, California Faculty Association, will be presented to the Board of Trustees for ratification.

**Recommended Action**

The following resolution is recommended for ratification:

**RESOLVED**, by the Board of Trustees of the California State University, that the agreement to extend the collective bargaining agreement between the California State University and Bargaining Unit 3, California Faculty Association, is hereby ratified.



## AGENDA

### COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

**Meeting:** 9:10 a.m., Wednesday, November 8, 2017  
Glenn S. Dumke Auditorium

Hugo N. Morales, Chair  
Debra S. Farar, Vice Chair  
Douglas Faigin  
Jean P. Firstenberg  
Lillian Kimbell

**Consent** Approval of Minutes of the Meeting of September 20, 2017

1. Annual Report on Outside Employment for Senior Management Employees, *Action*
2. Annual Report on Vice President Compensation, Executive Relocation and Executive Transition, *Information*

**Discussion** 3. CalPERS Retirement System for CSU Employees, *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**

**September 20, 2017**

**Members Present**

Hugo N. Morales, Chair  
Debra S. Farar, Vice Chair  
Jean P. Firstenberg  
Lillian Kimbell  
Rebecca D. Eisen, Chair of the Board  
Timothy P. White, Chancellor

Chair Morales called the meeting to order.

**Public Speakers**

The committee heard from the following individuals during the public comment period: Pat Gantt, President (CSUEU); Rocky Sanchez, VP for Representation (CSUEU); Neil Jacklin, VP for Organizing (CSUEU); Mike Chavez, Chair Bargaining Unit 5 (CSUEU); Rosa Jones, Bargaining Unit 7 Vice Chair (CSUEU); Ricardo Uc, Vice Chair Bargaining Unit 9 (CSUEU); Rich McGee, Chair Bargaining Unit 9 (CSUEU); Tessy Reese, Chair Bargaining Unit 2 (CSUEU); and Hector Fernandez, Business Manager/CEO (SETC-United). The speakers spoke on various topics regarding staff compensation and collective bargaining negotiations.

**Approval of Minutes**

The minutes from the July 18, 2017 meeting were approved as submitted.

**10-Year Retiree Health and Dental Benefits Vesting for New Non-Represented Employees**

Ms. Melissa Bard, vice chancellor for human resources, briefly discussed the 10-year retiree health and dental benefits vesting proposal for new non-represented employees. She noted that this proposal had been presented as an information item at the July 2017 meeting. The committee was asked to adopt the proposed change for non-represented employees who are new to the California State University and become new CalPERS members on or after July 1, 2018.

The committee passed a motion to recommend approval of the item as stated in Agenda Item 1. (RUF 09-17-03)

### **Compensation for Executives**

Recommendations for executive compensation were discussed. The chair of the board, Rebecca D. Eisen, began the discussion by stating that she supported the 2.5 percent increase that would be recommended for presidents and executives. An increase of 2.5 percent was recommended for Chancellor Timothy P. White effective July 1, 2017. To support the board's policy that eliminates the use of foundation dollars to pay for a president's salary, she recommended the same be done for the chancellor. Effective January 1, 2018, the chancellor's supplemental pay will be rolled into his base pay.

Trustee John Nilon asked about the rationale behind a 2.5 percent increase versus any other percentage. Chair Eisen responded that it has been the board's practice that the chancellor receive a raise commensurate with other executives.

Trustee Adam Day, chair of the committee on collective bargaining, acknowledged the public speakers and gave his assurance that members of the committee and the board hear the concerns being voiced. He recalled that despite past and ongoing budgetary constraints, the university has been able to fund pay raises over the last three years and will continue to work hard to compensate at levels deserved.

A motion was made and seconded to approve Chair Eisen's proposed compensation for Chancellor White.

Chancellor White recommended a 2.5 percent compensation increase for system executives (presidents, executive vice chancellors, and vice chancellors) effective July 1, 2017. He explained there would be a 0.5 percent correction to the compensation for Ms. Melissa Bard. When appointed in late June, the salary for the vice chancellor of human resources was adjusted by 2 percent instead of 2.5 percent which is recommended for executives. An equity adjustment as noted in the agenda item was recommended for President Karen Haynes. Chancellor White referred to the transformation of Cal State San Marcos under President Haynes' leadership as the basis for his recommendation. She also had a highly successful six year review, is a long and well-serving president in the CSU, and is the lowest paid with respect to her national and CSU peer groups.

Chancellor White recommended that the supplemental pay of Presidents' Dianne Harrison, Tomás Morales, Leslie Wong, and Jeffrey Armstrong be rolled into their base pay beginning January 1, 2018. This supplement pay was approved by the board at the time of appointment. He noted this action will support the board's updated policy that a president's salary can only be funded with state funds.

On behalf of the committee on audit, Trustee Hugo Morales made the recommendation for a 2.5 percent compensation increase for the vice chancellor and chief audit officer, Mr. Larry Mandel, effective July 1, 2017.

The committee passed a motion to recommend approval of the compensation items as stated in Agenda Item 2. (RUFP 09-17-04)

**Policy on Compensation**

Vice Chancellor Melissa Bard explained that the presidential policy last updated in November 2015 removed the use of foundation dollars. While this has been the university's practice, the California State Auditor recommended the policy be updated to expressly prohibit the use of foundation funds. The policy is being updated to clarify that a president's salary can only be funded with state funds. This is the only change to the policy.

The committee passed a motion to recommend approval of the item as stated in Agenda Item 3. (RUFP 09-17-05)

Chair Morales adjourned the meeting.

## **COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

### **Annual Report on Outside Employment for Senior Management Employees**

#### **Presentation By**

Melissa L. Bard  
Vice Chancellor  
Human Resources

#### **Summary**

In accordance with the California State University (CSU) Board of Trustees policy on outside employment disclosure requirements, this item presents the outside employment activities of senior management employees that took place during the 2016 calendar year.

#### **Background**

In November 2016 the policy on disclosure requirements for outside employment was updated (RUF 11-16-10) to require the Board to annually review and approve the outside employment of all senior management employees. For purposes of this policy, senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.

The policy also requires this information be presented for public discussion and made available on a public website. The annual report on outside employment for senior management employees will be posted for public viewing on the CSU transparency and accountability website at:

<https://www2.calstate.edu/csu-system/transparency-accountability>.

#### **Annual Report**

The annual report on outside employment for senior management is provided in Attachment A. The report shows 17 senior management employees with outside employment during the reporting period for the 2016 calendar year.

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**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that the 2016 Senior Management Outside Employment Disclosure Report, as cited in Item 1 of the Committee on University and Faculty Personnel at the November 7-8, 2017 meeting of the Board of Trustees, is approved.

