

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, 2023

Time**	Committee	Location ¹
<i>TUESDAY, NOVEMBER 7, 2023</i>		
9:00 a.m.	<u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126(a)(1) Pending Litigation Government Code §11126(e)(1) Hernandez, et al. v. The Fraternity of Phi Gamma Delta, et al. CSU v. SELF Cole v. CSU, et al.	Munitz
10:00 a.m.	<u>Committee on Collective Bargaining—Closed Session</u> Government Code §3596(d)	Munitz
11:00 a.m.	<u>Board of Trustees</u> Call to Order Roll Call Public Comment	
12:30 p.m.	Luncheon	

¹ All committees meet in the Dumke Auditorium unless otherwise noted.

*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. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

TUESDAY, NOVEMBER 7, 2023 (cont.)

1:15 p.m. Board of Trustees (cont.)

Chair’s Report

Academic Senate CSU Report: *Chair—Beth Steffel*

California State Student Association Report: *President—Dominic Treseler*

California State University Alumni Council Report: *President—John Poli*

Chancellor’s Report

2:15 p.m. Committee on Collective Bargaining

Consent

- Action* 1. Approval of Minutes
- Action* 2. Ratification of the Tentative Agreement with Bargaining Unit 8, State University Police Association (SUPA)
- Action* 3. Ratification of the Tentative Agreement with Bargaining Unit 11, United Auto Workers, Local 4123 (UAW)
- Action* 4. Ratification of the Tentative Agreement with Bargaining Units 2, 5, 7, and 9, California State University Employees Union (CSUEU)
- Action* 5. Ratification of the Tentative Agreement with Bargaining Unit 4, Academic Professionals of California (APC)
- Action* 6. Ratification of the Tentative Agreement with Bargaining Unit 10, International Union of Operating Engineers (IUOE)
- Action* 7. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 3, California Faculty Association (CFA)

2:20 p.m. Committee on Educational Policy

Consent

- Action* 1. Approval of Minutes

Discussion

- Information* 2. Implementation of the Student Transfer Achievement Reform Act of 2021
- Information* 3. Graduation Initiative 2025 and Student Success

3:30 p.m. Break

3:45 p.m. Joint Committee on Educational Policy and Finance

Consent

- Action* 1. Approval of Minutes

Discussion

- Information* 2. Chancellor’s Strategic Workgroup on Financial Aid

TUESDAY, NOVEMBER 7, 2023 (cont.)

4:15 p.m. Committee on Audit

Consent

Action 1. Approval of Minutes

Discussion

Information 2. Status Report on Audit and Advisory Services Activities

Action 3. Audit and Advisory Services Charter

Action 4. Audit Committee Charter

WEDNESDAY, NOVEMBER 8, 2023

8:00 a.m. Committee on University and Faculty Personnel

Consent

Action 1. Approval of Minutes

Action 2. Annual Report on Outside Employment for Senior Management Employees

Information 3. Annual Report on Vice President Compensation and Executive Relocation

Discussion

Action 4. Exemption from Post-Retirement Employment Waiting Period

Information 5. Annual Report on Executive Transition Assignments

Information 6. Discussion Regarding Employment Policy Governing Administrator Employees' Option to Retreat

Information 7. Discussion Regarding Employment Policy Governing Employee References

Information 8. Update on Civil Rights (Title IX and other Nondiscrimination) Programs and Services

9:30 a.m. Committee on Governmental Relations

Consent

Action 1. Approval of Minutes

Information 2. State Legislative Update

Discussion

Action 3. Endorsement of the Fresno County Ballot Initiative

10:00 a.m. Committee on Finance

Consent

Action 1. Approval of Minutes

Action 2. Approval to Issue Debt for Affordable Housing at California State University San Marcos

Action 3. Approval of 2024-25 Lottery Budget and Report

Action 4. Approval of an Auxiliary Organization Financing at California State University, Sacramento

Information 5. California State University Annual Investment Report

Discussion

Information 6. Annual Systemwide Report on Hate Incidents on Campus

WEDNESDAY, NOVEMBER 8, 2023 (cont.)

10:30 a.m. Break

10:40 a.m. Joint Committee on Finance and Campus Planning, Buildings and Grounds

Consent

Action 1. Approval of Minutes

Discussion

Action 2. Approval of a Public-Private Partnership Residential & Retail Project at San Diego State University—Mission Valley

Action 3. Approval of a Public-Private Partnership Affordable Housing Project at San Diego State University—Mission Valley

11:10 a.m. Committee on Campus Planning, Buildings and Grounds

Consent

Action 1. Approval of Minutes

Discussion

Action 2. California State University, Fresno Affordable Student Housing Schematic Design Approval

Action 3. San Diego State University, Imperial Valley - Brawley Sciences Building Project Schematic Design Approval

11:40 a.m. Board of Trustees

Call to Order

Roll Call

Consent

Action 1. Approval of the Minutes of the Board of Trustees Meeting of September 12, 2023 and September 13, 2023

Action 2. Approval of Committee Resolutions as follows:

Committee on University and Faculty Personnel

2. Annual Report on Outside Employment for Senior Management Employees

4. Exemption from Post-Retirement Employment Waiting Period

Committee on Governmental Relations

3. Endorsement of the Fresno County Ballot Initiative

Committee on Finance

2. Approval to Issue Debt for Affordable Housing at California State University San Marcos

3. Approval of 2024-25 Lottery Budget and Report

4. Approval of an Auxiliary Organization Financing at California State University, Sacramento

Joint Committee on Finance and Campus Planning, Buildings and Grounds

2. Approval of a Public-Private Partnership Residential & Retail Project at San Diego State University – Mission Valley
3. Approval of a Public-Private Partnership Affordable Housing Project at San Diego State University – Mission Valley

Committee on Campus Planning, Buildings and Grounds

2. California State University, Fresno Affordable Student Housing Schematic Design Approval
3. San Diego State University, Imperial Valley - Brawley Sciences Building Project Schematic Design Approval

Discussion

Action

3. Conferral of Commendation – Billie Jean King

Action

4. Conferral of the Title of President Emerita – Lynnette Zelezny

ADDRESSING THE BOARD OF TRUSTEES

Members of the public have the opportunity to observe the meeting in-person or online and to offer public comment as follows:

- The meeting is broadcast via the [livestream](#) through the Board of Trustees website.
- **For in-person attendance:** The Chancellor's Office requires that all visitors comply with Cal/OSHA and local health department safety measures that may be in effect at the time of the meeting. Depending on circumstances, masks may be required, and the Dumke Auditorium may have limited seating to ensure proper physical distancing. Visitors who do not comply with the safety measures, or if the Dumke Auditorium has reached capacity, will be asked to watch the meeting via the [livestream](#) on the Board of Trustees website through their phone or computer. Because of possible physical distancing measures and the uncertainty of our seating capacity, members of the public are encouraged to observe the meeting via the livestream and offer any public comments through the available remote option.
- All public comment (for all committee and plenary sessions) will take place on **Tuesday, November 7**, at the start of the Board of Trustees' open session (**scheduled to begin at approximately 11:00 a.m.**)
- **Written comments** may be emailed in advance of the meeting by **12:00 p.m. on Monday, November 6** to trusteesecretariat@calstate.edu. To the extent possible, all written comments will be distributed to members of the board, or its appropriate committee, prior to the beginning of the board or committee meeting.
- Members of the public who wish to offer public comment *during the meeting* may do so **in-person or virtually/telephonically** by providing a written request **by 12:00 p.m. on Monday, November 6** to trusteesecretariat@calstate.edu. The request should also identify the agenda item the speaker wishes to address or the subject of the intended presentation if it is unrelated to an agenda item. Efforts will be made to accommodate each individual who has requested to speak.

The purpose of public comment is to provide information to the board and not evoke an exchange with board members. Questions that board members may have resulting from public comment will be referred to the appropriate staff for response.

In fairness to all speakers, and to allow the committees and board members to hear from as many speakers as possible while at the same time conducting the public business of their meetings within the time available, **public comment will be limited to 1 minute per speaker** (or less depending on the number of speakers wishing to address the board.) Ceding, pooling, or yielding remaining time to other speakers is not permitted. Speakers are requested to make the best use of their public comment opportunity and follow the established rules.

Requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act, shall be made as follows:

- By email: trusteesecretariat@calstate.edu, or
- By telephone: (562) 951-4020

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

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

Tuesday, November 7, 2023

Presiding: Wenda Fong, Chair

11:00 a.m.*	<u>Board of Trustees</u>	Dumke Auditorium
	Call to Order	
	Roll Call	
	Public Comment	
12:30 p.m.	Luncheon	
1:15 p.m.	<u>Board of Trustees (cont.)</u>	Dumke Auditorium
	Chair's Report	
	Academic Senate CSU Report: <i>Chair—Beth Steffel</i>	
	California State Student Association Report: <i>President—Dominic Treseler</i>	
	California State University Alumni Council Report: <i>President—John Poli</i>	
	Chancellor's Report	

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Agendas, notices, and information on addressing the Board of Trustees may be found on Board of Trustees website: <https://www.calstate.edu/csu-system/board-of-trustees/Pages/default.aspx> .

AGENDA

COMMITTEE ON COLLECTIVE BARGAINING

Meeting: 10:00 a.m., Tuesday, November 7, 2023
Munitz Conference Room—Closed Session
Government Code §3596(d)

2:15 p.m., Tuesday, November 7, 2023
Glenn S. Dumke Auditorium—Open Session

Christopher Steinhauser, Chair
Jack Clarke, Jr., Vice Chair
Larry L. Adamson
Julia I. Lopez
Lateefah Simon

Open Session—Glenn S. Dumke Auditorium

- Consent**
1. Approval of Minutes of the Meeting of May 23, 2023, *Action*
 2. Ratification of the Tentative Agreement with Bargaining Unit 8, State University Police Association (SUPA), *Action*
 3. Ratification of the Tentative Agreement with Bargaining Unit 11, United Auto Workers, Local 4123 (UAW), *Action*
 4. Ratification of the Tentative Agreement with Bargaining Units 2, 5, 7, and 9, California State University Employees Union (CSUEU), *Action*
 5. Ratification of the Tentative Agreement with Bargaining Unit 4, Academic Professionals of California (APC), *Action*
 6. Ratification of the Tentative Agreement with Bargaining Unit 10, International Union of Operating Engineers (IUOE), *Action*
 7. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 3, California Faculty Association (CFA), *Action*

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

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

May 23, 2023

Members Present

Christopher Steinhauser, Chair
Jack Clarke, Jr., Vice Chair
Larry L. Adamson
Julia I. Lopez
Lateefah Simon

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Public Speakers

Public comment took place at the beginning of the meeting's open session, prior to all committees.

Chair Steinhauser called the Committee on Collective Bargaining to order.

Approval of the Consent Agenda

The minutes of the November 15, 2022 meeting were approved as submitted.

Agenda Item 2, Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 11, United Auto Workers, Local 4123 (UAW), was approved as submitted.

Chair Steinhauser adjourned the meeting of the Committee on Collective Bargaining.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Tentative Agreement with Bargaining Unit 8, State University Police Association (SUPA)

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The tentative agreement between the California State University and Bargaining Unit 8, State University Police Association (SUPA), 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 tentative agreement between the California State University and Bargaining Unit 8, State University Police Association (SUPA), is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Tentative Agreement with Bargaining Unit 11, United Auto Workers, Local 4123 (UAW)

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The tentative agreement between the California State University and Bargaining Unit 11, United Auto Workers, Local 4123 (UAW), 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 tentative agreement between the California State University and Bargaining Unit 11, United Auto Workers, Local 4123 (UAW), is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Tentative Agreement with Bargaining Units 2, 5, 7, and 9, California State University Employees Union (CSUEU)

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The tentative agreement between the California State University and Bargaining Units 2, 5, 7, and 9, California State University Employees Union (CSUEU), 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 tentative agreement between the California State University and Bargaining Units 2, 5, 7, and 9, California State University Employees Union (CSUEU), is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Tentative Agreement with Bargaining Unit 4, Academic Professionals of California (APC)

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The tentative agreement between the California State University and Bargaining Unit 4, Academic Professionals of California (APC), 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 tentative agreement between the California State University and Bargaining Unit 4, Academic Professionals of California (APC), is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Tentative Agreement with Bargaining Unit 10, International Union of Operating Engineers (IUOE)

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The tentative agreement between the California State University and Bargaining Unit 10, International Union of Operating Engineers (IUOE), 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 tentative agreement between the California State University and Bargaining Unit 10, International Union of Operating Engineers (IUOE), is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 3, California Faculty Association (CFA)

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The initial proposals for a successor collective bargaining agreement between the California State University and Bargaining Unit 3, California Faculty Association (CFA) will be presented to the Board of Trustees for adoption. The proposals are attached to this item.

Recommended Action

The following resolution is recommended for ratification:

RESOLVED, by the Board of Trustees of the California State University, that the initial proposal for a successor collective bargaining agreement between the California State University and Bargaining Unit 3, California Faculty Association (CFA) is hereby adopted.

The California State University's
Initial Collective Bargaining
Proposals

Between

The Board of Trustees

Of

The California State University

And

California Faculty Association

(Bargaining Unit 3)

November 2023

**Bargaining Unit 3
2024 Successor Agreement Negotiations
California State University Bargaining Proposals**

Preamble

- Review the terms of the preamble to the extent that it references matters within the scope of representation.

ARTICLE 2 – Definitions

- Review existing contractual definitions against campus operational needs.
- Update definitions to reflect any substantive changes elsewhere in the Agreement.

ARTICLE 6 – CFA’s Rights

- Review and amend as appropriate current procedures in relation to the provision of information to the union; contractual provisions relating to union leave; and the provision of resources for union business.

ARTICLE 10 – Grievance Procedure

- The CSU will make proposals to amend grievance procedures to increase efficiency and effectiveness and ensure compliance with applicable federal and state law.

ARTICLE 11 – Personnel File

- Review and amend as appropriate current contractual provisions in relation to the procedures and usage of personnel files.

ARTICLE 12 – Appointment

- The CSU will seek to conduct a comprehensive review of Article 12 including, but not limited to, the appointment of temporary faculty; evaluation of temporary faculty; the order of assignment of work; and range elevation.

ARTICLE 15 – Evaluation

- The CSU will make proposals in relation to the evaluation process for faculty.

ARTICLE 16 – Non-Discrimination

- Review current language in light of operative and evolving law and any applicable recommendations from the Cozen O’Connor assessment and the California State Auditor’s report.

ARTICLE 17 – Temporary Suspension

- The CSU will make proposals to increase operational effectiveness with regards to temporary suspensions.

ARTICLE 18 – Reprimands

- The CSU will make proposals related to clarity and consistency of reprimands.

ARTICLE 19 – Disciplinary Action Procedure

- The CSU will make proposals to amend disciplinary action procedure to increase efficiency and effectiveness and ensure compliance with applicable federal and state law.

ARTICLE 20 – Workload

- The CSU will seek to conduct a comprehensive review of Article 20 including, but not limited to, assignment of professional responsibilities; probationary faculty instructional assignments; and substitute assignments.

ARTICLE 21 – Summer Term Employment

- The CSU will make proposals to amend provisions relating to Summer Term Employment.

ARTICLE 22 – Leaves of Absence without Pay

- Review and amend as appropriate current contractual provisions in relation to use and reporting of employee leaves without pay.

Article 23 – Leaves of Absence with Pay

- Review and amend as appropriate current contractual provisions in relation to use and reporting of employee leaves with pay.

Article 26 – Fee Waiver

- Review and amend as appropriate current contractual provisions in relation to fee waiver.

ARTICLE 27 – Sabbatical Leave

- Review and amend as appropriate provisions of sabbatical leave.

ARTICLE 29 – Faculty Early Retirement Program

- Review and amend as appropriate provisions of the Faculty Early Retirement Program.

ARTICLE 31 – Salary

- The CSU will make proposals to amend the salary Article, including but not limited to employee salary rates.

ARTICLE 32 – Benefits

- The CSU will make proposals in relation to employee benefits.

ARTICLE 36 – Additional Employment

- The CSU will make proposals in relation to additional employment.

ARTICLE 39 – Intellectual Property Rights

- The CSU will propose a full revision of the way that the Agreement deals with intellectual property rights.

ARTICLE 40 – Extension For-Credit Employment

- The CSU will make proposals in relation to extension employment.

ARTICLE 41 – Duration and Implementation

- The CSU will make proposals on the duration of any successor Agreement.

Side Letters and Memoranda of Understanding

The CSU will review all Appendices, Memoranda of Understanding; and Forms and make proposals to amend, retain, or delete as appropriate.

The University reserves the right to add to, modify, or delete proposals for any/all Articles during the course of negotiations, in accordance with applicable laws.



California Faculty Association
1110 K Street
Sacramento, Ca 95814-2716

Phone: (916) 441-4848
Fax: (916) 441-3513
www.calfac.org

October 23, 2023

BY EMAIL AND US POSTAL SERVICE

Mr. Joseph Jelincic
Associate Vice Chancellor, Collective Bargaining
The California State University
401 Golden Shore
Long Beach, CA 90802

RE: Successor Bargaining

Dear Mr. Jelincic,

As you know, our Collective Bargaining Agreement provides, per Article 41.2, that we supply written notice of our intent to commence negotiations on a successor contract between October 1, 2023, and November 30, 2023. We are reaching out to you this week to provide such notification, and to ask that the Board of Trustees take up this topic when the Committee on Collective Bargaining meets in November.

Given the state of on-going reopener negotiations, we are unable to predict what additional changes we may seek in the current contract. As such, the California Faculty Association Board of Directors has voted unanimously to open every article of the contract for successor negotiations, including Salary, for July 1, 2024 forward. We will communicate any changes to our intent to bargain once we have had the opportunity to analyze the results of reopener negotiations this year and after we have had the opportunity to consult with our members.

Sincerely,

A handwritten signature in blue ink that reads 'Kathy Sheffield'. The signature is fluid and cursive, with the first name 'Kathy' being more prominent than the last name 'Sheffield'.

Kathy Sheffield

Interim General Manager/Director of Representation and Bargaining

Cc: Dr. Kevin Wehr, CFA Chair of Bargaining
California State University Board of Trustees

AGENDA

COMMITTEE ON EDUCATIONAL POLICY

Meeting: 2:20 p.m., Tuesday, November 7, 2023
Glenn S. Dumke Auditorium

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie
Jonathan Molina Mancio
Jose Antonio Vargas
Darlene Yee-Melichar

Consent 1. Approval of Minutes of the Meeting of September 12-13, 2023, *Action*
Discussion 2. Implementation of the Student Transfer Achievement Reform Act of 2021, *Information*
3. Graduation Initiative 2025 and Student Success, *Information*

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

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

September 12-13, 2023

Members Present

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie
Jose Antonio Vargas

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Arambula called the meeting to order.

Approval of the Consent Agenda

A motion to approve the consent agenda without discussion passed. The minutes from the meeting on May 23, 2023 were approved as submitted.

Chancellor Strategic Workgroup on Black Student Success

Deputy Vice Chancellor of Academic and Student Affairs Dilcie D. Perez began the presentation by acknowledging members of the Black Student Success strategic workgroup including former Executive Vice Chancellor of Academic and Student Affairs Sylvia A. Alva and workgroup co-chair and Fresno State University President Saúl Jiménez-Sandoval. Dr. Perez summarized key aspects of the workgroup's report, Advancing Black Student Success and Elevating Black Excellence in the CSU, including the methodology and process which informed its recommendations. Specifically, she expressed gratitude to CSU Black students, faculty and staff who participated in listening sessions conducted in Spring 2023.

CSU Dominguez Hills President and workgroup co-chair Thomas Parham continued the presentation by calling on all members of the CSU community to help advance the report's 13 recommendations. He shared that the recommendations are grouped in three categories: strategies that directly support Black student success; strategies that support faculty and staff who support Black student success; and systemwide strategies. President Parham then provided updates on progress from the system level including finalizing a Request for Proposal for an agency to implement outreach to increase Black student enrollment, reviewing the utilization of data dashboards and disaggregated data and the issuance of a university inventory to evaluate the current campus experience in context to the report's recommendations. As part of this work, universities will be asked to submit up to three action items that will support Black student success. President Parham invited Sacramento State University student Nedric Miller to share his personal story of resilience and his experience at the CSU.

Trustees expressed gratitude to the workgroup and to Mr. Miller for his willingness to share his story. A number of trustees shared ideas on how to continue the work of the report. Trustees posed questions regarding access to financial aid and work study, the status of the workgroup today and how students will be involved in the campus inventory. A request was made to schedule regular updates to the board.

Academic Planning

Deputy Vice Chancellor of Academic and Student Affairs Nathan S. Evans began the presentation by emphasizing the importance of academic planning in connection with enrollment management and addressing future workforce needs. In his introduction, Dr. Evans also addressed an amendment to the agenda item to remove a projected academic program from CSU East Bay, leaving 12 projected programs for consideration. He outlined two goals of the presentation: to highlight a new summer projection cycle of which 12 programs are presented for board approval and to ask the board to reaffirm the active role of the Chancellor's Office in systemwide academic program planning.

Dr. Evans invited Interim Associate Vice Chancellor of Academic and Faculty Programs Laura Massa to provide further details on academic planning. Dr. Massa reviewed the process of academic review including the addition of a summer projection cycle for new degree programs. Projection is the first step in academic planning as a new degree program can only be developed after the board approves the projection. Five universities submitted proposed programs including CSU Channel Islands, Chico State, Sacramento State, San José State and Cal Poly San Luis Obispo. In preparation for the 2024 academic master plan review cycle, the Chancellor's Office will request and review two additional items: credit-bearing credential programs and suspended and discontinued subprograms. Additionally program reviews will examine enrollment, fiscal sustainability and workforce needs.

Dr. Massa also outlined the request for a re-affirmation of periodic program review at the system level with such considerations as alignment with the university mission and strategic plan, effectiveness in meeting student and employer demand, student success, academic quality and accreditation standards.

Prior to voting on the resolution, trustees engaged in conversation regarding the importance of providing additional information on projected programs and the need for program review. A request was made to be mindful of campus autonomy and existing campus policies and a question was posed as to how the Chancellor's Office would engage with the campuses in the review process. Dr. Evans clarified that the review should be seen as a program portfolio review looking broadly at the offerings rather than a program performance review as referenced in the 1971 memo. The board approved the resolution.

Trustee Arambula adjourned the Committee on Educational Policy.

COMMITTEE ON EDUCATIONAL POLICY

Implementation of the Student Transfer Achievement Reform Act of 2021

Presentation By

Nathan S. Evans
Deputy Vice Chancellor
Academic and Student Affairs

Laura Massa
Interim Associate Vice Chancellor
Academic and Faculty Programs

Beth Steffel
Chair, Academic Senate of the CSU

Summary

The Student Transfer Achievement Reform Act of 2021, authored by Assemblymember Marc Berman as Assembly Bill 928 and signed into law on October 6, 2021, called for the consolidation of two existing general education transfer pathways for California Community College (CCC) students into a singular pathway to either the California State University (CSU) or University of California (UC) systems. It enacted Education Code Section 66749.8 which requires that the CCC place incoming students on an Associate Degree for Transfer (ADT) pathway – if one exists for their major – on or before August 1, 2024. It also required the Intersegmental Committee of the Academic Senates of the CSU (ICAS), the UC and the CCC to establish a single pathway that meets the academic requirements necessary for transfer admission to the CSU and UC. This singular lower division general education transfer pathway is to be made available to eligible students for the fall term of the 2025-26 academic year.

This information item provides an overview of the new singular general education transfer path, CSU General Education (GE)-Breadth and possible considerations for changes to GE as a result of the Student Transfer Achievement Reform Act. The CSU has consistently maintained that the development of degree program requirements and academic courses is the longstanding purview of duly elected faculty via campus-based senates and the ASCSU. General education requirements are included within the educational program elements articulated in Title 5, as adopted by the Board of Trustees. This background item is intended to provide context for future proposed amendments to Title 5 sections governing transfer admission and general education requirements.

Background

Every year the CSU admits tens of thousands of transfer students from the 116 community colleges across the state. Historically, half of new CSU undergraduate students enroll as transfer students. A transfer student is a person who has left or graduated from high school and enrolled in an institutionally accredited college *after leaving high school graduation or equivalent*. The CSU has four transfer pathways for students who have previously or are currently attending a community college or another four-year university. The majority of students transfer as an upper division transfer (UDT) student with or without earning an ADT prior to attending a CSU. Both ADT and UDT students have completed at least 60 transferable semester units at a college, followed both a lower division general pattern, and completed major specific preparation. Lower division transfer (LDT) students have completed fewer than 60 transferable semester units and have fulfilled their college-level English and mathematics/quantitative reasoning requirements. In August 2023, the CSU accepted the first cohort of its dual admissions program which reflects the newest path for eligible students to transfer.

In the 2022-23 college year, the CSU received over 120,000 applications and admitted more than 103,000 transfer applicants, equating to an 86% admission rate with 63% of admitted transfer students electing to enroll at a CSU campus. These numbers reflect an ongoing decline in the student transfer population since the onset of the COVID-19 pandemic.

In addition to traditional transfer student populations who pursue enrollment at another college or university before attending the CSU, an increasing number of new first-time undergraduate students arrive with college credit also earned, most typically in general education subjects. For fall 2023, more than half of new first-year undergraduate applicants to the CSU had earned college credit during high school, either through simultaneous “dual enrollment” or through examinations such as Advanced Placement (AP) or International Baccalaureate (IB). These students, as well as those CSU students concurrently enrolled in CSU and community colleges, increasingly resemble the omnidirectional nature of college credit accumulation and transfer.

CSU Transfer Admission Eligibility

Consistent with the California Master Plan and California Education Code, the current CSU admission eligibility requirements seek to ensure that qualified applicants have access to the CSU. The CSU gives the highest priority transfer admission consideration to CCC students who have earned an ADT. All other CCC students who meet the CSU upper-division transfer admission requirements are given the next highest priority admission consideration. To qualify for admission as an upper division transfer student, applicants must meet the following requirements:

- Complete 60 or more transferable semester units;
- Complete at least 30 semester units of general education courses;

- Complete transfer courses in the following general education areas with a C- or better:
 - Written Communication
 - Oral Communication
 - Critical Thinking
 - Mathematics or Quantitative Reasoning
- Have achieved a cumulative GPA of 2.0 or better in all transferable college units attempted;
- Be in good standing at the last college or university attended.

Associate Degree for Transfer

In September 2010, the Student Transfer Achievement Reform Act (SB 1440) was signed into law. This legislation enacted Education Code Sections 66745-66749 which enabled community colleges to confer ADTs to students once they have met specified general education and major requirements for the degree. ADT frameworks were developed collaboratively by CCC and CSU faculty. Students who earn an ADT are eligible for transfer with junior standing into the CSU. In October 2013, subsequent related legislation, SB 440, was signed into law; SB 4400 amended Education Codes Sections 66746 and 66747 and added Section 66748.5, and required further expanding the program in the CCC and CSU:

- A student who earns an ADT shall be deemed eligible for transfer into a CSU baccalaureate program when the student meets both of the following requirements:
 - Completion of 60 semester that are eligible for transfer to the CSU
 - Obtainment of a minimum grade point average of 2.0
- Guarantee admission with junior status to any community college student who meets the above requirements.
- Grant a student priority admission to his or her local CSU;
- Provide ADT applicants admission priority over all other community college transfer students;
- Redirect ADT students that are CSU eligible, but were not accepted to the CSU campus that they applied;
- Guarantee admission to the CSU but not to a specific campus or major;
- Admit applicants to a program or major and concentration, as applicable, that meets either of the following:
 - Is similar to the student's ADT as determined by the admitting CSU campus; or
 - May be completed with 60 semester units of study beyond the ADT, with completion ability determined by the admitting CSU campus.
- Take additional courses at the CSU campus so long as the ADT student is not required to take any more than 60 additional semester units at the CSU.

GE Breadth

CSU GE requirements have been designed to complement the major program and electives completed by each baccalaureate candidate, to assure that graduates have made noteworthy progress toward becoming truly educated persons. These requirements are designed to provide the knowledge, skills, experiences and perspectives that will enable CSU students to expand their capacities to take part in a wide range of human interests and activities; to confront personal, cultural, moral, and social problems that are an inevitable part of human life; and to cultivate both the requisite skills and enthusiasm for lifelong learning. Faculty are encouraged to assist students in making connections among disciplines to achieve coherence in the undergraduate educational experience.

Policies adopted by the CSU Board of Trustees in July 1991 provide three possible patterns for undergraduate students to fulfill CSU GE requirements for a CSU undergraduate degree:

CSU General Education Breadth

Fulfillment of CSU GE requirements (Title 5, Section 40405.1), includes lower-division certification by a CCC or a CSU, and also includes the completion of 9 upper-division semester units consisting of a minimum of 3 semester units each in Areas B, C and D; or

Intersegmental General Education Transfer Curriculum (IGETC)

Completion of the Intersegmental General Education Transfer Curriculum (IGETC) (Title 5, Section 40405.2), as certified by a CCC, and includes the completion of 9 upper-division semester units at the CSU consisting of a minimum of 3 semester units each in Areas B, C and D; or

University of California (UC) Campus Lower-Division General Education

Completion of lower-division general education requirements of a University of California campus (Title 5, Section 40405.3), as certified by that campus, and also includes the completion of 9 upper-division semester units at the CSU consisting of a minimum of 3 semester units each in Areas B, C and D.

Recent CSU General Education Actions

A systemwide Chancellor's General Education Advisory Committee (GEAC) was established in 2017 and still exists today, with membership including at minimum six instructional CSU faculty, one CCC faculty and one CSU student, among others. The committee is responsible in part for reviewing the implications of CSU GE policy for students transferring to the CSU and for the institutions from which they transfer and propose any necessary changes to policies and practices that may better serve students. Within the established GE framework, each CSU campus can exercise creativity in identifying courses, disciplines and learning outcomes. Campus faculty have primary responsibility for developing and revising their university's particular GE program.

In 2017, the Academic Senate of the CSU (ASCSU), with the concurrence of the CSU Chancellor's Office, also established a [GE Task Force](#), which met between 2017 and 2019. The Task Force was comprised of several members of the CSU faculty, two CSU trustees, two CSU students, a staff member from the CSU Office of the Chancellor, and one faculty representative from both the UC and CCC. The culminating report recognized that "the basic structure of CSU GE requirements has remained largely unmodified for several decades" and proposed a new conceptual framework for CSU GE of 36 semester units. The final report sought "to provide a solid starting point for discussion and reflection" for next steps. At that time, however, the ASCSU, while receiving the report, decided not to take further action on the proposed framework.

Most recently, in 2020, Title 5 language and CSU policy governing CSU GE Breadth was amended to add a legislatively required course in Ethnic Studies. This requirement was a result of Assembly Bill 1460. To accommodate the additional requirement, one course requirement in Social Sciences was removed from the pattern. The addition honored the history of Ethnic Studies in the CSU, the requirement can be fulfilled through a broad spectrum of course offerings in African American, Asian American, Latinx and Native American studies that address historical, current and emerging ethnic studies and social justice issues.

CSU GE Subject Areas

Existing CSU GE Breadth subject requirements have been designed to complement the major academic program and electives completed by each undergraduate student. These requirements are designed to provide the knowledge and perspectives that will enable CSU students to apply academic learning across personal, moral, social and workforce contexts. These areas require a minimum of 39 semester units, or 13 courses, of lower division coursework.

In addition to lower division courses, CSU GE Breadth includes nine semester units of upper division course requirements in Scientific Inquiry and Quantitative Reasoning (3 semester units), Arts and Humanities (3 semester units) and Social Sciences (3 semester units).

Area A	English Language Communication and Critical Thinking
Area B	Scientific Inquiry and Quantitative Reasoning
Area C	Arts and Humanities
Area D	Social Sciences
Area E	Lifelong Learning and Self-Development
Area F	Ethnic Studies

The Student Transfer Achievement Reform Act of 2021

Transfer among California's public postsecondary institutions has been a hallmark of the state's vision for higher education. A goal of the Student Transfer Achievement Reform Act of 2021 was to streamline the process by which CCC students may transfer to a four-year university. The act establishes an Intersegmental Implementation Committee to facilitate coordination for the ADT and focuses on improving student transfer outcomes. The act also directed the Intersegmental Committee of Academic Senates (ICAS) to establish one lower division general education pathway, of no more than 34 semester units (the number of units included within IGETC), that meets admission requirements for both the CSU and UC systems. Intended to simplify transfer across the higher education segments, the single lower division general education pathway is to commence with the fall term of the 2025-26 academic year.

The goal is for more students to benefit from the ADT pathway and to:

- Reduce the number of units accumulated by CCC students before transferring;
- Eliminate repeat courses at four-year institutions taken by CCC students who successfully transfer; and
- Increase the number of CCC students who transfer to a four-year institution with an ADT.

Intersegmental Committee of the Academic Senates

The Intersegmental Committee of the Academic Senates (ICAS) is the designated group of academic senate leaders from each of the three segments of public higher education in California: CCC, CSU and UC. It meets jointly to address matters of academic importance to all three segments. The respective chairpersons for each segment alternate leadership of ICAS on an annual basis.

While each of the academic senates of the three ICAS partners provide leadership for faculty in their own segments, ICAS members also collaborate on policy positions and publications to the degree that such cooperation has the potential to improve intersegmental cooperation and better serve the students and people of California. Issues subject to cooperation among ICAS members include advising California high school students on preparation for California higher education, facilitating admission and transfer, and keeping California higher education affordable.

Development of Cal-GETC

As stipulated by AB 928, ICAS was charged with developing a single lower division general education pathway, of no more than 34 semester units, that meets admission requirements for both the CSU and UC systems. Beginning in 2025, the pathway would replace both the existing CSU GE Breadth and IGETC pathways available to community colleges students.

In the 2021-22 and 2022-23 academic years, ICAS engaged in discussion of AB 928 curriculum and reached consensus in creating a proposed singular, lower-division general education transfer curriculum framework entitled the California General Education Transfer Curriculum (Cal-GETC). The proposed Cal-GETC pathway was disseminated to the faculty of the three systems in May 2022 for vetting through fall 2022. Following the outcomes of system vetting and then consideration by the academic senates of all three systems, in spring 2023, ICAS approved the final Cal-GETC framework which would require 34 semester units of lower division coursework.

Comparison of CSU GE and Cal-GETC

AB 928 stipulated that a new singular lower division general education pathway would not include more units than the existing IGETC pattern, which is 34 semester units. In comparison, Cal-GETC requires five fewer units than CSU GE Breadth as a result of:

- Including a one-unit required laboratory for Biological or Physical Sciences
- Removing one of the three Arts or Humanities courses (in Area C)
- Removing Area E, Lifelong Learning and Self Development

CSU GE Breadth		Cal-GETC	
A1 – Oral Communication	3	Oral Communication	3
A2 – Written Communication	3	English Composition	3
A3 – Critical Thinking	3	Critical Thinking and Composition	3
B1 – Physical Sciences	3	Physical Sciences	3
B2 – Life Sciences	3	Biological Sciences	3
B3 – Laboratory (included in B1/B2 units)		Laboratory (for Science course)	1
B4 – Mathematics/QR	3	Mathematical Concepts/QR	3
C1 – Arts	3	Arts	3
C2 – Humanities	3	Humanities	3
C3 – Additional course from C1 or C2	3		
D1 – Social and Behavioral Sciences	3	Social and Behavioral Sciences	3
D2 – Social and Behavioral Sciences	3	Social and Behavioral Sciences	3
E – Lifelong Learning and Self-Development	3		
F – Ethnic Studies	3	Ethnic Studies	3
UNIT TOTALS	39		34

Next Steps

California Education Code additions that resulted from AB 928 and subsequent development of Cal-GETC necessitate amendments and updates to multiple Title 5 provisions, CSU system policies and individual university policies governing CSU admission and general education requirements for graduation. The CSU Board of Trustees, through its delegation of authority in California Education Code and standing orders, has purview to establish and amend both admission requirements and undergraduate educational program requirements, including general education, as reflected in Title 5.

To inform the board's future actions, the following processes and consultations have been undertaken or initiated:

- During fall 2022 and spring 2023, the ASCSU gathered input from university faculty senates on the proposed Cal-GETC framework for the purposes of admission and degree requirements for transfer students. By May 2023, the three academic senates represented by ICAS endorsed Cal-GETC as the subject areas for a singular lower division general education pathway that meets the academic requirements necessary for transfer admission to the California State University and the University of California.
- The CSU Admission Advisory Council (AAC), the representative body charged with advising the chancellor on systemwide admission policies and practices, is evaluating and identifying necessary changes to CSU admission policies as a result of the development of Cal-GETC. The AAC will provide recommendations to the Chancellor by December 2023.
- The Chancellor's General Education Advisory Council has been asked to identify considerations related to Cal-GETC implementation by December 2023.
- The CSU Office of the Chancellor is continuing to regularly consult with ASCSU leadership as well as the California State Student Association in considering how the Cal-GETC framework may interact with the CSU GE Breadth pattern for all undergraduate students upon its implementation in 2025.

Conclusion

Achieving equitable student access and success is a shared objective of CSU faculty, staff, leaders and students. Ensuring clear, consistent educational pathways for all students is paramount to this success. In the coming weeks, the Chancellor's Office and the Academic Senate of the CSU will engage in continued consultation on the implementation of the Student Transfer Achievement Reform Act in order to serve all CSU students equitably. The collective guidance and recommendations from the various consultation processes will inform proposed amendments to Title 5 to support current and future CSU undergraduate students.

COMMITTEE ON EDUCATIONAL POLICY

Graduation Initiative 2025 and Student Success

Presentation By

Mildred García
Chancellor
California State University

Dilcie D. Perez
Deputy Vice Chancellor
Academic and Student Affairs

Jennifer Baszile
Associate Vice Chancellor
Student Success and Inclusive Excellence

Summary

As the nation's largest and most diverse system of four-year higher education, the California State University (CSU) is a beacon for educational opportunity and social mobility. Nearly 15 years ago, the system embraced and embodied its dedication to advance student success and access through a bold inquiry of, and public commitment to, increasing student graduation rates across its 23 universities. More recently, the collective recommendations of the Chancellor's Strategic Workgroups for strategic enrollment management and planning, the Graduation Initiative and Black Student Success present, the opportunity for the CSU to build on the insights and knowledge culled from Graduation Initiative 2025 and lead at a national level work focused on equity-centered access and student success.