California State University  
Senior Management Outside Employment Disclosure Report\*  
Reporting Period: 2016 Calendar Year

Employee Name	CSU Working Title	Name of Outside Employer/Business	Role	Total Time Served (Hours)	Total Compensation Received	Comments
Debra Larson (Chico)	Provost and Vice President, Academic Affairs	OK Industrial - A Family Trust	Director for family trust	16 hours	\$2,000	
Gayle Hutchinson (Chico)	President	Juice Plus	Direct distributor	0 hours	\$3,593	
William Franklin (Dominguez Hills)	Vice President, Student Affairs	United Friends of the Children	Conducted a workshop/keynote	3 hours	\$2,000	
Leroy Morishita (East Bay)	President	JA Health Insurance Brokerage	Chair of the Board and President of affiliated non-profit	3 hours quarterly, after 6 pm	\$16,000	Total compensation donated.
Anil Puri (Fullerton)	Interim Provost and Vice President, Academic Affairs	US Bank - Orange County	Advisory Board Member	12 hours	\$4,500	
Anil Puri (Fullerton)	Interim Provost and Vice President, Academic Affairs	CREXENDO, Inc.	Board of Director Member	12 hours	\$0	Stock options (10,000) - no current value.
Berenecea Johnson Eanes (Fullerton)	Vice President, Student Affairs	Palo Alto University	Safety Protocol Task Force	22 hours	\$6,050	
Craig Wruck (Humboldt)	Vice President, University Advancement	PG Calc (Planned Giving consultants)	Presenter	6 hours	\$4,000	
Janet Dial (Los Angeles)	Vice President, University Advancement	International Scholarship and Tuition Services	Read Scholarship Applications	20 hours	\$400	
Jose Gomez (Los Angeles)	Executive Vice President and Chief Operating Officer	California Casualty Indemnity Exchange	Advisory Board Member	64 hours	\$40,750	
Barbara Zappas (Monterey Bay)	Vice President, University Development	Montage Wellness Center	Yoga Instructor	200 hours	\$1,700	
Tomas Morales (San Bernardino)	President	United Health Group of New York	Board of Directors	6-10 hours per year	\$12,000	
Shari McMahan (San Bernardino)	Provost and Vice President, Academic Affairs	24 Hour Fitness	Fitness Instructor	52 hours	\$600	
Chukuka Enwemeka (San Diego)	Provost and Senior Vice President	Zenith Bank PLC	Board Member	0 - All work performed while on vacation		A portion of compensation donated.
Luoluo Hong (San Francisco)	Vice President, Student Affairs & Enrollment Management	University of the Pacific	Keynote speaker for Women's History Month	2 hours plus travel time	\$3,250 including travel costs	
Luoluo Hong (San Francisco)	Vice President, Student Affairs and Enrollment Management	University of California, Merced	Invited keynote speaker by Chancellor's Advisory Committee on the Status of Women	1.5 hours plus travel time	\$1,500 including travel costs	

\*Senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.

California State University  
 Senior Management Outside Employment Disclosure Report\*  
 Reporting Period: 2016 Calendar Year

Employee Name	CSU Working Title	Name of Outside Employer/Business	Role	Total Time Served (Hours)	Total Compensation Received	Comments
Andrew Feinstein (San José)	Provost and Senior Vice President, Academic Affairs	John Wiley & Sons	Author	300 hours	\$30,000	
Paul Lanning (San José)	Vice President, University Advancement	Ascend Partners Group, LLC	Part owner of consulting firm	20 hours	\$2,500	
Keith Humphrey (San Luis Obispo)	Vice President, Student Affairs	Sierra Vista Hospital	Governing Board member	22 hours	\$2,000	

\*Senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.



**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Annual Report on Vice President Compensation, Executive Relocation and Executive Transition**

**Presentation By**

Timothy P. White  
Chancellor

Melissa L. Bard  
Vice Chancellor  
Human Resources

**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 transition programs. This agenda item will share the annual report with the Board.

**Vice President Compensation**

Current trustee policy requires the chancellor to review and approve recommendations for vice presidential 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 shows 43 vice president compensation actions during the reporting period (September 1, 2016 – August 31, 2017).

Additionally, as previously shared with the Board, Chancellor Timothy P. White authorized a 2.5 percent compensation pool for eligible unrepresented employees for fiscal year 2017-2018. As a result, vice presidents were eligible for merit salary increases from this compensation pool.

**Executive Relocation**

It is recognized that the relocation of newly hired individuals may be required, and a relocation program is provided to assist in the relocation process. The annual report on relocation expenses for CSU Executives follows:

- Ms. Melissa Bard  
Vice Chancellor for Human Resources  
From Greenville, North Carolina  
Relocation of household goods and property: \$9,878  
Travel and temporary moving expenses: \$2,941

- Dr. Jane Close Conoley  
President, CSU Long Beach  
From Santa Barbara, California  
Relocation of household goods and property, not previously reported: \$5,292

### **Executive Transition**

Trustee policy requires the chancellor to report annually on all existing transition programs. The annual update follows.

#### Executive Transition Program:

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

- There are no participants in the executive transition program.

#### Executive Transition II Program:

*The transition II program replaced the executive transition program for executives appointed into executive positions on or after November 15, 2006. A period of transition is provided for executives who have served five years in an executive position and who separate from their executive position in order to assume previously identified CSU employment.*

- There are no participants in the transition II program.

**Vice President Compensation Actions**

**Filled Vacancies**

<b>Campus</b>	<b>Name</b>	<b>Title</b>	<b>Date</b>	<b>Salary</b>	<b>Supplemental Compensation</b>
Bakersfield	Martin, Victor	Vice President for University Advancement and Executive Director CSUB Foundation	12/2016	\$195,000	
Channel Islands	Chase, Geoff	Provost & Vice President for Academic Affairs	7/2017	\$230,004	
Chico	Larson, Debra	Provost & Vice President for Academic Affairs	3/2017	\$262,008	
Chico	Stivers, Robbi	Vice President for Business & Finance	5/2017	\$260,004	
Dominguez Hills	Spagna, Michael	Provost and Vice President of Academic Affairs	7/2017	\$245,004	
East Bay	Johnson Jr., William	Vice President, University Advancement	8/2017	\$210,000	Auto Allowance \$6,000/annual Non-General Funds
Fullerton	Forgues, David	Vice President for Human Resources, Diversity and Inclusion	5/2017	\$195,000	
Pomona	Montplaisir, Daniel	Vice President for University Advancement	3/2017	\$230,004	Auto Allowance \$2,500/annual Non-General Funds
Sacramento	Miller, Christine	Vice President and CIO	5/2017	\$180,000	
Sacramento	Wang, Ching-Hua	Vice President & Provost for Academic Affairs	2/2017	\$260,000	
San Bernardino	McMahan, Shari	Provost and Vice President for Academic Affairs	9/2016	\$240,000	
San Francisco	Porth, Jason	Vice President, University Enterprises*	8/2017	\$210, 504	
San José	Bailey, Jaye	Vice President for Organizational Development Chief of Staff	10/2016	\$205,008	
San José	Lim, Bob	Vice President, Information Technology/CIO	6/2017	\$250,008	Temporary Housing Allowance (4 mos.) \$5,000/mo. Non-General Funds
San Luis Obispo	Britton, Bill	Vice President Information Technology Systems and CIO	6/1/2017	\$225,396	Supplemental Pay \$4,696/mo. Non-General Funds

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<b>Campus</b>	<b>Name</b>	<b>Title</b>	<b>Date</b>	<b>Salary</b>	<b>Supplemental Compensation</b>
San Luis Obispo	DeLeon, Josephine	Vice President and Chief Officer for Diversity and Inclusion	7/2017	\$232,500	Temporary Housing Allowance (6 mos.) \$3,500/mo. Non-General Funds
San Marcos	Baur, Cathy	Vice President for University Advancement	6/2017	\$195,000	
San Marcos	Hoss, Neal	Vice President, Finance and Administrative Services	4/2017	\$245,000	
Sonoma	Lopes, Joyce	Vice President for Administration and Finance/CFO	8/2017	\$225,000	
Sonoma	Sales, Vince	Vice President of Advancement	5/2017	\$225,000	
Sonoma	Vollendorf, Lisa	Provost and Executive Vice President of Academic Affairs	7/2017	\$245,000	
Stanislaus	Greer, Kimberly	Provost & Vice President for Academic Affairs	1/2017	\$211,008	
Stanislaus	Haydon, Darrell	Vice President, Business and Finance/Chief Financial Officer	6/2017	\$210,000	Housing Allowance (12 mos.) \$1,500/mo. Non-General Funds
Stanislaus	Kaul, Gitanjali	Vice President of Strategic Planning, Enrollment Management, and Innovation	1/2017	\$205,008	
Stanislaus	Lahti, Michele	Vice President for University Advancement	9/2016	\$199,620	

\*Half of incumbent's salary paid with University Corporation funds.

**Other Compensation Changes**

<b>Campus</b>	<b>Name</b>	<b>Title</b>	<b>Date</b>	<b>Description of change</b>	<b>Salary After Change or Amount Paid</b>
Fresno	Adishian-Astone, Deborah	Vice President for Administrative Services	10/2016	Change in responsibilities	\$246,330
Pomona	Manning, Danielle	Vice President for Administration, Finance and Strategic Development/CFO	7/2017	Change in responsibilities	\$281,904
Bakersfield	Wallace, Thomas	Vice President for Student Affairs	9/2016	Change in responsibilities	\$229,500
San José	Lanning, Paul	Vice President for University Advancement	8/2017	Change in responsibilities	\$245,616
San José	Bailey, Jaye	Vice President for Organizational Development Chief of Staff	8/2017	Change in responsibilities	\$245,616
San José	Feinstein, Andrew	Provost & Senior Vice President for Academic Affairs	11/2016	Promoted to senior vice president	\$275,772
Chico	Boura, Ahmad	Vice President for University Advancement	11/2016	Equity Increase	\$217,800
Monterey Bay	Saunders, Kevin	Vice President for Administration & Finance and Executive Director, Corporation	7/2017	Equity Increase	\$232,500
Monterey Bay	Zappas, Barbara	Vice President for University Development	4/2017	Equity Increase	\$195,924
Northridge	Donahue, Colin	Vice President for Administration & Finance & CFO	1/2017	Equity Increase	\$251,136
San Diego	Enwemeka, Chukuka	Provost & Senior Vice President for Academic Affairs	10/2016	Equity Increase	\$289,512
San Diego	Carleton, Mary Ruth	Vice President, University Relations and Development	10/2016	Equity Increase	\$274,968
San Diego	McCarron, Tom	Vice President of Business and Financial Affairs	10/2016	Equity Increase	\$270,252
Stanislaus	Espinoza, Suzanne	Vice President for Enrollment and Student Affairs	9/2016	Equity Increase	\$203,736

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<b>Campus</b>	<b>Name</b>	<b>Title</b>	<b>Date</b>	<b>Description of change</b>	<b>Salary After Change or Amount Paid</b>
Monterey Bay	Saunders, Kevin	Vice President for Administration & Finance and Executive Director, Corporation	11/2016	Auto Allowance Non-General Funds	\$500/mo.
Chico	Boura, Ahmad	Vice President for University Advancement	7/2017	2016/17 MPP Merit Bonus Program - established goals met	\$32,670 Merit Bonus Pymt
San Diego	Enwemeka, Chukuka	Provost & Senior Vice President for Academic Affairs	6/2017	2016/17 MPP Merit Bonus Program - established goals met	\$28,517 Merit Bonus Pymt
San Diego	Carleton, Mary Ruth	Vice President, University Relations and Development	6/2017	2016/17 MPP Merit Bonus Program - established goals met	\$27,083 Merit Bonus Pymt

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**CalPERS Retirement System for CSU Employees**

**Presentation By**

Melissa L. Bard  
Vice Chancellor  
Human Resources

Brad Wells  
Associate Vice Chancellor  
Business and Finance

**Summary**

This information item is a presentation of CSU retirement benefits administered by the California Public Employees' Retirement System (CalPERS). This item has been prepared to provide new Board of Trustee members an overview of the CSU's retirement benefit.

## AGENDA

### COMMITTEE ON AUDIT

**Meeting:** 9:50 a.m., Wednesday, November 8, 2017  
Glenn S. Dumke Auditorium

Douglas Faigin, Chair  
Hugo N. Morales, Vice Chair  
Silas H. Abrego  
Lillian Kimbell  
Peter J. Taylor

**Consent** Approval of Minutes of the Meeting of September 20, 2017

1. Status Report on Current and Follow-up Internal Audit Assignments, *Information*

**Discussion** 2. Report on Implementation of the New Organization Structure of the Office of Audit and Advisory Services, *Information*



**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 20, 2017**

**Members Present**

Hugo N. Morales, Vice Chair  
Silas H. Abrego  
Lillian Kimbell  
Peter J. Taylor  
Rebecca Eisen, Chair of the Board  
Timothy P. White, Chancellor

Trustee Hugo Morales called the meeting to order.