As California's greatest engine of economic mobility and prosperity, the CSU is committed to building upon the important work of Graduation Initiative 2025 as it engages in meaningful dialogue on the future of student success and access. This information item provides detailed information on university-wide graduation rate data for 2023 and highlights what lies ahead after 2025.

Graduation Initiative 2025 Goals

The California State University has been guided by its Graduation Initiative 2025 to set a new national standard for providing high quality affordable degree opportunities. The initiative's bold goals are to achieve the following milestones by 2025:

- A 40 percent 4-year graduation rate goal for first-time students;
- A 70 percent 6-year graduation rate goal for first-time students;
- A 45 percent 2-year graduation rate goal for transfer students;
- An 85 percent 4-year graduation rate goal for transfer students;
- Elimination of equity gaps between CSU students who identify as African American, Native American or Latinx and their peers; and
- Elimination of equity gaps between Pell recipient students and their peers.

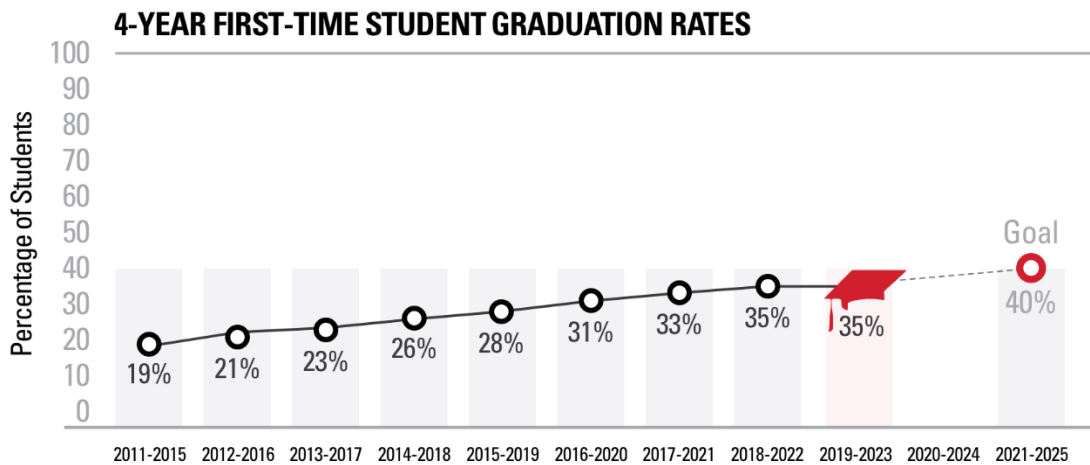
2023 Graduation Rate Data

The following data provide insights on graduation rates based on specific student populations including first-time, transfer, underrepresented students of color and Pell Grant recipients.

4-Year Graduation Goal for First-Time Students

The 4-year graduation rate for the first-time student cohort that began in 2019 and graduated in 2023 or earlier was 35.5 percent. This rate is the highest ever for the CSU and marks a small increase from the previous year as illustrated in the table and graph below. Please note numbers have been rounded in all graphs.

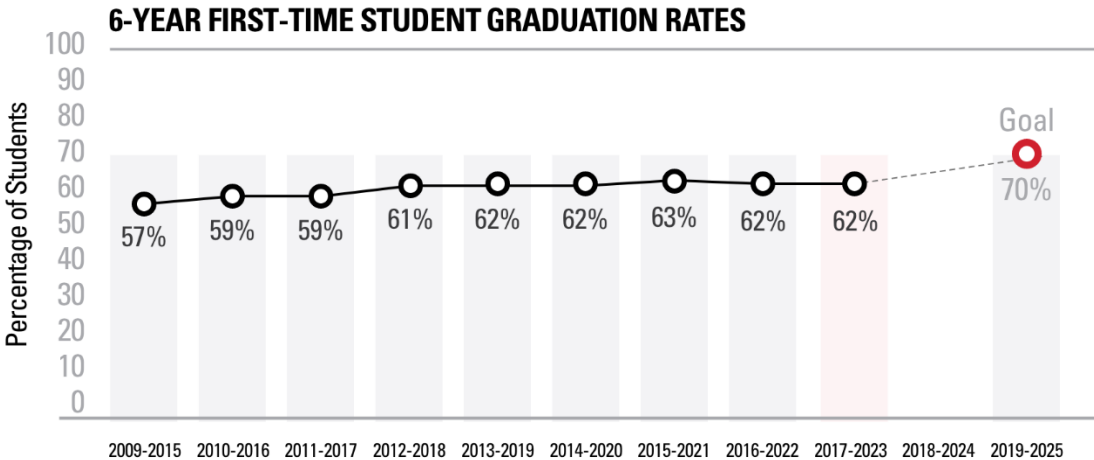
Cohort	Grad Rate (%)
2009-2013	17.9
2010-2014	18.7
2011-2015	19.3
2012-2016	20.7
2013-2017	22.7
2014-2018	25.5
2015-2019	27.7
2016-2020	31.0
2017-2021	33.3
2018-2022	35.0
2019-2023	35.5
2025 Goal	40



6-Year Graduation Goal for First-Time Students

The 6-year graduation rate for the first-time student cohort that began in 2017 and graduated in 2023 is at 62.1 percent.

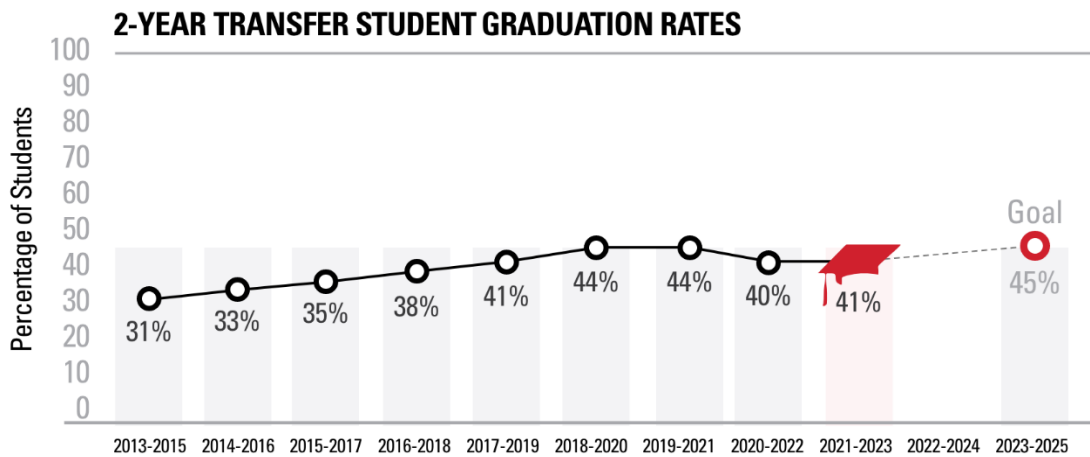
Cohort	Grad Rate (%)
2009-2015	57.3
2010-2016	59.3
2011-2017	59.4
2012-2018	61.2
2013-2019	62.1
2014-2020	62.4
2015-2021	63.2
2016-2022	62.0
2017-2023	62.1
2025 Goal	70



2-Year Graduation Goal for Transfer Students

The 2-year graduation rate for the transfer cohort that began in 2021 and graduated in 2023 or earlier was 41.5 percent.

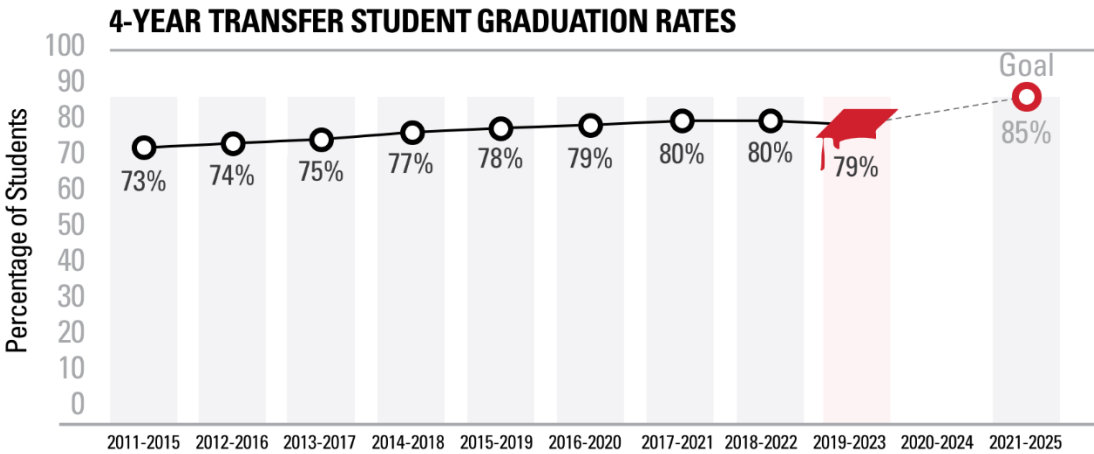
Cohort	Grad Rate (%)
2009-2011	24.5
2010-2012	27.8
2011-2013	26.7
2012-2014	28.4
2013-2015	30.6
2014-2016	32.6
2015-2017	35.1
2016-2018	38.0
2017-2019	40.7
2018-2020	43.6
2019-2021	44.3
2020-2022	40.3
2021-2023	41.5
2025 Goal	45



4-Year Graduation Goal for Transfer Students

The 4-year graduation rate for the transfer cohort that began in 2019 and graduated in 2023 or earlier declined slightly to 79.4 percent. This rate still puts the university within six percentage points of the 2025 goal of 85 percent.

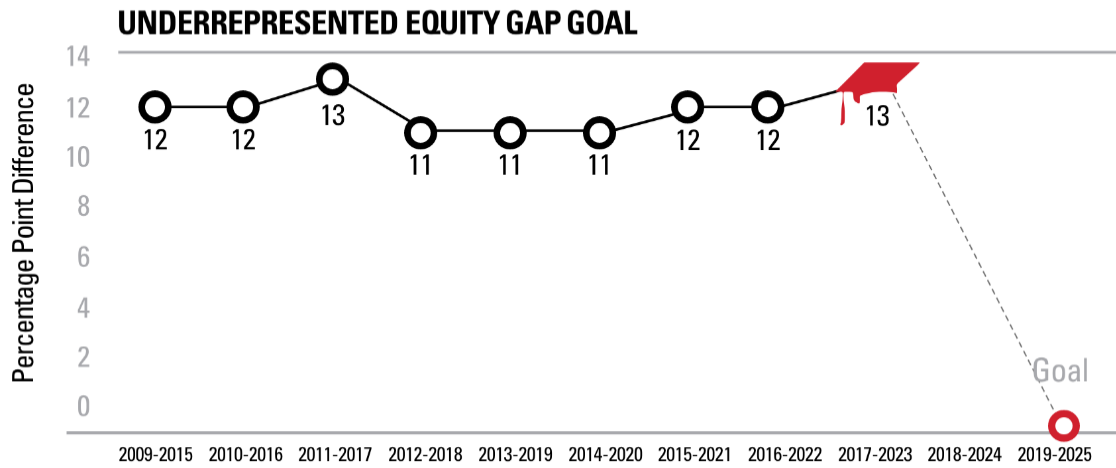
Cohort	Grad Rate (%)
2009-2013	69.2
2010-2014	72.8
2011-2015	73.0
2012-2016	74.0
2013-2017	75.3
2014-2018	77.1
2015-2019	77.6
2016-2020	78.9
2017-2021	79.6
2018-2022	80.4
2019-2023	79.4
2025 Goal	85

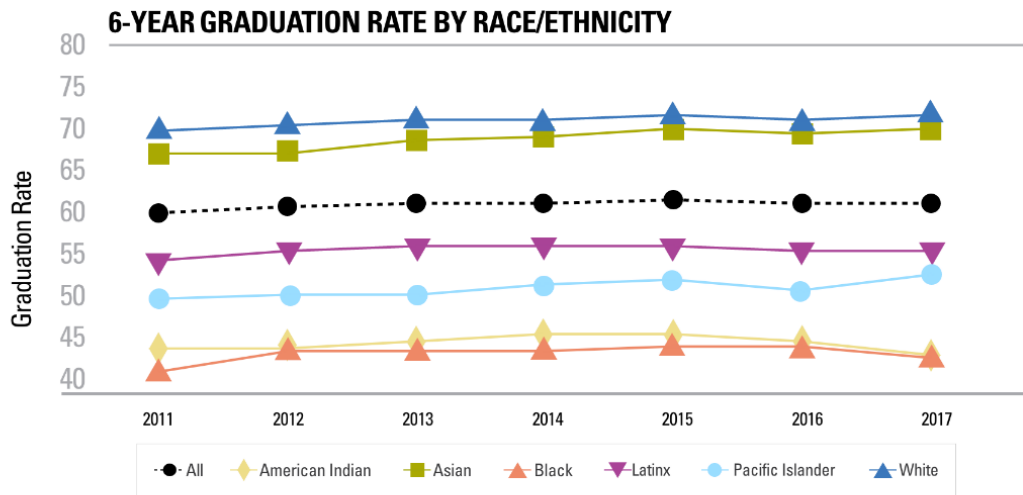


Underrepresented Students of Color Equity Gap Goal

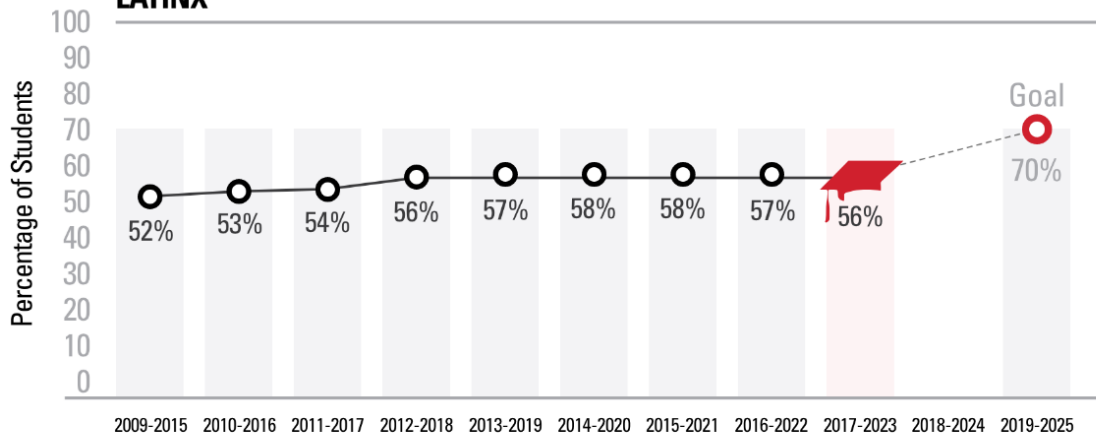
The CSU’s commitment to student success is a commitment to equal opportunity for all students who seek to earn a degree regardless of their family income or background. Equity gaps are measured on the 6-year graduation rate for the first-time student cohort. Communities from which students who are historically underrepresented in higher education – those who identify as African American, Native American or Latinx – have been impacted disproportionately by the global pandemic compared to their peers. While not directly attributable to the pandemic, this year the gap between the 2017 cohort that graduated within six years with their peer group widened to 13.4 percentage points. Disaggregated graduation rate data for each student group can be found at <https://public.dashboards.calstate.edu/public/csu-by-the-numbers/graduation-rates> and is also provided in the following graphs.

Cohort	Grad Rate Gap (percentage points)
2009-2015	11.6
2010-2016	12.2
2011-2017	12.5
2012-2018	10.6
2013-2019	11.1
2014-2020	10.5
2015-2021	12.4
2016-2022	12.0
2017-2023	13.4
2025 Goal	0

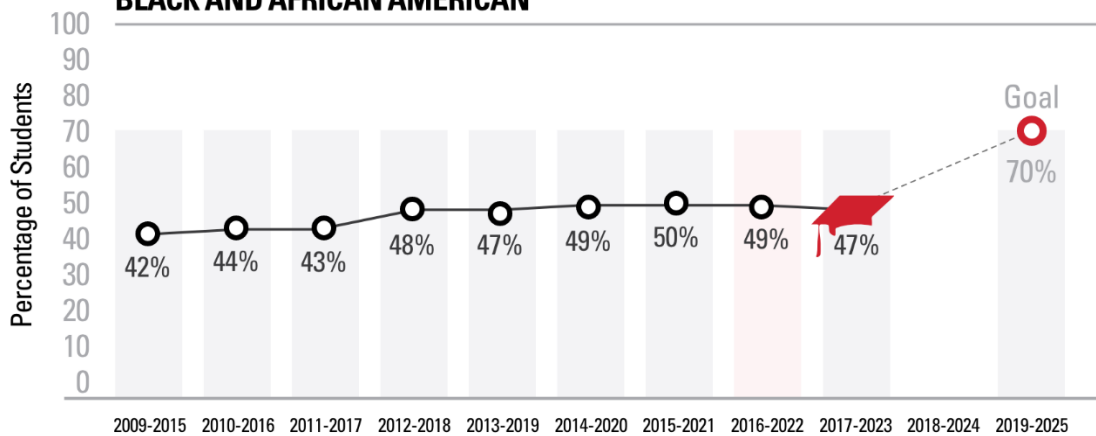




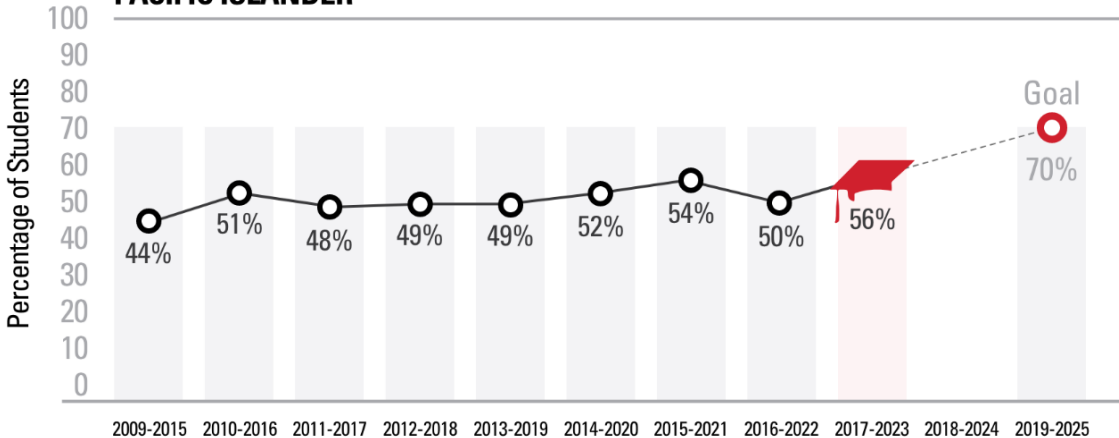
6-YEAR FIRST-TIME STUDENT GRADUATION RATES LATINX



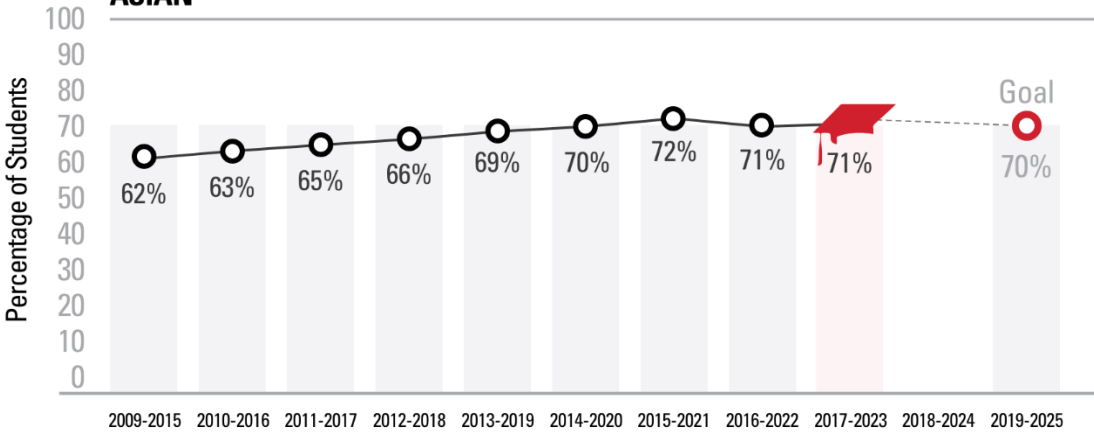
6-YEAR FIRST-TIME STUDENT GRADUATION RATES BLACK AND AFRICAN AMERICAN



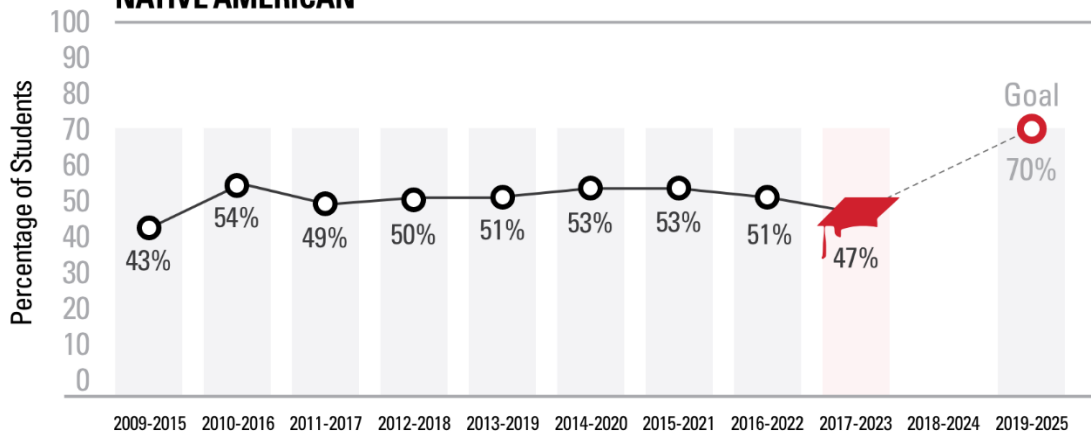
6-YEAR FIRST-TIME STUDENT GRADUATION RATES PACIFIC ISLANDER



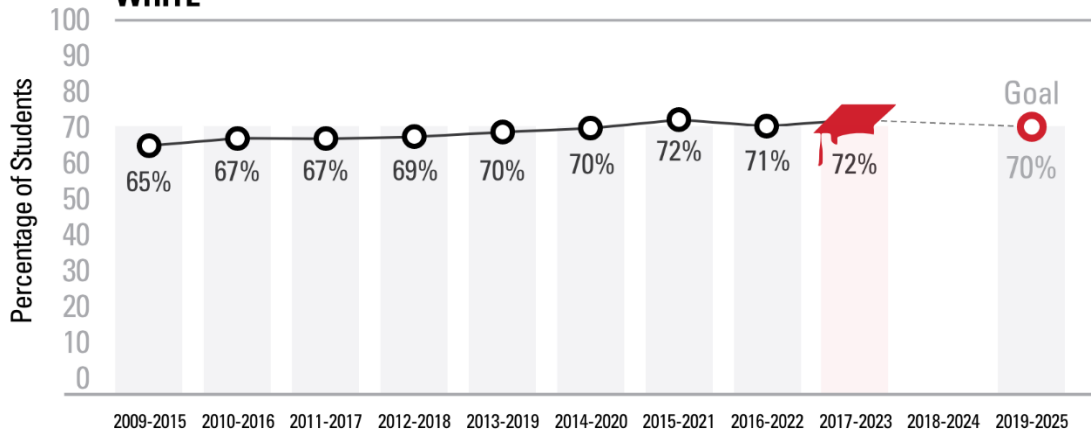
6-YEAR FIRST-TIME STUDENT GRADUATION RATES ASIAN



6-YEAR FIRST-TIME STUDENT GRADUATION RATES NATIVE AMERICAN



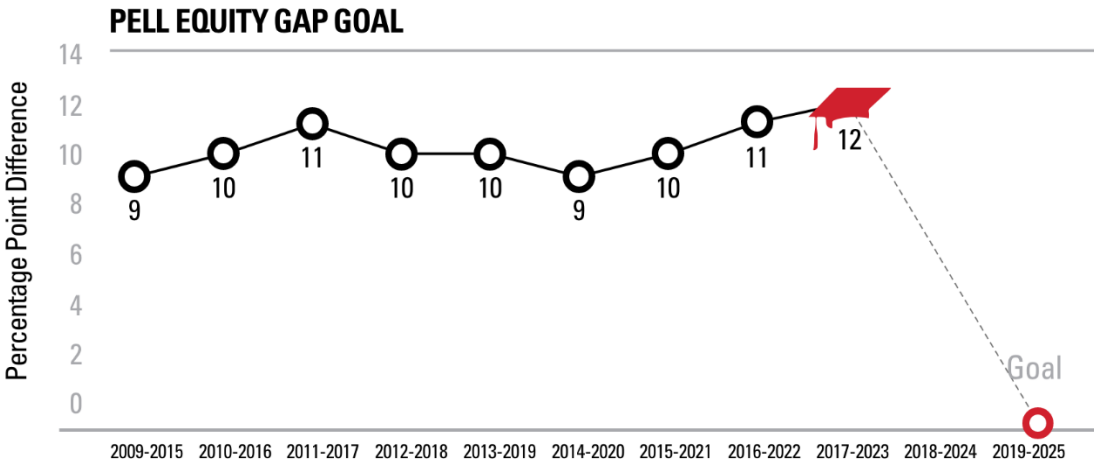
6-YEAR FIRST-TIME STUDENT GRADUATION RATES WHITE



Pell Equity Gap Goal

The data also indicates that 6-year degree completion outcomes for Pell recipient students trailed those of their peers. The gap for the 2017 cohort that graduated within six years increased to 12.3 percentage points.

Cohort	Grad Rate Gap (percentage points)
2009-2015	8.8
2010-2016	10.3
2011-2017	11.1
2012-2018	9.8
2013-2019	10.2
2014-2020	9.2
2015-2021	10.2
2016-2022	11.0
2017-2023	12.3
2025 Goal	0



The Year Ahead: CSU Stakeholder Engagement

It is vital that the CSU intentionally engage with a broad range of stakeholders to help inform and develop a bold path forward in access, student success and equity. The CSU appreciates the considerable efforts of California Competes, the Campaign for College Opportunity, the Education Trust-West, the Public Policy Institute of California and other community-based organizations who share its commitment in spotlighting access and student success in California. Over the next year, the system will host strategic consultations, roundtables and convenings with industry, community, philanthropic, educational, governmental and intersegmental partners. Additionally, CSU consultations will provide all segments of each university community the opportunity to share their experiences and perspectives. The central outcome of this work is to ensure key stakeholders are heard, engaged and thoroughly consulted through an intentional process of appreciative listening.

The goals of this year of engagement are threefold:

- To reflect on the infrastructure built during GI 2025, understand the momentum it created on campuses and within the system, and address how gaps have impeded progress.
- To engage in action-oriented discussion, grounded by the reflections above, to finalize a needed systemwide vision and definition of student success (with aligned metrics) that will underpin the next phase of the GI initiative and inform the next set of milestones and goals.
- Educate industry and philanthropic partners about the value of the CSU's focus on student success and articulate a vision of shared interest for closer collaboration in the forthcoming initiative.

Conclusion

With under two years to the completion of Graduation Initiative 2025, the CSU is marshalling its resources to finish strong and, more importantly, to ensure every CSU student has the opportunity to realize their academic goal of earning a college degree. Student success will remain the North Star of the CSU and the system will be leveraging its best thinking and most promising practices – as well as the essential insights of stakeholders at every level and in every category – to lead the nation in student access, success and equity.

AGENDA

JOINT COMMITTEE ON EDUCATIONAL POLICY AND FINANCE

Meeting: 3:45 p.m., Tuesday, November 7, 2023
Glenn S. Dumke Auditorium

Committee on Educational Policy

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie
Jonathan Molina Mancio
Jose Antonio Vargas
Darlene Yee-Melichar

Committee on Finance

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
Jose Antonio Vargas
Darlene Yee-Melichar

Consent 1. Approval of Minutes of the Meeting of September 13, 2023, *Action*
Discussion 2. Chancellor's Strategic Workgroup on Financial Aid, *Information*

**MINUTES OF THE JOINT MEETING OF
THE COMMITTEE ON EDUCATIONAL POLICY AND FINANCE**

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

September 13, 2023

Members Present

Committee on Educational Policy

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie
Jose Antonio Vargas

Committee on Finance

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
Jose Antonio Vargas

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Arambula called the meeting to order.

Approval of the Consent Agenda

A motion to approve the consent agenda without discussion passed. The minutes from the meeting on September 13, 2023 were approved as submitted.

Chancellor's Strategic Workgroup on Financial Aid

Dr. Nathan S. Evans, deputy vice chancellor of Academic and Student Affairs and co-chair of the Chancellor's Strategic Workgroup on Financial Aid, provided a brief introduction by summarizing the origin of the workgroup and its members. The workgroup has met on five occasions with a strong focus on data to help develop an accurate picture of student and family financial need and how to maximize available support. The workgroup is also exploring a more consistent approach

systemwide in how the cost of attendance is defined, how financial aid is distributed and how financial aid opportunities are communicated. Dr. Evans then outlined the workgroup's key policy principles that will inform a financial aid policy: affordability of a CSU education must be defined and measured based on total cost of attendance and student financial need; an amount equal to one-third of tuition revenue is to be set aside for institutional aid; continued work to maximize state and federal aid; maintain a consistent share of non-tuition coverage for undergraduates; address a portion of total cost of attendance, including housing, for lowest income students with institutional aid; and streamline the financial aid process while providing a consistent student and family experience. With these principles in place, the workgroup is now working with consultants on modeling based on current CSU student populations. Dr. Evans shared the workgroup is working on two policies – one based on current state financial aid circumstances and the second to accommodate potential Cal Grant reform elements.

Trustee Julia Lopez, co-chair of the Chancellor's Strategic Workgroup on Financial Aid, further elaborated on the data review. She shared the workgroup's focus on the topic of affordability and how to reduce the costs of housing, transportation and food contributing to the overall cost of attendance. Trustee Lopez underscored that financial aid policy is not solely under the discretion of the CSU as state and federal grants are the oversight of governmental agencies. As a result, having an infrastructure that ensures a consistent experience is essential.

Trustees posed questions regarding certain student populations, the possibility of the State University Grant (SUG) funding housing costs based on campus location, how to leverage SUG for student recruitment and outreach and campus fees.

Trustee Arambula adjourned the meeting of the Joint Committee on Educational Policy and Finance.

JOINT COMMITTEE ON EDUCATIONAL POLICY AND FINANCE

Chancellor's Strategic Workgroup on Financial Aid

Presentation By

Nathan Evans
Deputy Vice Chancellor, Academic and Student Affairs
Chief Academic Officer

Julia I. Lopez
Trustee

Introduction and Charge

This item provides a report on the progress of the Chancellor's Strategic Workgroup for Financial Aid and its efforts to date to maximize financial aid and ensure affordability for the CSU's current and future students.

Interim Chancellor Koester appointed the group in June 2023, charged with: (1) recommending a comprehensive financial aid strategy and policy for the CSU; (2) developing an implementation plan to ensure that universities are equipped with the procedural requirements, infrastructure and flexibility to make student-by-student adjustments (within a set of consistent parameters); and (3) linking the policy to a clear message to Californians about CSU affordability. As the workgroup addressed its charge, in September 2023, the Board of Trustees approved a multi-year tuition proposal that includes a commitment of an additional \$280 million for student financial aid over five years in the form of the State University Grant, or SUG.

Policy Framework

The Financial Aid Workgroup has met on seven occasions, with additional sessions scheduled this fall. Through comprehensive data analysis and in-depth discussions on current and potential systemwide practices, the workgroup has arrived at the following tentative precepts for a systemwide financial aid policy:

- The affordability of a CSU education will be measured based on total cost of attendance, as stated in the adopted tuition policy, and student financial need.
- The CSU must continue to aim for the maximum state and federal aid, for the benefit of students and the university.
- The CSU must continue to address tuition with non-loan financial aid for a share of our undergraduate population similar to current practice.

The workgroup is further considering options and methodologies to:

- Distribute available State University Grant funds, beyond those used for tuition, to meet a portion of the total cost of attendance for the CSU's lowest income students.
- Streamline and align processes across campuses for the awarding of financial aid to provide students with consistent communication and experience, including (1) packaging methodologies, (2) a consistent format for financial aid letters that allows students to easily distinguish grant aid from loans and compare between campuses, and (3) a consistent methodology for computing campus cost of attendance.

Financial Modeling to Identify Options

This fall, the workgroup is reviewing complex financial modeling and simulations in an effort to identify the key policy and value choices within the CSU's control that affect the availability of SUG funding to address affordability. In the starkest sense, the choices fall somewhere in between reducing student tuition costs for the greatest numbers of students or limiting tuition coverage to reduce the total cost of attendance for a smaller proportion of high-need students.

The workgroup is examining different options along this continuum, consistent with Board priorities, to increase affordability by lowering overall cost of attendance for specified students. Under any scenario, the workgroup agrees that a new financial aid policy should allow for SUG to be used for purposes beyond tuition and fees. The models have allowed the workgroup to identify core value choices for consideration. Key questions include:

- Reducing cost of attendance and for whom:
Is it reasonable to focus resources on reducing the total cost of attendance for the CSU's lowest-income students – those with incomes below \$30,000? If so, what is a reasonable target for remaining unmet need per student? A key tradeoff would be that the CSU would no longer have the funding to cover tuition for students higher up the income spectrum.
- Considering student contributions:
Should the CSU consider a student "self-help" component – such as work income or borrowing – when computing a student's unmet need? If so, what dollar figure should be used and for which income levels should this be considered?
- Aligning SUG financial aid to graduation goals:
Is it reasonable to restrict SUG awards after a student's sixth year of study, consistent with the CSU's goal of accelerating graduation rates? Would the trade-off in terms of freeing SUG dollars to reduce the cost of attendance for other CSU's students be justified? Currently, SUG eligibility is based on student units and not the number of years enrolled (students may receive SUG for up to 150 units with certain exceptions).

- Establishing limits for SUG support:
Should students with incomes above a certain income or expected family contribution threshold be phased out of SUG support? Should the amount of SUG support for graduate students be limited to the amounts generated from graduate fee increases (as opposed to being subsidized by undergraduate tuition increases)? What are the trade-offs between placing these limitations and the additional funds that would be generated to reduce undergraduate cost of attendance?

Cal Grant Reform

As the workgroup reviews its financial modeling, the possibility of Cal Grant reform remains on the horizon. The 2022 state budget adopted the Cal Grant Reform Act that makes major statutory changes to the state's largest financial aid program. The current Cal Grant program is slated to be replaced with a new, more streamlined version that provides a Cal Grant 2 for California Community College students and a Cal Grant 4 for students attending eligible four-year public or private universities. But the program's future remains murky. Slated to begin in 2024-25, the California Department of Finance must determine – in the spring of 2024 – that the state has enough funding to support the program over a multi-year forecast. Highlights of the Cal Grant Reform Act include:

- Collapsing the current eight types of Cal Grants into two: Cal Grant 2 and Cal Grant 4.
- Aligning eligibility for Cal Grant with the new federal Student Aid Index (SAI).
- Removing age limitations, time since high school graduation and Grade Point Average requirements.
- Eliminating Cal Grant B access awards that many CSU students currently receive as a living allowance.

The CSU agrees with the goals of Cal Grant Reform but has concerns about its financial implications on both its students and the SUG program. The workgroup is taking great care to include simulations that illuminate how Cal Grant Reform would affect student financial aid coverage and how the CSU's financial aid policy choices may need to shift to accommodate these changes. Key questions include:

- Potential Savings to the CSU:
How many students who currently receive SUG but not Cal Grant would be covered under the new Cal Grant 4? Knowing this data point allows the CSU to understand how much funding may be freed up to reduce student total cost of attendance.

- Potential Costs to the CSU:

Theoretically, Cal Grant Reform should provide tuition coverage for an increased number of our students; however, there are still many remaining considerations. For example,

- How many Cal Grant 4 students will exhaust Cal Grant eligibility and require SUG tuition grants? What will the cost to the CSU be?
- How many transfer students will enter the CSU having exhausted their Cal Grant eligibility while attending community college and what will be the cost if CSU provides SUG tuition grants for these students?
- How many students who currently meet Cal Grant eligibility but will be excluded because they are not eligible for federal Pell Grants? What is the role of SUG in supporting these students? What role will the Middle-Class Scholarship program play?
- How many current students will remain in the existing Cal Grant Program (and thus remain under the pre-reform policy and continue to receive SUG)? What will be the total cost?

As part of its analysis, the workgroup has identified discrepancies between the CSU's data and that of the California Student Aid Commission (CSAC) in the estimate of Cal Grant 4-eligible students and the impact of implementing the reforms. The workgroup will continue to examine the financial impacts of both the status quo and the proposed reforms, including working with CSAC to resolve data discrepancies.

The CSU Board of Trustees will need additional information that clearly lays out the implications of Cal Grant Reform so that it can appropriately communicate its findings to the Department of Finance and the Legislature. While we know that Cal Grant reform will have a significant impact on available SUG funding, it is important that the CSU have a clear and decisive position on the reforms that considers the impact on CSU students and the SUG program, and that the Department of Finance is aware of these implications when determining when or if to implement the reforms.

Next Steps

Complementing the efforts of the workgroup, the CSU has joined more than 400 colleges and universities nationwide who have committed to follow a set of principles and standards recommended by the College Cost Transparency Initiative. The initiative, launched by 10 higher education associations representing college presidents, financial aid offices, and admissions and school counselors, was formed to ensure transparency, clarity, and understanding around communicating student financial aid offers. These recommendations align with the principles initially developed by the CSU's financial aid workgroup and the goal of providing students and families with consistent communication and experiences across the system.

The workgroup will continue this fall and winter to review additional modeling and address choices to develop a comprehensive policy that centers financial aid as a vital tool to expand access, affordability, equity and success for our students. Once a policy framework is finalized, the workgroup's next focus will be to develop an implementation plan that provides for the flexibility, tools, resources, administrative capacity and infrastructure required by our campuses to meet the unique financial needs of their students. The workgroup will also delineate a communication strategy to highlight to potential students and their families the affordability and value of a CSU education, as well as clear, timely and easy-to-understand information on available financial support. The workgroup will once again report its progress to the Board of Trustees in January.