**Public Comments**

Catherine Hutchinson, VP of Finance, CSUEU, Carolyn Duckett, Chair of Bargaining Unit 7, CSUEU, and Pat Gantt, President, CSUEU, all provided comment on a recent California State Auditor report pertaining to the California State University.

**Approval of Minutes**

The minutes of July 18, 2017, were approved as submitted.

**Status Report on Current and Follow-up Internal Audit Assignments**

Mr. Mandel provided a status on the 2017 audit plan and follow-up on past audit assignments. Mr. Mandel explained that updates to the status report are displayed in green numerals and indicate progress toward or completion of recommendations since the distribution of the agenda. He reminded the committee that under the re-tooled approach, campus specific risk assessments and audit plans enable the review of a much larger number of audit topics. Mr. Mandel stated that audit assignments for 27 areas are currently in process and include topics such as cashiering, emergency management, international activities, information security, service learning, and sponsored programs post-award activities.

Mr. Mandel commented that the campuses and the Chancellor's Office continue to do a good job completing recommendations on a timely basis. Mr. Mandel added that both the reviews and associated recommendations pertaining to the construction projects are also being completed timely. Consultative reviews continue to be offered through the advisory services function and investigations are performed as needed.

2

Aud

Trustee Taylor inquired about a Chancellor's Office audit pertaining to credit cards and asked when the five associated recommendations are expected to be completed by management. Mr. Mandel stated that he had no reason to believe that management would not complete the recommendations within the standard time period allowed and noted that at least half of the recommendations should be cleared by the six-month mark. Trustee Taylor requested a copy of the report and Mr. Mandel agreed to mail a copy to Trustee Taylor.

Trustee Morales adjourned the Committee on Audit.

## **COMMITTEE ON AUDIT**

### **Status Report on Current and Follow-up Internal Audit Assignments**

#### **Presentation By**

Larry Mandel  
Vice Chancellor and Chief Audit Officer  
Office of Audit and Advisory Services

#### **Summary**

This item includes both a status report on the 2017 audit plan and follow-up on past assignments. For the 2017 year, assignments were made to develop and execute individual campus audit plans, as well as to conduct audits of Information Technology (IT), Sponsored Programs and Construction; and to provide advisory services and investigation reviews. Follow-up on current/past assignments (Special Investigation, Information Security, IT Disaster Recovery, Logical Access and Security, Sponsored Programs, Delegations of Authority, Emergency Management, and various 2017 Audit Topics) was also being conducted on approximately 30 completed campus reviews. Attachment A summarizes the audit assignments in tabular form.

## **AUDITS**

### Campus Audits

The new organization structure provides for individual campus audit plans that are better aligned with campus and auxiliary organization risks. Risk assessments and initial audit plans have been completed for all campuses. Twenty-one campus reports have been completed, six reports are awaiting a campus response prior to finalization, report writing is being completed for eight campuses, and fieldwork is being conducted at six campuses.

### Information Technology Audits

The initial audit plan indicated that reviews of Information Security, Logical Access and Security, IT Disaster Recovery and General Computer Controls would be performed at those campuses where a greater degree of risk was perceived for each topic. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues. Five campus reports have been completed, two campus reports are awaiting a campus response prior to finalization, and report writing is being completed for three campuses.

### Sponsored Programs

The initial audit plan indicated that reviews of post award activities based on recent changes in federal regulations, as well as a systemwide review of campus policies, procedures, and practices relating to indirect cost recovery would be performed. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues relating to sponsored programs activities. Two campus reports have been completed, and report writing is being completed for two campuses.

### Construction

The initial audit plan indicated that reviews of recently completed construction projects, including activities performed by the campus, general contractor, and selected subcontractors would be performed. Areas to be reviewed include approval of project design, budget and funding; administration of the bid and award process; the closeout process; and overall project accounting and reporting. Three campus reports have been completed, report writing is being completed for two campuses, and fieldwork is being conducted for one project.

## ADVISORY SERVICES

The Office of Audit and Advisory Services partners 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. Advisory services are more consultative in nature than traditional audits and are performed in response to requests from campus management. The goal is to enhance awareness of risk, control and compliance issues and to provide a proactive independent review and appraisal of specifically identified concerns. Reviews are ongoing.

## INVESTIGATIONS

The Office of Audit and Advisory Services is periodically called upon to provide investigative reviews, which are often the result of alleged misappropriations 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.

## COMMITTEES/SPECIAL PROJECTS

The Office of Audit and Advisory Services is periodically called upon to provide consultation to the campuses and/or to participate on committees such as those related to information systems implementation and policy development, and to perform special projects.

### AUDIT SUPPORT

#### Annual Risk Assessment

The Office of Audit and Advisory Services annually conducts a risk assessment to determine the areas of highest risk to the system, as well as campus-specific risks.

#### Administration

Day-to-day administration of the Office of Audit and Advisory Services includes such tasks as scheduling, personnel administration, maintenance of department standards and protocols, administration of the department's automated workpaper system and SharePoint website, and department quality assurance and improvement.

Status Report on Current and Past  
Audit Assignments  
(as of 11/2/2017)

2017 AUDITS					
	Topic 1	Topic 2	Topic 3	Information Technology (IT)	Sponsored Programs
BAK	Emergency Management (AC)	Athletic Fund-Raising (RW)			
CHI	Student Activities (AC)	Facilities Management (RW)		Logical Access & Security (AI)	
CI	Fund-Raising & Gift Proc. (AC)				
DH	Business Continuity (AC)			Information Security (AC)	
EB	Cashiering (AC)				Post Award (RW)
FRE	Cashiering (AC)	Hazardous Materials Mgmt. (AI)			Post Award (AC)
FUL	International Activities (AC)	Academic Dept. Fiscal Review (AC)	Cashiering (FW)		
HUM	Extended Education (RW)			Logical Access & Security (AC)	
LB	Counseling & Psych. Svcs. (AC)			IT Disaster Recovery (AC)	Post Award (AC)
LA	Cashiering (AC)	Student Health Services (RW)	Student Activities (FW)		
MA	Police Services (AI)			Information Security (AC)	
MB	Cashiering (AC)	Police Services (AI)			
NOR	Facilities Management (AI)	Student Activities (FW)			
POM	Student Disability Support (AC)	Emergency Management (FW)		IT Disaster Recovery (AC)	
SAC	Centers and Institutes (RW)			Information Security (AI)	
SB	Cashiering (AC)	Police Services (FW)			
SD	Facilities Management (AC)	Instruct. Related Activity Fees (AC)			
SF	International Activities (AC)	Academic Dept. Fiscal Review (RW)			
SJ	Associated Students (AI)	Tower Foundation (RW)			
SLO	Hazardous Materials Mgmt. (AC)	Cashiering (AC)			
SM	International Activities (AC)	Service Learning and Internships (RW)		Information Security (RW)	
SON	Cashiering (AC)			Information Security (RW)	
STA	Service Learning and Internships (AC)	Student Disability Support (FW)			
CO	Credit Cards (AC)			Information Security (RW)	
SYS					Indirect Costs (RW)

FW = Field Work In Progress  
RW = Report Writing in Progress  
AI = Audit Incomplete (awaiting formal exit conference and/or campus response)  
AC = Audit Complete  
Numbers/letters in green are updates since the agenda mailout.

**Status Report on Current and Past  
Audit Assignments**  
(as of 11/2/2017)

FOLLOW-UP ON CURRENT/PAST AUDITS											
Special Investigation	Information Security	Info. Technology Disaster Recovery	Logical Access and Security	Sponsored Programs	Delegations of Authority	Emergency Management	2017 #Audit Topic 1	2017 #Audit Topic 2	*Recs	**Mo.	*Recs
*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.
BAK	10/10	-	8/8	-				4/5	5		
CHI	21/21	-					2/2	-			
CI	17/17	-		6/6	-		0/9	2			
DH	7/10	4				4/4	0/2	2			
EB	9/9	-				7/8	4/5	3			
FRE	11/11	-	7/7	3/3	-		3/3	-			
FUL						8/8	6/6	-		0/4	2
HUM	4/4	-				4/4					
LB	6/6	-	0/0	0/4	2		2/3	5			
LA	13/13	-					4/4	-			
MA	0/7	2		6/6	-						
MB	13/13	-					2/3	4			
NOR	8/8	-									
POM			1/2				3/8	3			
SAC						3/3					
SB	10/10	-					5/5	-			
SD	6/7	18 <sup>1</sup>					0/7	5	0/0	-	
SF	9/9	-		4/4	-		1/2	3			
SJ	17/17	-				6/6					
SLO	0/6	5				3/3	7/7	-	0/4	1	
SM								0/6	3		
SON				1/1	-		0/3	4			
STA	21/21	-	6/8				0/3	1			
CO		4	1/3	6 <sup>2</sup>			0/6	4			
SYS					4/4	-	0/1	5			

**Follow-Up**

- \* The number of recommendations satisfactorily addressed followed by the number of recommendations in the original report.
- \*\* The number of months recommendations have been outstanding from date of report.
- The number of auxiliary organizations reviewed.
- # See 2017 Audits on page 1.
- <sup>1</sup> Approved extended completion date of 12/31/17. <sup>2</sup> Approved extended completion dates of 12/31/17.
- Numbers/letters in green are updates since the agenda mailout.**





## **COMMITTEE ON AUDIT**

### **Report on Implementation of the New Organization Structure of the Office of Audit and Advisory Services**

#### **Presentation By**

Larry Mandel  
Vice Chancellor and Chief Audit Officer  
Office of Audit and Advisory Services

#### **Summary**

At the November 2016 meeting of the Committee on Audit, details were provided regarding the new organization structure of the Office of Audit and Advisory Services (OAAS). This item provides information to the California State University Board of Trustees regarding the implementation status of the new organization structure.

#### **Background**

The new organization structure was developed in response to recommendations contained in a quality assurance review of the OAAS. The recommendations highlighted that under the old structure, the vice chancellor and chief audit officer might not be aware of the issues and risks occurring at the campus level, the risk assessment process might not include necessary input to ascertain the highest risks to the system, and the audit planning approach for auxiliary organizations should be re-evaluated due to the large percentage of audit resources utilized on auxiliary organization audits.

The new organization structure implemented in 2017 sufficiently addressed quality assurance team recommendations, strengthened the effectiveness of the audit function and provided increased assurance to the chancellor and the Board of Trustees that significant risks to the system are sufficiently understood and assessed and are receiving appropriate audit coverage, and adds value to both campuses and auxiliary organizations, while further mitigating risk.

#### **Status of the Implementation of the New Organization Structure**

The new organization structure remained centralized but was reorganized and better resourced to identify risk in a more targeted fashion, focus on individual campuses, more effectively utilize audit resources previously dedicated to audits of auxiliary organizations, improve audits of sponsored programs, initiate new directives for more focused and higher quality audits, and meet the increasing demand for investigative audits. The following functional and organizational changes have been either completed, initiated and/or are ongoing:

1. The previously separate teams for campus and auxiliary organization audits have been combined and reorganized into four audit teams each responsible for six campuses/CO. In addition, the approach to auxiliary organization audits has been changed from a triennial cyclical basis to the same risk-based approach utilized for campus audits. As previously reported, information technology (IT) and construction audits, advisory services and investigations continued to be handled as in the past. During this implementation year, the four campus audits teams have focused on developing closer relationships with campus management, understanding specific campus nuances, and learning campus specific policies, procedures and systems, as they completed the campus audit plans.
2. The 2017 risk assessment process was changed from a systemwide risk assessment approach to a campus specific approach leading to campus specific audit plans and enabling us to review 28 diverse topics as compared to the previous nine to ten per year. The four audit team managers are currently completing in-person interviews with campus management to build upon information learned in the 2017 risk assessment in order to complete the 2018 risk assessment and campus audit plans. The interviews have been invaluable as they give us an opportunity to learn about new activities/areas on campus, help validate the results of our risk assessment and narrow our audit focus/scope, and further enrich our audit relationship with campus administration.
3. A dedicated senior auditor began performing audits of sponsored programs. With this dedicated sponsored programs function, audits of post-award activities will be performed on an ongoing basis each year. In addition, each year, one additional sponsored programs topic will be selected for review. This year, in addition to the sponsored programs post award audits, a systemwide audit of indirect cost recovery, which reviews practices relating to sponsored program proposal and indirect cost rate approvals, is being performed.
4. A senior IT auditor was added to provide adequate IT support for the numerous diverse audit topics resulting from our campus specific approach, enhance our advisory services function, and help support the continuous monitoring initiative described below, as well as ensure adequate coverage of emerging technologies.
5. A current senior audit manager updated protocols to ensure adherence to consistent and best practices throughout the division; and began managing the sponsored programs and construction audits, coordinating and improving the annual risk assessment process, developing a required quality assurance program in accordance with professional standards, and administering the automated workpaper system, as well as developing the division's continuous auditing initiative. Continuous auditing uses computer assisted audit techniques/tools or other data analysis tools to analyze large volumes of data, look

for anomalies and trends, complement the existing risk assessment process, and add to our awareness of campus-level/auxiliary organization issues and risks. To date, we have identified initial data analytics tests and are currently piloting our continuous audit approach with a campus. We plan to start performing these tests on additional campuses in the first quarter of 2018, while continuing to develop additional data analytics tests and tools for future use.