AGENDA

COMMITTEE ON AUDIT

Meeting: 4:15 p.m., Tuesday, November 7, 2023
Glenn S. Dumke Auditorium

Yammilette Rodriguez, Chair
Jean Picker Firstenberg, Vice Chair
Leslie Gilbert-Lurie
Lillian Kimbell
Jonathan Molina Mancio
Lateefah Simon
Christopher Steinhauser
Darlene Yee-Melichar

- Consent** 1. Approval of Minutes of the Meeting of September 12, 2023, *Action*
- Discussion** 2. Status Report on Audit and Advisory Services Activities, *Information*
3. Audit and Advisory Services Charter, *Action*
4. Audit Committee Charter, *Action*

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

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

September 12, 2023

Members Present

Yammilette Rodriguez, Chair
Jean Picker Firstenberg, Vice Chair
Leslie Gilbert-Lurie
Lillian Kimbell
Christopher Steinhauser
Wenda Fong, Chair of the Board

Trustee Yammilette Rodriguez called the meeting to order.

Approval of the Consent Agenda

The minutes of the July 11, 2023, meeting of the Committee on Audit were approved as submitted.

Item two, Status Report on Audit and Advisory Services Activities, was an information item.

Trustee Rodriguez adjourned the Committee on Audit.

COMMITTEE ON AUDIT

Status Report on Audit and Advisory Services Activities

Presentation By

Vlad Marinescu
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Summary

This item provides an update on internal audit activities and initiatives.

The 2022-23 audit plan was completed in October 2023. Attachment A provides a summary of key accomplishments from the 2022-23 plan year.

For the current year 2023-24 audit plan, assignments were made to execute individual campus audit plans and conduct financial, operational, compliance, and information technology audits; use continuous auditing techniques and data analytics tools; provide advisory services; support intergovernmental audits; and perform investigation reviews, as needed.

Follow-up on current and past assignments is being conducted on 30 completed campus reviews. Attachment B summarizes the status of audit assignments by campus.

ASSURANCE AUDITS AND DATA ANALYTICS

Status of In-Process and Completed Audits

Audit and Advisory Services has completed all 52 audits of the 2022-23 audit plan. Twenty-one audits are currently in process as part of the 2023-24 audit plan. Completed audit reports are posted on the California State University website at <https://www2.calstate.edu/csu-system/transparency-accountability/audit-reports>.

The status of campus progress toward implementing recommendations for completed audits is included in Attachment B. Prior year audits that have open recommendations are also included in Attachment B and are removed from the report once all recommendations are completed.

Both campus management and audit management are responsible for tracking the implementation/completion status of audit recommendations contained in campus audit reports. During the audit process, campus management identifies a target completion date for addressing

each audit recommendation. Target completion dates are subject to approval by audit management prior to the audit report being finalized. Implementation timelines are reviewed for appropriateness, reasonableness, and timeliness, which also includes evaluating the nature and level of risk and whether any mitigating controls can or should be put in place on an interim basis while audit recommendations are being implemented.

If there are difficulties or unexpected delays in addressing/completing audit recommendations within the agreed upon timeframes, escalation processes for resolution are followed by audit management. Audit management first contacts the campus senior leadership team (president and/or VP/CFO) to resolve any delays. In rare instances in which delays cannot be resolved during discussions between campus and audit management, the chancellor and audit committee chair and/or vice chair may help resolve delays, as needed.

Data Analytics

As part of periodic monitoring of campus credit card and Concur travel data, the data analytics team is performing follow up with 17 campuses for possible anomalies. The team is also exploring ways to improve the periodic monitoring process in these two areas in order to provide additional value to campus management.

Credit card dashboards have been completed and shared with campus management to review trends and proactively address possible anomalies. Additionally, expenditure dashboards have been completed and will be used by the audit and advisory team as part of the planning process. The team is continuing to work on payroll-related dashboards to perform analytics on employee leave, additional pay, and bonus payment data.

ADVISORY SERVICES

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 AND INTERGOVERNMENTAL AUDITS

Audit and Advisory Services is periodically called upon to provide investigative reviews of alleged fiscal improprieties. Investigations are performed both at the request of an individual campus or the chancellor's office and by referral from the state auditor. Additionally, Audit and Advisory Services assists with tracking external audits being conducted by state and federal agencies, offers assistance to campuses undergoing such audits, and acts as a liaison for the California State University system throughout the audit process when appropriate.

The California State Auditor (CSA) recently began its audit of community college transfers. The audit will review California's higher education systems' efforts to improve the rate of community college transfers to the California State University and University of California. The audit is currently in the planning phase. The scope and objectives of the audit are available on the State Auditor's website (<https://www.auditor.ca.gov/pdfs/analyses/2023-123.pdf>).

OUTREACH AND ENGAGEMENT

Audit and Advisory Services continues to partner and work with our campus and system stakeholders beyond what would be the usual course of business for an audit or advisory review in order to find opportunities to add value to the organization when possible. This includes partnering activities such as participating and leading affinity groups, providing support to campus and chancellor's office management, sharing information and common themes across campuses, and acknowledging feedback and insights provided by management.

In September 2023 Audit and Advisory Services hosted the 7th annual roundtable meeting designed to facilitate communication and collaboration between Audit and Advisory Services and CSU campus audit representatives. The meeting was held in person at Cal Poly Pomona and sessions covered a variety of topics such as campus safety, information security, Title IX, and notable observations from recent audits. Campus attendees were particularly engaged in this year's meeting and the post-event survey indicated that the content was relevant and timely.

INTERNAL AUDIT FRAMEWORK AND STANDARDS

Education Code Section 89045, enacted by Chapter 1406 of the Statutes of 1969, provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University. Audit and Advisory Services assists university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Additionally, Audit and Advisory Services serves the university in a manner that is consistent with the International Professional Practices Framework and the Code of Ethics as promulgated by the Institute of Internal Auditors, including organizational independence, as outlined in the Audit and Advisory Services Charter

Aud
Agenda Item 2
November 7-8, 2023
Page 4 of 4

Audit and Advisory Services is organizationally independent and free from interference in determining the scope of internal audits, performing work, and communicating results. To ensure organizational independence, Audit and Advisory Services reports functionally to the Trustees of the California State University, and administratively to the Chancellor.

AUDIT AND ADVISORY SERVICES 2022-23 YEAR-IN-REVIEW

50

**VALUE-ADDED
REVIEWS**



Advisory and data analytics projects providing proactive feedback to campus management

INTERGOVERNMENTAL AUDITS

Served as the systemwide liaison for NAGPRA and Title IX audits conducted by the California State Auditor



REAL TIME

Alerts of fraudulent activity sent to campuses

52

Assurance Audits



Providing assurance to the Board that controls are designed and operating effectively



IT AUDIT WORK GROUP

Addressing recurring IT audit observations

MIGRATED ANALYTICS PLATFORM

60

Data Analytics Dashboards



Analyzing large transactional data sets to identify trends and anomalies

COMMUNICATION

Notable observations shared with management to bring awareness to opportunities for improvement noted systemwide



222

**RECOMMENDATIONS
ISSUED**



**133 DATA SETS
REVIEWED**

In support of Audit and Advisory projects

STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status
Chancellor's Office	Audits Currently in Progress	Emergency Management	FY 23-24		
	Status of Recommendations	Payroll and Benefits Reporting	FY 22-23	2	<div style="width: 20px; height: 10px; background-color: blue;"></div> 2
Channel Islands	Audits Currently in Progress	Computer Security Incident Response	FY 23-24		
Chico	Status of Recommendations	Information Security	FY 22-23	14	<div style="width: 50px; height: 10px; background-color: blue;"></div> 7 <div style="width: 50px; height: 10px; background-color: green;"></div> 7
Dominguez Hills	Audits Currently in Progress	Property and Equipment	FY 23-24		
	Status of Recommendations	Associated Students	FY 22-23	8	<div style="width: 40px; height: 10px; background-color: blue;"></div> 8
East Bay	Status of Recommendations	Executive Travel and Hospitality	FY 22-23	1	<div style="width: 10px; height: 10px; background-color: blue;"></div> 1
		Information Security Follow-Up	FY 22-23	1	<div style="width: 10px; height: 10px; background-color: blue;"></div> 1
Fresno	Audits Currently in Progress	Information Security	FY 23-24		
	Status of Recommendations	Association	FY 22-23	1	<div style="width: 10px; height: 10px; background-color: green;"></div> 1
Fullerton	Status of Recommendations	Human Resources and Training Compliance	FY 22-23	5	<div style="width: 30px; height: 10px; background-color: green;"></div> 5
		Audits Currently in Progress	Business Continuity and IT Disaster Recovery	FY 23-24	
Humboldt	Status of Recommendations	Construction Management	FY 22-23	4	<div style="width: 15px; height: 10px; background-color: blue;"></div> 1 <div style="width: 15px; height: 10px; background-color: green;"></div> 3
		Executive Travel and Hospitality	FY 22-23	1	<div style="width: 10px; height: 10px; background-color: blue;"></div> 1
Humboldt	Status of Recommendations	International Programs	FY 23-24		
		Executive Travel and Hospitality	FY 22-23	2	<div style="width: 15px; height: 10px; background-color: green;"></div> 2
Long Beach	Status of Recommendations	Human Resources and Training Compliance	FY 22-23	14	<div style="width: 30px; height: 10px; background-color: blue;"></div> 3 <div style="width: 30px; height: 10px; background-color: green;"></div> 11
		Audits Currently in Progress	Youth Programs	FY 23-24	
Los Angeles	Status of Recommendations	Athletics Fiscal Administration	FY 22-23	5	<div style="width: 20px; height: 10px; background-color: blue;"></div> 2 <div style="width: 20px; height: 10px; background-color: green;"></div> 3
		Audits Currently in Progress	Accessible Technology	FY 23-24	
Los Angeles	Status of Recommendations	Financial Aid	FY 23-24		
		University Auxiliary Services	FY 22-23	8	<div style="width: 15px; height: 10px; background-color: blue;"></div> 1 <div style="width: 15px; height: 10px; background-color: green;"></div> 7
Maritime Academy	Status of Recommendations	Financial Aid	FY 23-24		
		Information Security	FY 21-22	10	<div style="width: 40px; height: 10px; background-color: green;"></div> 10
Monterey Bay	Status of Recommendations	Financial Aid	FY 23-24		
		Accessible Technology Initiative	FY 22-23	6	<div style="width: 25px; height: 10px; background-color: blue;"></div> 6
Northridge	Status of Recommendations	Athletics Fiscal Administration	FY 22-23	6	<div style="width: 25px; height: 10px; background-color: blue;"></div> 6
		The University Corporation	FY 22-23	7	<div style="width: 25px; height: 10px; background-color: blue;"></div> 7
Pomona	Status of Recommendations	Associated Students, Inc.	FY 23-24		
		Information Security	FY 22-23	6	<div style="width: 15px; height: 10px; background-color: blue;"></div> 3 <div style="width: 15px; height: 10px; background-color: green;"></div> 3
Sacramento	Status of Recommendations	Capital Public Radio	FY 22-23	17	<div style="width: 60px; height: 10px; background-color: blue;"></div> 17
San Bernardino	Audits Currently in Progress	Athletic Fiscal Administration	FY 23-24		
San Diego	Status of Recommendations	Academic Department Fiscal Review	FY 23-24		
		Aztec Shops	FY 22-23	5	<div style="width: 25px; height: 10px; background-color: blue;"></div> 5
San Diego	Status of Recommendations	Student Organizations	FY 22-23	2	<div style="width: 10px; height: 10px; background-color: green;"></div> 2
		Audits Currently in Progress	University Corporation	FY 23-24	
San Francisco	Status of Recommendations	Training Compliance	FY 22-23	3	<div style="width: 15px; height: 10px; background-color: blue;"></div> 3
		Audits Currently in Progress	Endowment Management	FY 23-24	
San Jose	Status of Recommendations	IT Decentralized Computing	FY 21-22	9	<div style="width: 30px; height: 10px; background-color: green;"></div> 9
		Athletics Fiscal Administration	FY 22-23	6	<div style="width: 25px; height: 10px; background-color: blue;"></div> 6
San Jose	Status of Recommendations	Information Security	FY 22-23	5	<div style="width: 20px; height: 10px; background-color: blue;"></div> 5
		Audits Currently in Progress	Financial Aid	FY 23-24	
San Luis Obispo	Status of Recommendations	Athletics Fiscal Administration	FY 22-23	7	<div style="width: 30px; height: 10px; background-color: blue;"></div> 7
		IT Disaster Recovery	FY 22-23	3	<div style="width: 15px; height: 10px; background-color: green;"></div> 3
San Marcos	Status of Recommendations	Counseling and Psychological Services	FY 23-24		
		Accessible Technology Initiative	FY 22-23	6	<div style="width: 25px; height: 10px; background-color: blue;"></div> 6
Sonoma	Status of Recommendations	Business Continuity and IT Disaster Recovery	FY 23-24		
		Construction Management	FY 23-24		
Stanislaus	Status of Recommendations	Information Security	FY 23-24		
		Student Health Services	FY 22-23	3	<div style="width: 15px; height: 10px; background-color: green;"></div> 3

*Status
 Closed (green) - Recommendations have been satisfactorily implemented
 Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe
 Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe

COMMITTEE ON AUDIT

Audit and Advisory Services Charter

Presentation By

Vlad Marinescu
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Background

The California Government Code requires that state agencies with internal audit functions conduct activities under the general and specified standards of internal auditing prescribed by the Institute of Internal Auditors (IIA) or the Government Auditing Standards issued by the Comptroller General of the United States, as appropriate. CSU Audit and Advisory Services conducts activities following the IIA standards.

The IIA standards for the professional practice of internal auditing require that the purpose, authority, and responsibility of the internal audit activity be formally defined in an internal audit charter and that the chief audit executive periodically review the internal audit charter and present it to senior management and the board for approval.

Summary

The Audit and Advisory Services Charter was last reviewed and approved by the Committee on Audit in January 2014, and prior to that in January 2005. Audit and Advisory Services management has reviewed the charter and proposed changes are reflected in Attachment A. The purpose of the revisions is to strengthen alignment with IIA standards and streamline the organization and flow of the document, while ensuring compliance with applicable laws and Board of Trustees policies. Audit management also benchmarked the document against more than 35 other university internal audit charters. The proposed revisions do not alter the authority, responsibility, or activities of Audit and Advisory Services.

The following resolution is recommended for approval:

RESOLVED, by the Committee on Audit of the California State University Board of Trustees that the updated Audit and Advisory Services Charter, as detailed in Agenda Item 3 of the Committee on Audit at the November 7-8, 2023, meeting, be approved.

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF AUDIT AND ADVISORY SERVICES CHARTER
(RAUD-01-14-02)

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

Establishment

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

Nature

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

Commented [A1]: Removed "Nature" section and incorporated into "Purpose and Mission" section.

Purpose and Mission Statement

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

Commented [A2]: Removed as it is now redundant with added purpose statement in the first sentence.

Standards for the Professional Practice of Internal Auditing

Commented [A3]: New section added to explicitly discuss and align with IIA standards.

Audit and Advisory Services is committed to the professional practice of internal auditing and will govern itself by adherence to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing ("the Standards").

The Vice Chancellor and Chief Audit Officer will report periodically to senior management and the Trustees regarding Audit and Advisory Services' conformance to the Code of Ethics and the Standards.

Organization and Authority

The Vice Chancellor and Chief Audit Officer reports directly to the Board, reports administratively to the Chancellor for purposes of general administration, staff personnel, budget, and space. there shall be an administrative relationship between the Vice Chancellor and Chief Audit Officer and the Chancellor

Oversight of the audit function provided by the Office of the Audit and Advisory Services, including the priority of work assignments, shall be the responsibility of the Committee on Audit, which shall report on such matters to the Board of Trustees. To establish, maintain, and assure that Audit and Advisory Services has sufficient authority to fulfill its duties, the Committee on Audit of the Board of Trustees will perform the responsibilities and have the authority as outlined in the California State University Audit Committee Charter.

Commented [A4]: Added language referring to the Committee on Audit responsibilities as outlined in the Audit Committee Charter.

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

Commented [A5]: Removed as language is redundant with the paragraph above.

Independence and Objectivity

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

The Vice Chancellor and Chief Audit Officer will ensure that Audit and Advisory Services carries out its responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Vice Chancellor and Chief Audit Officer determines that independence or objectivity may be impaired in fact or appearance, the details of the impairment will be discussed with appropriate parties.

Commented [A6]: Modified prior language to provide additional context surrounding independence and to better align with IIA standards.

~~Internal auditing and advising is a staff function, and, as such Audit and Advisory Services has no authority to make operating decisions, direct anyone in operations, or take action or implement any of its recommendations. Accordingly, internal auditors do not implement controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.~~ These tasks are the responsibility of university and auxiliary management.

Scope of Work

~~The Office of Audit and Advisory Services provides university management and the Trustees with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed. Major objectives include providing ongoing assurance that critical risks are being mitigated to acceptable levels and the California State University is operating efficiently and effectively; adding value by contributing to the improvement of governance, risk management, operations and control processes, and by promoting continuous improvement; enhancing awareness and understanding of risk and control; and promoting appropriate ethics and values.~~

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

- The governance process promotes appropriate ethics and values and ensures effective organizational performance management and accountability.
- Risk management processes are effective and significant risks are appropriately identified, assessed, and managed.
- Communication of risk and control information to appropriate areas of the organization, and coordination of activities of and communication of information among various governance groups occur as needed.
- Programs, plans, and objectives support and align with the university's mission and are achieved.
- Financial, operational, and managerial information, and the means used to identify, measure, analyze, classify, and report such information are accurate, reliable, and timely.
- Resources are acquired economically, used efficiently, accounted for accurately, and protected adequately.
- The potential for the occurrence of fraud is evaluated and fraud risk is managed.

Commented [A7]: Added language for clarity. Also, commonly found in other charters reviewed.

- Actions and decisions are in compliance with applicable laws, regulations, policies, procedures, contracts, and standards.
- Information technology governance and systems support achievement of the university's strategic goals and security practices adequately protect information assets.
- Quality and continuous improvement are fostered in the university's risk management and control processes.

Responsibility and Authority

~~The Office of Audit and Advisory Services functions pursuant to state law under the policies established by the Trustees of the California State University and university management and except for certain personnel actions related to the position of the Vice Chancellor and Chief Audit Officer note below, the Office of Audit and Advisory Services is subject to all the rules and procedures established by the Office of the Chancellor. Additionally, the Office of Audit and Advisory Services serves the university in a manner that is consistent with the International Professional Practices Framework and the Code of Ethics as promulgated by the Institute of Internal Auditors. In this context, the Vice Chancellor and Chief Audit Officer is responsible for:~~

- ~~All administrative duties and requirements pertaining to the operation of the Office of Audit and Advisory Services, including the establishment of policies for auditing and advisory services and direction of the office's technical and administrative functions, and represents the California State University system in all relationships with external audit agencies.~~
- ~~An audit plan will be prepared annually by the Vice Chancellor and Chief Audit Officer. Developing and executing a comprehensive risk-based annual audit plan program, that is and be submitted for approval by the Board through to the Committee on Audit, for the evaluation of management controls provided over all university and auxiliary organization activities, although the Board of Trustees reserves the right to assign the Office of Audit and Advisory Services to review any area within its jurisdiction. Audits topics will be selected based upon: detailed risk assessment hat is performed annually; legislatively mandated reviews noted in Education Code 99045 and Government Code 13400 et seq.; and in the action taken by the Trustees' Committee on Audit in agenda item 2 at the January 1999 meeting requiring the review of auxiliary organizations (currently reflected in the Chancellor's Executive Order 698). Unscheduled audits/investigations of the Office of the Chancellor or of any campus can be requested by the Trustees or the Chancellor with the approval of the Chair of the Committee on Audit. Unscheduled audits/investigations of a campus can also be requested by the campus president but must be approved by the Chancellor and the Chair of the Committee on Audit.~~
- ~~The Vice Chancellor and Chief Audit Officer will be responsible for the~~ The sufficiency of audit resources; assignment of fieldwork to staff and contracted agencies; and the timely completion of, and reporting on, audits.
- ~~The Vice Chancellor and Chief Audit Officer, or designee, will review~~ Reviewing the responsiveness of the corrective action taken and determining whether additional action may be required. ~~In certain instances, it may be necessary to revisit the campus to ascertain whether the corrective action taken is achieving the desired results. All findings will be tracked until corrective action is taken. Reports of follow-up activity will be made at each meeting of the Committee on Audit. Appraising the adequacy of the action taken by operating management to correct reported deficient~~

Commented [A8]: Removed as this is referenced in the Audit Committee Charter and is the Committee on Audit's responsibility.

Commented [A9]: Removed as this language was incorporated into the new "Standards for the Professional Practice of Internal Auditing" section.

Commented [A10]: Incorporated into seventh bullet in this section that discusses VC/CAO acting as a liaison with external audit agencies to reduce redundancy.

Commented [A11]: Added language to reflect approval process of annual audit plan.

Commented [A12]: Removed as risk based audit program is already noted in the first sentence and first sentence of this section states "pursuant to state law".

Commented [A13]: Removed as it is redundant with the first sentence in this bullet.

~~conditions; accepting adequate corrective action.~~

Commented [A14]: Removed as it is redundant with the first sentence in this bullet.

- ~~Communication liaison and consultation~~ Communicating and consulting with the Committee on Audit will be maintained by the Vice Chancellor and Chief Audit Officer, through the Chair of the Committee. At each meeting of the Committee on Audit, the Vice Chancellor and Chief Audit Officer will report the assignment workload showing the status of audits in progress, workload backlog, and disposition taken on completed audit assignments.
- Performing advisory services at the request of management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues.
- Acting as the liaison for the California State University in all relationships with outside audit agencies, including, but not limited to, the California State Auditor and other federal and state regulators. As such, the Vice Chancellor and Chief Audit Officer ~~the Vice Chancellor and Chief Audit Officer~~ is the point of contact for all entrance and exit conferences held with the Office of the Chancellor by outside external audit agencies and ~~The Vice Chancellor and Chief Audit Officer will~~ coordinates all system responses to audits performed by external outside audit agencies. This responsibility does not include acting as a liaison with the external auditor for the financial statements audit and single audit, as this is the responsibility of the Chief Financial Officer of the California State University. The Committee on Audit is responsible for oversight and selection of the external financial auditor, as required by the Audit Committee Charter. The Vice Chancellor and Chief Audit Officer will coordinate internal audit effort with the external auditors to reduce the potential for duplication of audit effort.
- ~~Examining the effectiveness of all levels of management in their stewardship of university and auxiliary organization resources and their compliance with established policies and procedures.~~
- ~~Recommending improvement of management controls designed to safeguard university and auxiliary organization resources and to ensure compliance with government laws and regulations.~~
- ~~Reviewing procedures and records for their adequacy to accomplish intended objectives, and appraising policies and plans relating to the activity or function under review.~~

Commented [A15]: Added to provide additional clarity.

Commented [A16]: Added to detail that the CFO is the liaison for the external auditor which is overseen by the Committee on Audit. This change is in alignment with current and past practices.

Commented [A17]: Removed as it is redundant with other language in the bullet.

Overseeing and conducting investigations of alleged incidences of fiscal improprieties in alignment with systemwide policy, fraud, waste and abuse, and improper governmental activities. ~~The Vice Chancellor and Chief Audit Officer is the point of contact for questions concerning the reporting of fiscal improprieties to state agencies (currently reflected in the Chancellor's Executive Order 813).~~

Commented [A18]: Removed bullets as language is already encompassed in all bullets of "Scope of Work" and is redundant.

Commented [A19]: Revised language to better align with current practices.

Commented [A20]: Removed language as it is redundant with first sentence.

- Authorizing the publication of audit reports, on the results of accepted audit examinations, including recommendations for improvement. Copies of all audit reports will be made available electronically on the ~~Office of Audit and Advisory Services'~~ website and retained in accordance with the Audit and Advisory Services retention policy. Notification letters providing a link to the audit reports are sent to the Board of Trustees, State Auditor, Committee on Higher Education, Joint Legislative Audit Committee, Joint Legislative Budget Committee, Department of Finance, and Legislative Analyst's Office. In addition, each of the campus presidents and the CSU Advocacy and State Relations department receive emails with a link indicating that reports have been posted to the ~~Office of Audit and Advisory Services'~~ website.

Management has the responsibility to:

- Within the time period mutually agreed upon by the Vice Chancellor and Chief Audit Officer and the campus president or Chancellor, furnish a written report of planned or completed actions to address the recommendations outlined in the internal audit report.
- The President or Chancellor, or their designees, will communicate Report to the Vice Chancellor and Chief Audit Officer, in writing, the progress status made towards implementing the plan of corrective action noted in the response to the audit. of implementation of audit recommendations.
- Conducting special examinations and providing consulting services at the request of management.

Policies and Procedures

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

Audit Reporting, Follow Up Procedures, and Program Accountability

Coordination of Work

- The Board of Trustees, upon recommendation by the Committee on Audit and input from the Chancellor, appoints, dismisses, and sets the compensation for the position of Vice Chancellor and Chief Audit Officer.
- The Board of Trustees, with input from the Committee on Audit and the Chancellor, evaluates the Vice Chancellor and Chief Audit Officer not less than once every three years. An independent consultant may be appointed by the Committee on Audit to help with the evaluation. The Committee on Audit will discuss performance expectations and the results of the appraisal with the Vice Chancellor and Chief Audit Officer in closed session.

Quality Assurance and Improvement Program

Audit and Advisory Services will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of Audit and Advisory Services' conformance with the Standards and an evaluation of whether internal auditors apply the Institute of Internal Auditors' Code of Ethics. The program will also assess the efficiency and effectiveness of Audit and Advisory Services and identify opportunities for improvement.

The Vice Chancellor and Chief Audit Officer will initiate an external quality assurance review. An external assessment, such as a quality assurance review, will be conducted at least once every five years by a qualified, independent reviewer-assessor or review-assessment team from outside the California State University, in accordance with IIA Standards. The independent reviewer-assessor or review-assessment team must be approved by the Chair of the Committee on Audit. Results of these reviews will be communicated to senior management and the Board through the Committee on Audit.

Commented [A21]: Previously under "Policies and Procedures" there were responsibilities of campus or CO management. We added language to distinguish these requirements. Language is in alignment with current and past practices.

Commented [A22]: Removed as this is already discussed in the "Responsibility" section, sixth bullet related to advisory services.

Commented [A23]: Removed as language was incorporated in "Independence and Objectivity".

Commented [A24]: "Policies and Procedures" section was removed and elements/language that were previously under this section have been moved to "Organization and Authority" and "Responsibility" sections.

Commented [A25]: Removed language as this refers to the responsibility of the Committee on Audit and is outlined in the Audit Committee Charter, which is referred to in the "Organization and Authority" section.

Commented [A26]: New section added to better align with IIA standards and detail the Audit & Advisory Services Quality Assurance Improvement Program.

COMMITTEE ON AUDIT

Audit Committee Charter

Presentation By

Vlad Marinescu
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Background

The Audit Committee Charter was last reviewed and approved by the Committee on Audit in January 2014, and prior to that in January 2005. The charter describes the committee's oversight duties and reporting-related expectations and conforms with the Rules Governing the Board of Trustees of the California State University. Additionally, the document demonstrates conformance with the Institute of Internal Auditors (IIA) standards pertaining to organizational independence of internal audit activity.

Summary

During the periodic review of the Audit and Advisory Services Charter, audit management also reviewed the Audit Committee Charter. Proposed changes are reflected in Attachment A. Two areas were identified within the Audit and Advisory Services Charter that pertain to the authority and activities of the audit committee. Audit management proposes to move these two items out of the Audit and Advisory Services Charter and into the Audit Committee Charter, where they more appropriately fit. The proposed revisions do not alter the authority, responsibility, or activities of the Committee on Audit or Audit and Advisory Services.

The following resolution is recommended for approval:

RESOLVED, by the Committee on Audit of the California State University Board of Trustees that the updated Audit Committee Charter, as detailed in Agenda Item 4 of the Committee on Audit at the November 7-8, 2023, meeting, be approved.

THE CALIFORNIA STATE UNIVERSITY

AUDIT COMMITTEE CHARTER

~~(RAUD-01-14-01)~~

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

Purpose

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

Composition and Meetings

The Committee on Audit will consist of at least five members as determined by the Trustees through the Committee on Committees. Each committee member will be independent. Members will have access to financial expertise either collectively among committee members or from a financial expert appointed to advise them. Regular meetings of the Committee on Audit will be held on the same dates and in the same locations as regular meetings of the Trustees. Other meetings may be called as provided for in the Rules Governing the Board of Trustees.

Responsibility and Authority

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

1. Approve the selection or discharge of the external auditor, review the external auditors' planned audit scope and approach, approve any non-audit services provided by the external auditor, and resolve disagreements between management and the external auditor regarding financial reporting.
2. Review the results of the annual financial audit with the external auditor and management, including any difficulties encountered, and monitor the completion of recommendations.
3. Monitor the university's system of internal controls, including ~~computerized~~ information system controls and security; the adequacy of financial, accounting, and operational policies and practices related to financial reporting; and the process for monitoring compliance with laws and regulations.
4. Review the annual internal audit plan, discuss the extent to which it addresses high-risk areas and priority of work assignments with the Vice Chancellor and Chief Audit Officer and management, and approve the final audit plan and all major changes to the plan.

Commented [A1]: Added to ensure language removed from Audit & Advisory Services Charter regarding the audit committee was covered here.

5. Review internal audit reports and responses and monitor the completion of recommendations.
6. Approve the internal audit mission statement, charter, and other governance documents related to internal audit activities ~~in~~ of the California State University.
7. Assure the effectiveness of the internal audit function, including its organizational structure, adequacy of staffing and budget, and performance relative to its annual plan, and ensure there are no unjustified restrictions or limitations.
8. Call for the review of the Vice Chancellor and Chief Audit Officer not less than once every three years, and provide input to the Board of Trustees on the Vice Chancellor and Chief Audit Officer's performance. At its discretion, the Committee may retain an independent consultant to assist with the evaluation. The Committee on Audit will discuss performance expectations and the results of the appraisal with the Vice Chancellor and Chief Audit Officer in closed session. ~~retain outside consultants to assist with the review.~~
9. Make recommendations to the Board of Trustees for the appointment, dismissal, and compensation of the Vice Chancellor and Chief Audit Officer.

Commented [A2]: Added to ensure language removed from Audit & Advisory Services Charter regarding the evaluation of the VC/CAO.

Commented [A3]: Removed as it was redundant with language added from the A&AS division charter.

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 8:00 a.m., Wednesday, November 8, 2023
Glenn S. Dumke Auditorium

Larry L. Adamson, Chair
Jean Picker Firstenberg, Vice Chair
Diana Aguilar-Cruz
Douglas Faigin
Lillian Kimbell
Jack McGrory
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser

- Consent**
1. Approval of Minutes of the Meeting of September 13, 2023, *Action*
 2. Annual Report on Outside Employment for Senior Management Employees, *Action*
 3. Annual Report on Vice President Compensation and Executive Relocation, *Information*
- Discussion**
4. Exemption from Post-Retirement Employment Waiting Period, *Action*
 5. Annual Report on Executive Transition Assignments, *Information*
 6. Discussion Regarding Employment Policy Governing Administrator Employees' Option to Retreat, *Information*
 7. Discussion Regarding Employment Policy Governing Employee References, *Information*
 8. Update on Civil Rights (Title IX and other Nondiscrimination) Programs and Services, *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 13, 2023

Members Present

Larry L. Adamson, Chair
Jean Picker Firstenberg, Vice Chair
Diana Aguilar-Cruz
Douglas Faigin
Lillian Kimbell
Jack McGrory
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Public Comment

All public comments took place at the beginning of the meeting's open session, prior to all committees.

Trustee Larry L. Adamson called the meeting to order.

Approval of the Consent Agenda

A motion to approve the consent agenda without discussion passed. The minutes from the meeting of July 12, 2023 were approved as submitted.

Agenda Item 2, Amendment of California State University Conflict of Interest Code, was approved as submitted (RUF 09-23-13).

Agenda Item 3, Executive Compensation Update: Presidential Housing – California State University, Chico, was approved as submitted (RUF 09-23-14).

Executive Compensation: President – California State University, Los Angeles

Interim Chancellor Jolene Koester recommended an annual salary of \$496,213 for Dr. Berenecea Johnson Eanes, effective January 8, 2024, the date of her appointment as president of California State University, Los Angeles. An annual housing allowance of \$60,000 and monthly auto allowance of \$1,000 were also recommended. The salary is the same as the incumbent and the housing and auto allowance are the same as those received by the former president. A motion to approve the resolution passed (RUF 09-23-15).

Executive Compensation: Interim President – California State University, Bakersfield

Interim Chancellor Jolene Koester recommended an annual salary of \$390,892 for Dr. Vernon B. Harper, Jr., effective December 31, 2023, the date of his appointment as interim president of California State University, Bakersfield. An annual housing allowance of \$50,000 and monthly auto allowance of \$1,000 were also recommended. The salary, housing and auto allowance are the same as those received by the incumbent. A motion to approve the resolution passed (RUF 09-23-16).

Update on Civil Rights (Title IX and other Nondiscrimination) Programs and Services -

Vice Chancellor for Human Resources Leora D. Freedman presented a report on the university's Civil Rights (Title IX and other Nondiscrimination) programs and services. In July 2023, the CSU received reports from Cozen O'Connor's Institutional Response Group and the California State Auditor that address the CSU's implementation of its policies and procedures governing Title IX and other nondiscrimination laws and regulations. The reports are available on the CSU's Title IX web site at: <https://www.calstate.edu/titleix/Pages/cozen-title-ix-assessment.aspx>.

Vice Chancellor Freedman shared that at the university (campus) level, recommendations from the Cozen O'Connor assessment concern primarily: infrastructure and staffing; strengthening internal protocols including documentation practices during assessment, investigation and resolution processes; responding consistently to other conduct of concern that does not constitute a violation of CSU's nondiscrimination policy but is unprofessional or violates other university conduct policies; and building trust with our university communities.

An overview of accomplishments to date and work being done at the Chancellor's Office and at the university level was presented. Trustees were updated on implementation goals, expectations, implementation teams, advisory committee, roles and responsibilities, timelines, staffing and resource needs, operating budgets, and next steps.

Vice Chancellor Freedman noted that a regular status report will take place at future board meetings, where she will report on action steps, deliverables and timelines.

At the conclusion of the report, Vice Chancellor Freedman responded to questions.

Trustee Adamson adjourned the meeting of the Committee on University and Faculty Personnel.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Annual Report on Outside Employment for Senior Management Employees

Presentation By

Leora D. Freedman
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 as of July 2023, that took place during the 2022 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 that 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 19 senior management employees with outside employment during the reporting period for the 2022 calendar year.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the 2022 Senior Management Outside Employment Disclosure Report, as cited in Item 2 of the Committee on University and Faculty Personnel at the November 7-8, 2023 meeting of the Board of Trustees, is approved.

California State University
Senior Management Outside Employment Disclosure Report*
Reporting Period: 2022 Calendar Year

Employee Name (Campus)	CSU Working Title	Name of Outside Employer/Business	Role	Total Time Served (Hours)	Total Compensation Received	Comments
Thom Davis (Bakersfield)	Vice President of BAS & CFO	University of North Texas System	Part-time (remote/telecom) Associate Controller for system-wide reporting	416-520 hours	\$26,000	
Deborah Wallace (Dominguez Hills)	Vice President for Administration & Finance	Wallace & Associates Realty, Inc.	Real Estate Broker/ Owner	25 hours	\$0	
William Franklin (Dominguez Hills)	Vice President for Student Affairs	CSUDH Toro Auxiliary Partners	PI for the CSU Young Males of Color Consortium	500 hours	\$23,000	
Bobbie Porter (Dominguez Hills)	Vice President for Diversity, Equity, Inclusion & Social Justice	The University of Washington	Service on organizational review panel for the institution's auxiliary services unit for diversity and human resources.	8 hours	\$3,000	
Cathy Sandeen (East Bay)	President	The Chronicle of Higher Education	Author of article	N/A	\$300	
Jose Gomez (Los Angeles)	Provost and Executive Vice President & Chief Operating Officer	California Casualty Indemnity Exchange	Advisory Board Member	40 hours	\$48,225	Employee's Role with Outside Employer/Business is not involved in making decision affecting CSU's dealing with vendor. Compensation is donated.
Tomás Morales (San Bernardino)	President	UnitedHealth Group New York	Director on Board of Directors	6-10 hours	\$12,000	
Hala Madanat (San Diego)	Vice President for Research & Innovation	National Institutes of Health	Committee Member	8 hours	\$400	
Agnes Wong Nickerson (San Diego)	Vice President, Business & Financial Affairs, and CFO	San Diego International Airport	Audit Committee Member	20 hours	\$1,000	
J. Luke Wood (San Diego)	Vice President, Student Affairs & Campus Diversity	MDRC	Co-author of a brief	One time project	\$1,500	Wrote a short brief on men of color
Mohamed Abousalem (San Jose)	Vice President, Research & Innovation	Litus, Inc.	Chair/Board Member	48 hours	\$9,000	Private company restricted stock is currently worth \$9,000.
Mohamed Abousalem (San Jose)	Vice President, Research & Innovation	CA Institute for Regenerative Medicine	Member of Board of Directors	varies	Per Diem for travel only	State of CA Board, appointed by the Governor of CA; CSU representative,
Patrick Day (San Jose)	Vice President, Student Affairs	University of British Columbia	Consultant	40 hours	\$5,000	Provided external review consultation for the Division of Students at University of British Columbia
Cynthia Teniente-Matson (San Jose)	President	Japan-U.S. Friendship Commission (JUSFC)	Commissioner	30 hours	\$0	Any funds for service as Commissioner are diverted directly to SJSU Foundation.
Keith Humphrey (San Luis Obispo)	Vice President, Student Affairs	Tenet Health Corporation	Hospital Governing Board Member	24 hours	\$2,400	
Cynthia Jackson-Elmoore (San Luis Obispo)	Provost & Executive VP for Academic Affairs	Higher Learning Commission	Chair of Peer Review	80 hours	\$1,000	
Terrance Harris (San Luis Obispo)	VP, Strategic Enrollment Management	Diocese of Monterey	High School Basketball Coach	varies	\$6,000	
Denise Isom (San Luis Obispo)	Interim VP Diversity & Inclusion CDO	Four Winds Ethnic Studies Institute	Deliver Keynote and Workshop	2 hours	\$1,000	
Mazumder Ahmed (Sonoma)	Vice President for Administration and Finance and Chief Financial Officer	Paragon Traders, LLC	Financial advisor for family business	20 hours	\$0	

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

**California State University
 Senior Management Outside Employment Disclosure Report*
 Reporting Period: 2022 Calendar Year**

Employee Name (Campus)	CSU Working Title	Name of Outside Employer/Business	Role	Total Time Served (Hours)	Total Compensation Received	Comments
Jacob Yarrow (Sonoma)	Executive Director, GMC	Kimzin Creative	Advisor on development of a community grant program	28 hours	\$3,550	

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

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Annual Report on Vice President Compensation and Executive Relocation

Presentation By

Mildred García
Chancellor

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The chancellor is required to provide an annual report on vice presidential compensation actions, relocation costs for incoming executives, and executive transition programs. This annual reporting was adopted by the Board of Trustees in January 2008 (RBOT 01-08-01) in support of recommendations by the bureau of state audits (now known as the California State Auditor) that focused on strengthening guidelines and monitoring. Annual reporting has taken place since November 2008.