6. A senior investigative auditor was added to meet the increased demands of the investigative function, eliminate the need to borrow resources from the campus audit team, and provide adequate resources to ensure that control failures resulting in campus fiscal improprieties are properly resolved. Future initiatives include periodic fraud risk assessments and implementation of strategies to improve fraud awareness and education.

**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 8, 2017**

*Presiding: Rebecca D. Eisen, Chair*

**10:15 a.m. Board of Trustees**

**Dumke Auditorium**

**Call to Order**

**Roll Call**

**Public Speakers**

**Chair's Report**

**Chancellor's Report**

**Report of the Academic Senate CSU: *Chair—Christine Miller***

**Report of the California State Student Association: *President—Maggie White***

**Report of the California State University Alumni Council: *President—Manolo P. Morales***

**Consent**

Approval of the Minutes of the Board of Trustees Meeting of September 20, 2017

Approval of Committee Resolutions as follows:

**Committee on Institutional Advancement**

1. Naming of the Dale and Katy Carlsen Center for Innovation and Entrepreneurship – California State University, Sacramento
2. Naming of the Epstein Family Veterans Center – California State University San Marcos

**Committee on Finance**

1. Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University, San Bernardino and California State University, Stanislaus
2. 2018-2019 Lottery Budget and Report
4. Approval of the 2018-2019 Operating Budget Request
5. Approval of a New Master Investment Policy for the California State University

\*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 on Campus Planning, Buildings and Grounds**

1. Parking Structure E for California State University, Los Angeles
2. Student Union Renovation and Expansion for California State University, San Bernardino
3. Approval of the 2018-2019 Capital Outlay Program and the 2018-2019 through 2022-2023 Five-Year Facilities Renewal and Capital Improvement Plan

### **Committee on University and Faculty Personnel**

1. Annual Report on Outside Employment for Senior Management Employees

### **Committee on Committees**

1. Amendment to the Board of Trustees' Committee Assignments for 2017-2018

### **Discussion**

1. Protections for Dreamer Students, Alumni and Employees, *Action*
2. Conferral of the Title of Faculty Trustee Emeritus—Steven G. Stepanek, *Action*

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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 20, 2017**

**Trustees Present**

Rebecca D. Eisen, Chair  
Adam Day, Vice Chair  
Silas H. Abrego  
Jane Carney  
Adam Day  
Debra S. Farar  
Jean Picker Firstenberg  
Emily Hinton  
Lillian Kimbell  
Thelma Meléndez de Santa Ana  
Hugo N. Morales  
John Nilon  
Larry Norton  
Jorge Reyes Salinas  
Lateefah Simon  
Steven Stepanek  
Peter Taylor  
Timothy P. White, Chancellor

Chair Eisen called the meeting of the Board of Trustees to order.

**Public Comment**

The board heard from the following individuals during the public comment period: William Blischke, President, CSU Emeritus and Retired Faculty Association (CSU-ERFA); Charmaine Lawson, parent of Humboldt State student; Naomi Waters, Humboldt State Black Student Union; Skye Dent, Community member and former CSU adjunct faculty; Patrick Choi, President (APC); Dago Argueta, Vice President (APC); Molly Talcott, Secretary, Los Angeles (CFA); Marvin Morales, student, (CPP); Iosedyna Ramirez, student, CSU Dominguez Hills (SQE); Asia Gonzales, student, CSU Long Beach (SQE); Pat Gantt, President (CSUEU); Rocky Sanchez, VP for Representation (CSUEU); Neil Jacklin, VP for Organizing (CSUEU); Catherine Hutchinson, VP Finance (CSUEU); Tessy Reese, Chair Bargaining Unit 2 (CSUEU); Mike Chavez, Chair Bargaining Unit 5 (CSUEU); Carolyn Duckett, Chair Bargaining Unit 7 (CSUEU); Rosa Jones, Vice Chair Bargaining Unit 7 (CSUEU); Ricardo Uc, Vice Chair Bargaining Unit 9 (CSUEU); Hector Fernandez, CEO (SETC-United); Jason Rabinowitz, (SETC-United); Ali Tuini, (SETC-United); Reggie Castro, (SETC-United).

## **Chair's Report**

Chair Eisen's complete report can be viewed online at the following URL:

<https://www2.calstate.edu/csu-system/board-of-trustees/reports-of-the-chair/Pages/september-2017.aspx>

## **Chancellor's Report**

Chancellor Timothy P. White's complete report can be viewed online at the following URL:

<https://www2.calstate.edu/csu-system/board-of-trustees/chancellor-reports/Pages/september-20-2017.aspx>

## **Report of the Academic Senate CSU**

CSU Academic Senate Chair, Christine M. Miller's complete report can be viewed online at the following URL:

[http://www.calstate.edu/AcadSen/Records/Chairs\\_Reports/documents/Chairs\\_Report\\_September\\_2017\\_BOT.pdf](http://www.calstate.edu/AcadSen/Records/Chairs_Reports/documents/Chairs_Report_September_2017_BOT.pdf)

## **Report from the California State Student Association**

CSSA President Maggie White's complete report can be viewed online at the following URL:

<http://www.calstatestudents.org/public-documents/>

## **Report of the California State University Alumni Council**

Alumni Council President, Manolo P. Morales' complete report can be viewed online at the following URL: <http://www.calstate.edu/alumni/council/bot/20170920.shtml>

## **Board of Trustees**

The minutes of the meeting of July 19, 2017 were approved as submitted. Chair Eisen asked to move all the consent items for approval. There was a second. The Board of Trustees approved the following resolutions:

## **Committee on Campus Planning, Buildings and Grounds**

### **Fermentation Sciences Complex for California Polytechnic State University, San Luis Obispo (RCPBG 09-17-12)**

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

1. The Final Initial Study/Mitigated Negative Declaration was prepared pursuant to California Environmental Quality Act and State CEQA Guidelines.
2. The California Polytechnic State University, San Luis Obispo Fermentation Sciences Complex project is consistent with the Final Mitigated Negative Declaration and the effects of the project were fully analyzed in the Final Mitigated Negative Declaration.

3. The project will benefit the California State University.
4. The 2017-2018 Capital Outlay Program is amended to include \$18,474,000 for preliminary plans, working drawings, construction, and equipment for the California Polytechnic State University, San Luis Obispo Fermentation Sciences Complex project.
5. The schematic plans for the California Polytechnic State University, San Luis Obispo Fermentation Sciences Complex are approved at a project cost of \$18,474,000 at CCCI 6255.