This agenda item will share with the Board the annual report on vice presidential appointments and compensation (changes) and executive relocations; executive transition assignments are presented in item 5.

Vice President Compensation

Current 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 a campus has made changes to their compensation. Attachment A shows vice president appointments and compensation actions reported during the period of September 1, 2022 – August 31, 2023.

Executive Relocation

A relocation program is offered to newly hired individuals who are required to relocate. Relocation for executives is approved at the time the Board approves the executive's compensation.

The annual report on executive relocation expenses follows. Relocations that remain in process will be reported in a future report.

U&FP
Agenda Item 3
November 7-8, 2023
Page 2 of 2

Vanya Quiñones
President, CSU Monterey Bay
Relocation of household goods and property: \$9,774.35
Relocation travel: \$1,111.08
(RUFP 07-22-08)

Cynthia Teniente-Matson
President, San José State
Relocation of household goods and property: \$6,805.18
(RUFP 11-22-19)

J. Luke Wood
President, Sacramento State
Relocation lump sum: \$15,000*
(RUFP 05-23-08)

Sylvia Alva
Interim President, Cal State Fullerton
Relocation of household goods and property: \$1,748.20
(RUFP 05-23-09)

Michael Dumont
Interim President, Cal Maritime
Relocation of household goods and property: \$16,516.57
Relocation travel: \$3,401.51
(RUFP 05-23-09)

*Pursuant to [CSU Internal Procedures Governing Payment or Reimbursement for Moving and Relocation Expenses](#), employees may receive reimbursement for their reasonable actual and necessary moving and relocation expenses or payment for reasonable estimated moving and relocation expenses.

Vice President Compensation Actions

Filled Vacancies (15)

Campus	Name	Title	Effective Date	Salary at Appt	Other Compensation
Dominguez Hills	Sevcikova, Eva	Vice President of University Advancement	7/1/2023	\$252,000	
Fresno	Willis, Kent	Vice President, Student Affairs and Enrollment Management	1/3/2023	\$270,000	
Fresno	Crook, Brady	Vice President for University Advancement	9/8/2023	\$270,000	
Fullerton	Dabirian, Amir	Provost and Vice President for Academic Affairs	3/9/2023	\$324,216	
Fullerton	Hidalgo, Rommel	Vice President for Information Technology and Chief Information Technology Officer	3/9/2023	\$260,004	
Humboldt	Holliday, Chrissy	Vice President for Enrollment Management and Student Success	12/15/2022	\$248,000	Recruitment Bonus - \$20,667; Temporary Housing Allowance (6 mos.) \$2,000/mo., non-Gen Fund
Monterey Bay	Corpus, Ben	Vice President for Enrollment Management and Student Affairs	7/1/2023	\$264,000	
Northridge	Komarragu, Meera	Provost & Vice President for Academic Affairs	1/1/2023	\$335,508	
Pomona	Hawkes, Nicole	Vice President and Chief of Staff	4/1/2023	\$298,644	
Sacramento	Hendricks, Mark	Vice President for Information Resources & Technology and Chief Information Officer	12/1/2022	\$260,004	
San Bernardino	Mohamed, A. Rafik	Provost and Vice President for Academic Affairs	1/1/2023	\$324,996	
San Bernardino	Sudhakar, Samuel	Chief Financial Officer & Vice President of Finance, Technology, and Operations	8/1/2023	\$293,868	
San José	Nagai, Judy	Vice President for University Advancement and CEO of the Tower Foundation	9/1/2023	\$275,000	Temporary Housing Allowance (3 mos.) \$2,799/mo., non-Gen Fund
San Luis Obispo	McCormick, Michael	Vice President for Facilities Management and Development	12/1/2022	\$275,004	Supplemental pay \$53,750/yr., CP Corp
Sonoma	Mills, Edward	Vice President of Strategic Enrollment	8/20/2023	\$255,000	

Other Changes (15)

Campus	Name	Title	Description of Change	Effective Date(s)	New Salary or Amount Paid
Chico	Brundage, Isaac	Vice President for Student Affairs	Equity increase	4/1/2023	\$265,008
Fresno	Adishian-Astone, Deborah	Vice President for Administrative Services and Chief Financial Officer	Equity increase	1/1/2023	\$309,552
Fullerton	Saks, Greg	Vice President for University Advancement	Equity increase	8/2/2023	\$294,708
Sacramento	Settles-Tidwell, Mia	Vice President for Inclusive Excellence and Diversity Officer	Equity increase	12/1/2022	\$252,960
Sacramento	Bowman, Jonathan	Vice President for Administration and Business Affairs/CFO	Equity increase	12/1/2022	\$271,968
Stanislaus	McAuliffe, Rose	Vice President of Business and Finance/Chief Financial Officer	Equity increase	7/1/2022	\$255,660
Monterey Bay	Nelson, Glen	Vice President of Administration & Finance/CFO	Increase in responsibilities	12/1/2022	\$282,000
Chico	Boura, Ahmad	Vice President for University Advancement	MPP Merit Bonus Program - met established goals for FY 2022/2023	7/1/2022 - 6/30/2023	\$40,865
San Diego	Vargas, Adrienne	Vice President for University Relations and Development	MPP Merit Bonus Program - met established goals for FY 2022/2023	7/1/2022 - 6/30/2023	\$26,097
San Diego	Vargas, Adrienne	Vice President for University Relations and Development	MPP Merit Bonus Program - met established goals for FY 2021/2022	7/1/2021 - 6/30/2022	\$20,416
San Bernardino	Sudhakar, Samuel	Vice President for Information Technology Services and CIO	Temporary increase in responsibilities extended	1/1/2023 - 7/31/2023	\$3,005/mo.
San Luis Obispo	Murphy, Christopher	Vice President for University Communications & Marketing	Temporary increase in responsibilities extended	11/1/2022 - 12/31/2023	\$2,500/mo.
San Luis Obispo	Liddicoat, Al	Vice President, University Personnel and Chief Human Resources Officer	Temporary increase in responsibilities	7/1/2021 - 9/30/2022	\$1,500/mo.
San Luis Obispo	Liddicoat, Al	Vice President, University Personnel and Chief Human Resources Officer	Temporary increase in responsibilities extended and temporary additional assignment	10/1/2022 - 6/30/2023	\$3,000/mo.
Dominguez Hills	Franklin, William	Vice President of Student Affairs	Additional employment Co-Director for the CSU Young Males of Color Consortium	4/19/2023 - 7/15/2024	\$2,308/mo.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Exemption from Post-Retirement Employment Waiting Period

Presentation By

Mildred García
Chancellor

Summary

This item requests approval by the Board of Trustees to waive the requirement that Dr. Jolene Koester, former interim chancellor, wait 180 days before returning to work as a retired annuitant. The *California Public Employees' Retirement Law, Section 7522.56(f)*, provides for an exception to the 180-day waiting period.

Background

Effective January 1, 2013, the “California Public Employees’ Pension Reform Act of 2013” (PEPRA) was signed into law. The passage of PEPRA made various retirement-related changes that affect new, current, and retired California State University (CSU) employees. The following is applicable to retired state employees under *California Public Employees’ Retirement Law, Section 7522.56*:

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

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

Dr. Jolene Koester retired from state service on October 1, 2023 after serving as CSU’s interim chancellor from May 1, 2022 – September 30, 2023. Her recent tenure as interim chancellor and her years serving as president of California State University, Northridge, provide critical knowledge and experience needed to support the new chancellor, the Board of Trustees and other executive leaders at the California State University.

Dr. Koester will provide counsel and historical background on an as-needed basis. Dr. Koester is uniquely positioned to provide this critical support to the university, requiring that she be employed as a retired annuitant before the passing of 180 days following her retirement date.

U&FP
Agenda Item 4
November 7-8, 2023
Page 2 of 2

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Jolene Koester is exempt from the 180-day waiting period and is eligible to be employed as a retired annuitant following the date this resolution is approved and the submission of the documentation to CalPERS is completed; and be it further

RESOLVED, that item 4 of the Committee on University and Faculty Personnel at the November 7-8, 2023 meeting of the Board of Trustees, is approved.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Annual Report on Executive Transition Assignments

Presentation By

Mildred García
Chancellor

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

In accordance with CSU's Transition II Program (revised on November 16, 2022), annually at the November meeting of the Board of Trustees, the chancellor is required to present the activities of each executive in a transition assignment as an information item on the discussion agenda of the Committee on University and Faculty Personnel.

Background

The CSU currently offers two executive transition programs: The Executive Consulting Program and the Transition II Program. The Executive Consulting Program is a new program that the board approved in 2022. This program offers an assignment of no more than 6 months at a salary of no more than 50 percent of the salary earned while an executive. At this time, no former executives are participating in this new program.

To be eligible to participate in CSU's Transition II Program, an executive must have been appointed prior to March 22, 2022. In addition, the executive must have served for at least five years in an executive position at the CSU; they must be in good standing at the commencement and duration of the transition assignment; they must have previously identified a position at the CSU to return to upon completion of the transition program; and they must not have accepted employment outside of the CSU.

Cal Maritime President Emeritus Thomas Cropper and Cal State Fullerton President Emeritus Framroze Virjee are both eligible to participate in the CSU's Transition II Program. Their transition assignments were presented at the July 2023 board meeting.

Annual Report

Currently, there are two executives participating in an executive transition program following their resignation from their presidency in 2023. In addition to the activities reported below, their transition assignments include preparing to join the faculty at the conclusion of the transition program.

Thomas Cropper

President Emeritus, Cal Maritime

Transition Program: Transition II

Transition Period: July 7, 2023 – August 21, 2024

Salary: \$270,060

Activities: This transition program began in July 2023. This report covers activities through September 2023. Initial activities encompassed transitioning out of the presidency (including physical movement out of office and University residence) and onboarding into the Management Personnel Plan (MPP).

During the first phase of his transition program, President Emeritus Tom Cropper has worked towards facilitating the transition of leadership at Cal Maritime. He is working to ensure a smooth and effective transition with various external agencies (including WASC, the National Association of Intercollegiate Athletics and the Consortium of State Maritime Academies). President Emeritus Cropper is also providing assistance to the Cal Maritime Corporation with respect to the operations of the continuing education (PACE) program. On the university's behalf, and during the transition of leadership, President Emeritus Cropper has continued engagement with various nonprofit civic association boards (San Francisco Marine Exchange, Leadership Vallejo, Vallejo Education and Business Alliance, Navy League). He had a speaking engagement at the Rotary Club of Sacramento advocating Cal Maritime and maritime programs nationwide and is providing support to University Advancement during the transition of leadership.

Framroze Virjee

President Emeritus, Cal State Fullerton

Transition Program: Transition II

Transition Period: August 1, 2023 – August 16, 2024

Salary: \$333,300

Activities: President Emeritus Virjee's transition program began in August 2023. This report covers activities through September 2023. Initial activities encompassed transitioning out of the presidency (including physical movement out of office and University residence) and onboarding into the Management Personnel Plan (MPP).

During his first two months, President Emeritus Virjee has continued to advocate for the university. He serves the Orange County Community Foundation (OCCF) by participating on a committee that works towards increasing community engagement and leadership. This included meeting with community leaders on a mental health leadership initiative in Orange County where he advocated for engagement with Cal State Fullerton and its public health, nursing and mental health programs. He has connected with community partners to assist with the transition to new leadership; this included members of the Vietnamese community, Latinx community and African American community. As a member of the board for the Pacific Symphony, which shares a long-standing relationship with the university, he continues to encourage increased partnership. In October, President Emeritus Virjee served as a guest lecturer in a communications class at Cal State Fullerton.

Discussion Regarding Employment Policy Governing Administrator Employees' Option to Retreat

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

At the September 2023 meeting of the CSU Board of Trustees, during the Update on Civil Rights (Title IX and Nondiscrimination) Programs and Services, it was announced that Chancellor's Office staff plans to present recommended policy revisions to the Employment Policy Governing Administrator Employees' Option to Retreat (the "Retreat Policy") based on feedback from the California State Auditor (CSA) and the Joint Committee on Legislative Audit (JLAC).

This information item will describe the issues raised in the feedback and the steps that will be taken to seek stakeholder input and propose revisions to the policy for the board's consideration. The operative Retreat Policy provided in Attachment A is highlighted to reflect key provisions that are the subject of the feedback received from the CSA and JLAC.

Status **Active** PolicyStat ID **12715152**



Origination 7/13/2022
Effective 11/16/2022
Last Revised 11/29/2022
Next Review 11/28/2024

Owner **Andy Alvarez:**
Assoc Dir, SW
Emp & Plcy
Admin

Area **Human
Resources**

Codes **RUFF
07-22-10**

Employment Policy Governing Administrator Employees' Option to Retreat

The purpose of this policy is to delineate systemwide protocols throughout the California State University (CSU) system governing the option for Administrators to Retreat to a faculty position at the end of their administrative appointment. The policy identifies the conditions under which Administrators are eligible and ineligible to Retreat.

This policy is intended to provide systemwide consistency in conferring and granting options to Retreat to faculty positions in connection with Administrator appointments. This policy is based on the core values of CSU such as commitment to the university mission, collegiality, excellence in teaching and scholarship, and on CSU's overarching commitment to maintaining an inclusive and equitable community that fosters mutual respect and a workplace free of discrimination, harassment, and retaliation.

I. Applicability

This policy applies to all Administrator appointments made at any CSU campus or at the Chancellor's Office that include the option to Retreat to a faculty position. This policy is intended to be prospective and does not impact retreats granted prior to its effective date except on a case-by-case basis in the event of serious misconduct or policy violation.

II. Relevant Definitions

Administrator – this means any CSU employee designated as an Administrator (management or supervisory) under the Higher Education Employer-Employee Relations Act and Title 5. Administrators may be in either the M80 (MPP) or M98 (Executive) job classifications.

Finding - A Finding is a determination made as described below that an Administrator engaged in misconduct or a policy violation that renders the Administrator unsuitable to have continued direct interactions with CSU students or employees.

Determinations are made in the course of proceedings including but not limited to: (a) a university investigation, following any appeals; (b) an internal or external audit; (c) an administrative proceeding by a state body having jurisdiction, such as the Department of Labor; (d) a civil or criminal proceeding, following any appeals; or (e) a proceeding that leads to a determination of improper governmental activity (defined by the State of California as any action that violates state or federal law or regulation that is economically wasteful or that involves gross misconduct, incompetence, or inefficiency). An admission by the Administrator that they engaged in conduct that the university determines to constitute misconduct or a policy violation that renders the Administrator unsuitable to have continued direct interactions with CSU students or employees also constitutes a Finding for purposes of this policy.

Management Personnel Plan (MPP) – the management personnel plan outlines the rules and provisions governing administrators and administrative appointments within the CSU and can be accessed here: [MPP](#).

MPP Employees – An MPP Employee is any CSU employee designated as a manager or supervisor under the Higher Education Employer-Employee Relations Act and Title 5. MPP Employees are in the M80 job classification.

Retreat - the option to Retreat means an Administrator's ability to be reassigned to a faculty position with or without tenure at a designated rank and within a designated department at the end of an administrative assignment.

III. Considerations and Procedures for the Conferral of the Option to Retreat

A. General Considerations

Options to Retreat should always be granted at the time of appointment and memorialized in an Administrator's appointment letter. When considering the granting of an option to Retreat to an Administrator candidate, the campus should seek to do the following:

1. Reflect the CSU's faculty hiring process by assessing the candidate's education, background, excellence in teaching, scholarship, and/or research and creative activities, and professionalism.
2. Ensure the appropriateness of an Administrator's Retreat to a particular academic department or unit through consultation with the department faculty into which the candidate would ultimately Retreat.
3. Ensure that the hiring authority or search committee chair collaborates with the tenured faculty in the department to which the finalist wishes to Retreat, so that they may evaluate the candidate's qualifications including, but not limited to, any obtainment of tenure at a prior institution, and also ensuring that should the option to Retreat be conferred, the details of the option to Retreat are memorialized in the Administrator's appointment letter should they be

selected for hire.

B. Establishment of a Procedure for Conferring the Retreat

Campuses must adopt procedures for conferring the option to Retreat to a faculty position for qualified Administrator candidates. The procedure shall include: (a) early notification from the relevant search committee that a finalist is requesting an option to Retreat so as to ensure a timely conferral/ appointment should the finalist be selected for hire; (b) the process for the recommendation of conferral by tenured faculty in the department to which the Administrator wishes to Retreat (augmented by tenured faculty from other departments when sufficient tenured faculty are not available in the department) and/or other representatives of the campus, as provided by the campus policy; and (c) final approval by the campus president or designee.

In granting the option to Retreat with tenure, serious consideration should be given to all the factors set forth in paragraph III. A., above. Administrator candidates who have earned and held a tenured position as a professor within the CSU or another equivalent institution are ordinarily granted the option to Retreat to a tenured faculty position. While the option to Retreat is not ordinarily granted to non-academics, the option to Retreat to either a tenured or probationary faculty position may be granted on a case-by-case basis to Administrator candidates who have never earned or held a tenure-track position, provided they demonstrate a substantial record of achievement meriting such rank and receive the recommendation of the faculty committee and approval of the campus president or chancellor.

IV. Memorialization of the Terms of Retreat

If the campus determines an Administrator candidate should be conferred an option to Retreat, the following terms of Retreat will be placed in the official appointment letter for the administrative appointment:

- a. Acknowledgement of the faculty appointment and whether it is with or without tenure.
- b. Name of the department and college to which the candidate will be appointed upon exercising their option to Retreat.
- c. Faculty rank upon Retreat.
- d. Salary placement details to be applied upon Retreat. If an Administrator exercises their option to Retreat three years or more after the effective date of their appointment, their salary may be set up to the maximum pay rate for their rank, at the president's discretion. If an Administrator exercises their option to Retreat prior to serving three years in the administrative role, their salary at the time of Retreat must be in line with similarly ranked professors in the department/ school to which they are Retreating.
- e. Terms of administrative sabbatical (if provided) or paid time being granted upon Retreat to prepare for a return to teaching.
- f. The amount of time the Administrator must provide notice to the university of their intent to elect to Retreat.

- g. Any additional terms agreed upon between the campus and the candidate relating to their Retreat and/or faculty appointment.
- h. Notice of the potential ineligibility for the option to Retreat in the event of a Finding.

V. Determination of Ineligibility to Exercise the Option to Retreat

An Administrator will be ineligible to exercise their option to Retreat under the following circumstances: (1) a Finding (as defined above) has been made that resulted in the Administrator being non-retained, terminated, or separated through mutually agreed upon settlement terms; or (2) the Administrator's retirement benefits have been rescinded under The Public Employees' Pension Reform Act due to criminal misconduct associated with their official duties.

Allegations for which no Findings have been made should not serve as a basis for denying an option to Retreat. However, in the event a complaint or investigation that could result in a Finding is pending at the time that the Administrator announces their intention to exercise their option to Retreat, the Retreat determination shall be held in abeyance until the completion of the investigation and any appeals. At the written request of the Administrator, the president, in consultation with the chancellor, (or in the case of the chancellor seeking to retreat, the board chair), may allow the Administrator to be placed on paid administrative leave pursuant to Section 42729 of Title 5 during the pendency of the investigation. In the event there is no Finding or pending investigation at the time the request to Retreat is made, the campus shall defer making a final decision on the request to Retreat for 60 days. If, during the 60-day period, the campus initiates an investigation that could result in a Finding, the Retreat determination shall be held in abeyance as set forth above until the completion of the investigation and any appeals, which the CSU will endeavor to complete in a timely fashion. CSU may also, at any time (including after Retreat), investigate and take appropriate action in connection with alleged misconduct committed by an employee while serving as an Administrator.

Notice of ineligibility to Retreat will be provided to the Administrator by the campus president, chancellor, or their designee, and to the chancellor by the board chair. In such cases, CSU will not grant the option to Retreat nor provide a positive letter of reference to the Administrator. The university may provide employment verification for the Administrator, but it will consist only of the job titles held, dates of employment, and job duties, as outlined in CSU's employee reference policy. Notice of the potential ineligibility for the option to Retreat under these circumstances must be included in the Administrator's appointment letter. For Administrators who are employed at the CSU Chancellor's Office, the chancellor holds the responsibility for determining ineligibility to exercise an option to Retreat. For the position of the chancellor, the board chair, in consultation with the board of trustees, holds this responsibility.

VI. Notice of Election to Exercise the Option to Retreat

An Administrator who has been offered the option to Retreat in their appointment letter must notify the university of their intent to elect to Retreat within the time period set forth in the Administrator's appointment letter. At the time the Administrator notifies the campus of their election to Retreat, and the

campus determines the Administrator's eligibility to Retreat, the campus and Administrator should discuss the transition plan for Retreat including the date on which the Retreat becomes effective and the Retreating faculty member's work assignment. Absent circumstances that would prevent the Administrator from doing so, they should normally Retreat and initiate their faculty appointment no later than six (6) months from the date on which the University was notified of the Administrator's intent to Retreat.

VII. Procedure for Reconsideration of Denial of the Option to Retreat

Any campus decision to deny an Administrator's option to Retreat will be subject to reconsideration in accordance with Section 42728 of Title 5, California Code of Regulations, as may be set forth in campus policy.

VIII. Payment in Lieu of Notice Where MPP Employee Elects to Retreat

Pursuant to Section 42723(e) of Title 5, campuses are required to provide an MPP Employee notice of non-retention at least three months prior to the separation date or provide corresponding salary in lieu of notice.

Further, campuses are required to pay MPP Employees all earned and unpaid wages and accrued vacation on the last day of employment (separation date). In the event a campus non-retains an MPP Employee or Administrator who has the option to Retreat, in order to avoid a premature separation, the campus should always provide at least thirty (30) days to exercise their option to Retreat prior to the effective date of non-retention.

Adopted November 16, 2022
Resolution [RUF 11-22-18](#)
CSU Board of Trustees

All Revision Dates

11/29/2022, 8/3/2022

Attachments

[CSU Administrator Appointment Letter with Addendum for Retreat](#)

Approval Signatures

Step Description	Approver	Date
Chancellor	Jolene Koester: Chancellor Of The CSU [SH]	11/29/2022
VC	Leora Freedman: Acting VC for Human Resources	11/22/2022
Area Manager/Owner	Andy Alvarez: Sr Mgr HR Policy Admin	11/22/2022

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COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Discussion Regarding Employment Policy Governing Employee References

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

At the September 2023 meeting of the CSU Board of Trustees, during the Update on Civil Rights (Title IX and Nondiscrimination) Programs and Services, it was announced that Chancellor's Office staff plans to present recommended policy revisions to the Employment Policy Governing Employee References (the "Reference Policy") based on feedback from the California State Auditor (CSA) and the Joint Committee on Legislative Audit (JLAC).

This information item will describe the issues raised in the feedback and the steps that will be taken to seek stakeholder input and propose revisions to the policy for the board's consideration. The operative Reference Policy provided in Attachment A is highlighted to reflect key provisions that are the subject of the feedback received from the CSA and JLAC.

Status **Active** PolicyStat ID **12142918**



Origination 8/3/2022
Effective 8/3/2022
Last Revised 8/3/2022
Next Review 8/2/2024

Owner Andy Alvarez:
Assoc Dir, SW
Emp & Plcy
Admin
Area Human
Resources
Codes RUFPP
07-22-11

Employment Policy Governing the Provision of Employee References

CSU recognizes that reference-checking is an important part of the search and hiring process. It further recognizes that many CSU employees are asked, on occasion, to provide positive references for former or current colleagues and/or direct reports. This policy is intended to outline the principles and procedures guiding the provision of such references, given the legal liability associated therewith. Specifically, it is the guiding principle of CSU to demonstrate integrity in all matters and not to provide positive letters of reference for employees who have engaged in significant misconduct, including a serious CSU policy violation.¹

I. References Requested by Third Parties

CSU employees may receive reference requests from third parties. References provided to third parties may be official (on behalf of the University) or personal (on behalf of the employee personally). Employees receiving requests for references from third parties must confer with their Campus Human Resources (staff, student, and/or management employees) or Faculty Affairs (faculty employees) Departments for review or response as there may be relevant information for which the employee being asked to provide the reference is unaware.

II. Official Letters of Recommendation

CSU employees who are asked to provide letters of recommendation or other formal requests for reference for current/former colleagues or direct reports on behalf of the CSU must confer with their campus Human Resources or Faculty Affairs Departments prior to responding to the request or provide their finalized letter of recommendation to Campus Human Resources or Faculty Affairs for their review prior to submission. Campus Human Resources/Faculty Affairs shall review the employee's personnel

file as well as inquire of the campus Title IX/DHR office as to whether the employee for whom the reference is being requested has had findings against them in the past or if there are any investigations/ appeals pending.

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

** A finding includes, but is not limited to, (a) a final internal report, following any appeals, resulting from an investigation conducted by the university; (b) an internal or external audit; (c) an administrative decision by a state body having such jurisdiction, such as the Department of Labor, etc.; (d) a civil or criminal judgment, following any appeals; (e) a finding of improper governmental activity, which is defined by the State of California as any action that violates state or federal law or regulation; that is economically wasteful; or that involves gross misconduct, incompetence, or inefficiency; or (f) admission of any of the above-referenced misconduct by the employee.*

III. Employment Verifications for Current or Former Employees

Employment verifications for current or former employees must always be directed to the Campus Human Resources Department. It is the CSU's policy to provide minimal information about current or former employees to non-CSU entities for employment verification purposes. Campus Human Resources Departments shall provide only the current or former employee's job title(s), dates of employment, and job duties.

Current or former CSU employees may additionally authorize the release of their salary information, typically for the purpose of credit evaluation, as part of the employment verification process. Such requests must be referred to the Campus Human Resources Department who will only release salary information to a requesting third party/institution with the current or former employee's written authorization to do so.

IV. Personal References

Personal references are permissible. Such references should clearly identify that they are being provided in an individual capacity and not on behalf of the CSU. Any references made outside Human Resources or Faculty Affairs, and where no check-in or review with Human Resources or Faculty Affairs has occurred, will be considered personal and not to have been provided on behalf of the CSU.

References by presidents, executives, or other university officers in senior administrative positions may

be perceived as being provided on behalf of the University by virtue of their position. Such individuals must also consult with Human Resources or Faculty Affairs to determine whether letters of recommendation or positive references are appropriate and may be provided, even in their personal capacity.

V. References Requested Within CSU

The CSU operates as a single employer and has the right and responsibility to share information across its campuses and departments about employees, including senior leaders. Shared information must be accurate and specific to the employee's work performance and job history. Former or current supervisors must always provide, if requested to do so, information to other CSU campuses and departments and may not withhold any relevant information related to the work performance of the current or former employee. Communications between campuses must always be truthful, accurate, job-related, candid, and unbiased.

Campuses are further reminded that they must comply with CSU's Recruitment and Hiring Guidelines for MPP and Staff (non-represented and represented) Positions, Technical Letter HR/Appointments 2013-03, and to fully cooperate with other campuses in providing information within CSU.

Adopted July 13, 2022
Resolution [RUFP 07-22-11](#)
CSU Board of Trustees

Endnotes

1. This policy addresses requests for references for CSU employees only. Requests for references for CSU students, outside of any student-employment context, may be addressed in a separate policy.

All Revision Dates

8/3/2022

Approval Signatures

Step Description	Approver	Date
Chancellor	Jolene Koester: Chancellor Of The CSU [SH]	8/3/2022
VC	Leora Freedman: Assoc VC Dpty Gen Cnsl Ast Sec	8/2/2022

Area Manager/Owner

Andy Alvarez: Sr Mgr HR Policy
Admin

8/2/2022

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COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Update on Civil Rights (Title IX and other Nondiscrimination) Programs and Services

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The Board of Trustees will be presented with a report on the university's Civil Rights (Title IX and other nondiscrimination) programs and services.

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 9:30 a.m., Wednesday, November 8, 2023
Glenn S. Dumke Auditorium

Jack B. Clarke, Jr., Chair
Yammilette Rodriguez, Vice Chair
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Lillian Kimbell
Julia I. Lopez
Jack McGrory
Jose Antonio Vargas

- Consent** 1. Approval of Minutes of the Meeting of September 12, 2023, *Action*
2. State Legislative Update, *Information*
- Discussion** 3. Endorsement of the Fresno County Ballot Initiative, *Action*

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

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

September 12, 2023

Members Present

Jack Clarke, Jr., Chair
Yammilette Rodriguez, Vice Chair
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Lillian Kimbell
Julia Lopez
Jack McGrory
Jose Antonio Vargas

Jolene Koester, Interim Chancellor
Wenda Fong, Chair of the Board

Trustee Clarke called the meeting to order.

Approval of Minutes

The minutes of the May 24, 2023, meeting were approved as submitted.

State Legislative Update

Steve Relyea, executive vice chancellor and chief financial officer, reported that the Advocacy and State Relations (ASR) team has been consistently engaged in the legislative session in Sacramento, which will end on Friday. They continue to work with legislative offices on a variety of bills and respond to requests for the CSU to appear at a number of hearings.

Nathan Dietrich, assistant vice chancellor for advocacy and state relations highlighted important bills that impact the CSU and shared details about recent advocacy efforts in Sacramento.

The legislature returned from summer recess on August 14, and the session will end on September 14. The Governor will then have 30 days to sign or veto any bills the legislature has passed.

The board's sponsored bills are making great progress this legislative session. AB 656, which gives the CSU authority to establish practical doctoral programs, and AB 840, the alcohol sponsorship exemption proposal, have both passed both the Assembly and Senate and now await the Governor's consideration.

He noted that many of the bills listed in the agenda item were successfully amended to remove impacts to students and the campuses, and a large number were amended to become two-year bills. There appears to be agreement in Sacramento that if an education bond is on the ballot, it would be in November 2024. The revision to the out of the state travel ban has passed the Assembly and the Senate and awaits the Governor's consideration.

He reported on recent activities, including the first in-person alumni reception at the capitol since the pandemic; briefings and meetings with legislators, their staff and committee staff; and three significant committee hearings that addressed student success, the CalNAGPRA audit and the Title IX audit. In late August, Interim Chancellor Koester was honored by both the Senate and Assembly for her leadership.

Trustee McGrory would like to oppose any amendment that diminishes student access to mental health services. He feels the CSU should support the repeal of the out of state travel ban and support the student athlete bill of rights. Trustee Yee-Melichar asked for an update on SBX 1-2 and how the funding might be allocated. Trustee Gilbert-Lurie suggested they have a conversation on how board members could be advocates for the CSU. Trustee Adamson would like this to be a topic at the upcoming board retreat.

Trustee Clarke adjourned the meeting.

COMMITTEE ON GOVERNMENTAL RELATIONS

State Legislative Update

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Nathan Dietrich
Assistant Vice Chancellor
Advocacy and State Relations

Summary

The Legislature adjourned for the fall interim on September 14 and will remain in recess until January 2024. Bills must have been passed by September 14 to be considered by the Governor. The Governor had until October 14 to take action. Bills signed into law by the governor go into effect January 1, 2024, unless the bill includes an urgency statute (in which case it goes into effect immediately) or includes language that explicitly delays implementation until a specified date.

Legislative Session Review

The CSU and its universities enjoyed a successful legislative session, as the Governor signed the Board's two sponsored bills into law and a number of bills that would have had significant policy and fiscal implications for the CSU were not enacted into law.

The success achieved this session would not have been possible without the active engagement from the universities, trustees and key stakeholders. As a result, AB 656 (McCarty), the board's sponsored bill, was signed which expands the CSU's doctoral authority for professional and applied doctoral degrees where there is an identified workforce need and does not duplicate degrees offered by the UC. The second sponsored bill, AB 840 (Addis), now provides the authority for several campuses to engage in alcohol sponsorships, which will allow new revenue opportunities. In addition to the sponsored legislation, the Governor signed several other bills of importance, such as legislation to repeal the out of state travel ban (SB 447), establishing requirements to ensure Native American remains and cultural artifacts are repatriated (AB 389), and requiring the annual reporting of sexual harassment complaints (SB 808).

Governor Newsom also vetoed a number of bills that would have had significant operational or financial impacts to the system and its universities. These bills included increased liability related to hazing incidents even if the CSU took the necessary action to prohibit such actions (AB 299), expanded paid parental leave for up to one-semester (AB 1123), and bills that could have disrupted the workforce (AB 504, SB 640).

As we look ahead to the 2024 legislative session, staff will be actively engaged in discussions pertaining to issues such as Title IX, college athletics, intersegmental coordination, mental health and basic needs. In addition, the Board has made it a clear priority that the CSU be included in any educational facilities general obligation bond that may be on the November 2024 ballot. To which, staff will be engaging legislative leadership to secure its position and the funding necessary to address the growing infrastructure needs at the 23 universities.

End of Session Legislative Summary

This report below is organized as follows:

- Board of Trustees sponsored legislation
- Governor's Actions
 - Senate Bills
 - Assembly Bills
- Bills no longer advancing
 - Senate Bills
 - Assembly Bills

All bill summaries and positions are accurate as of October 20, 2023.

SPONSORED LEGISLATION

AB 656 (McCarty) – California State University: Doctoral Programs

This bill would authorize the California State University (CSU) broad authority to establish expanded doctoral offerings that do not duplicate the University of California’s (UC) doctoral programs and address workforce needs in California.

- **CSU Position:** Sponsor
- **Status:** Chaptered by Secretary of State – Chapter 663, Statutes of 2023.

AB 840 (Addis) – Tied-House Exemptions: Advertising

This bill creates an exception to tied-house laws that will allow several venues on CSU campuses to enter into sponsorship agreements with alcohol beverage suppliers.

- **CSU Position:** Sponsor
- **Status:** Chaptered by Secretary of State – Chapter 346, Statutes of 2023.

GOVERNOR’S ACTIONS

Senate Bills

SB 234 (Portantino) – Opioid Antagonists: Schools, College Campuses, Stadiums, Concert Venues, and Amusement Parks

This bill would require each stadium, concert venue, and amusement park to maintain unexpired doses of naloxone hydrochloride or any other opioid antagonist on its premises at all times, and to ensure that at least 2 employees are aware of the location of the naloxone hydrochloride or other opioid antagonist.

- **CSU Position:** Tracking
 - *Note:* *This bill was amended and no longer applies to higher education institutions.*

SB 447 (Atkins) – GO-Biz

This bill would repeal the state’s travel ban which currently prohibits state funded travel to certain states that have enacted anti-LGBTQ policies. It would instead authorize GO-Biz to promote social equity, civil rights, and antidiscrimination via a non-partisan, nationwide advertising campaign known as the Building and Reinforcing Inclusive, Diverse, Gender-Supportive Equity Project (BRIDGE Project)

- **CSU Position:** Support

SB 633 (Gonzalez) – California DREAM Loan Program: DREAM Grants

This bill authorizes institutions participating in the DREAM Loan Program to offer unawarded funds from their revolving fund as DREAM Grants to eligible students.

- **CSU Position:** Support

SB 661 (Bradford) – Student Athlete Bill of Rights

This bill expands upon the Student Athlete Bill of Rights to require all athletic programs, not just those with more than ten million dollars annually in media rights revenue, to provide an equivalent scholarship for up to five years for a student who suffers an injury and provide a scholarship for up to one year for a student that has exhausted their athletic eligibility under specified conditions.

- **CSU Position:** Pending

SB 791 (McGuire) – Postsecondary Education: Academic and Administrative Employees: Disclosure of Sexual Harassment

This bill requires the CSU and California Community Colleges (CCC), and requests the UC, to require as part of the hiring process for an appointment to an academic or administrative position that the applicant disclose any final judicial or administrative decision determining that the applicant committed sexual harassment.

- **CSU Position:** Tracking

SB 808 (Dodd) – CSU: Annual Report: Sexual Harassment Reports: Formal Sexual Harassment Complaints

This bill requires the CSU Board of Trustees to include additional oversight for approving sexual harassment settlements; to report annually on the number of sexual harassment complaints and the disposition of those cases to the Legislature; and to prohibit retreat rights for senior administrators who have violated Title IX policy.

- **CSU Position:** Tracking

Assembly Bills

AB 255 (Alanis) – Public Postsecondary Education: Priority Registration for First Responders

This bill requires the CSU and CCC, and requests the UC, to grant priority for registration to first responders.

- **CSU Position:** Tracking

AB 322 (Mathis) – Veteran and California National Guard Supplemental Orientation Act of 2023

This bill would require the CSU and the CCC, and requests the UC, to develop and include within first-year student orientation a supplemental module of services and resources available for students who are veterans of the Armed Forces of the United States and members of the California National Guard.

- **CSU Position:** Tracking

AB 389 (Ramos) – Native American Repatriation: California Native American Graves Protection and Repatriation Act of 2001: CSU

This bill establishes annual reporting to the Legislature by the CSU pertaining to requirements under the Native American Grave Protection and Repatriation Act and establishes accountability provisions to ensure compliance with those requirements.

- **CSU Position:** Support

AB 447 (Arambula) – Public Postsecondary Education: Students with Disabilities: Inclusive College Pilot Programs

This bill requests the CSU, and the UC, to develop inclusive college programs for students with intellectual and developmental disabilities to pursue an educational credential, upon appropriation from the Legislature.

- **CSU Position:** Tracking

AB 461 (Ramos) – Student Safety: Fentanyl Test Strips

This bill requires the CSU to include information about the use and location of fentanyl test strips at new student orientations and requires that each campus health center stock and distribute fentanyl test strips.

- **CSU Position:** Tracking

AB 569 (Garcia) – CSU: Veterans: Cybersecurity Regional Alliances and Multistakeholder Partnerships Pilot Program

This bill would require the CSU Chancellor's Office to submit a report to the Legislature on the Cybersecurity pilot program funded in the 2022 budget by July 1, 2028.

- **CSU Position:** Tracking

AB 607 (Kalra) – Public Postsecondary Education: Course Materials

This bill would require the CSU, CCC, and request the UC, to display the estimated costs for each digital course of all required course materials and fees directly related to those materials. This requirement would be phased in over a five-year period to require up to 75% of the total number of courses on the online campus course schedule for which a faculty member has been assigned.

- **CSU Position:** Tracking

AB 659 (Aguilar-Curry) – Cancer Prevention Act

This bill declares the public policy of the state that students who are 26 years of age or younger are recommended to be fully immunized against HPV before first-time enrollment at an institution of the CSU, UC, or CCC.

- **CSU Position:** Tracking

AB 789 (Berman) – Student Financial Aid: Cal Grants: Satisfactory Academic Progress

This bill requires postsecondary institutions to align their satisfactory academic progress standards to the minimum federal standards to qualify for participation in the Cal Grant program, among other changes.

- **CSU Position:** Tracking

AB 760 (Wilson) – CSU and UC: Records: Affirmed Name and Gender Identification

This bill requires CSU, and requests UC, by the 2024–25 academic year, to implement a system by which current students, faculty and staff can declare an affirmed name and/or gender be used in their records where a legal name is not required. The bill also requires the CSU to update specified records, including transcripts upon request of the individual.

- **CSU Position:** Tracking

AB 1311 (Soria) – Public Postsecondary Education: Allied Health Programs: Assessment

This bill requires the Legislative Analyst’s Office (LAO) to assess the effectiveness of existing programs in allied health jointly offered between the CSU, CCC and UC.

- **CSU Position:** Tracking

AB 1138 (Weber) – Postsecondary Education: Sexual Assault and Sexual Violence Prevention: Transportation Services

This bill requires the CSU, and UC, to provide students free transportation to and from a rape crisis center to administer Sexual Assault Forensic Examination (SAFE) Kits if such kits are not already administered on campus.

- **CSU Position:** Tracking

AB 1540 (Fong, Mike) – Postsecondary Education: Nonresident Tuition: Exemption

This bill would simplify the financial aid application process for undocumented students by authorizing institutions to accept an affidavit provided to the Student Aid Commission rather than requiring multiple affidavits.

- **CSU Position:** Tracking

VETOED

Senate Bills

SB 640 (Portantino) – CSU: Food Service Contracts and Hotel Development Projects

This bill requires the CSU or CSU auxiliaries to include a labor peace agreement as part of any food service or hotel development contract.

- **CSU Position:** Pending

Assembly Bills

AB 299 (Holden) – Hazing: Educational Institutions: Civil Liability: Resources

This bill establishes civil liability for an education institution, which includes the CSU, if the institution had direct involvement in or knew of, dangerous hazing practices of the student organization involved in hazing.

- **CSU Position:** Oppose unless amended

AB 504 (Reyes) – State and Local Public Employees: Labor Relations: Strikes

This bill would establish a statutory right for all public employees to take part in a sympathy strike.

- **CSU Position:** Oppose

AB 603 (Cervantes) – Public Postsecondary Education: Diversity: Report

This bill requires the CSU and CCC, and requests the UC, to annually report to the Legislature on the diversity of their student body and of their governing board.

- **CSU Position:** Tracking

AB 624 (Grayson) – Postsecondary Education: Disabled Student Services: Assessments

This bill requires public and private postsecondary educational institutions to provide and cover the costs of diagnostic assessments needed by students for academic accommodations. State funds will be provided to reimburse institutions on an actual-cost basis.

- **CSU Position:** Tracking

AB 746 (Sanchez) – Learning-Aligned Employment Program: Eligibility

This bill changes the requirements of the Learning-Aligned Employment Program to make it available to more students while still prioritizing those from underrepresented backgrounds.

- **CSU Position:** Tracking

AB 1123 (Addis) CSU: Employees: Paid Parental Leave of Absence

This bill requires the CSU to grant paid parental leave to an employee for one semester of an academic year.

- **CSU Position:** Oppose

BILLS THAT FAILED TO ADVANCE TO THE GOVERNOR

Senate Bills

SB 11 (Menjivar) – CSU: Mental Health Services: Contracting Out

This bill requires the CSU to maintain a ratio of one mental health counselor per 1,500 students at each campus and establishes the CSU Mental Health Professionals Act to provide incentives for CSU students to become mental health counselors.

- **CSU Position:** Oppose unless amended

SB 28 (Glazer) – Education Finance: School Facilities: Public Preschool, K–12, and College Health and Safety Bond Act of 2024

This bill would place a \$15.5 billion facilities bond on the March 2024 ballot for K-16, that if approved by the voters, would allocate \$2 billion for the CSU.

- **CSU Position:** Support

SB 59 (Skinner) – Menstrual Product Accessibility Act

This bill increases the number of bathrooms in state-owned buildings that must be stocked with menstrual products, which are to be provided to members of the public free of charge.

- **CSU Position:** Pending

SB 574 (Wahab) – Public Agencies: Project Labor Agreements

This bill prohibits a state agency from entering into a public works project in excess of \$35 million dollars, unless that project is governed by a project labor agreement (PLA). This would apply to the CSU if state bond funds are used in the construction of the public works project

- **CSU Position:** Pending

SB 856 (Glazer) – CSU Students: California Promise: Finish in Four and Through in Two

This bill requires the California Promise program to be renamed the ‘Finish in Four and Through in Two’ program. It also requires incoming students to opt out of participating rather than opting into the program, with each campus required to have at least five percent of each incoming class participating in the program.

- **CSU Position:** Pending

Assembly Bills

AB 25 (McCarty) – Student Financial Aid: Middle Class Scholarship Program

This bill amends the rules of the Middle Class Scholarship Program to remove basic needs emergency aid from consideration in the awarding or adjusting of scholarship amounts. It also requires the Department of Finance to fully fund the program over five years, provided general fund revenues increase for two consecutive years.

- **CSU Position:** Tracking

AB 252 (Holden) – The College Athlete Protection Act

This bill establishes the College Athlete Protection (CAP) Act, for the purpose of providing various rights, benefits and protections to college athletes. The bill creates a 21-member panel to promulgate various regulations and requires National Collegiate Athletic Association Division I schools to provide degree completion fund payments to student athletes that receive athletic grants.

- **CSU Position:** Oppose

AB 266 (Boerner) – Legislative Internship Program

The bill would establish the Legislative Internship Program under the administration of the CSU’s Center for California Studies.

- **CSU Position:** Pending

SB 307 (Ashby) – Middle Class Scholarship Program: Community Colleges: Current and Former Foster Youth

This bill expands access to the Middle Class Scholarship program for community college students who are current or former foster youth.

- **CSU Position:** Tracking
 - *Note: Components of this measure were incorporated into the Budget Act of 2023.*

AB 456 (Maienschein) – Public Postsecondary Education: Campus Mental Health Hotlines

This bill requires each campus of the CSU and CCC, and requests the UC, to establish a campus mental health hotline for students to access mental health services remotely during working hours and to include this phone number on the back of all student ID cards.

- **CSU Position:** Tracking

AB 506 (Fong, Mike) – CSU: Graduation Requirement: Ethnic Studies

This bill suspends the process for approving GE ethnic studies courses for one year during 2024 so that a new process can be developed in collaboration with the ASCSU, the ASCCC, the CCC Ethnic Studies Faculty Council, and the CSU Council on Ethnic Studies. It specifies that ethnic studies courses approved through 2023 will no longer satisfy the CSU ethnic studies GE requirement (area f) until they are re-reviewed under the new process.

- **CSU Position:** Oppose

AB 644 (Jones-Sawyer) – Public Postsecondary Education: Campus Safety: Hate Crimes: Surveys

This bill requires the CSU and CCC, and requests the UC, to work with students to develop questions related to hate crimes, campus climate, and safety to be added to the biennial online campus climate survey conducted by the U.S. Department of Education and to report the campus-level results to the Legislature.

- **CSU Position:** Tracking

AB 680 (Rubio, Blanca) – Public Postsecondary Education: Nonresident Tuition: Exemption

This bill expands the provisions of AB 540 and exempts certain students from paying nonresident tuition at the CSU, UC and CCC.

- **CSU Position:** Pending

AB 810 (Friedman) – Athletics Department: Misconduct Database

This bill requires a postsecondary education institution to contact a potential employee's past employer to verify they did not violate any employment policies of the former employer.

- **CSU Position:** Pending

AB 1062 (Santiago) – Public Postsecondary Education: California State University: Tuition

This bill requires, upon appropriation, that the CSU not charge tuition or mandatory systemwide fees to any community college transfer student with financial need and an ADT for up to two years. Additionally, such students who receive financial aid to cover their tuition and fees must receive an institutional grant in the commensurate amount of what otherwise would have been waived by the CSU to help cover their nontuition costs.

- **CSU Position:** Oppose

AB 1082 (Kalra) – Authority to Remove Vehicles

This bill would prohibit towing or immobilizing a vehicle due to unpaid parking tickets, increase the number of unpaid tickets from one to three before the Department of Motor Vehicles can place a registration hold and implement new requirements for parking payment plans established by processing agencies.

- **CSU Position:** Tracking
 - *Note:* *This bill was amended and no longer applies to higher education institutions.*

AB 1160 (Pacheco) – Protecting Students from Creditor Colleges Act

This bill expands the Educational Debt Collection Practices Act to prohibit a campus from refusing to provide a diploma or certificate for a current or former student on the grounds that the student owes a debt or engage a third-party debt collection agency to collect an existing or future student debt or selling an existing or future student debt to a third party.

- **CSU Position:** Oppose

AB 1142 (Fong, Mike) – Postsecondary Education: Coordinating Commission for Postsecondary Education in California

This bill would establish the Coordinating Commission for Postsecondary Education in California as the statewide postsecondary education oversight, coordination, and planning entity. Among many duties and responsibilities, the Commission would be required to develop and publish an independent annual report on the condition of higher education in California.

- **CSU Position:** Pending

AB 1390 (McCarty) – CSU: UC: Graduation Requirements: Service Learning

This bill specifies that the CSU and UC institute a service-learning requirement for students graduating by the 2032-33 academic year. The CSU and UC is prohibited from increasing the number of units needed to graduate because of this requirement.

- **CSU Position:** Oppose unless amended

AB 1524 (Lowenthal) Postsecondary Education: On-Campus Access to Drug Testing Devices and Antitampering Devices

This bill requires the CSU and CCC, and requests the UC, to stock devices that detect the presence of drugs such in a central and accessible location on campus and offer them free of charge.

- **CSU Position:** Tracking

AB 1558 (Gallagher) – Postsecondary Education: Safety: Credible Threats

The bill would require each campus after receiving a threat to student, faculty or staff safety to determine, through a third-party risk assessment, whether the threat is credible. If the campus determines the threat is credible, or determines the individual poses an immediate threat, the campus shall impose interim measures to ensure school and student safety.

- **CSU Position:** Pending

AB 1575 (Irwin) – Postsecondary Education: Designated Advocates: Notification

This bill requires the segments of postsecondary education to notify students of their ability to opt into selecting a designated advocate, who will receive notifications about specified administrative, academic, health, and disciplinary notices.

- **CSU Position:** Pending

COMMITTEE ON GOVERNMENT RELATIONS

Endorsement of the Fresno County Ballot Initiative

Presentation By

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Summary

This agenda item requests endorsement by the California State University Board of Trustees for a Fresno County March 2024 ballot initiative that will ask voters to consider raising the county's sales tax, which additional tax revenue will exclusively support a newly created Fresno State Improvement Zone. The ballot initiative is called Measure E.

If the initiative is approved by voters, it would increase Fresno County's sales tax by 1 cent on every \$4 purchase (a quarter cent sales tax). Tax revenue would be placed into a separate, newly created Fresno State Improvement Zone account. Funds from the measure would be allocated to Fresno State to modernize, replace, renovate, construct, equip, furnish, and improve its facilities, as well as fund scholarships for Central Valley students and veterans. Such improvements will result in modern, upgraded facilities that will enhance the teaching and learning environment, which will directly support greater program access and student success.

Initiative Background

A group of Fresno-area community leaders, including local and state elected officials, operating independently of Fresno State, have organized the effort to place the "Fresno State Improvement Zone Measure" in front of voters. The Fresno County Clerk/ Registrar of Voters has determined that the measure has secured enough signatures to be placed on the ballot and in October 2023 the Fresno County Board of Supervisors voted 5-0 to place the item on the March 2024 ballot.

Fresno-area leaders understand that Fresno State plays an important role in their region's future. Over 57% of Fresno State's current students graduated from a high school in Fresno County or attended a community college in Fresno County. In addition, Fresno State has over 85,000 alumni who reside in Fresno County, many of whom understand the importance of Fresno State's growth and access for generations to come, specifically for in-demand academic programs such as Nursing, Engineering, Criminology, and Agriculture. An earlier ballot measure had been approved by the Fresno County Board of Supervisors and was placed on the November 2022 ballot. That measure did not pass by approximately 10,000 votes (falling 47% to 53%). Since then, the community group has modified the proposal and circulated the new version for voter's consideration. Measure E differs from the previous measure, as it includes the creation of a scholarship endowment, modifies the composition of a Citizens' Oversight Committee to include Fresno State and the CSU Office of the Chancellor, and does not prescribe a maximum percentage of the annual allocation for athletic facilities.

Initiative Details

Measure E asks voters to consider increasing Fresno County's sales tax by 1 cent on every \$4 purchase. The additional tax revenue would be placed into a newly created Fresno State Improvement Zone account and a Citizens' Oversight Committee would authorize payments to specific Fresno State projects. It is estimated that the sales tax increase will generate \$56 million annually and a total of \$1.4 billion over its 25-year term. All projects would be designed and constructed in accordance with the approved campus master plan and in compliance with all CSU and Board policies. The 7-member Citizens' Oversight Committee would be made up of five individuals appointed by the Fresno County Board of Supervisors, Fresno State's president, and a representative of the CSU Office of the Chancellor.

Funds from the measure would primarily be used by Fresno State to build new facilities, modernize existing aged facilities, and help address the \$500 million backlog of deferred maintenance. The measure specifically notes that funds would be directed to "expanding access in nursing, agriculture, criminology, science, engineering and other fields; repairing and upgrading deteriorating classrooms and laboratories, and fire, life safety and security systems; providing safe drinking water; removing asbestos, lead paint and mold, providing scholarships for deserving local students and veterans; and other uses..." Athletic facilities owned by the university could also be renovated or modernized with the funding.

All projects would be included as part of Fresno State's Board approved Five-Year Capital Outlay Program in order to be eligible for funding. Proceeds will be spent to construct, modernize, replace, renovate, equip, and furnish facilities on the Fresno State campus. Funding is allowed to be used for architectural and engineering design, and other professional services, site preparation, utilities, landscaping, and other project related costs including plan check, permitting, and construction/project management. Revenues may also be used to acquire real property.

Examples of projects that potentially could be funded by the measure include:

- Construction of new facilities such as a Concert Hall, a new building for the Lyles College of Engineering, and a new building to expand the Nursing capacity to meet the shortages experienced by local health care organizations;
- Modernization of existing facilities and classrooms to reflect 21st century active learning pedagogies;
- Upgrading electrical, telecommunication, fire alarm, and similar building systems;
- Replacing, repairing, or upgrading plumbing, piping, and drainage systems, including domestic water wells, meters, wastewater systems, and plumbing fixtures;
- Replacing or modifying aging building heating, ventilation, and air cooling systems with energy-efficient HVAC systems, including campuswide installation of new energy management systems and other energy efficient/sustainable measures not included in current projects;
- Replacing, modifying, or upgrading interior lighting, exterior lighting, and video security systems;
- Upgrading and modifying restroom facilities, including ADA path of travel; and
- Constructing, repairing, and renovating roadways, walkways, grounds, and parking lots, and making entrance improvements to meet enhanced accessibility requirements and upgrades to pedestrian/ vehicular signage.

All capital projects will be designed and constructed in accordance with CSU policies and procedures for Major Capital Outlay projects. This includes review and final approvals by the Board of Trustees.

The measure also directs funds to the creation of two endowments of approximately \$50 million each. One endowment shall be used for funding scholarships for local, low-income students, including veterans enrolled in and attending Fresno State. The other endowment shall be used for funding deferred maintenance and other campus programs. Once the endowments are established, it is estimated that each will generate between \$5 million and \$10 million a year.

Benefits of the Initiative

Funding from the proposed ballot measure would support student success by addressing deteriorating campus facilities and infrastructure. Currently, the campus has a deferred maintenance backlog (excluding athletic facilities) in excess of \$500 million. A sustainable, predictable revenue stream to address this backlog would assist in providing modern teaching and learning environments for our students and faculty. Facilities and equipment associated with the measure will also contribute to sustaining Fresno State's "R2" designation as a research institution.

An internal document from Fresno State in March 2020 stated that 77% of buildings at Fresno State are more than 30 years old and 62% are more than 60 years old. In addition, the Legislative Analyst's Office 2023 report titled "Addressing Capital Renewal at UC and CSU" states that Fresno State has the 10th highest projected capital renewal needs in the CSU and is the 8th in having the poorest facility conditions in the system.

Fresno State is instrumental to the success and economic vitality of the Central Valley region – a region responsible for producing 25% of the Nation's food and a region that is critical to the future economic success of California. Fresno State generates an estimated \$716.9 million in annual economic impact for the region.

Estimated Timeline/Next Steps

Voters will consider the measure in the March 5, 2024 statewide primary election. If approved, the sales tax would go into effect in July 2024. Oversight committee members will be chosen by the County Board of Supervisors in 2024. Audit reports would be published each year and the sales tax increase would expire after 25 years. The additional sales tax would not be collected in certain jurisdictions of Fresno County where collection of tax in those areas would cause the combined rate of transactions and use taxes to exceed the maximum rate limit set by the State of California.

Recommendation

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Board of Trustees endorse the Fresno County Measure E (Fresno State Improvement Zone) ballot initiative.

Fresno County Transactions and Use Tax: *Fresno State Improvement Zone Measure*

Full Text of Measure

AN ORDINANCE OF THE COUNTY OF FRESNO ADDING A NEW CHAPTER 4.60 TO TITLE 4 (REVENUE AND FINANCE) OF THE FRESNO COUNTY ORDINANCE CODE IMPOSING A ONE-QUARTER PERCENT (0.25%) TRANSACTIONS AND USE TAX: FRESNO STATE IMPROVEMENT ZONE ORDINANCE TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

THE VOTERS OF THE COUNTY OF FRESNO ORDAIN AS FOLLOWS:

SECTION 1. This ordinance relates to the levying and collecting of the County transactions and use tax, and shall be posted in accordance with the provisions of the Fresno County Ordinance Code and shall take effect immediately following voter approval.

SECTION 2. Chapter 4.60 Transaction and Use Tax Ordinance: Fresno State Improvement Zone Ordinance is hereby added to Title 4 (Revenue and Finance) of the Fresno County Ordinance Code to read as follows:

CHAPTER 4.60 – TRANSACTIONS AND USE TAX: FRESNO STATE IMPROVEMENT ZONE ORDINANCE

- 4.60.010. – Title.
- 4.60.020. – Operative Date.
- 4.60.030. – Purpose.
- 4.60.040. – Contract with State.
- 4.60.050. – Transactions Tax Rate.
- 4.60.060. – Place of Sale.
- 4.60.070. – Use Tax Rate.
- 4.60.080. – Adoption of Provisions of State Law.
- 4.60.090. – Limitations on Adoption of State Law and Collection of Use Taxes.
- 4.60.100. – Permit Not Required.
- 4.60.110. – Exemptions and Exclusions.
- 4.60.120. – Amendments.
- 4.60.130. – Enjoining Collection Forbidden.
- 4.60.140. – Severability.
- 4.60.150. – Effective Date.
- 4.60.160. – Use of Sales Tax Proceeds.
- 4.60.170. – Accountability – Citizens’ Oversight Committee.
- 4.60.180. – Termination Date.

4.60.010. – Title.

This chapter shall be known as the Fresno County Transactions and Use Tax: Fresno State Improvement Zone Ordinance. The County of Fresno hereinafter shall be called “County.”

4.60.020. – Operative Date.

“Operative Date” means the first day of the first calendar quarter commencing more than 110 days after the adoption of this chapter, the date of such adoption being as set forth below.

4.60.030. – Purpose.

This chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- (1) To impose a retail transactions and use tax in accordance with the provisions of Revenue and Taxation Code, Division 2, Part 1.6 (commencing with Section 7251) and section 7285.5 of Part 1.7 of Division 2, which authorizes the County to adopt this ordinance which will be operative if a majority of the electors voting on the measure vote to approve the imposition of tax at an election called for that purpose, or if the Fresno County Board of Supervisors adopts this ordinance prior to an election pursuant to California Elections Code section 9118, subdivision (a).
- (2) To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions of this ordinance are not inconsistent with the requirements and limitations contained in Revenue and Taxation Code, Division 2, Part 1.6.

- (3) To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
- (4) To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Revenue and Taxation Code, Division 2, Part 1.6, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this chapter.

4.60.040. – Contract with State.

Prior to the Operative Date, the County shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the County shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative Date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following execution of such a contract.

4.60.050. – Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the County at the rate of 0.25% of the gross receipts, or 0.25 cents for an item that costs one dollar, of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this chapter. Such tax shall be in addition to any other transactions tax imposed by this Code or applicable state law.

The transactions and use tax would not be collected in certain jurisdictions of the county when collection of the tax in those areas would cause the combined rate of transactions and use taxes to exceed the maximum rate limit set by the State of California in Section 7251.1 of the Revenue and Taxation Code.

When contracting with the California Department of Tax and Fee Administration (CDTFA) to administer the tax imposed by this ordinance, it shall be the County's intent, and any agreement shall ensure, that the combined rate limit specified in Revenue and Taxation Code section 7251.1 is not exceeded in any district within the County that has imposed a transactions and use tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code in effect on or before the effective date of this ordinance. The agreement shall include that appropriate steps are taken by CDTFA to ensure that the County tax imposed by this ordinance, when aggregated with all other transactions and use taxes imposed pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code within that district, will 1) not cause the rate of the transactions and use tax within the district to exceed the combined rate limit; 2) not cause any person subject to the tax imposed by this ordinance to pay more than the legally permissible combined rate; and 3) have no impact on the revenue received by each district within the County as the result of any transactions and use tax imposed by the district on or prior to the effective date of this ordinance.

4.60.060. – Place of Sale.

For purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts of such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department Tax and Fee Administration.

4.60.070. – Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the Operative Date of this chapter for storage, use or other consumption in said territory at the rate of 0.25% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made. Such tax shall be in addition to any other transactions tax imposed by this Code or applicable state law.

4.60.080. – Adoption of Provisions of State Law.

Except as otherwise provided in this chapter and except insofar as they are inconsistent with the provisions of Revenue and Taxation Code, Division 2, Part 1.6, all of the provisions of Revenue and Taxation Code, Division 2, Part 1 (commencing with Section 6001) are adopted and made a part of this chapter as though fully set forth herein.

4.60.090. – Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Revenue and Taxation Code, Division 2, Part 1:

- (1) Wherever the State of California is named or referred to as the taxing agency, the name of this County shall be substituted therefor. However, the substitution shall not be made when:
 - a. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control,

- California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;
- b. The result of that substitution would require action to be taken by or against this County or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this chapter.
 - c. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - i. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the state under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - ii. Impose this tax with respect to certain sales, storage or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
 - d. In Revenue and Taxation Code §§ 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828.
- (2) The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Revenue and Taxation Code Section 6203 and in the definition of that phrase in Section 6203.

4.60.100. – Permit Not Required.

If a seller's permit has been issued to a retailer under Revenue and Taxation Code Section 6067, an additional transactor's permit shall not be required by this chapter.

4.60.110. – Exemptions and Exclusions.

- (1) There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- (2) There are exempted from the computation of the amount of transactions tax the gross receipts from:
 - a. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
 - b. Sales of property to be used outside the County, which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:
 - i. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Vehicle Code, Division 3, Chapter 1 (commencing with Section 4000); aircraft licensed in compliance with Public Utilities Code Section 21411; and undocumented vessels registered under Vehicle Code, Division 3.5 (commencing with Section 9840) by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - ii. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 - c. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this article.
 - d. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this article.
 - e. For the purposes of subparagraphs (c) and (d) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- (3) There are exempted from the use tax imposed by this chapter, the storage, use or other consumption in this County of tangible personal property:
 - a. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
 - b. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Revenue and Taxation Code Sections 6366 and 6366.1.
 - c. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this chapter.
 - d. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this chapter.
 - e. For the purposes of subparagraphs (c) and (d) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for

any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

- f. Except as provided in subparagraph (g), a retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.
 - g. "A retailer engaged in business in the County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Vehicle Code, Division 3, Chapter 1 (commencing with Section 4000); aircraft licensed in compliance with Public Utilities Code Section 21411; or undocumented vessels registered under Vehicle Code, Division 3.5 (commencing with Section 9840). That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.
- (4) Any person subject to use tax under this chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Revenue and Taxation Code, Division 2, Part 1.6 with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

4.60.120. – Amendments.

All amendments subsequent to the effective date of this article to Revenue and Taxation Code, Division 2, Part 1 relating to sales and use taxes and which are not inconsistent with Revenue and Taxation Code, Division 2, Parts 1.6 and 1.7, and all amendments to Parts 1.6 and 1.7, shall automatically become a part of this article, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter.

4.60.130. – Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this chapter, or Revenue and Taxation Code, Division 2, Part 1.6, of any tax or any amount of tax required to be collected.

4.60.140. – Severability.

If any provision of this article or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

4.60.150. – Effective Date.

This ordinance relates to the levying and collecting of the County transactions and use tax, and shall be posted in accordance with the provisions of the Fresno County Ordinance Code and shall take effect immediately following voter approval.

4.60.160. – Use of Tax Proceeds.

- (1) The Fresno State Improvement Zone Ordinance will provide a secure, local revenue stream to the County that shall be used entirely for expanding access in nursing, agriculture, criminology, science, engineering and other fields; repairing and upgrading deteriorating classrooms and laboratories, and fire, life safety and security systems; providing safe drinking water; removing asbestos, lead paint and mold, providing scholarships for deserving local students and veterans; and other uses necessary for Fresno State to help our students and community reach their full potential. All proceeds of the tax levied and imposed hereunder shall be accounted for and paid into a Fresno State Improvement Zone trust fund or account administered by the Citizens' Oversight Committee and designated for use by Fresno State, with the approval of the Citizens' Oversight Committee, for such specified purposes.
- (2) The Fresno State Improvement Zone shall be bounded by a two-mile radius around the campus's physical boundaries and similar boundaries around any additional locations within Fresno County that may be owned or leased by California State University during the time this ordinance is effective. Projects funded by this ordinance that are within the Fresno State Improvement Zone but not on Fresno State property must be in furtherance of any required off-site mitigation.
- (3) Except as otherwise provided in this ordinance, proceeds of the tax levied and imposed hereunder shall be used for the design, construction, renovation or modernization of facilities owned or operated by the California State University ("CSU") Board of Trustees, and the construction, renovation or modernization of infrastructure, improvements and facilities within the Fresno State Improvement Zone. This shall include the furnishing and equipping of University facilities and acquisition or lease of real property for use by the University.
- (4) Proceeds of the tax levied and imposed hereunder will be expended to modernize, replace, renovate, construct, equip, furnish, and otherwise improve facilities within and around the campus of California State University, Fresno ("Fresno State"). The proposed projects will include all related and incidental costs, including costs of architectural and engineering design, and other professional services, site preparation, utilities, landscaping, and other project related costs include plan check and permitting costs, and construction management. Such tax revenues may also be expended to acquire real property for future facilities and to acquire and install furniture, fixtures, and equipment therein.

- (5) It is the intent of the voters that there shall be created two endowments of approximately \$50 million each. One endowment shall be used for funding scholarships for local, low-income students including veterans enrolled in and attending Fresno State. The other endowment shall be used for funding deferred maintenance and other campus program support identified herein. It is the further intent of the voters that the corpus to establish these endowments be preserved and not spent during the 25-year pendency of the measure, and that the interest accrued in the respective endowments shall be transferred to Fresno State annually for funding the two uses prescribed herein, estimated to be between \$5 million and \$10 million a year. Upon the sunset of this ordinance, and unless renewed by a subsequent measure, any remaining endowment funds shall be provided to Fresno State for use in furtherance of the purposes of this ordinance.
- (6) On an annual basis, up to 1% of the proceeds of the tax deposited in the Fund shall be appropriated to the County for the costs of administering the provisions of this Chapter, including County staffing or staffing retained by the Citizens' Oversight Committee and other related administrative costs.
- (7) Projects approved under this ordinance are expected to be constructed in accordance with CSU policies and procedures for Major Capital Outlay projects, which policies allow for various construction delivery methods including design, bid, build, design/build, and CM Risk. Each delivery method has specific CSU procurement requirements to ensure a fair and equitable, transparent and competitive process. Projects under this ordinance shall comply, as necessary, with all applicable building standards including the Americans with Disabilities Act (ADA).

4.60.170. – Accountability – Citizens' Oversight Committee.

- (1) Purpose. The purpose of the Citizens' Oversight Committee is to ensure the revenue raised through the ordinance is used for the purposes specified herein, and allow citizen participation, input from Fresno State and California State University, open discussion, and accountability regarding the use of the revenue generated under the ordinance.
- (2) Establishment. A Citizens' Oversight Committee ("Committee") is hereby established to oversee revenues received by the County from the transactions and use taxes imposed pursuant to this ordinance, to ensure that tax revenues are used by the County and California State University in a manner consistent with the voter approved measure adopting this ordinance, and to provide transparency to the public regarding the use of such tax revenues.
- (3) Appointment and Composition of Committee Members.
 - a. The Citizens' Oversight Committee shall consist of seven (7) members who shall be appointed as follows:
 - i. The Fresno County Board of Supervisors: Five (5) appointments.
 - ii. California State University, Office of the Chancellor (or designee thereof): One (1) appointment.
 - iii. Fresno State, Office of the University President (or designee thereof): One (1) appointment.
 - b. Upon their appointment and during their incumbency, members of the Committee shall be and remain residents of the County. The Committee members shall not be current County employees, officials, contractors or vendors of the County. This Ordinance does not preclude past employees, officials or vendors of the County from serving on the Committee.
 - c. Candidates for Committee membership shall be solicited through an open application process that is promoted through a broad-based recruitment process. Any resident of the County of voting age is eligible to apply for Committee membership, subject to the appointment categories specified herein. All applications will be reviewed by the Board of Supervisors, who will collectively have the authority to make all final decisions on committee membership.
- (4) Terms of Service; Vacancies.
 - a. Members of the Committee shall be appointed for terms of five (5) years. No committee member shall serve more than three (3) consecutive terms.
 - b. Committee members whose terms expire shall continue to serve until their successor is appointed and qualified. If a vacancy occurs other than by expiration of a term, it shall be filled by appointment for the unexpired portion of the term.
 - c. Should a member of the Committee fail to attend two (2) consecutive regular meetings, unless excused for cause by the chairperson, that member's service shall be deemed vacant and the member's term ended. The Committee secretary shall immediately notify the Board of Supervisors of such termination.
 - d. Committee members appointed by the Board of Supervisors may be removed for good cause established, and thereafter by a majority vote of the Board of Supervisors. Committee members appointed by the California State University, Office of the Chancellor and Fresno State, Office of the University President may be removed for good cause established by their appointing authority.
 - e. All Committee members' terms will end when the Fresno State Improvement Zone Ordinance terminates pursuant to 4.60.180.
- (5) Meetings; Officers; Rules of Procedure; Quorum.
 - a. The Committee may adopt rules and regulations to govern proceedings and shall set a time for regular meetings which shall be held at least quarterly.
 - b. The Committee shall elect a chairperson, vice-chairperson and secretary. Their respective duties shall be as are usually carried out by such officers. In the chairperson, vice-chairperson or secretary's absence or disability, the Committee may designate a chairperson, vice-chairperson or secretary *pro tempore*. Officers shall hold office for one year and until their successors are elected.
 - c. A majority of the committee shall constitute a quorum for the transaction of business.
 - d. Committee meetings are subject to all open-meeting laws, and must be noticed and open to the public. Committee minutes and reports are a matter of public record and must be made available to the public in the manner provided by law.

- e. Orientation and training is mandatory for all new committee members. Each committee member shall attend such orientation and training prior to their first regular committee meeting.
- f. Members of and staff to the Citizens' Oversight Committee shall comply with Government Code section 1090 (governing conflicts of interest in contracting), the Political Reform Act (Government Code sections 81000-91014), and common law conflicts of interest doctrines.

(6) Powers and Duties.

- a. The Citizens' Oversight Committee by majority vote shall have the power to direct the use of the revenues collected pursuant to this ordinance. The Citizens' Oversight Committee shall provide an audit report on the use of that revenue to the Board of Supervisors at least annually, no later than ninety (90) days following the conclusion of each fiscal year. The Committee shall confine its oversight specifically to revenues generated under this ordinance.
- b. The County Administrative Officer or his or her designee shall provide any reasonable administrative or technical assistance required by the Committee to fulfill its responsibilities or publicize its findings.
- c. The Citizens' Oversight Committee is empowered to retain staff and set the compensation amounts of any staff retained, which amounts shall be paid pursuant to (8)(b) herein.
- d. The Citizens' Oversight Committee is empowered to recommend reasonable requirements for bidders to hire and employ locally-based workers for projects approved under this ordinance.

(7) Compensation

- a. Members of the Citizens' Oversight Committee, at their discretion, and unless precluded by law, shall be entitled to receive a per diem or monthly stipend in an amount set by majority vote of the Committee at a publicly noticed meeting. In no case may the total per diem or stipend exceed the established compensation of the Fresno County Senior Board Member Assistant to the Board of Supervisors, or an equivalent position within County employment.

(8) Funding.

- a. The County shall establish a Fresno State Improvement Zone account into which funds raised from the measure are placed.
- b. The Citizens' Oversight Committee shall authorize all expenditures, payments, repayments, and pay all costs, including administrative costs, in furtherance of the provisions of this Chapter from the Fresno State Improvement Zone account.
- c. The Citizens' Oversight Committee shall allocate and transfer to Fresno State funding for an entire project cost (design and construction and FF&E) provided such funds are available for the proposed project(s) consistent with the purposes set forth herein, and the Committee determines by majority vote that such funding is the best course of action for the project to accomplish the purposes of this ordinance. Fresno State campus personnel, at their discretion, may request project funding be allocated in phases, where appropriate, to correspond with various stages of a planned project. Upon agreement with the Citizens Oversight Committee, funds allocated and transferred for a specific project that remain unused as of the completion of the project shall be retained by Fresno State and shall be used for any purpose consistent with the purposes of this ordinance. In any year in which funds are allocated pursuant to this ordinance, Fresno State shall prepare and submit an annual report to the Citizens' Oversight Committee reporting on Fresno State's use of the funds allocated, including how said funds were expended, and whether Fresno State has met cost estimates presented to the Citizens' Oversight Committee.
- d. Once project funding is approved by the Citizens' Oversight Committee and allocated to the Fresno State campus, campus personnel will implement the project(s) according to California State University policy and Education Code 66606 for any projects built on CSU-owned land.

4.60.180. – Termination Date.

The authority to levy the tax imposed by this chapter shall expire on the twenty-fifth (25) anniversary of the Operative Date. Nothing contained in this ordinance shall prevent the reenactment of the same or similar ordinance under the laws then existing at the time of reenactment.

SECTION 3. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The voters hereby declare that they would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

AGENDA

COMMITTEE ON FINANCE

Meeting: 10:00 a.m., Wednesday, November 8, 2023
Glenn S. Dumke Auditorium

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
Jose Antonio Vargas
Darlene Yee-Melichar

- Consent**
1. Approval of Minutes of the Meeting of September 13, 2023, *Action*
 2. Approval to Issue Debt for Affordable Housing at California State University San Marcos, *Action*
 3. Approval of 2024-25 Lottery Budget and Report, *Action*
 4. Approval of an Auxiliary Organization Financing at California State University, Sacramento, *Action*
 5. California State University Annual Investment Report, *Information*
- Discussion**
6. Annual Systemwide Report on Hate Incidents on Campus, *Information*

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

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

September 13, 2023

Members Present

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Julia Lopez called the meeting to order.

Public Comment

Public comment occurred at the beginning of the meeting's open session before all committees. Many comments were related to the Multi-Year Tuition Proposal.

Approval of the Consent Agenda

The minutes of the July 11, 2023, meeting of the Committee on Finance were approved as submitted.

Item 2, Appointment of the California State University Investment Advisory Committee Chair was an information item.

Item 3, California State University Quarterly Investment Report was an information item.

Discussion Agenda

The committee had two items on the discussion agenda.

Item 4, Tuition Policy, Action (RFIN 09-23-09)

This item was presented as an action item to adopt a tuition policy for the California State University.

Trustee Faigin made a motion to postpone the discussion on the tuition policy item until November and Trustee Gilbert-Lurie seconded the motion. Trustee Lopez invited comments on the motion to postpone. Trustee Lopez, Trustee McGrory, Chair Fong, and Interim Chancellor Koester advocated for the approval of the proposed tuition policy, as it serves as a framework and provides clear directives for tuition increases. The motion to postpone the tuition policy failed with a vote of eight nays (Trustees Adamson, Fong, Ghilarducci, Lopez, McGrory, Ortiz-Morfit, Vargas and Interim Chancellor Koester), two yeas (Trustees Faigin and Gilbert-Lurie) and no abstentions. The discussion returned to the original motion to approve the policy.

Data and information on potential changes in enrollment, such as data on prospective students who may have dropped out or not accepted offers due to financial burdens were requested. It was confirmed that this suggestion is part of their planning for the assessment.

Several committee members discussed the merits of a five-year policy for predictability and the potential for a cohort-based policy in the future. It was noted that the proposed policy doesn't prevent a cohort proposal.

Trustee Molina Mancio requested effective communication with students regarding financial aid policies. He also suggested beginning assessments in August when students are present on campuses. Trustee McGrory made a motion to amend the underlying motion to the assessment timeframe to ensure that student consultations would start in August. The motion to amend was approved unanimously. Trustee Lopez then called for a roll call vote on the motion to approve the tuition policy, as amended. The motion as amended passed with nine yeas (Trustees Adamson, Fong, Ghilarducci, Gilbert-Lurie, Lopez, McGrory, Ortiz-Morfit, Vargas and Interim Chancellor Koester), one nay (Trustee Faigin) and no abstentions.