**Master Plan Revision with Enrollment Ceiling Increase for California State University, San Bernardino  
(RCPBG 09-17-13)**

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

1. The Board of Trustees finds that the 2017 FEIR has been prepared in accordance with the requirements of the California Environmental Quality Act.
2. The FEIR addresses the proposed campus master plan revision and all discretionary actions related to the project as identified in the FEIR.
3. The Board of Trustees hereby certifies the FEIR for the California State University, San Bernardino Campus Master Plan dated September 2017.
4. Prior to the certification of the FEIR, the Board of Trustees reviewed and considered the above FEIR and finds that the FEIR reflects the independent judgement of the Board of Trustees. The board hereby certifies the FEIR as complete and adequate and finds that the FEIR addresses all potentially significant environmental impacts of the project and fully complies with the requirements of CEQA and the CEQA Guidelines. For purposes of CEQA and the CEQA Guidelines, the administrative record includes the following:
  - a. The 2016 Draft EIR for the California State University, San Bernardino Campus Master Plan;
  - b. The FEIR, including comments received on the Draft EIR, and responses to comments;
  - c. The proceedings before the Board of Trustees relating to the subject master plan revision, including testimony and documentary evidence introduced at such proceedings; and
  - d. All attachments, documents incorporated, and references made in the documents as specified in items (a) through (c) above.
5. This resolution is adopted pursuant to the requirements of Section 21081 of the Public Resources Code and Section 15091 of the State CEQA Guidelines which require the Board of Trustees to make findings prior to the approval of the project.
6. The board hereby adopts the CEQA Findings of Fact and Mitigation and Monitoring Reporting Program, including the mitigation measures identified therein for Agenda Item 2 of the September 19-20, 2017 meeting of the Board of Trustees' Committee on Campus Planning, Buildings and Grounds, which identifies the specific impacts of the proposed campus master plan and related



- mitigation measures, which are hereby incorporated by reference. The mitigation measures identified in the Mitigation and Monitoring Reporting Program shall be monitored and reported in accordance with the Mitigation and Monitoring Reporting Program, which meets the requirements of CEQA.
7. The board has adopted the Findings of Fact and Statement of Overriding Considerations that outweigh certain remaining significant and unavoidable traffic, air quality, noise and lighting impacts.
  8. The FEIR has identified potentially significant impacts that may result from implementation of the proposed campus master plan revision. However, the Board of Trustees, by adopting the Findings of Fact, finds that the inclusion of certain mitigation measures as part of the project approval will reduce most, but not all, of those effects to less than significant levels. Those impacts which are not reduced to less than significant levels are identified as significant and unavoidable and are overridden due to specific project benefits to the CSU identified in the Findings of Fact and Statement of Overriding Considerations.
  9. The board approves the use of \$627,300 for its fair share of future off-site mitigation. The funds are expected to be provided from future state capital or operating budget funding, the CSU, self-support entities, private developers, and/or other entities.
  10. The project will benefit the California State University.
  11. The California State University, San Bernardino Campus Master Plan Revision dated September 2017 is approved.
  12. The chancellor or his designee is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the FEIR for the California State University, San Bernardino Campus Master Plan 2017.

**New Student Residence Hall Project at San Diego State University  
(RCPBG 09-17-14)**

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

1. The Board of Trustees finds that the 2017 FEIR has been prepared in accordance with the requirements of the California Environmental Quality Act.
2. The Board of Trustees hereby certifies the project FEIR for San Diego State University New Student Residence Hall project.
3. Prior to certification of the FEIR, the Board of Trustees reviewed and considered the above EIR and finds that the FEIR reflects the independent judgement of the Board of Trustees. The board hereby certifies the FEIR as complete and adequate and finds that the FEIR addresses all potentially significant environmental impacts of the project and fully complies with the requirements of CEQA and the CEQA Guidelines. For purposes of CEQA and the CEQA Guidelines, the administrative record includes the following:
  - a. The 2017 Final EIR for the San Diego State University New Student Residence Hall project which includes the Draft EIR in total, as revised due to comments received and other changes required, and responses to comments.

- b. All attachments, documents incorporated, and references made in the document as specified in item (a) above.
4. This resolution is adopted pursuant to the requirements of Section 21081 of the Public Resources Code and Section 15091 of the State CEQA Guidelines which require the Board of Trustees to make findings prior to approval of the project.
5. The board hereby adopts the CEQA Findings of Fact and Mitigation and Monitoring Reporting Program, including the mitigation measures identified therein for Agenda Item 3 of the September 19-20, 2017 meeting of the Board of Trustees' Committee on Campus Planning, Buildings and Grounds, which identifies the specific impacts of the San Diego State University New Student Residence Hall project and the related mitigation measures which are hereby incorporated by reference. The mitigation measures identified in the Mitigation and Monitoring Reporting Program shall be monitored and reported in accordance with the Mitigation and Monitoring Reporting Program, which meets the requirements of CEQA.
6. The project will benefit the California State University.
7. The San Diego State University Master Plan Revision dated September 2017 is approved.
8. The 2017-2018 Capital Outlay Program is amended to include \$130,000,000 for preliminary plans, working drawings, construction and equipment for the San Diego State University New Student Residence Hall project.
9. The schematic plans for the San Diego State University New Student Residence Hall project are approved at a project cost of \$130,000,000 at CCCI 6255.
10. The chancellor or his designee is requested under the Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the FEIR for the San Diego State University New Student Residence Hall project.

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## **Committee on Finance**

### **Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for the New Student Residence Hall Project at San Diego State University (RFIN 09-17-10)**

Orrick, Herrington & Sutcliffe LLP, as bond counsel, prepared resolutions presented in agenda item 1 on the Committee on Finance at the September 19-20, 2017 Board of Trustees' meeting that authorize interim and permanent financing for the projects described in the agenda item. The proposed resolutions were distributed at the meeting and will achieve the following:

1. Authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate amount not-to-exceed \$141,130,000 and certain actions relating thereto.

2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

**Conceptual Approval of a Public-Private Partnership Student Housing Development Project at California State University, Sacramento  
(RFIN 09-17-11)**

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

1. Approve the concept of a public/private partnership for a student-housing development on city-owned land adjacent to the California State University, Sacramento campus;
2. Authorize the chancellor and the campus to enter into a due diligence access and option agreement which provides the developer with a limited-term option along with the responsibility for the development of a final plan, schematic drawings, and necessary environmental analyses during the option period;
3. Authorize the chancellor, the campus, and UEI to enter into negotiations for agreements, as necessary, to develop a final plan for the public/private partnership as explained in Agenda Item 2 of the September 19-20, 2017 meeting on the Committee on Finance; and
4. Will consider the following additional action items prior to any consideration of the final plan:
  - a) Approval and certification of Final California Environmental Quality Act (CEQA) documentation.
  - b) Approval of a development and financial plan negotiated by the campus and the developer with the advice of the chancellor;
  - c) Approval of an amendment to the Non-State Capital Outlay Program;
  - d) Approval of the schematic design standards.