Item 5, Approval of the 2024-2025 Operating Budget Plan (RFIN 09-23-11) and Multi-Year Tuition Proposal (RFIN 09-23-10), Action

This item recommended approval of the 2024-2025 CSU Operating Budget Plan by the Board of Trustees. The CSU's baseline operating budget totals \$8.1 billion. The 2024-2025 Operating Budget Plan would increase the budget by \$557 million. This represents a 6.9 percent increase.

This item also recommended approval of the Multi-Year Tuition Proposal recommended by the interim chancellor. The proposal would establish annual tuition rate increases of six percent for undergraduate students (\$342 for the 2024-2025 academic year). Similar increases would apply to all other levels of education. The increases would begin in fall 2024. The rate increases would span five academic years: 2024-2025 through 2028-2029. The Board of Trustees would need to determine any rate changes for 2029-2030 and beyond.

Lieutenant Governor Kounalakis expressed concern about the potential consequences of a tuition increase and highlighted the need for data collection and analysis to comprehend the effects of the tuition increase on students. She recommended postponing the vote on the tuition increase until sufficient information is gathered about its potential impact on students and until the newly appointed chancellor arrives and fully assesses the implications of this decision.

Chair Fong acknowledged public comment requests for alternative solutions to tuition increases and using reserves. She requested an in-depth explanation of the reserves and their nature as one-time funds. Steve Relyea explained the \$8.6 billion in reserves, noting that a subset of this is the \$2.5 billion in operating fund reserves. He explained that approximately \$1.7 billion of this is reserved for obligations like insurance, financial aid, and other commitments, leaving \$766 million as the true operating fund reserves available for economic uncertainty. This \$766 million is roughly equivalent to one month's operations for the CSU. The board policy recommends that there should be at least a minimum of three months operations up to six months of operation.

One-time funds, like reserves, cannot be used for recurring expenses such as salaries. Once spent, they are gone and cannot be replenished. Instead, one-time funds are appropriate for specific, non-recurring expenses, like addressing wildfire damage. Steve Relyea highlighted that the primary sources of CSU funding come from state investment and tuition. Other sources, such as philanthropy, are generally designated for specific purposes and do not typically support the operating budget. The state's investment is crucial and the CSU will continue to advocate for it. Chair Fong proposed an amendment on Trustee Faigin's behalf. The proposed amendment suggested changing the tuition increase duration from five years at 6% to three years at 6%. The motion to amend the proposal was seconded, initiating a discussion.

Interim Chancellor Koester opposed the proposed amendment. Such a change would result in a net revenue loss of \$245 million to the operating budgets. The \$245 million is equivalent to 100% of Chico's operating budget, 50% of San Jose State's operating budget, and exceeds the entire operating budget for 10 of the CSU universities. She further translated this revenue loss as covering the cost of 1,700 faculty or 2,300 staff or 13,800 courses. Additionally, a three-year plan would end at the conclusion of the governor's compact, leading to funding uncertainties with the changing leadership at the state level.

The proposed three-year amendment failed with nine nays, no yeas and no abstentions. The proposal to accept the tuition increase plan as presented by Interim Chancellor Koester was approved with nine yeas (Trustees Adamson, Fong, Ghilarducci, Gilbert-Lurie, Lopez, McGrory, Ortiz-Morfit, Vargas and Interim Chancellor Koester), no nays and no abstentions.

Following the approval of the tuition increase, Trustee Lopez called for a motion to approve the 2024-2025 budget proposal. Trustee McGrory moved to approve the 2024-2025 budget proposal, and a second was provided, initiating discussion on the budget.

Trustee Adamson asked if the budget included the one-time capital request. It was confirmed that the budget did include both a one-time request and money for future debt service in the operating budget, totaling \$1.3 billion for one-time funds and \$25 million in ongoing funding. Trustee Adamson proposed an amendment to increase the one-time capital outlay budget to \$2.4 billion. The amendment was seconded by Trustee McGrory. A vote on the proposed amendment to increase the capital outlay budget to \$2.4 billion was conducted and the amendment passed with nine yeas, no nays and no abstentions.

Following further discussion, Trustee Lopez called for a roll call vote on the motion to approve the 2024-2025 budget proposal as amended. The motion was approved with nine yeas (Trustees Adamson, Fong, Ghilarducci, Gilbert-Lurie, Lopez, McGrory, Ortiz-Morfit, Vargas and Interim Chancellor Koester), no nays and no abstentions.

Trustee Lopez concluded the business of the Committee on Finance.

COMMITTEE ON FINANCE

Approval to Issue Debt for Affordable Housing at California State University San Marcos

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 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 \$39,225,000 to provide financing for a campus capital project:

California State University San Marcos University Village Housing and Dining Project

The Board of Trustees previously approved schematics for this project in May 2023 and approved the financing component of the project from the State's Higher Education Student Housing Grant Program in July 2023.

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 Board of Trustees. Revenues from these programs and other revenues approved by the Board of Trustees, including CSU operating funds, are used to meet operational requirements for the projects and 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.

California State University San Marcos University Village Housing and Dining Project

The California State University San Marcos University Village Housing and Dining Project (the “Project”) was approved by the Board of Trustees’ Committee on Campus Planning, Buildings and Grounds for schematics during the May 2023 meeting. The Project will consist of a seven-story residence hall (123,618 gross square feet) and a two-story dining facility (13,382 gross square feet) and will be located southwest of the existing University Village apartments and north of parking structure 1. The housing building will provide 555 beds for students, including 390 affordable and 150 standard rate beds, in double residence hall style rooms, and 15 resident advisor beds. Additionally, the facility will have shared community and laundry rooms. The dining facility will be attached to the housing building and will include 210 indoor seats and 110 outdoor seats.

The not-to-exceed principal amount of the proposed bonds is \$39,225,000, based on a total project budget of \$126,300,000 with additional SRB funding of \$92,300,000 from the State’s Higher Education Student Housing Grant Program. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$5,225,000), are expected to be funded from bond proceeds. The Project is scheduled to start construction in December 2023 with completion expected in May 2026.

The funding from the State’s Higher Education Student Housing Grant Program was initially expected to be in the form of a one-time cash grant, which was awarded in the 2022-23 fiscal year. However, the 2023-24 state budget for the CSU clawed back the cash grants for all previously awarded projects in the program and replaced them with an increase in CSU’s annual support appropriation which will allow CSU to replace the cash grants with a like amount of additional SRB net proceeds. This additional SRB funding in the amount of \$92,300,000 for the Project was approved by the Board of Trustees during its July 2023 meeting (\$91 million as listed directly for the project and an additional \$1.3 million project augmentation from the \$157 million of pending approvals). The related debt to be issued under the SRB program will be repaid from the additional support appropriation from the state (rather than campus resources).

The following table summarizes key information about this financing transaction.

Not-to-exceed principal amount	\$39,225,000
Amortization	Approximately level debt service over 30 years
Projected maximum annual debt service	\$2,777,248
Projected debt service coverage including the new project:	
Net revenue – San Marcos pledged revenue programs: ¹	1.35
Net revenue – Projected campus housing program:	1.78

1. Combines 2026-27 information for campus pledged revenue programs with 2026-27 for the project.

The not-to-exceed principal amount for the Project, the maximum annual debt service, and the financial ratios above are based on an estimated all-in true interest cost of 5.89 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 housing program net revenue debt service coverage of 1.78 in fiscal year 2026-27, the first full year of operations, which is better than the CSU benchmark of 1.10 for the program. When combining the Project with information for all campus pledged revenue programs, the campus' overall net revenue debt service coverage for the first full year of operations is projected to be 1.35, which meets the CSU benchmark of 1.35 for a campus.

In coordination with CSU's Office of General Counsel, Orrick, Herrington & Sutcliffe LLP, as outside bond counsel, is preparing resolutions distributed to the Board prior to this meeting that authorize interim and permanent financing for the Project described in this agenda. The proposed resolutions 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 \$39,225,000 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, the revenue bonds, and the related debt instruments.

Approval of the financing resolutions for this project as described in this Agenda Item 2 of the Committee on Finance at the November 7-8, 2023, meeting of the CSU Board of Trustees is recommended for:

California State University San Marcos University Village Housing and Dining Project

COMMITTEE ON FINANCE

Approval of 2024-2025 Lottery Budget and Report

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

This item requests that the California State University Board of Trustees approve the 2024-2025 lottery budget. In accordance with CSU lottery guidelines, this item also contains a report of actual lottery fund expenditures in 2022-2023.

Background

The Lottery Act allows for the expenditure of lottery receipts for public education. 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 \$1.65 billion in lottery funds from the state. Over the past five years, annual CSU Lottery Fund receipts have averaged \$70.6 million. Approximately 92.8 percent of lottery resources are expended directly for campus instructionally-related programs and the electronic core collection. The remaining 7.2 percent supports systemwide programs, such as summer arts, pre-doctoral, doctoral incentive, DREAM loan, system partnerships and memberships, and program administration and reporting requirements.

Each year, the Board of Trustees adopts 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 area allocations of those anticipated receipts, including an expenditure allowance for the general management of lottery fund operations and reporting requirements.

The Board of Trustees has delegated to the chancellor oversight of the lottery budget, including the deposit, control, investment, and expenditure of lottery funds.

2024-2025 Lottery Budget Proposal

The System Budget Office estimates total lottery receipts available to the CSU in 2024-2025 will be \$70 million. After setting aside \$5 million as a contingency to assist with cash-flow variations in quarterly lottery receipts and other economic uncertainties, the \$65 million 2024-2025 lottery budget proposal remains principally designated for campus-based programs. The proposed budget increases campus-based allocations and support for the electronic core collection by approximately \$3 million and maintains support for administration and reporting responsibilities of the Lottery Fund at 1.15 percent of the proposed budget.

Systemwide Programs

Under the proposed budget, approximately \$13.6 million would be allocated for 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 (\$1.0 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 (\$1.0 million) 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.
- Electronic Core Collection (\$6.25 million) provides all students access to electronic publications.
- System Partnerships & Memberships (\$1.0 million) allows the CSU to participate in regional or national organizations, which promote innovation, cooperation, resource sharing and student workforce preparedness in areas such as research and the public policy arena.
- Administration of Lottery Fund and system programs (\$805,000) provides support for Lottery Fund and program administration functions.

Campus-Based Programs

The remaining \$51.4 million of anticipated 2024-2025 lottery receipts would be used to fund campus-based programs and financial aid. \$46.4 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 library materials and instructional equipment, curriculum development, and scholarships.

The proposed lottery budget would provide \$5 million to Supportive Pathways for First-Year Students (formerly 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. The program offers pathways and academic and social support that align with each incoming student's needs. The program's goal is to ensure that first-time students successfully complete the general education written communication (A2) and math/quantitative reasoning (B4) requirements within their first year.

The CSU Lottery Budget proposed for 2024-2025 is as follows:

2023-2024 Adopted and 2024-2025 Proposed Lottery Budget

	2023-2024 Adopted Budget	2024-2025 Proposed Budget
Sources of Funds		
Receipts	\$67,000,000	\$70,000,000
Less Systemwide Contingency	(5,000,000)	(5,000,000)
Total Available for Allocation	\$62,000,000	\$65,000,000
Uses of Funds		
<i>System Programs</i>		
Chancellor's Doctoral Incentive Program	\$1,000,000	\$1,000,000
California Pre-Doctoral Program	1,038,000	1,038,000
CSU Summer Arts Program	1,500,000	1,500,000
DREAM Loan	2,000,000	2,000,000
Electronic Core Collection	6,000,000	6,250,000
System Partnerships & Memberships	1,000,000	1,000,000
	<u>\$12,538,000</u>	<u>\$12,788,000</u>
<i>Campus-Based Programs</i>		
Campus Programs	\$43,691,000	\$46,407,000
Campus Financial Aid	5,000,000	5,000,000
	<u>\$48,691,000</u>	<u>\$51,407,000</u>
<i>Lottery Fund & System Programs Administration</i>	<u>\$771,000</u>	<u>\$805,000</u>
Total Uses of Funds	\$62,000,000	\$65,000,000

Reporting Requirement

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

In 2022-2023, similar to prior years, the majority of lottery funds were spent on instruction and instructionally related programs and services that supplement the CSU operating budget. The following table summarizes how available lottery revenues were spent in 2022-2023:

2022-23 Lottery Expenditures		
Program Support Area	Expenditures	Percentage of Total Expenditures
Doctoral Incentive Program ¹	\$0	0.0%
California Pre-Doctoral Program	895,560	1.3%
DREAM Loan Program	315,000	0.4%
CSU Summer Arts Program	1,892,769	2.6%
Campus Programs	66,600,813	92.8%
Campus Early Start Financial Aid	1,340,697	1.9%
Lottery Fund & System Programs Admin.	731,000	1.0%
Total	\$71,775,839	100.0%

¹ The Doctoral Incentive Program is a revolving educational loan program. The budget included \$2 million for any net increase in program participation, but funds were unnecessary as existing loan repayments supported the issuance of new loans to new participants.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that the 2024-2025 lottery budget totaling \$70 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 2024-2025 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 2024-2025 lottery budget receipts and expenditures be made to the Board of Trustees.

COMMITTEE ON FINANCE

Approval of an Auxiliary Organization Financing at California State University, Sacramento

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 approval from the Board of Trustees to authorize University Enterprises, Inc. (UEI), a recognized auxiliary organization in good standing at California State University, Sacramento, to secure seller-provided financing from a local non-profit organization in an amount not-to-exceed \$3,900,000 to purchase real property from the local non-profit organization.

Background

Through a public-private partnership (P3) structure, UEI completed an off-campus student housing project in the fall of 2021. The housing project, commonly known as Hornet Commons, provides 1,341 beds for upper division students. Because of the success of the Hornet Commons development, the auxiliary wishes to acquire a parcel of land adjacent to Hornet Commons from the Sacramento Regional Foundation (the "Foundation") and, in turn, eventually lease the land to Greystar, the developer of Hornet Commons, to construct additional student housing utilizing a similar P3 structure. Over time, it is expected that the future ground rents received for the new student housing development will well exceed the amount paid to acquire the land.

Project Description

Subject to financing approval from the Board of Trustees, UEI would acquire a 2.83-acre site at 7700 College Town Drive east of the California State University, Sacramento campus. Presently, a 34,000 square foot multi-story office building and parking lot are located on the property, however, the building is currently vacant due to age and will be subject to demolition to pave the way for future P3 development.

The preliminary development plan for the site will consist of a new 124-unit (353-bed) student housing project. The unit mix contemplates four-bedroom single occupancy units, two-bedroom double occupancy units, and studio units. The preliminary program indicates a student housing project size of approximately 150,000 gross square feet, including residential elements, support spaces such as lounges, multipurpose rooms, and administrative spaces. The project shall include approximately 150 parking spots.

However, before any agreements are finalized for the P3 development of housing on the site, all appropriate actions will be presented to the Board of Trustees for approval at future meetings.

Proposed External Financing

UEI has agreed in principle with the Foundation to acquire the land at a sale price of \$7,500,000, of which \$3,600,000 will be paid with UEI reserves and the remaining \$3,900,000 will be financed through an external loan from the Foundation, which is the owner of the property.

The key proposed terms of the loan from the Foundation are as follows:

- The amount of the note will be \$3.9 million.
- Term of the note will be four years after document closing.
- Note shall be fully amortized and payable monthly.
- Interest rate on the note will be 4.00% per annum.
- The note may be prepaid at any time, in whole or in part, without any prepayment penalty.
- The note will be secured by a Deed of Trust and assignment of rents on the subject property.

Following Board approval of the external financing, UEI anticipates escrow to close on the purchase and sale of the land.

Trustee Resolution and Recommended Action:

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the request from University Enterprises, Inc. to obtain a loan in the amount of \$3,900,000 with the key terms as described herein is approved.

COMMITTEE ON FINANCE

California State University Annual Investment Report

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

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

Summary

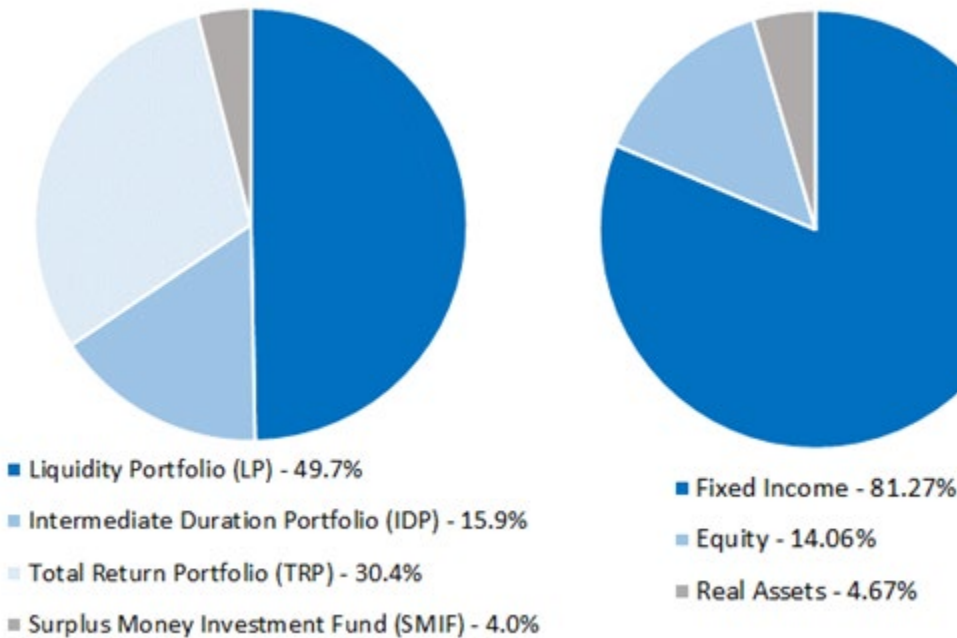
This item provides the annual investment report to the California State University Board of Trustees for the year ended June 30, 2023. The information in Attachment A provides the entire annual investment report regarding CSU investments as required by Education Code § 89726.

Background

The California State University Master Investment Policy is posted publicly to: <https://calstate.policystat.com/policy/11691689/latest>. Pursuant to the CSU Master Investment Policy, CSU investments as of June 30, 2023 consisted of investments in the Liquidity Portfolio, the Intermediate Duration Portfolio (IDP), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). Except for amounts held at the State in SMIF, all CSU investments are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately \$930 million in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

**CSU Investments – Balances, Allocations, and Returns
 June 30, 2023**

	Balance	% of CSU Investments	Twelve Month Returns
Liquidity Portfolio (LP)	\$3.920 billion	49.7%	2.18%
Intermediate Duration Portfolio (IDP)	\$1.256 billion	15.9%	0.35%
<u>Total Return Portfolio (TRP)</u>	<u>\$2.398 billion</u>	30.4%	7.95%
CSU Investment Portfolios	\$7.57 billion		
Surplus Money Investment Fund (SMIF)	\$0.314 billion	4.0%	2.13%
Total CSU Investments	\$7.89 billion	100%	



CSU Investment Performance

For detailed information on the investment performance and characteristics of the CSU investment portfolios and funds invested in SMIF please see Attachment A.

CSU Liquidity Portfolio

The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives are safety of principal and liquidity.

The Liquidity Portfolio is managed through contracts with two investment management firms, BlackRock Financial Management and Payden & Rygel, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in the Liquidity Portfolio, for investment management purposes additions to the portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the State and the Liquidity Portfolio investment policy. Consistent with state law, the Liquidity Portfolio is restricted to high quality, fixed income securities.

CSU Intermediate Duration Portfolio (IDP)

The Intermediate Duration Portfolio launched on October 1, 2021, with an initial investment of \$675 million. The purpose of the IDP is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives are safety of principal, liquidity, and return. The IDP is managed through contracts with three investment management firms, Western Asset Management Company, PGIM Fixed Income, and Income Research & Management, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in the IDP, for investment management purposes additions to the portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the State and the IDP investment policy. Consistent with state law, the IDP is restricted to high quality, fixed income securities.

CSU Total Return Portfolio (TRP)

The purpose of the TRP is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level.

Under State law, investment of funds in the TRP is subject to the CSU meeting certain conditions regarding investment oversight, reporting, and use of earnings, and may not be more than sixty-five percent of eligible CSU investments. The CSU Investment Advisory Committee (IAC), established by the Board of Trustees in September 2017, oversees the TRP and focuses on key issues such as investment policy, asset allocation, investment manager oversight, and investment performance.

The TRP investment policy provides a framework for the investment of portfolio funds in the TRP and includes the following key elements as further described in the TRP Investment Policy:

Investment Objectives	Investment Manager Selection
Spending Policy	Roles & Responsibilities
Time and Investment Horizon	Environmental, Social and Governance Framework
Risk Tolerance	Risk Management
Expected Return	Monitoring and Control Procedures
Asset Allocation	
Benchmarks	

The IAC has adopted an investment schedule for the TRP that utilizes a dollar-cost averaging approach and provides regular monthly contributions to the TRP. An initial investment of \$33.5 million into the TRP was made on April 1, 2018, and additional investments allowed the TRP to reach the fiscal year 2018-2019 statutory limit of \$600 million in the first half of 2019. After June 30, 2019, a new investment schedule was adopted by the IAC and staff, with the goal of funding the TRP to as much as thirty percent of CSU investments by mid-2020. However, in April of 2020, the IAC approved a reduced investment schedule in the amount of \$20 million total between April and July of 2020, and in August of 2020, the IAC suspended further contributions to the TRP for the time being. Both actions were taken in order to preserve liquidity in the CSU Liquidity Portfolio in response to the COVID-19 pandemic. In January of 2022, the IAC approved an additional \$900 million investment into the TRP scheduled over the next eighteen months. The investment schedule may also be adjusted by the IAC at any time depending on market conditions and staff will ensure the TRP does not exceed its statutory limit as a percent of CSU investments.

Since the TRP Inception date¹ through June 30, 2023, the TRP investment earnings were approximately \$292.8 million. During this period, the TRP total return exceeded the Liquidity Portfolio total return by 4.32% annualized (net of fees) or a cumulative \$244.5 million, which was about 6.1 times higher than Liquidity Portfolio investment earnings.

In October 2023, the IAC approved the fifth annual TRP distribution to the system of approximately \$56 million, bringing total TRP distributions to the system since inception to \$218 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with state law, specifically Education Code § 89726, additional moneys earned through investments in the TRP shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

¹ The TRP Inception Date was April 1, 2018.

Surplus Money Investment Fund (SMIF)

The State Treasurer also provides investment vehicles that may be used for CSU funds. The Surplus Money Investment Fund (SMIF) is used by the State Treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool. To facilitate certain expenditures, the CSU maintains small amounts of funds with the State. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

Reporting Requirements

California Education Code § 89726 requires quarterly investment reports to the Board of Trustees and an annual report to the State Legislature and the Department of Finance.

Recent Actions/Next Steps

With the passage of AB 2422, effective January 1, 2023, up to sixty-five percent of CSU investments may be invested in the TRP and the TRP may additionally invest in commingled funds and exchange-traded funds. Considering these legislative changes, in January of 2023 the IAC took two actions and in March of 2023 the Board of Trustees took one action. First, the IAC approved a recommendation to the Board of Trustees to revise the California State University Master Investment Policy. These recommended revisions were presented to and approved by the Board of Trustees at the March 2023 meeting. The IAC also approved a revised funding schedule for the TRP calling for an additional \$1.25 billion to be invested in the TRP from January of 2023 to December of 2024.

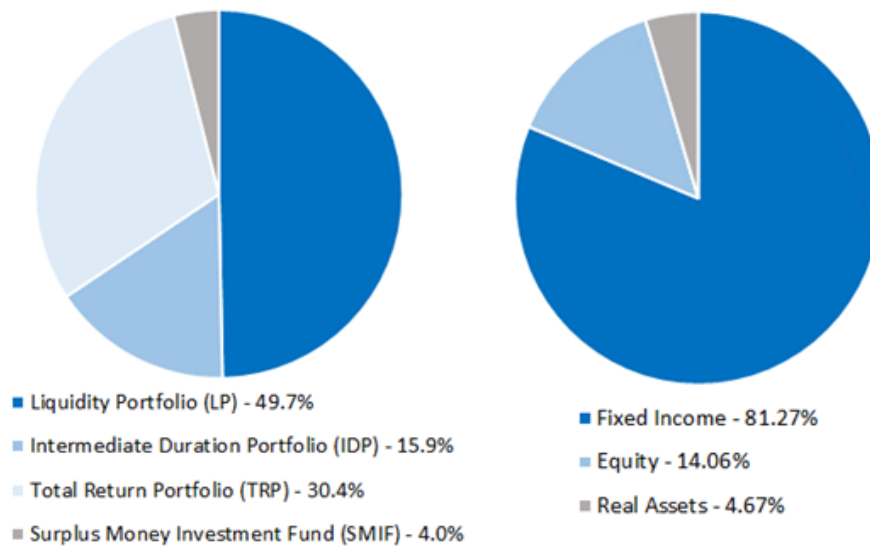
The next investment report to the board is scheduled for the March 2024 meeting and will provide information on the CSU Quarterly Investment Report for the fiscal quarter ending September 30, 2023.

CSU Annual Investment Report For the Fiscal Year Ended June 30, 2023

CSU investments as of June 30, 2023, consisted of investments in the CSU Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). All CSU investments (except for funds invested in SMIF) are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately \$930 million in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

Balances and Allocations as of June 30, 2023

	<u>Balance</u>	<u>% of CSU Investments</u>
Liquidity Portfolio (LP)	\$3.920 billion	49.7%
Intermediate Duration Portfolio (IDP)	\$1.256 billion	15.9%
Total Return Portfolio (TRP)	\$2.398 billion	30.4%
Surplus Money Investment Fund (SMIF)	\$0.314 billion	4.0%
CSU Investments	\$7.89 billion	100%



For the year ending June 30, 2023, direct investment management fees¹, advisory, and custodial fees totaled just under \$4.2 million, or about 0.059 percent on CSU investments' average balance for the year ending June 30, 2023.

¹ Direct investment management fees exclude TRP mutual fund investment management fees. TRP mutual fund investment management fees are included as mutual fund expenses and reported as a percent of total fund assets. See TRP Fund Expense Ratio (Fee) in the table on page 6.

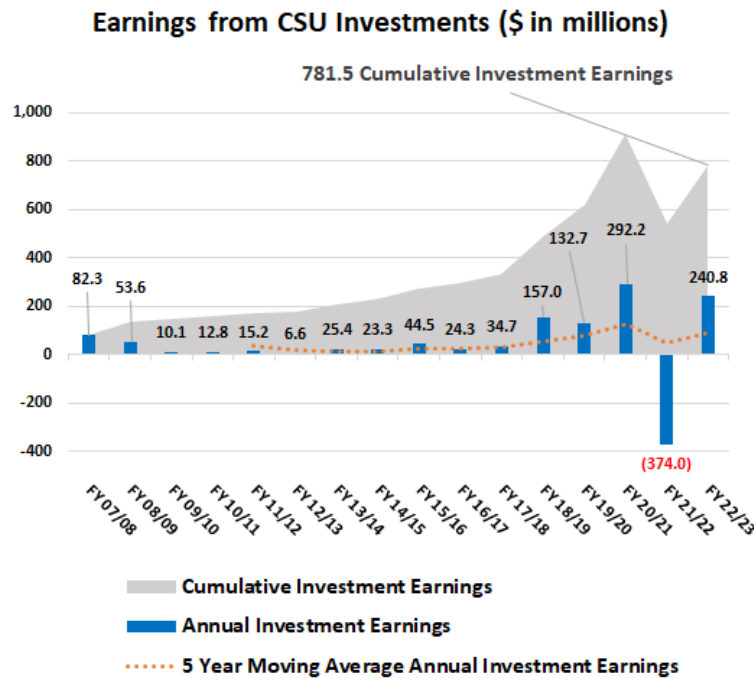
CSU Consolidated Investment Portfolio

The following table displays performance returns for the CSU Consolidated Investment Portfolio which includes the Liquidity Portfolio, IDP, and TRP.²

	CSU Consolidated Investment Portfolio	CSU Total Return Portfolio (TRP)	CSU Intermediate Duration Portfolio (IDP)	CSU Liquidity Portfolio (LP)
1 Year Return	3.76%	7.95%	0.35%	2.18%
3 Year Annualized Return	1.39%	5.88%	N/A	0.07%
5 Year Annualized Return	2.20%	5.28%	N/A	1.31%
10 Year Annualized Return	1.51%	N/A	N/A	1.07%
Since Inception Return ³	1.54%	5.61%	-4.96%	1.26%

As of June 30, 2023, the TRP since inception investment earnings were approximately \$292.8 million. During this period, the TRP total return exceeded the Liquidity Portfolio total return by 4.32 percent annualized (net of fees) or a cumulative \$244.5 million, which was about 6.1 times higher than Liquidity Portfolio investment earnings.

Investment Earnings from CSU Investments Support Campus Operations and Student Experience



² CSU Consolidated Investment Portfolio returns exclude SMIF.

³ Inception Dates for the CSU portfolios were: Consolidated Investment Portfolio, July 1, 2007; Liquidity Portfolio, July 1, 2007; IDP, October 1, 2021; and TRP, April 1, 2018. CSU Consolidated Investment Portfolio, Liquidity Portfolio, and IDP returns reported gross of fees and as total return, including income and gains (realized and unrealized).

CSU Liquidity Portfolio (LP)

The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives are safety of principal and liquidity. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

	<u>CSU Liquidity Portfolio</u>	<u>Benchmark⁴</u>
1 Year Return ⁵	2.18%	1.16%
3 Year Annualized Return	0.07%	-0.39%
5 Year Annualized Return	1.31%	1.15%
10 Year Annualized Return	1.07%	0.86%
Annualized Since Inception Return ⁶	1.26%	1.38%
Yield	5.04%	5.10%
Duration (Years)	1.07	1.41
Average Credit Rating	AA-	Aaa/AA+

Holdings by Asset Type (% of CSU Liquidity Portfolio):

Treasuries	53.6%	Certificates of Deposit	3.3%
U.S. Corporate Bonds	24.5%	Cash Equivalents	2.3%
Commercial Paper	8.2%	Agency MBS	2.3%
U.S. Government Agencies	5.7%	CA Municipal Obligations	0.1%

⁴ Benchmark for the Liquidity Portfolio is the Bank of America Merrill Lynch 0-3 Year Treasury Index.

⁵ Liquidity Portfolio Returns reported gross of fees and as total return, including income and gains (realized and unrealized).

⁶ Inception Date for the Liquidity Portfolio was July 1, 2007.

CSU Intermediate Duration Portfolio (IDP)

The purpose of the Intermediate Duration Portfolio is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives are safety of principal, liquidity, and return. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

	CSU Intermediate Duration Portfolio	Benchmark⁷
3 Months Return ⁸	-0.32%	-0.61%
1 Year Return	0.35%	-0.07%
Annualized Since Inception Return	-4.96%	-4.94%
Yield	5.11%	4.93%
Duration (Years)	4.77	4.64
Average Credit Rating	A+	AA-

Holdings by Asset Type (% of CSU Intermediate Duration Portfolio):

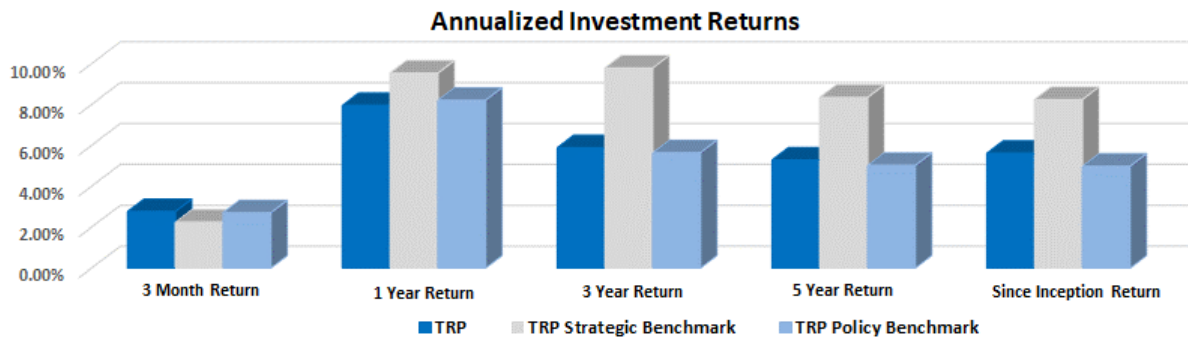
U.S. Corporate Bonds	57.4%	U.S. Government Agencies	1.6%
Agency MBS	27.5%	CA Municipal Obligations	1.4%
Treasuries	9.5%	Cash Equivalents	0.4%
Asset-Backed Securities	2.1%	Supranationals	0.1%

⁷ Benchmark for the IDP is 50% Bloomberg Barclays US Corporate 1-10 Year A or Better Ex-Yankee / 30% Bloomberg Barclays US MBS / 20% Bloomberg Barclays US Intermediate Treasury Index.

⁸ Inception Date for the IDP was October 1, 2021. IDP Returns reported gross of fees and as total return, including income and gains (realized and unrealized).

CSU Total Return Portfolio (TRP)

The purpose of the Total Return Portfolio is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level. Consistent with state law, the TRP is invested in mutual funds subject to registration by, and under the regulatory authority of, the United States Securities and Exchange Commission or in United States registered real estate investment trusts.



	CSU Total Return Portfolio	Strategic Benchmark⁹	Policy Benchmark¹⁰
3 Months Return	2.76%	2.24%	2.70%
1 Year Return	7.95%	9.53%	8.21%
3 Year Annualized Return	5.88%	9.78%	5.64%
5 Year Annualized Return	5.28%	8.34%	5.02%
Annualized Since Inception Return ¹¹	5.61%	8.24%	4.98%

In October 2023, the CSU Investment Advisory Committee approved the fifth annual TRP distribution to the system of approximately \$56 million, bringing total TRP distributions to the system since inception to \$218 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with Education Code Section § 89726, additional moneys earned through investments in the TRP shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

⁹ The TRP Strategic Benchmark is Inflation (Core Consumer Price Index) plus 4.5% per annum. The long-term rate of inflation is assumed at 2.6% per annum.

¹⁰ The TRP Policy Benchmark is a blend of passive indices whose weights match the TRP target asset allocation.

¹¹ TRP Inception Date was April 1, 2018.

Holdings by Asset Type (% of CSU Total Return Portfolio):

Equity Mutual Funds	46.2%	Passive Index Mutual Funds	74%
Fixed Income Mutual Funds	38.4%	Actively Managed Mutual Funds	26% ¹²
Real Asset Mutual Funds	15.4%		

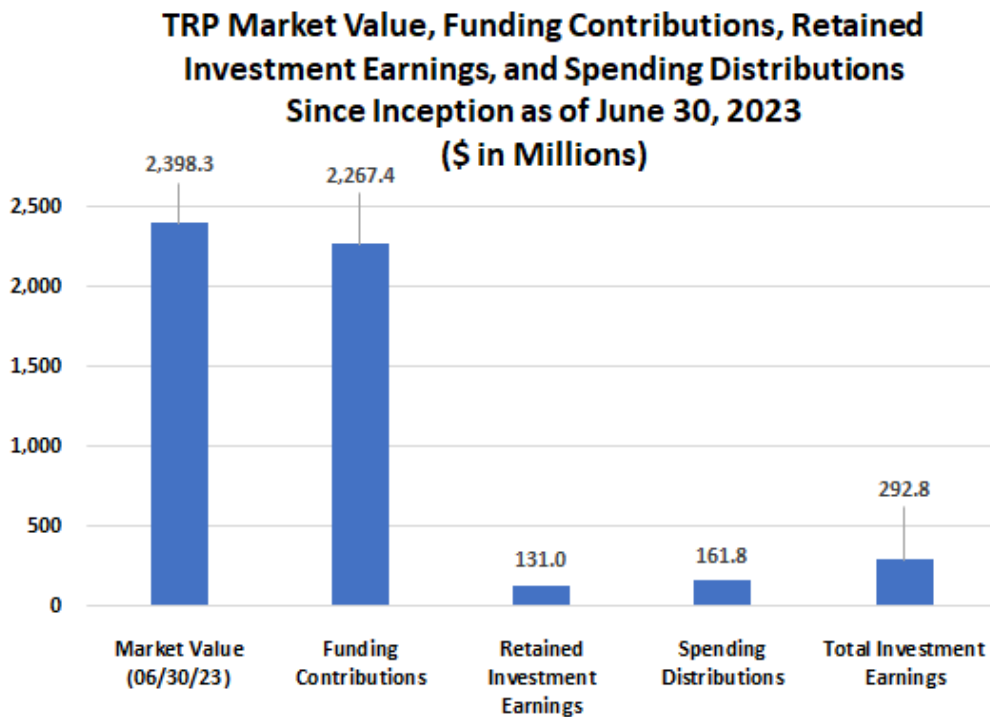
Values, Holdings & Fees (CSU Total Return Portfolio)

Asset Class	Strategy Name	Ticker	Value (millions)	% of Total Return Portfolio	TRP Fund Expense Ratio (Fee)	Median Fee Per Asset Class
Fixed Income						
	Vanguard Total Bond Market Index Fund	VBMPX	518.1	21.60%	0.03%	0.44%
	Vanguard Inflation-Protected Securities Fd	VIPIX	117.7	4.91%	0.07%	0.43%
	Lord Abbett High Yield Fund	LHYOX	143.0	5.96%	0.60%	0.69%
	Aristotle Floating Rate Income Fund	PLFRX	71.3	2.97%	0.70%	0.77%
	Payden Emerging Markets Bond Fund	PYEIX	35.6	1.48%	0.69%	0.80%
	T. Rowe Emerging Markets Bond Fund	TREBX	35.5	1.48%	0.70%	0.80%
Equity						
	Vanguard Total Stock Market Index Fund	VSMPX	581.6	24.25%	0.02%	0.75%
	Vanguard Developed Markets Index Fund	VDIPX	289.2	12.06%	0.04%	0.88%
	Driehaus Emerging Markets Growth Fund	DIEMX	142.9	5.96%	1.13%	1.01%
	DFA Emerging Markets Value Fund	DFEVX	71.6	2.98%	0.44%	1.01%
	Redwheel Global Emerging Equity Fund	RWCEX	23.7	0.99%	1.20%	1.01%
Real Assets						
	Vanguard Real Estate Index Fund	VGSNX	198.7	8.29%	0.10%	0.87%
	Vanguard Materials Index Fund	VMIAx	61.5	2.57%	0.10%	0.92%
	First Sentier Global Listed Infrastructure Fd	FLIIX	107.9	4.50%	0.95%	0.97%
Cash			0.0	0.00%	NA	NA
Total			2,398.3	100%	0.24%	0.73%

¹² The percent of Actively Managed Mutual Funds is likely to increase in the future while the percent of Passive Index Mutual Funds would decrease consistent with the TRP implementation plan. The total TRP Fund Expense Ratio and total Median Fee Per Asset Class are weighted averages using the percent of the Total Return Portfolio shown in the table for each fund and their respective asset class.

TRP Annual Spending Distributions Assist Campuses to Meet Deferred Maintenance & Capital Outlay Needs

The following chart shows the TRP market value, total funded contributions, total retained investment earnings, total spending distributions, and total investment earnings since inception as of June 30, 2023. Total TRP investment earnings equal total TRP spending distributions plus total TRP retained investment earnings.



Surplus Money Investment Fund (SMIF)

The Surplus Money Investment Fund (SMIF) is managed by the State Treasurer to invest State funds, or funds held by the State on behalf of State agencies, in a short-term pool. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

Apportionment Annual Yield¹³	
Trailing 12 month as of 06/30/23	2.13%
Average (FYE 06/30/07 – 06/30/23)	1.12%

¹³ Annual Yield calculated by CSU Treasury Operations based on the quarterly apportionment yield rates published by the State Controller’s Office.

COMMITTEE ON FINANCE

Annual Systemwide Report on Hate Incidents on Campus

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Cynthia Teniente-Matson
President
San José State University

Lynn Mahoney
President
San Francisco State University

Tomás D. Morales
President
California State University, San Bernardino

Melinda Latas
Director of Systemwide Clery and
Campus Safety Compliance

Summary

This item provides the calendar year 2022 annual report on hate violence incidents reported on California State University campuses pursuant to California Education Code § 67380(a)(5). The statute requires the California State University to report annually the number of reported incidents of criminal and non-criminal hate violence. Each campus must make the annual report available to the public and publish it on the campus website.

During the 2022 calendar year, there were thirteen reported hate crimes and six reported acts of hate violence.

Background

The CSU supports a safe educational and working environment that includes compliance with safety laws and regulations including the Jeanne Clery Disclosure of Campus Security and Crime Statistics Act (Clery Act) (20 U.S.C. § 1092(f)) and the federal Violence Against Women

Reauthorization Act of 2013 that amends the Clery Act under the Campus Sexual Violence Elimination Act provision (Campus SaVE Act). State laws and regulations include the Higher Education Act (California Education Code § 67380 *et seq.* and § 67390 *et seq.*).

Hate Incidents Reported for Calendar Year 2022

For the year ending December 31, 2022, thirteen reported hate crimes and six reports of noncriminal hate violence will be published on the California State University and 23 university web pages as required by California Education Code §67380(a)(5). The table below includes the number of hate incidents reported over the past five years.

Reported Hate Incidents on CSU Universities

<u>Year Ending</u> <u>December 31</u>	<u>Hate Crimes</u>	<u>Hate Violence</u>
2018	10	1
2019	5	4
2020	0	1
2021	7	0
2022	13	6

Reporting

These reports are collected from law enforcement and from Campus Security Authorities, as defined by Section 34 CFR 668.46. Campus Security Authorities are identified by each campus based on their roles and are provided with information about their responsibilities and mechanisms for reporting.

Actions to Prevent and Respond to Hate Incidents

Multiple divisions and departments on each of the 23 CSU universities work to reduce the incidence and prevalence of hate crimes and violence. The CSU will continue to sustain and expand efforts to prevent hate crimes and hate violence and respond with care and compassion when incidents occur focusing on three specific approaches: education and training, support, and communication.

Education and Training

Discrimination, Harassment and Retaliation Administrators and Title IX Coordinators and their respective teams provide training and outreach to promote equity and inclusion and ensure compliance with the CSU nondiscrimination policy, and Title IX regulations that prohibit sex and gender-based discrimination, harassment, retaliation, and violence. Residential life and housing operations also provide educational programming designed to combat discrimination, harassment, and retaliation, and promote welcoming communities. Many universities also provided bystander education to help prevent hate violence incidents and crimes.

Support

University multicultural and identity-based student centers, as well as offices of student life and of civic engagement, provide ongoing support for students.

Counseling and Psychological Services staff, Chief Diversity Officers, Dean of Students Office representatives, and members of campus-based critical incident response teams coordinate responses to reported hate violence incidents and promote healing, sense-making, and reconciliation after a reported incident has occurred and throughout investigation.

University police departments are often the first responders when an alleged hate crime is reported, and university police officers are committed to ensuring a safe and hate crime-free campus environment through student-focused and community-based policies, practices, and approaches. Each of the 23 University Police Departments publishes a policy on Hate Crimes that is designed to assist in identifying and handling crimes motivated by hate or other bias toward individuals and groups with legally defined protected characteristics, to define appropriate steps for assisting victims, and to provide a guide to conducting related investigations.

Communication

CSU employees are keenly aware that even the perception that a hate crime has taken place can have a significant detrimental impact on the campus community, and respond with care, compassion, and concern whenever an incident is reported. Most often, universities face violent and discriminatory acts against LGBTQ+ individuals and communities, incidents of anti-black violence, overt racism against Asian Americans/Pacific Islanders and Latinx individuals, and unfair targeting of individuals who are immigrants and/or undocumented. Recent attacks in Israel and the escalating violence in Israel and the Gaza Strip have also resulted in disturbing violent confrontations on universities both in the CSU and nationally.

When hate violence incidents do occur, CSU universities implement immediate strategic communication efforts guided by the university presidents to enhance awareness, highlight support services that are available, and strengthen the university community.

Reporting Definitions

California Penal Code §422.55 defines a hate crime as “*a criminal act committed, in whole or in part, because of one or more of the following actual or perceived characteristics of the victim:*

- (1) Disability.*
- (2) Gender.*
- (3) Nationality.*
- (4) Race or ethnicity.*
- (5) Religion.*
- (6) Sexual orientation.*
- (7) Association with a person or group with one or more of these actual or perceived characteristics.*

Finance
Agenda Item 6
November 7-8, 2023
Page 4 of 4

Hate violence for reporting purposes is defined in California Education Code § 67380(c)(1) as *“any act of physical intimidation or physical harassment, physical force or physical violence, or the threat of physical force or physical violence, that is directed against any person or group of persons, or the property of any person or group of persons because of the ethnicity, race, national origin, religion, sex, sexual orientation, gender identity, gender expression, disability, or political or religious beliefs of that person or group.”*

AGENDA

JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 10:40 a.m., Wednesday, November 8, 2023
Glenn S. Dumke Auditorium

Committee on Finance

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
Jose Antonio Vargas
Darlene Yee-Melichar

Committee on Campus Planning, Buildings and Grounds

Jack McGrory, Chair
Diana Aguilar-Cruz, Vice Chair
Larry L. Adamson
Raji Kaur Brar
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
Darlene Yee-Melichar

- Consent** 1. Approval of Minutes of the Meeting of January 25, 2023, *Action*
- Discussion** 2. Approval of a Public-Private Partnership Residential and Retail Project at San Diego State University—Mission Valley, *Action*
3. Approval of a Public-Private Partnership Affordable Housing Project at San Diego State University—Mission Valley, *Action*

**MINUTES OF THE JOINT MEETING OF THE
COMMITTEES ON FINANCE AND
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**

January 25, 2023

Committee on Finance

Jack McGrory, Chair
Julia I. Lopez, Vice Chair
Larry L. Adamson
Diana Aguilar-Cruz
Leslie Gilbert-Lurie
Lillian Kimbell
Anna Ortiz-Morfit
Romey Sabalius

**Committee on Campus Planning
Buildings and Grounds**

Larry L. Adamson, Chair
Anna Ortiz-Morfit, Vice Chair
Diana Aguilar-Cruz
Douglas Faigin
Maria Linares
Romey Sabalius

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Larry Adamson called the meeting to order.

Public Comment

Public comment took place at the beginning of the meeting's open session, prior to all committees.

Approval of the Consent Agenda

The minutes of the November 2020 joint meeting of the Committees on Finance and Campus Planning, Buildings and Grounds were approved as submitted.

San Francisco State University West Campus Green Student Housing and Health Center

This agenda item requested approval of the following actions for the San Francisco State University West Campus Green Student Housing and Health Center Project:

- Approval of the Schematic Design
- Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and related debt instruments (housing component only)

Following the presentation, appreciation for this project was expressed due to the dire need for affordable housing in California particularly in the Bay area.

It was asked why the student health center is being demolished, and it was explained that the existing building is an aging underground structure that has experienced maintenance and water intrusion challenges over the years, making it very expensive to renovate and maintain.

A question was asked about the overall need for housing on campus and how this project of 750 beds will address that need. It was explained that the wait list for housing is typically over 2000 students, although many students have given up hope of being assigned campus housing. It is believed that this project and future projects will help to increase enrollment. It was also explained that this project is being approved ahead of the health and dining center project because of the high priority for housing.

It was asked why this project would not exceed 6 stories given the expense and scarcity of land, and it was explained that projects above 6 stories are considered high rises and costs will be too high to be considered affordable housing.

It was asked if the CSU has considered purchasing existing housing near campuses to avoid the high cost of new construction, and it was explained that some campuses have pursued this path. However, for affordable housing grants, costs must be under market rates which can limit options.

It was asked how the cost for the project came in under \$700/sq foot when other projects have been much higher. It was clarified that the cost for this project is \$760/sq foot. The large size of the project along with strong efforts of the university and design team to effectively manage the budget have resulted in reasonable project costs.

Clarification was requested regarding the length of the waitlist for housing, and it was explained that before the pandemic, the wait list was approximately 2000 students. However, last fall the number fell to 400-500 students because additional housing became available, and many students gave up applying for campus housing. It was stated that enrollment is a challenge at several universities, including San Francisco State University, and housing needs to remain a priority to address state and enrollment needs.

It was asked if the project could be a public-private partnership, and it was explained that this was not possible because the funding source was an affordable student housing grant.

Finally, it was asked if emergency housing is included in this project, and it was explained that 16 beds in the existing housing pool are allocated for emergency housing. It was also asked how long students can stay in emergency housing, but this information was not available during the meeting.

The committee recommended approval of the proposed resolution (RFIN/CPBG 01-23-01).

Trustee Adamson adjourned the joint meeting of the Committees on Finance and Campus Planning, Buildings and Grounds.

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

Approval of a Public-Private Partnership Residential and Retail Project at San Diego State University—Mission Valley

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Adela de la Torre
President
San Diego State University

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury and Risk Management

Summary

This agenda item requests approval of the following actions for the Mission Valley Residential and Retail Project #1 (the “Project”), a public-private partnership development at San Diego State University (SDSU):

- Amendment of the 2023-2024 Capital Outlay Program
- Approval of the Schematic Design for the Project
- Approval of the key terms of the ground lease agreement with the Project developer

Background

At its January 2020 meeting, the Board of Trustees authorized the acquisition of the 133-acre Mission Valley site on behalf of SDSU. Concurrent with this authorization, the Board also approved the Campus Master Plan, certified the Final Environmental Impact Report (EIR) for SDSU Mission Valley, and approved financing for the site acquisition and infrastructure improvements through the CSU’s Systemwide Revenue Bond program. The site plan authorized

development of approximately 1.6 million square feet of research and innovation uses, more than 80 acres of parks and open space, up to 4,600 housing units, of which 10 percent will be affordable housing units, 95,000 square feet of retail space, a 35,000-capacity multi-use stadium, and a hotel. The site was acquired in August 2020 and site improvements commenced at that time.

As presented to the Board in January 2020, the development plan for the research and innovation uses, the housing, the retail, and the hotel is to utilize public-private partnership structures, the ground lease revenues from which would be used to repay the principal and interest on the debt issued to acquire and improve the site¹. These public private partnerships will be developed over time and are expected to be completed in 2039. The Project presented in this agenda item and an affordable housing project being presented for approval by the Board of Trustees at this same November 2023 meeting are the first two projects of the development.

In October 2021, SDSU initiated a competitive request-for-qualifications process, which resulted in proposals submitted by ten interested residential housing developers, of which three were shortlisted and invited to submit proposals through a competitive request-for-proposals process. A campus-wide committee and colleagues from the Chancellor's Office conducted a thorough review of proposals, held meetings and interviews with the respective development teams, and completed final scoring of the proposals.

In October 2022, the committee selected Avalon Bay Communities (the "Developer"), a publicly traded real estate investment trust that owns or has indirect ownership interest in 299 apartment communities with more than 89,000 homes in 11 states and the District of Columbia.

The Developer's proposal ranked highest overall based on: the strength of its balance sheet and ability to access equity capital without reliance on external debt financing—a major factor amid unfavorable rising rates and tight credit market condition; diverse ground rental payment structure based on a percentage of gross revenues and participation in any future sale of the Project; well-conceived development plan to deliver units in phases and thereby mitigate absorption risk in the competitive Mission Valley rental market; strong commitment to sustainability through LEED Gold certification; and well-defined architectural plans that clearly integrate into the vision of the site as a whole.

The site will be divided into separate and independent development parcels and projects, of which 14 are currently identified for private residential uses, 15 are currently identified for office and innovation district uses, and one is currently identified for hospitality use, with parking and neighborhood-serving retail to be distributed across the various projects and parcels.

¹ The stadium, financing for which was approved by the Board of Trustees in March 2020, was completed and opened in September 2022, and is a self-supporting project within the development.

Amendment of the 2023-2024 Capital Outlay Program

PWC² \$328,326,000

San Diego State University wishes to amend the 2023-2024 Capital Outlay Program to include Residential and Retail Development #1 at Mission Valley (#512). The project will be located east of the existing Snapdragon Stadium (#500), bound by Innovation Parkway to the west, Jacaranda Street to the north, Coffeeberry Road to the east, and Sycamore Street to the south. The project will be directly west of the proposed Affordable Housing Development project.

Mission Valley Residential and Retail Development Project #1 Schematic Design

Developer and General Contractor: AvalonBay Communities

Architect: AC Martin

The project will provide an approximately 1.2 million square-foot mixed-use building that will include residential units, retail space, residential amenities, and parking. The residential units will be comprised of 621 market-rate apartments, including 110 studio, 260 one-bedroom, 226 two-bedroom, and 25 three-bedroom units distributed throughout the building, with the first three floors wrapping around structured parking. The building will include approximately 30,000 square feet of leasable ground-floor retail space, including a grocery store. The five upper floors will be organized around four courtyards: a play courtyard, a garden courtyard, a pool courtyard, and a Zen courtyard. The project will include four levels of parking, including one subterranean level, to accommodate 1,074 vehicles—894 parking stalls for residents and 180 parking stalls to support the retail space.

The exterior will be clad in cement plaster, with metal siding along the southwest corner and fiber cement board along the east side. The retail space at the ground level will consist of aluminum storefront and high pressure laminate panels. The project will also incorporate public art in the public-facing building entry(s) and is being designed to achieve LEED Gold Certification.

Timing (Estimated)

Preliminary Plans Completed	November 2023
Working Drawings Completed	December 2023
Construction Start	June 2024, but no later than June 2025
Occupancy	First units delivered approximately 24 months after start of construction

Basic Statistics

Residential Housing

Gross Building Area	715,184 square feet
Net Rentable Area	557,817 square feet
Efficiency	80 percent

² Project phases: P – Preliminary Plans, W – Working Drawings, C – Construction

Retail Shell

Gross Building Area	38,090 square feet
Net Rentable Area	29,265 square feet
Efficiency	77 percent

Parking Structure

Gross Building Area	452,863 square feet
Net Area	452,863 square feet
Parking Spaces	1,074

Cost Estimate – California Construction Cost Index (CCCI) 10461³

<u>Residential Housing - \$174,158,000</u>	(\$/GSF)
Building, General Conditions, and Insurance	\$ 243.51

<u>Retail Shell - \$6,256,000</u>	
Building, General Conditions, and Insurance	\$ 164.20

<u>Parking - \$51,806,000</u>	
Building, General Conditions, and Insurance	\$ 114.40

Site Development	<u>\$19,384,000</u>
Construction Cost	\$251,604,000
Fees, Contingency and Services	<u>37,011,000</u>
Total Project Cost (\$464 per GSF)	\$288,615,000
Fixtures, Furniture, & Moveable Equipment	0,000,000
Total Project Cost	\$288,615,000
Development and Financing Fee	<u>39,711,000</u>
Grand Total	\$328,326,000

California Environmental Quality Act (CEQA) Action

The Final Environmental Impact Report for the San Diego State University Mission Valley Campus Master Plan (the FEIR) was certified by the CSU Board of Trustees in January 2020.

³ The July 2023 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

FEIR Project Design Feature AQ/GHG-6 provides: “**Naturally Ventilated Parking Structures.** All structured parking on the project site shall be naturally ventilated.” The Project would deviate from this Project Design Feature by providing a single level of mechanically ventilated structured parking. However, additional air quality-improving and greenhouse gas emission-reducing features included in the Project design—such as achieving LEED Gold, above code-required solar paneling, and above code-required electric vehicle stalls—neutralize any incremental effects of the Project’s deviation from PDF-AQ/GHG-6. Therefore, this project is consistent with the FEIR.

Summary of Key Agreement Terms

- The CSU will lease the land to the Developer for a term of 99 years with no options to extend or renew, except by mutual agreement by the parties. At the end of the lease term, ownership of the improvements will transfer to the CSU.
- The Developer will be responsible for financing, designing, constructing, operating, and maintaining the Project for the lease term.
- Main ground rent terms are as follows:
 - Base ground rent to be paid to the CSU shall be based on the following schedule:
 - First twenty-four months— \$800,000 per year.
 - Months twenty-five through thirty-six— \$1,200,000 per year.
 - Thereafter, full base rent of \$1,600,000 per year, will increase annually by the lesser of five percent or inflation (based on the local consumer price index).
 - Once 5.75 percent of gross revenues of the Project are equal to or greater than 110 percent of full base rent, CSU shall receive annual payments equal to full base rent or 5.75 percent of gross revenues, whichever is greater.
- CSU will receive one percent of gross proceeds (after deducting reasonable costs) from any future sale or assignment of the Project by the Developer.
- In addition to the ground rent, Developer is to pay CSU for certain fees at the time a building permit is issued, related to traffic mitigation, park development, and affordable housing, as well as ongoing common area maintenance fees.
- The CSU is allowed to terminate the ground lease if the Developer fails to commence or complete construction of the improvements within the periods set forth in the lease. The Developer’s parent entity will also deliver a completion guaranty in CSU’s favor as a condition precedent to the start of construction.
- Following Project stabilization, the Developer may mortgage its interest in the premises and improvements, subject to certain conditions.

- Prior to Project stabilization, the Developer may not sell, assign, or transfer the lease (except to certain affiliates), or undergo any change of control, without CSU's prior written approval. After the improvements have been stabilized, the Developer may transfer the lease without CSU's consent, subject to certain conditions.
- The Developer will design the improvements to achieve LEED Gold certification as part of its commitment to sustainability.

Educational Benefits

At full build out of the site development plan, SDSU Mission Valley will help support an enrollment expansion of up to 15,000 FTES at San Diego State University over time. Upon repayment of system-wide revenue bonds previously issued for the initial site development and infrastructure, excess ground lease revenue can be used to support SDSU Mission Valley and other university research and educational priorities. Additionally, the residential units developed according to the SDSU Mission Valley master plan will help bring relief to the current San Diego housing crisis which impacts SDSU students, faculty, and staff.

Recommendation

The following resolutions are presented for approval:

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

1. The development of the Mission Valley Residential and Retail Project #1 through a public-private partnership at San Diego State University, as described in Agenda Item 2 of the November 7-8, 2023 meeting of the Joint Committee on Finance and Campus Planning, Buildings and Grounds, is approved, and that the chancellor, the executive vice chancellor and chief financial officer, and their designees are authorized to execute the agreements necessary to complete the transaction.
2. The Mission Valley Residential and Retail Project #1 is consistent with the Campus Master Plan approved in January 2020.
3. The Mission Valley Residential and Retail Project #1 will benefit the California State University.
4. The 2023-2024 Capital Outlay Program is amended to include \$328,326,000 for preliminary plans, working drawings, and construction for the Mission Valley Residential and Retail Project #1.
5. The schematic plans for the Mission Valley Residential and Retail Project #1 are approved at a project cost of \$328,326,000 at CCCI 10461.

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

Approval of a Public-Private Partnership Affordable Housing Project at San Diego State University—Mission Valley

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Adela de la Torre
President
San Diego State University

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

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

Summary

This agenda item requests approval of the following actions for the Mission Valley Affordable Housing Project #1 (the “Project”), a public-private partnership development at San Diego State University (SDSU):

- Amendment of the 2023-2024 Capital Outlay Program
- Approval of the Schematic Design for the Project
- Approval of the key terms of the ground lease agreement with the Project developer

Background

At its January 2020 meeting, the Board of Trustees authorized the acquisition of the 133-acre Mission Valley site on behalf of SDSU. Concurrent with this authorization, the Board also approved the Campus Master Plan, certified the Final Environmental Impact Report (EIR) for SDSU Mission Valley, and approved financing for the site acquisition and infrastructure

improvements through the CSU's Systemwide Revenue Bond program. The site plan authorized development of approximately 1.6 million square feet of research and innovation uses, more than 80 acres of parks and open space, up to 4,600 housing units, of which 10 percent will be affordable housing units, 95,000 square feet of retail space, a 35,000-capacity multi-use stadium, and a hotel. The site was acquired in August 2020 and site improvements commenced at that time.

As presented to the Board in January 2020, the development plan for the research and innovation uses, the housing, the retail, and the hotel is to utilize public-private partnership structures, the ground lease revenues from which would be used to repay the principal and interest on the debt issued to acquire and improve the site¹. These public private partnerships will be developed over time and are expected to be completed in 2039. The Project presented in this agenda item and a residential and retail project being presented for approval by the Board of Trustees at this same November 2023 meeting are the first two projects of the development.

In March 2022, SDSU initiated a competitive request-for-qualifications process which resulted in proposals submitted by fifteen interested affordable housing developers, of which six were shortlisted and invited to submit proposals through a competitive request-for-proposals process. A campus-wide committee and colleagues from the Chancellor's Office conducted a thorough review of proposals, held meetings and interviews with the respective development teams and completed final scoring of the proposals.

In March 2023, the committee selected Chelsea Investment Corporation (the "Developer"), a fully integrated for-profit affordable housing developer in San Diego County, with experience in developing approximately two-thirds of similar, inclusionary housing in San Diego County over the last 20 years.

The Developer's proposal ranked highest overall based on its ground lease revenue structure, which includes upfront payments to reimburse SDSU for site infrastructure costs, ability to secure state funding awards related to affordable housing, and a structure that will deliver more units at a lower average median income helping the CSU meet its obligations as outlined in the purchase agreement with the City of San Diego. The Developer will not receive any subsidy from the CSU.

The site will be divided into separate and independent development parcels and projects, of which 14 are currently identified for private residential uses, 15 are currently identified for office and innovation district uses, and one is currently identified for hospitality use, with parking and neighborhood-serving retail to be distributed across the various projects and parcels. This Project represents the Phase 1 construction of 188 dwelling units (186 income-restricted units and two managers units) for households with incomes averaging 50 percent of the area median income.

¹ The stadium, financing for which was approved by the Board of Trustees in March 2020, was completed and opened in September 2022 and is a self-supporting project within the development.

Amendment of the 2023-2024 Capital Outlay Program

PWC² \$147,120,000

San Diego State University wishes to amend the 2023-2024 Capital Outlay Program to accommodate the development of the Affordable Housing Development (#513A). The project will be located east of the future Residential & Retail Project #1 (#512) at the SDSU Mission Valley site located at the southeastern corner of the intersection of Coffeeberry Road and Jacaranda Street.

Mission Valley Affordable Housing Development Project #1 Schematic Design

The project will construct 188 dwelling units (186 income-restricted units and two manager units) for households with incomes averaging 50 percent of the area median in a seven-story building with up to 114 residential parking spaces in two levels of structured parking. The project will consist of 64 one-bedroom, 61 two-bedroom, 56 three-bedroom and 5 four-bedroom units.

The project will also include a 6,220-square-foot childcare center that will support approximately 55 children from infants to 3 years of age. The childcare center will be operated by Episcopal Community Services, a local nonprofit organization that provides early childhood development and education programming to 1,800 families and therapeutic support to 400 children and families.

Other on-site residential amenities include a community resource room designed to empower residents to work from home, a media center and computer lab, laundry facilities, outdoor lounge spaces with barbecue and dining areas, a bike storage room with a bike repair station, electric vehicle charging stations, and pet-friendly policies. The Developer will commission public art by local artists within the outdoor space and public garden, as well on the building exterior and throughout the perimeter pedestrian path.

Development Team

Developer: Chelsea Investment Corporation

Design/Build Contractor: Emmerson Construction

Architect: JWDA Architects

The building will consist of a concrete podium at the first-floor level, and wood-framed upper floors. The residential units will surround parking at the two lower levels. An open courtyard will sit atop the parking levels on the third floor, providing outdoor community space. The childcare center and an associated play yard will be located on the first floor.

The building exterior is clad in a vibrant earthy color palette comprised of cement plaster and features architectural projections that are clad in metal panel with accents of fiber cement board and will include stoops and porches along the street level units to provide neighborhood scale within an urban context. The ground floor amenity spaces and daycare consist of aluminum storefront along with porcelain and mosaic tiles at select locations. The project will incorporate public art and is being designed to achieve LEED Gold Certification.

² Project phases: P – Preliminary Plans, W – Working Drawings, C – Construction

Timing (Estimated)

Preliminary Plans Completed	October 2023
Working Drawings Completed	May 2024
Construction Start	November 2024
Occupancy	May 2026

Basic Statistics

Housing and Child Care

Gross Building Area	208,600 square feet
Usable Building Area	155,100 square feet
Efficiency	74 percent

Parking Structure

Gross Building Area	57,200 square feet
Usable Building Area	53,200 square feet
Efficiency	93 percent
Parking Spaces	114

Cost Estimate – California Construction Cost Index (CCCI) 10461³

<u>Housing and Childcare - \$80,159,000</u>	(\$/GSF)
Building, General Conditions, and Insurance	\$ 384.25
 <u>Parking - \$9,011,000</u>	
Building, General Conditions, and Insurance	\$ 157.53
Site Development	<u>9,400,000</u>
Construction Cost	\$98,570,000
Fees, Contingency and Services	<u>9,463,000</u>
Total Project Cost (\$553 per GSF)	\$108,033,000
Fixtures, Furniture, & Moveable Equipment	0,000,000
Total Project Cost	\$108,033,000
Development and Financing Fee	<u>39,087,000</u>
Grand Total	\$147,120,000

³ The July 2023 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

California Environmental Quality Act (CEQA) Action

The Board of Trustees certified the Final Environmental Impact Report for the San Diego State University Mission Valley Campus Master Plan (FEIR) in January 2020. The Affordable Housing Development at Mission Valley is consistent with the FEIR.

Summary of Key Agreement Terms

- The CSU will lease the land to the Developer for a term of 75 years with no options to extend or renew, except by mutual agreement by the parties. At the end of the lease term, ownership of the improvements will transfer to the CSU.
- The Developer will be responsible for financing, designing, constructing, operating, and maintaining the Project for the lease term.
- Rental rates will be based on thirty to sixty percent of the average median income (maximum average of fifty percent) for at least 55 years.
- Annual ground rent will be set initially at a pro rata share of fifty percent of residual cash flow until other public agency loans are repaid. After the public agency loans are repaid, annual ground rent will be fifty percent of residual cash flow, or ten percent of gross revenues, whichever is higher.
- Developer shall reimburse the CSU for the costs of certain off-site infrastructure in the form of a one-time, upfront payment, subject to actual costs incurred.
- At the time a building permit is issued, Developer is to pay CSU certain fees related to traffic mitigation and park development, as well as common area maintenance fees.
- The Developer will finance the Project based upon multiple sources including California Debt Limit Allocation Committee (CDLAC) tax-exempt bonds, Federal Four Percent Tax Credits, State Tax Credits, and State of California Housing and Community Development (HCD) funds from the Infill Infrastructure Grant (IIG) program.
- The Project will achieve LEED Gold certification.

Educational Benefits

At full build out of the site development plan, SDSU Mission Valley will help support an enrollment expansion of up to 15,000 FTEs at San Diego State University over time. Upon repayment of system-wide revenue bonds previously issued for the initial site development and infrastructure, excess ground lease revenue can be used to support SDSU Mission Valley and other university research and educational priorities. Additionally, the residential units developed according to the SDSU Mission Valley master plan will help bring relief to the current San Diego housing crisis which impacts SDSU students, faculty, and staff.

Recommendation

The following resolution is presented for approval:

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

1. The development of the Mission Valley Affordable Housing Project #1 through a public-private partnership at San Diego State University, as described in Agenda Item 3 of the November 7-8, 2023 meeting of the Joint Committee on Finance and Campus Planning, Buildings and Grounds, is approved, and that the chancellor, the executive vice chancellor and chief financial officer, and their designees are authorized to execute the agreements necessary to complete the transaction.
2. The San Diego State University Affordable Housing Development at Mission Valley is consistent with the Mission Valley Campus Master Plan approved in January 2020.
3. The project will benefit the mission of the California State University.
4. The 2023-2024 Capital Outlay Program is amended to include \$147,120,000 for preliminary plans, working drawings, and construction for the San Diego State University Affordable Housing Development at Mission Valley.
5. The schematic plans for the San Diego State University Affordable Housing Development at Mission Valley are approved at a project cost of \$147,120,000 at CCCI 10461.

AGENDA

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 11:10 a.m., Wednesday, November 8, 2023
Glenn S. Dumke Auditorium

Jack McGrory, Chair
Diana Aguilar-Cruz, Vice Chair
Larry L. Adamson
Raji Kaur Brar
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
Darlene Yee-Melichar

- Consent** 1. Approval of Minutes of the Meeting of September 12, 2023, *Action*
- Discussion** 2. California State University, Fresno Affordable Student Housing Schematic Design Approval, *Action*
3. San Diego State University, Imperial Valley - Brawley Sciences Building Project Schematic Design Approval, *Action*

**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 Auditorium
401 Golden Shore
Long Beach, California**

September 12, 2023

Members Present

Jack McGrory, Chair
Diana Aguilar-Cruz, Vice Chair
Larry L. Adamson
Raji Kaur Brar
Mark Ghilarducci
Leslie Gilbert-Lurie

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Jack McGrory called the meeting to order.

Public Comment

Public comment occurred at the beginning of the meeting's open session prior to all committees. No public comments were made pertaining to committee agenda items.

Consent Agenda

The minutes of the July 2023 meeting of the Committee on Campus Planning, Buildings and Grounds were approved as submitted.

Following approval of the minutes, it was explained that the topics would be reordered to accommodate the schedule of a guest presenter for the California State University, Long Beach Hillside North Student Housing Schematic Design Approval presentation.

California State University, Long Beach Hillside North Student Housing Schematic Design Approval

This item requested approval of schematic plans for the California State University, Long Beach Hillside North Student Housing project.

During the presentation, Paul Gannoe, previously Chief of Planning and Design in Capital Planning Design and Construction, was introduced and congratulated on his promotion to Assistant Vice Chancellor, Capital Planning Design and Construction, upon the retirement of Vi San Juan.

Following the presentation, a question was asked about the value engineering approach which was undertaken for this project. It was explained that the builder, the architect, and the university collaborated on the process, and a second opinion was obtained from another builder. It was noted that site work is a high percentage of the cost, and it was explained that the water table on campus is high and special foundational elements are required. A question was asked about contingency costs, and it was explained that the estimate includes a 10% construction contingency and additional contingency for design. It was recommended that for future projects, a target cost per square foot should be established and architects should design to that target number. Additionally, it was suggested that the trustees be provided with an independent value engineering report so that project costs can be reviewed.

A question was asked about how this project will be funded, and it was explained that the funding plan for this project has changed over time. Due to financial challenges this year, the State took back approximately \$1B for projects, but in exchange gave the CSU enough permanent base budget money to pay for debt service. The CSU views this as a preferred funding arrangement because the additional money is a permanent addition to the base budget. It was confirmed that the money allocated to this project does not compete with other projects for state money.

The project team was congratulated on value engineering efforts and reasonable project cost, but it was noted that the contingency element is high and should be managed closely.

The committee recommended approval of the proposed resolution (RCPBG 09-23-07).

Update and Approval of the Five-Year Capital Outlay Plan

This item requested approval by the California State University Board of Trustees of the Five-Year Capital Outlay Plan covering the period from 2024-2025 through 2028-2029.

Following the presentation, it was suggested that in addition to the six funding strategies that were outlined in the presentation, philanthropy should be added as a seventh strategy. It was noted that philanthropy has been becoming more important in recent years along with various combinations of funding approaches. The importance of funding capital projects was emphasized, to support the CSU's ability to increase enrollment in key programs and meet labor force needs. The need for a bond initiative was also noted.

It was asked why the proposed budget request for capital is only \$1.3B when critical needs are actually \$2.4B, and it was explained that the Chancellor's Office is trying to make an aggressive but realistic request. Concern was expressed that the lower request sends the wrong message and will not adequately address the growing capital needs of the CSU. It was explained that in addition to the budget request, the CSU's complete list of capital needs are continuously communicated with the Department of Finance and other governmental bodies.

The committee recommended approval of the proposed resolution (RCPBG 09-23-06).

California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building Schematic Design Approval

This item requested approval of schematic plans for the Student Services Building project at the California State University, San Bernardino Palm Desert Off-Campus Center (Palm Desert Campus).

Following the presentation, it was noted that the estimated cost is \$200 per square foot above the cost of comparable buildings, and it was asked what donors are willing to pledge for extra amenities. It was also reiterated that a value engineering report would be helpful to the trustees in analyzing project costs. It was explained that the proposed clock tower will not be built unless the university receives funding from the donor. It was also noted that the desert climate presents challenges, including a significant loss of productivity due to the heat in the summer months. It was reiterated that setting cost goals per square foot would be helpful. It was explained that for sites such as this which are not adjacent to utilities, costs will be higher than in urban settings.

It was noted that this building will present an opportunity, as there are not many buildings in the region to host high visibility events, and it also could create synergy with the community college. A question was asked about the difference between assignable square feet and gross square feet. It was explained that assignable square feet include offices and other primary purposes, whereas gross square feet include areas such as bathrooms, corridors, and stairwells.

It was noted that this project means a lot to the students and the community, but cost is still a concern, including the large percentage allocated for site work. The CSU's pool of money is limited, therefore project costs need to be closely scrutinized.

The committee recommended approval of the proposed resolution (RCPBG 09-23-08).

Trustee McGrory adjourned the Committee on Campus Planning, Buildings and Grounds.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State University, Fresno Affordable Student Housing Schematic Design Approval

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Deborah Adishian-Astone
Vice President for Administration and CFO
California State University, Fresno

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This agenda item requests approval of schematic plans for the California State University, Fresno Affordable Student Housing project.

Affordable Student Housing

Project Architect: SVA Architects

Construction Manager at Risk Contractor: TBD

Background and Scope

California State University, Fresno (Fresno State) proposes to design and construct a four-story, 57,948 assignable square feet (ASF)/82,838 gross square feet (GSF) Affordable Student Housing building (#89¹) on the existing Parking Lot 27, located at the southwest corner of the campus and west of Homan Hall (#88), an existing residence hall. This project was approved for funding in 2022-2023 through the State's Higher Education Student Housing Grant Program (HESHGP) to provide affordable student housing. As part of the 2023-24 state budget, the Higher Education Student Housing Grant will be replaced with CSU Systemwide Revenue Bonds supported by ongoing state appropriation. The Board of Trustees approved this funding swap in the July 2023 meeting. Fresno State will seek future Board of Trustees approval of Systemwide Revenue Bond financing for the self-support portion of the project funding. The grant program allows affordable beds to be located across the university inventory of new beds and the existing student housing inventory.

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

Fresno State is a vibrant, diverse university community with approximately 24,000 students located in the central valley. The university is a federally designated Hispanic-Serving Institution, Asian American and Native American Pacific Islander-Serving Institution and is the driver of social mobility in the San Joaquin valley. The majority of students at Fresno State are low-income students. Fifty-two percent of Fresno State students are Pell-eligible; and 74% of undergraduate students are first-generation college students. Fresno State has not built new student housing since the late 1960s. The existing housing capacity of 1,121 beds can accommodate less than 5% of the student population with more than 250 students on the housing waitlist.

The university's vision is to provide access to affordable housing for all students that will improve graduation rates and support student success. This proposed project is aligned with the university's Strategic Plan vision of diversity, equity, and inclusive excellence, and will provide much needed affordable housing to designated low-income students, reducing the total cost of attendance, bolstering direct access to affordable student housing for those students in the most need, and improving student retention and graduation rates.

This project will construct 228 apartment style beds allowing the housing program to accommodate most of the students on the current waitlist. The first floor will provide a learning community, recreational spaces, and accessible housing units. The three upper residence floors are identical and include student housing units, shared study and gathering spaces, laundry facilities, and space for a resident advisor. Shared common spaces on each floor will foster student engagement and a sense of community. Outdoor hardscape and landscape areas will provide additional space for studying and recreation.

The new student housing building is a four-story load-bearing metal framed system supplemented by a concrete floor on a metal deck over structural metal steel joists. The overall massing creates a stepped roofline with the main entrance at the ground level. The proposed project is currently designed to meet the CSU's Sustainability Policy requirements. Notable sustainability features include low flow plumbing fixtures, high quality air filtration, maximum insulation values for walls and roofs, double-glazed windows, drought-tolerant landscaping, efficient irrigation systems, and groundwater recharge design elements.