**Conceptual Approval of a Public-Private Partnership Mixed-Use Development Project at California State University, Dominguez Hills  
(RFIN 09-17-12)**

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

1. Approve the concept of a public/private partnership for a mixed-use development and the release of the Request for Qualifications/Proposals;
2. Authorize the chancellor and the campus to enter into due diligence access and option agreements which provide selected developer(s) with a limited-term option, along with the responsibility for the development of final plans, schematic drawings, and necessary environmental analyses during the option period(s);

3. Authorize the chancellor and the campus to enter into negotiations for agreements as necessary to develop final plans for the public/private partnership as explained in Agenda Item 3 of the September 19-20, 2017, meeting on the Committee on Finance;
4. Will consider the following additional action items prior to any consideration of final plans:
  - a) Certification of Final California Environmental Quality Act (CEQA) documentation.
  - b) Approval of development and financial plans negotiated by the campus and the developer with the advice of the chancellor;
  - c) Approval of amendments to the Non-State Capital Outlay Program;
  - d) Approval of the schematic design standards.

**California State University Annual Investment Report and Establishment of the Investment Advisory Committee  
(RFIN 09-17-13)**

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

1. Establish the Investment Advisory Committee and approve the membership of the Investment Advisory Committee as presented in Agenda Item 4 of the September 19-20, 2017, meeting on the Committee on Finance;
2. Authorize the Chair of the Committee on Finance; the chancellor; the executive vice chancellor and chief financial officer; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all actions necessary to implement this resolution.

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**Committee on Organization and Rules**

**Approval of Proposed Revisions to Rules Governing the Board of Trustees  
(ROR 09-17-01)**

**RESOLVED**, by the Board of Trustees of the California State University, that this board adopt the proposed amendments to the Code of Conduct of the Rules Governing the Board of Trustees as presented in Attachment B, Item 1 of the Committee on Organization and Rules at the September 19-20, 2017 board meeting.

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## **Committee on University and Faculty Personnel**

### **10 Year Retiree Health and Dental Benefits Vesting for New Non-Represented Employees (RUF 09-17-03)**

**RESOLVED**, by the Board of Trustees of the California State University, that non-represented employees who are new to the CSU and become new CalPERS members on or after July 1, 2018, are subject to the 10 year retiree health and dental benefits vesting schedule.

### **Compensation for Executives (RUF 09-17-04)**

**RESOLVED**, by the Board of Trustees of the California State University, that the individuals named in the salary tables cited in Item 2 of the Committee on University and Faculty Personnel at the September 19-20, 2017 meeting of the Board of Trustees shall receive the annual base salaries cited in the tables effective July 1, 2017, or as noted; and be it further

**RESOLVED**, that effective January 1, 2018, supplemental pay will be included in the incumbent's base pay as cited in Item 2 of the Committee on University and Faculty Personnel at the September 19-20, 2017 meeting of the Board of Trustees.

### **Policy on Compensation (RUF 09-17-05)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Policy on Compensation, as cited in Item 3 of the Committee on University and Faculty Personnel at the September 19-20, 2017 meeting of the Board of Trustees is adopted; and be it further

**RESOLVED**, all previous versions of policies related to compensation for employees and presidents are superseded.

## **BOARD OF TRUSTEES**

### **Protections for Dreamer Students, Alumni and Employees**

#### **Presentation By**

Timothy P. White  
Chancellor

Jorge Reyes Salinas  
Student Trustee

#### **Summary**

The federal Department of Homeland Security announced the Deferred Action for Childhood Arrivals (DACA) policy in 2012. DACA allows Dreamers, young people brought to the United States as children without documentation, to pursue educational, military and career opportunities without concern of imminent deportation. DACA has benefited many in the California State University community.

Approximately 8,300 undocumented Dreamer students are currently admitted to and attending the CSU consistent with California law. Those Dreamer students who completed their K-12 education at a California high school and are attending a CSU campus in pursuit of their higher education were qualified to apply for and receive DACA protection. Not all undocumented students applied for or received protections under DACA.

At the CSU, we see firsthand every day the exceptional contributions that Dreamer students and alumni make to our state and to our nation. Most are the first in their family to attend college and they work hard to further their educations. Many serve as campus leaders and have ambitious goals centered on improving the lives of others across their communities.

We also have a number of employees who benefit from the DACA protections, and are making positive impacts on our campuses. These faculty and staff put into practice the goal of many Dreamer students by giving back to their community through public service.

Unfortunately, in September of this year, the Trump Administration through the Department of Homeland Security decided to rescind the DACA program. In response, the CSU leadership at both the campus and system level expressed immediate concern with and disappointment in that decision and promptly engaged their advocacy offices.

**AMENDED**

BOT

Agenda Item 1

November 7-8, 2017

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The CSU continues to lead national advocacy efforts with lawmakers to reinstate DACA or its equivalent. Alongside our higher education partners and state leaders, we seek timely, long-term protections that provide clarity and certainty for our Dreamer community.

**Resolution**

The following resolution is presented to the Board of Trustees for approval:

**RESOLVED** by the Board of Trustees of the California State University:

1. The Board of Trustees expressly recognizes and commends the contributions of our Dreamer students, alumni and employees, as their unique experiences enrich CSU campuses and the pursuit of their dreams enriches the State of California.
2. The Board of Trustees encourages trustees, the chancellor, presidents, the CSU Office of Federal Relations, CSU advocates and the many other members of the university community to coordinate with local and national partners to advocate in support of DACA or similar protections consistent with the CSU mission, while urging representatives, senators and the president to work together to provide a long-term bipartisan solution for Dreamers.
3. The Board of Trustees encourages system and campus leaders to work together and with local, state and federal leaders to pursue all legal means and available resources to support Dreamers – including grants, scholarships, mental health services and legal support – and to communicate broadly information about these resources and services.
4. The Board of Trustees calls for support of the provision of timely, long-term protections that provide clarity and certainty for the Dreamer community.

**BOARD OF TRUSTEES**

**Conferral of the Title of Faculty Trustee Emeritus—Steven G. Stepanek**

**Presentation By**

Rebecca D. Eisen  
Chair of the Board

**Summary**

It is recommended that Faculty Trustee Steven G. Stepanek, whose term expired on September 28, 2017, be conferred the title of Faculty Trustee Emeritus for his service. The granting of emeritus status carries the title, but no compensation.

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that this board confers the title of Faculty Trustee Emeritus on Steven G. Stepanek, with all the rights and privileges thereto.