Timing (Estimated)

Completion of Preliminary Drawings	January 2024
Completion of Working Drawings	May 2024
Start of Construction	October 2024
Occupancy	August 2026

Basic Statistics

Gross Building Area	82,838 square feet
Assignable Building Area (CSU ²)	57,948 square feet
Net Useable Building Area (FICM ³)	76,000 square feet
Efficiency (CSU)	70 percent
Efficiency (FICM)	92 percent

Cost Estimate—California Construction Cost Index 8287⁴

Building Cost (\$500 per GSF)	\$41,442,000
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<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>
a. Substructure (Foundation)	\$ 11.09
b. Shell (Structure and Enclosure)	\$ 134.30
c. Interiors (Partitions and Finishes)	\$ 115.73
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 159.67
e. Built-in Equipment and Furnishings	\$ 9.44
f. Special Construction and Demolition	\$ 0
g. General Requirements/Conditions and Insurance	\$ 70.05

Site Development	<u>\$4,397,000</u>
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Construction Cost	\$45,839,000
Fees, Contingency, Services	<u>\$11,054,000</u>

Total Project Cost (\$687 per GSF)	\$56,893,000
Fixtures, Furniture & Movable Equipment	<u>\$1,857,000</u>

Grand Total	<u>\$58,750,000</u>
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Cost Comparison

The student housing building’s cost of \$500 per GSF is lower than the \$760 per GSF for the West Campus Green Student Housing and Health Center at San Francisco State University approved in January 2023, the \$689 per GSF for the Affordable Student Housing Buildings #22 and #23 at

² Assignable building area is based on CSU policy.

³ Net useable building area is greater than assignable building area by including corridors, restrooms, mechanical rooms, etc., based on the definitions of the Postsecondary Education Facilities Inventory & Classification Manual (FICM).

⁴ The July 2022 Engineering News-Record California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

CSU Northridge approved in July 2022, the \$551 per GSF for the Student Housing project at Cal Poly Humboldt approved in January 2023, the \$580 per GSF for the University Village Housing and Dining project at CSU San Marcos approved in May 2023, and the \$685 per GSF for the Hillside North Student Housing project at CSU Long Beach approved in September 2023, all adjusted to CCCCI 8287.

During the value engineering process, Fresno State saved approximately \$7 million in direct construction costs through several mindful revisions, including simplifying exterior design, reducing landscaping and site features, and choosing the most cost-effective mechanical systems, framing system, and finish materials. Sustainability elements included in the project that exceed code requirements, such as solar panels and highly efficient water conservation measures support the overall sustainability goals of California and the CSU and generate operating savings over the life of the facility.

Funding Data

This project was approved for funding (\$31,050,000) in 2022-2023 from the State's Higher Education Student Housing Grant Program (HESHGP). As part of the 2023-24 state budget, the Higher Education Student Housing Grant will be replaced with CSU Systemwide Revenue Bonds supported by ongoing state appropriation. The Board of Trustees approved this funding realignment in the July 2023 meeting. This project will receive additional state-support CSU Systemwide Revenue Bonds (\$2,700,000) from the 2023-24 state approved \$7,489,000 to fund cost overruns associated with approved CSU affordable student housing project grants. In addition, this project will be co-funded with CSU Systemwide Revenue Bonds (\$25,000,000) for self-support programs. The board will be asked at a future meeting to consider the approval of the CSU Systemwide Revenue Bond financing for the self-support portion of the project funding.

California Environmental Quality Act (CEQA) Action

The proposed project is exempt under Categorical Exemption Class 32 of the Guidelines for Implementation of the California Environmental Quality Act (CEQA) (Guidelines § 15132). This exemption applies to infill development projects that are consistent with applicable land use plans; on sites of no more than five acres, with no habitat value for sensitive species, that are substantially surrounded by urban uses and can be adequately served by public utilities and services; and that would not result in significant traffic, noise, air quality, or water quality impacts.

The project is subject to and incorporates applicable mitigation measures provided in the Mitigation Monitoring and Reporting Program adopted in conjunction with certification of the 1994 Campus Master Plan Environmental Impact Report (EIR) (State Clearinghouse No. 94032022). The applicable mitigation measures would be implemented during construction. Supporting documentation for the categorical exemption is available for review at: <https://adminfinance.fresnostate.edu/facilitiesmanagement/projects/completedprojects.html>

Recommendation

The following resolution is recommended for approval:

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

1. The California State University, Fresno Affordable Student Housing project will benefit the California State University.
2. The California State University, Fresno Affordable Student Housing project qualifies for a categorical exemption from CEQA and a Notice of Exemption shall be filed following project approval (Guidelines § 15062(a)).
3. Applicable mitigation measures adopted in conjunction with Campus Master Plan approval and EIR certification in 1994 shall be implemented, monitored, and reported in accordance with the requirements of CEQA (Cal. Pub. Res. Code § 21081.6).
4. The schematic plans for the California State University, Fresno Affordable Student Housing project are approved at a project cost of \$58,750,000 at CCCCI 8287.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

San Diego State University, Imperial Valley - Brawley Sciences Building Project Schematic Design Approval

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Adela de la Torre
President
San Diego State University

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This agenda item requests the California State University Board of Trustees approve schematic plans for the San Diego State University, Imperial Valley, Brawley Sciences Building project.

Project Background and Scope

Architect: AC Martin

Collaborative Design-Build Contractor: Sundt

The Brawley Sciences Building (#102¹) is a new 22,500 assignable square feet (ASF)/36,900 gross square feet (GSF) teaching laboratory and research building on the SDSU Imperial Valley, Brawley campus. Imperial County's economic forecast projects a dramatic workforce and skill deficit that is facing the region and will continue to grow over the next ten years. This project will expand degree program offerings for students in the Imperial Valley region in the sciences and engineering fields and foster the local workforce to enhance their skills in the support of renewable and alternative energy production.

The project will serve 60 FTES in a combination of lower and upper division wet and dry teaching labs (6,300 ASF). The program also includes 7,500 ASF of flexible use wet and dry research labs, teaching and research lab support spaces, including graduate student workstations, 18 faculty/researcher offices, conference rooms, and informal collaboration spaces throughout the building. The building will include core facilities with major instruments and experimental fabrication space for collaborative work with industry partners.

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

The project's exterior building massing will be constructed with a two-story tilt-up concrete structure composed of three volumes that are informed by solar exposure and prevailing wind directions. The shape of the building creates a three-sided courtyard leading to the main entrance, with a shaded colonnade providing a pathway from the existing Initial Building (#101). The concrete exterior walls are ideal to withstand the extreme climatic conditions of the Imperial Valley, and window openings are strategically placed in these walls to optimize indoor daylighting and transparency while keeping solar heat gain to a minimum. The building's taller volume to the north accommodates teaching and research labs, the shorter volume to the south houses faculty and advising offices, and a central double-height lobby space at the main entry connects the two wings.

The building will connect to existing domestic water, sanitary sewer, and telecommunications utility lines at the Brawley center. The building will utilize onsite bioretention basins for all storm drainage and runoff. A new electrical utility feed from the local utility company will service the building. Power will be provided from existing overhead lines along Highway 78 and then will run underground to a new transformer located in the new utility yard northeast of the building. The electrical system includes lighting, power, emergency power, fire alarm, and infrastructure for solar photovoltaics to be generated from future solar panels on the canopy. The building will take advantage of electrified air source heat pumps to provide energy efficient water heating. All space and water heating will be electrified, eliminating the need for natural gas.

The Brawley Sciences Building will achieve the sustainability goals of the university by pursuing active energy production strategies, as well as using architecture in a strategic way to mitigate solar heat gain and reduce operating energy loads. The project includes EV charging stations, infrastructure for future solar photovoltaics, runoff management, native landscaping, and efficient insulation and fixtures. This project will meet the requirements of the CSU Sustainability Policy.

Timing

Preliminary Plans Completed	December 2023
Working Drawings Completed	January 2024
Construction Start	January 2024
Occupancy	August 2025

Basic Statistics

Gross Building Area	36,900 square feet
Assignable Building Area (CSU ²)	22,500 square feet

² Assignable building area is based on CSU policy.

Net Useable Building Area (FICM ³)	35,100 square feet
Efficiency (CSU)	61 percent
Efficiency (FICM)	95 percent

Cost Estimate – California Construction Cost Index (CCCI) 8287⁴

Building Cost (\$1,412 per GSF)		\$52,089,000
<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>	
a. Substructure (Foundation)	\$ 38.56	
b. Shell (Structure and Enclosure)	\$ 261.60	
c. Interiors (Partitions and Finishes)	\$ 141.95	
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 508.73	
e. Built-in Equipment and Furnishings	\$ 123.01	
f. Special Construction & Demolition	\$ 0.00	
g. General Requirements	\$ 39.13	
h. General Conditions and Insurance	\$ 298.64	
Site Development		<u>\$6,572,000</u>
Construction Cost		\$58,661,000
Fees, Contingency, Services		<u>\$19,339,000</u>
Total Project Cost (\$2,168 per GSF)		\$78,000,000
Fixtures, Furniture & Movable Equipment		<u>\$2,000,000</u>
Grand Total		<u>\$80,000,000</u>

Cost Comparison

The building cost of \$1,412 per GSF is higher than the CSU cost guide figure of \$742 per GSF for a biological sciences (wet lab) building, the \$947 per GSF for the Science Replacement Building at San Francisco State University approved in November 2020, and the \$1,149 per GSF for the Interdisciplinary Science Building at San Jose State University approved in September 2018, all adjusted to CCCI 8287. Factors that contribute to the high building cost include: the remote location of the Brawley campus; the advanced technology lab environment, including heavy lab equipment required for industry collaboration; the extreme climatic conditions of the Imperial

³ Net useable building area is greater than assignable building area by including corridors, restrooms, mechanical rooms, etc., based on the definitions of the Postsecondary Education Facilities Inventory & Classification Manual (FICM).

⁴ The July 2022 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

Valley requiring additional mechanical cooling to counteract the high loads of energy consumption in this lab intensive building; and the building's sustainable features such as heat recovery chillers for hot and cold water distribution and the use of electric energy only, as natural gas will only exist for lab use.

Funding Data

The project will be funded with \$80,000,000 in state appropriations approved in the final 2022-2023 California State Budget.

California Environmental Quality Act (CEQA) Action

An Initial Study/Mitigated Negative Declaration (IS/MND) tiering from analysis in the 2003 SDSU Imperial Valley Master Plan Project EIR was prepared to analyze the potential significant environmental effects of the proposed project in accordance with the requirements of CEQA and the CEQA Guidelines.

The IS/MND concluded that the project would result in potentially significant impacts on Biological Resources, Archaeological Resources, Paleontological Resources, and Tribal Cultural Resources. The IS/MND further determined the proposed project would result in less than significant impacts in the remaining environmental impact categories: Aesthetics, Agriculture and Forestry Resources, Air Quality, Cultural Resources (Historic Resources), Energy, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation, Utilities and Service Systems, and Wildfire.

The IS/MND was made available to the public for review and comment from September 5, 2023, to October 5, 2023. Four written comment letters were received by the close of the review period, from the California Department of Transportation (Caltrans) District 11, the Imperial County Air Pollution Control District (ICAPCD), the Imperial Irrigation District (IID), and the California Department of Fish and Wildlife (CDFW). Caltrans asked for clarification of the status of traffic improvements along SR-78 required by mitigation measures adopted in conjunction with the 2003 EIR, and the status of dedication by SDSU to Imperial County of right-of-way along the SR-78 for a right-turn lane into the Brawley Center driveway. The IAPCD questioned the project's compliance with its rules and regulations and the thresholds of significance used to determine air quality impacts. The IID noted the need for new electrical and, potentially, water, sewer, and stormwater infrastructure to serve the project and requested coordination with SDSU regarding any necessary rights-of-way and easements. CDFW questioned whether a comprehensive biological resources assessment had been performed addressing sensitive species potentially affected by the project, and suggested clarifications and minor revisions to IS/MND mitigation measures. Public comments have been reviewed and considered and did not raise substantive new issues not already addressed in the IS/MND or resulted in the need for substantive revisions. Responses to all comments are provided in the finalized IS/MND.

Mitigation measures incorporated into the IS/MND as conditions of project approval, together with mitigation measures in the Mitigation Monitoring and Reporting Program adopted in conjunction with the 2003 EIR, reduce all potentially significant project impacts to a less than significant level. Each of the mitigation measures is listed in, and will be implemented through, the Mitigation Monitoring and Reporting Program prepared pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097, for adoption pursuant to CEQA Guidelines Section 15074(d).

Accordingly, there is no substantial evidence, considering the whole record, that the Brawley Sciences Building project may have a significant effect on the environment. This finding is supported by the IS/MND and all related materials, in compliance with CEQA Guidelines Section 15070. The IS/MND and related materials are available for review by the Board and the public at: <https://bfa.sdsu.edu/campus/facilities/planning/eir>.

Recommendation

The following resolution is presented for approval:

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

1. The IS/MND was prepared to evaluate the environmental effects of the Brawley Sciences Building project and confirms that the project will not result in new significant impacts that cannot be mitigated, pursuant to the requirements of CEQA (Public Resources Code Section 21000 et seq.) and the CEQA Guidelines. The IS/MND is consistent with the assumptions in and is properly tiered from, the 2003 SDSU Imperial Valley Master Plan Project EIR and has been completed in compliance with CEQA (Public Resources Code 20180(d) and (e)) and the CEQA Guidelines Section 15074.
2. This resolution is adopted pursuant to the requirements of Public Resources Code Section 21081 and CEQA Guidelines Section 15091, which require that the Board of Trustees make findings regarding significant project effects prior to the approval of a project.
3. The Board of Trustees finds that the IS/MND reflects its independent judgment and analysis and hereby adopts the IS/MND, approves the project, and reaffirms prior adoption of the Findings of Fact and Mitigation Monitoring and Reporting Program prepared for the 2003 SDSU Imperial Valley Master Plan Project EIR.

4. Mitigation measures contained within the 2003 SDSU Imperial Valley Master Plan Project EIR Mitigation Monitoring and Reporting Program that are applicable to the Brawley Sciences Building project are hereby incorporated by reference and shall be monitored and reported in accordance with the requirements of CEQA (Public Resources Code Section 21081.6).
5. The Brawley Sciences Building project will benefit the California State University.
6. The schematic plans for the Brawley Sciences Building project are approved at a project cost of \$80,000,000 at CCCI 8287.

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

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

Wednesday, November 8, 2023

Presiding: Wenda Fong, Chair

11:40 a.m.* **Board of Trustees** **Dumke Auditorium**

Call to Order

Roll Call

Consent

Action 1. Approval of the Minutes of the Board of Trustees Meeting of September 12, 2023 and September 13, 2023

Action 2. Approval of Committee Resolutions as follows:

Committee on University and Faculty Personnel

2. Annual Report on Outside Employment for Senior Management Employees
4. Exemption from Post-Retirement Employment Waiting Period

Committee on Governmental Relations

3. Endorsement of the Fresno County Ballot Initiative

Committee on Finance

2. Approval to Issue Debt for Affordable Housing at California State University San Marcos
3. Approval of 2024-25 Lottery Budget and Report
4. Approval of an Auxiliary Organization Financing at California State University, Sacramento

Joint Committee on Finance and Campus Planning, Buildings and Grounds

2. Approval of a Public-Private Partnership Residential and Retail Project at San Diego State University—Mission Valley
3. Approval of a Public-Private Partnership Affordable Housing Project at San Diego State University—Mission Valley

*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. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

Agendas, notices, and information on addressing the Board of Trustees may be found on Board of Trustees website: <https://www.calstate.edu/csusystem/board-of-trustees/Pages/default.aspx> .

Committee on Campus Planning, Buildings and Grounds

2. California State University, Fresno Affordable Student Housing Schematic Design Approval
3. San Diego State University, Imperial Valley - Brawley Sciences Building Project Schematic Design Approval

Discussion

- Action* 3. Conferral of Commendation – Billie Jean King
- Action* 4. Conferral of the Title of President Emerita – Lynnette Zelezny

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 12, 2023

Trustees Present

Wenda Fong, Chair
Jack Clarke, Jr., Vice Chair
Larry L. Adamson
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Douglas Faigin
Jean Picker Firstenberg
Mark Ghilarducci
Leslie Gilbert-Lurie
Lillian Kimbell
Julia I. Lopez
Jack McGrory
Jonathan Molina Mancio
Anna Ortiz-Morfit
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser
Jose Antonio Vargas
Darlene Yee-Melichar
Jolene Koester, Interim Chancellor
Lieutenant Governor Eleni Kounalakis

Chair Wenda Fong called the meeting of the Board of Trustees to order.

Public Comment

In an effort to provide accessibility and flexibility for the public, all public comment took place at the beginning of open session prior to all committees.

BoT

Agenda Item 1

November 7-8, 2023

Page 2 of 17

The board heard from the following individuals who provided public comment in person: Daisy Alamillo, CSUB; Daisy Navarette, CI; Autumn Alaniz-Wiggins, Chico State; Edgar Mejia-Alezano, CSUDH; Nolan Calara, CSUEB; Karen Carillo, Fresno State; Samuel Parker, CPH; Mitali Jain, CSULB; Yahir Flores, Cal State LA; Ryan Okada, Cal Maritime; Isaac Shannon; Isaac Alferos; Terrie Kennon, CSUDH; Katie Scariot, CSUMB; Martin Brenner, CSULB; Iese Esera, SF State; John Ciulik; Sabriina Pinnell, SJSU; Tessa Reese; Nataly Andrade-Dominguez; Sacramento State; Don Moreno; Paige Hajiloo, CUSN; Andrea Skinner; Yvette Tran, CSUN; Alejandro Martinez, CSUB; Katie Karroum, CSUN; Anthony Regina, CSULB; Jessica Westbay; Matt Melendrez, CSULB; Colin Culver, SDSU; Ernest Cisneros, CSUSM; Larissa Santos, CSULB; Andre Achachon, CSULB; Melvin Ridley, SDSU; Adrian Sanchez, Stanislaus State; Amy Parker, CSUF; Matthew Armas, Cal Poly San Luis Obispo; Sarab Multani, SJSU; Ignacio Castillo; Like (LK) Suzer, CPP; Carlos Sanchez; Cassandra Garcia, SSU; Chris Rooney; Armenia Ward, Cal State LA; David Unger; Jason Rabinowitz; Matt Mason; Spencer Owen; Charles Toombs, SDSU; Mike Harris; Kevin Wehr; Dennis Sotomayor; Margarita Berta-Avila, Sacramento State; Drew Scott; Sharon Elise, CSUS; Kiara Wise, CSUDH; Dave Colnic; Sara Randall; Michael Lee-Change, Sacramento State; Kenya Hall; Leila Cormier, Sacramento State; Catherine Gray, CSUDH; Emily Raab, Cal State LA; Cole Mitchel; John (Jack) Welch; Crystal Chavira-Ordunez, CSUEB; Joshua Gallardo; Daniel Villafan; Meryah Fisher. CSUDH; Salva Hushanky; Jacqueline Barrett; Fatima Fetterimo; David Chan; Rin Anderson, CSUEB; Alexandra Bartas, SF State; Luis Ortiz; Raymond Gonzales, Stanislaus State; Felix Rosell, SF State; Lexi Ora; Vincent Rasso; Jessica Vasquez; Elena McReynolds; Garrett Alexander Dasigan; Adilene Tinoco, CSUDH; Hailey Powell, Cal Poly San Luis Obispo; Matthew Dumanig; K. Vanessa Muniz, SFSU; Aidan Rauh, SJSU; Angelina Vang; J Jimenez, SJSU; Geneve Nguyen; Re Prado, CSULB; Andrew Gaddis, SDSU; Alejandro Padilla; Anabell Rangel; Randy Santiago; Marcia Moran, CSULA; J. Jimenez; Angela De La Torre, CI; Samantha Barrientos; Angelmarie Taylor, CI; Vanessa Villamil Romero, Cal State LA; Elizabeth Flores, CI; Liliana; Courtland Briggs; Noah Galbraith; Emily Barrera; Mikala Purugganan, Cal Poly San Luis Obispo; Xochitl Jimenez, CSULB; Milo, CSULB; Vaughn Wilbur, CSUF; Jennifer Chavez, CSULB; Maysem Awadalla, CSUF.

The board also heard from the following individuals who provided public comment virtually: Oliva Fox, CPH; Lyssa Ortega, CSUDH; Aliyah Ben-Joseph, Chico State; Minaya Valentine, CSUB; Aubrey Rany, Chico State; Rachel Gutner, CSUN; Chinazo Okey-Dike, CSUB; James Tompkin; Robbie Campos, SSU; Sharon Sabino Galicia, SDSU; Mitul Kalra, CSUN; Stacey Bertulfo, SF State; Ruhama Tereda, CPH; Robert Blunt, CPH.

Chair's Report

Chair Fong's report is available online at the following link: <https://www.calstate.edu/csu-system/board-of-trustees/reports-of-the-chair/Pages/september-2023.aspx>

Report of the California State University Alumni Council

Alumni Council President-elect Adrian Harrells' report on behalf of President John Poli is available online at the following link: <https://www2.calstate.edu/impact-of-the-csu/alumni/council/board-of-trustee-reports/Pages/default.aspx>

Report of the Academic Senate CSU

CSU Academic Senate Chair Beth A. Steffel's report is available online at the following link: <https://www2.calstate.edu/csu-system/faculty-staff/academic-senate/Pages/ASCSU-Chairs-Report.aspx>

Report from the California State Student Association

CSSA President Dominic Quan Treseler's report is available online at the following link: <https://www.calstatestudents.org/public-documents/#president>

Chancellor's Report

Interim Chancellor Jolene Koester's report is available online at the following link: <https://www.calstate.edu/csu-system/board-of-trustees/chancellor-reports/Pages/september-12-2023.aspx>

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 13, 2023

Trustees Present

Wenda Fong, Chair
Jack Clarke, Jr., Vice Chair
Larry L. Adamson
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Douglas Faigin
Jean Picker Firstenberg
Mark Ghilarducci
Leslie Gilbert-Lurie
Lillian Kimbell
Julia I. Lopez
Jack McGrory
Jonathan Molina Mancio
Anna Ortiz-Morfit
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser
Jose Antonio Vargas
Darlene Yee-Melichar
Jolene Koester, Interim Chancellor
Superintendent Tony Thurmond
Lieutenant Governor Eleni Kounalakis

Chair Fong called the meeting of the Board of Trustees to order.

Consent Agenda

Prior to the approval of the consent agenda, Chair Fong noted that item 4 Tuition Policy and item 5 Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal from the Committee on Finance, were removed from the consent agenda for separate discussion as noted on the agenda. No further items were removed from the consent agenda.

Chair Fong called for a motion to approve all items listed on the consent agenda. There was a motion and a second. The minutes of the meeting of July 11, 2023, and July 12, 2023, were unanimously approved as submitted.

The Board of Trustees unanimously approved the following resolutions:

COMMITTEE ON COMMITTEES

Amendments to Board of Trustees' Standing Committee Assignments for 2023-2024 (RCOC 09-23-02)

RESOLVED, by the Board of Trustees of The California State University, on recommendation by the Committee on Committees that the following amendments be made to the Standing Committees for 2023-2024:

AUDIT

Yammilette Rodriguez, Chair
Jean Picker Firstenberg, Vice Chair
Leslie Gilbert-Lurie
Lillian Kimbell
Jonathan Molina Mancio
~~Romey Sabalius~~
Lateefah Simon
Christopher Steinhauser
Darlene Yee-Melichar

COLLECTIVE BARGAINING

Christopher Steinhauser, Chair
Jack Clarke, Jr., Vice Chair
Larry L. Adamson
Julia I. Lopez
Lateefah Simon

CAMPUSPLANNING, BUILDINGS AND GROUNDS

Jack McGrory, Chair
Diana Aguilar-Cruz, Vice Chair
Larry L. Adamson
Raji Kaur Brar
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
~~Romey Sabalius~~
Darlene Yee-Melichar

EDUCATIONAL POLICY

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie
Jonathan Molina Mancio
~~Romey Sabalius~~
Jose Antonio Vargas
Darlene Yee-Melichar

FINANCE

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
~~Romey Sabalius~~
Jose Antonio Vargas
Darlene Yee-Melichar

GOVERNMENTAL RELATIONS

Jack Clarke, Jr., Chair
Yammilette Rodriguez, Vice Chair
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Lillian Kimbell
Julia Lopez
Jack McGrory
Jose Antonio Vargas

INSTITUTIONAL ADVANCEMENT

Anna Ortiz-Morfit, Chair
Douglas Faigin, Vice Chair
Diego Arambula
Raji Kaur Brar
Jean Picker Firstenberg
Mark Ghilarducci
Jonathan Molina Mancio
Yammilette Rodriguez
Jose Antonio Vargas

ORGANIZATION AND RULES

Lillian Kimbell, Chair
Julia I. Lopez, Vice Chair
Diego Arambula
Jack Clarke, Jr.
Douglas Faigin
Jean Picker Firstenberg
Jonathan Molina Mancio
Anna Ortiz-Morfit
Lateefah Simon

UNIVERSITY AND FACULTY PERSONNEL

Larry L. Adamson, Chair
Jean Picker Firstenberg, Vice Chair
Diana Aguilar-Cruz
Douglas Faigin
Lillian Kimbell
Jack McGrory
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

**Update and Approval of the Five-Year Capital Outlay Plan
(RCPBG 09-23-06)**

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

1. The 2024-2025 Capital Plan Priority List is approved.
2. The chancellor is authorized to proceed with design and construction to fast-track projects in the 2024-2025 through 2028-2029 Five-Year Capital Plan subject to available funds.
3. The chancellor is requested to explore all reasonable funding methods available and communicate to the Board of Trustees, the governor, and the legislature the need to provide funds to develop the facilities necessary to serve the academic program and all eligible students.
4. The chancellor is authorized to adjust the scope, phase, project cost, total budget, priority sequence, and funding source for the capital plan and report budget adjustments in the subsequent Five-Year Capital Plan.
5. The chancellor is authorized to adjust the scope and budget of projects to be financed as necessary to maximize use of the limited financing resources and in consideration of the CSU's priorities for funding capital outlay projects.

**California State University, Long Beach Hillside North Student Housing Schematic
Design Approval
(RCPBG 09-23-07)**

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

1. The California State University, Long Beach Hillside North Student Housing project will benefit the California State University.
2. The California State University, Long Beach Hillside North Student Housing project qualifies for a categorical exemption from CEQA and a Notice of Exemption shall be filed following project approval (Guidelines § 15062(a)).
3. Applicable mitigation measures adopted in conjunction with the Campus Master Plan approval and Final EIR certification in 2008 shall be implemented, monitored, and reported in accordance with the requirements of CEQA (Cal. Pub. Res. Code § 21081.6).

4. The schematic plans for the California State University, Long Beach Hillside North Student Housing project are approved at a project cost of \$115,822,000 at CCCI 8287.

**California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building Schematic Design Approval
(RCPBG 09-23-08)**

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

1. The California State University, San Bernardino Palm Desert Campus Student Services Building project is within the scope of activities anticipated in the Palm Desert Off-Campus Center Campus Master Plan approved in January 2018 and was adequately analyzed in the Palm Desert Off-Campus Center Campus Master Plan Final EIR certified in 2018.
 2. Applicable mitigation measures adopted in conjunction with Campus Master Plan approval and Final EIR certification in 2018 shall be implemented, monitored, and reported in accordance with the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code § 21081.6).
 3. The California State University, San Bernardino Palm Desert Campus Student Services Building project will benefit the California State University.
 4. The schematic plans for the California State University, San Bernardino Palm Desert Center Student Services Building project are approved at a project cost of \$79,000,000 at CCCI 8287.
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COMMITTEE ON EDUCATIONAL POLICY

Academic Planning (REP 09-23-04)

RESOLVED, by the Board of Trustees of the California State University, that the academic degree program projections proposed to be included in the Ten-Year Overview of Planned Programs as part of the Campus Academic Plans (as identified in Agenda Item 3 of the September 10-13, 2023 meeting of the Committee on Educational Policy) be approved and accepted for addition to the CSU Academic Master Plan and as the basis for necessary facility planning; and be it further

RESOLVED, that the 1971 California State University document, “Performance Review of Existing Major Programs” (AP 71-32) be re-affirmed to reinforce and strengthen the role program performance review plays in the strategic academic planning process, appropriate resource allocation and realistic goals for growth and innovation.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Amendment of California State University Conflict of Interest Code (RUF 09-23-13)

RESOLVED, by the Board of Trustees of the California State University, that the Amendment of the California State University Conflict of Interest Code, as cited in Item 2 of the Committee on University and Faculty Personnel at the September 10-13, 2023 meeting of the Board of Trustees, is approved.

Executive Compensation Update: Presidential Housing – California State University, Chico (RUF 09-23-14)

RESOLVED, by the Board of Trustees of the California State University, that Dr. Stephen J. Perez shall occupy the official presidential residence as a condition of employment; and be it further

RESOLVED, that Dr. Perez’s housing allowance shall end as cited in Agenda Item 3 of the Committee on University and Faculty Personnel at the September 10-13, 2023 meeting of the Board of Trustees.

**Executive Compensation: President – California State University, Los Angeles
(RUF 09-23-15)**

RESOLVED, by the Board of Trustees of the California State University, that Dr. Berenecea Johnson Eanes shall receive a salary set at the annual rate of \$496,213 effective January 8, 2024, the date of her appointment as president of California State University, Los Angeles; and be it further

RESOLVED, that Dr. Berenecea Johnson Eanes shall receive an annual housing allowance of \$60,000; and be it further

RESOLVED, that Dr. Berenecea Johnson Eanes shall receive additional benefits as cited in Agenda Item 4 of the Committee on University and Faculty Personnel at the September 10-13, 2023 meeting of the Board of Trustee

**Executive Compensation: Interim President – California State University, Bakersfield
(RUF 09-23-16)**

RESOLVED, by the Board of Trustees of the California State University, that Dr. Vernon B. Harper, Jr. shall receive a salary set at the annual rate of \$390,892 effective December 31, 2023, the date of his appointment as interim president of California State University, Bakersfield; and be it further

RESOLVED, that Dr. Vernon B. Harper, Jr. shall receive an annual housing allowance of \$50,000; and be it further

RESOLVED, that Dr. Vernon B. Harper, Jr. shall receive additional benefits as cited in Agenda Item 5 of the Committee on University and Faculty Personnel at the September 10-13, 2023 meeting of the Board of Trustees.

Discussion Agenda

Prior to the approval of the consent agenda, Chair Fong noted that item 4 Tuition Policy and item 5 Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal from the Committee on Finance, were removed from the consent agenda for separate discussion as noted on the agenda.

Before proceeding with discussion, Chair Fong called for a motion to approve item 4 Tuition Policy. There was a motion and second. Chair Fong opened the floor for discussion. Hearing no further discussion, Chair Fong called for a roll call vote.

The motion passed with seventeen yeas, (Trustees Aguilar-Cruz, Arambula, Brar, Clarke, Firstenberg, Fong, Ghilarducci, Kimbell, Lopez, McGrory, Molina Mancio, Ortiz-Morfit, Rodriguez, Steinhauser, Vargas, Yee-Melichar and Interim Chancellor Koester), one nay (Superintendent Thurmond) and two abstentions (Trustee Simon and Lieutenant Governor Kounalakis).

Chair Fong proceeded to call for a motion to approve Item 5 Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal. There was a motion and a second. She further clarified that the resolution included two votes and the board would first vote on the Multi-Year Tuition Proposal followed by the 2024-2025 Operating Budget Plan.

There was a motion and second to approve the Multi-Year Tuition Proposal. Chair Fong opened the floor for discussion. Trustee Aguilar Cruz proposed an amendment to the motion to change the Multi-Year Tuition Proposal from five years at 6% to four years at 6%. She noted this would provide a compromise noting that in committee the amendment to change to three years did not pass and that a change to four years could provide a lesser financial burden on students and their families. Lieutenant Governor Kounalakis seconded the motion to amend.

Interim Chancellor Koester stated she would be a no vote to the amendment citing that university presidents need five-years of predictability in order to appropriately plan and adjust the requisite functions, personnel and physical facilities to match the predictable source of funds. She further stated that the difference in the proposed amendment would represent a loss of approximately \$126 million that is equivalent to – as an example – 100% of Sonoma State’s operating budget, 75% of CSU Bakersfield’s operating budget, and 25% of CSUN’s. As an equivalent to personnel and impacts to students, the potential loss equates to 875 faculty, 1,180 staff and 7,100 courses that would affect approximately 163,000 students. Interim Chancellor Koester further noted that the system evaluated what would likely be needed to commit to the pending labor contracts that remained open at the time of review.

Vice Chair Clarke also noted that he would oppose the amendment citing the Tuition Policy approved by the board provides the board with flexibility and authority to review and assess tuition per the policy.

Trustee McGrory urged support of the unanimous recommendation for the resolution passed in the committee for financial stability and predictability with five years and noting that with an approved tuition increase, university budgets would still be strained.

Trustee Vargas acknowledged the position of student trustees with a vote to increase tuition and asked how the board could support communicating the decision for a tuition increase to stakeholders.

Trustee Molina Mancio noted that providing clear, consistent, timely communications to students, and partnering with CSSA, to ensure students and their families receive information regarding tuition increases. He further stated the importance of the board to review and analyze the revenue of a tuition increase and that four years would provide enough time to conduct this analysis and expressed his support for the amendment.

Trustee Rodriguez also expressed her support for the amendment that the proposed four years aligns with GI2025 goals and provides an opportunity to reevaluate the tuition proposal at that time.

Superintendent Thurmond urged the board to consider a yes vote on the amendment noting the proposed amendment comes from the student citizenry reflecting their interest in a more inclusive decision-making process and that their voices are heard. He further stated that the proposed amendment still provides the board with some predictability over four years and allows greater flexibility to respond on a year-to-year basis to state revenues and funding.

Chair Fong called for a roll call vote on the amendment to reduce the Multi-Year Tuition Proposal from five years at 6% to four years at 6%. The amendment failed with a vote of eight yeas (Trustees Aguilar Cruz, Brar, Ghilarducci, Molina Mancio, Rodriguez, Simon, Lieutenant Governor Kounalakis and Superintendent Thurmond), twelve nays (Trustees Arambula, Clarke, Firstenberg, Fong, Kimbell, Lopez, McGrory, Ortiz Morfit, Steinhauser, Vargas, Yee-Melichar and Interim Chancellor Koester) and no abstentions.

Chair Fong called for a roll call vote on the initial motion as moved and seconded to approve the Multi-Year Tuition Proposal. Prior to the vote, Trustee Molina Mancio again expressed and cautioned the board that they cannot be in a similar financial position in the future. Vice Chair Clarke again cited the approved Tuition Policy. The motion passed with a vote of fifteen yeas (Trustees Arambula, Brar, Clarke, Firstenberg, Fong, Ghilarducci, Kimbell, Lopez, McGrory, Ortiz Morfit, Rodriguez, Steinhauser, Vargas, Yee-Melichar and Interim Chancellor Koester), five nays (Trustees Aguilar Cruz, Molina Mancio, Simon, Lieutenant Governor Kounalakis and Superintendent Thurmond) and no abstentions.

Before proceeding with discussion on the next vote, Chair Fong called for a motion to approve the 2024-2025 Operating Budget Plan. There was a motion and second and Chair Fong opened the floor for discussion.

Hearing no further discussion, Chair Fong called for a roll call vote. The motion passed with a vote of sixteen yeas (Trustees Aguilar Cruz, Arambula, Brar, Clarke, Firstenberg, Fong, Ghilarducci, Kimbell, Lopez, McGrory, Molina Mancio, Rodriguez, Steinhauser, Vargas, Yee-Melichar and Interim Chancellor Koester), no nays and two abstentions (Trustee Simon and Lieutenant Governor Kounalakis).

The following resolutions were approved.

COMMITTEE ON FINANCE

Tuition Policy (RFIN 09-23-09)

RESOLVED, that the Board of Trustees provides policy guidance for all matters pertaining to student fees and has authority for the establishment of Category I and VI fees, and oversight and adjustment of Category I fees, pursuant to the Working Families Student Fee Transparency and Accountability Act (commencing with Section 66028 of the Education Code).

RESOLVED, that the Board of Trustees will establish, adjust, and oversee systemwide tuition (e.g., systemwide tuition for all levels of education, undergraduate through doctorate; nonresident supplemental tuition; and Graduate Business Professional Program supplemental tuition) using the following guiding principles:

- The affordability of a CSU education must be measured based on the total cost of attendance and student financial need. A CSU education should be affordable to all students and their families and consider factors such as income, cost of living, enrollment status, and academic program of study.
- The CSU relies on revenue from tuition and state support to ensure the delivery of a high-quality education and robust student support services.
- A paramount responsibility of the Board of Trustees is to ensure sufficient revenues from state appropriations and tuition to meet the CSU mission and to provide the universities with the necessary funding for high-quality operations.

RESOLVED, it shall be the policy of the Board of Trustees that:

- The Board of Trustees shall review the tuition policy and approved tuition schedules at least every five years in consultation with the California State Student Association.
- Tuition rates shall be predictable and clearly communicated so that students and their families are able to plan for the cost of their education.
- Increases in tuition shall be predictable and for a duration of not more than five years.
- Concurrently with any increase in tuition or growth in enrollment, the CSU shall increase funding for need-based institutional aid (i.e., State University Grant program) by an amount not less than one-third of incremental systemwide tuition revenue.

- Eighteen months prior to the end of any scheduled tuition increase, or earlier at the request of the Board of Trustees, the Chancellor shall report to the Board with an assessment of the tuition rates and their impact on the tuition policy guiding principles established by the Board of Trustees. It is the intent of the Board of Trustees that consultation with CSSA leadership regarding future assessments occur with CSSA leadership or CSSA leadership-elect, as determined by the timing of the report to the Board. If with CSSA leadership-elect, consultation regarding future assessments will begin in the month of August.
- The assessment of approved tuition schedules shall be prepared by the Chancellor's Office in consultation with key stakeholders including students, faculty, and staff. The assessment shall include, at a minimum, the following:
 - CSU systemwide tuition rates compared to public four-year institutions of higher education in the United States as reported to the National Center for Education Statistics.
 - Student financial assistance provided from federal, state, and institutional aid programs disaggregated by student household income and other demographic measures.
 - Change in average student debt burden at graduation and amounts for comparable institutions.
 - Changes in Board of Trustees adopted measures of student outcomes and achievements, such as retention rates, graduation rates, and equity gaps.
 - Gross systemwide tuition revenue generated annually and per full-time equivalent student, compared to other operating revenue categories including federal and state appropriations, over the past five years.
 - Level of student financial need that is met with institutional aid, over the past five years.

Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal (RFIN 09-23-10)

Tuition Rates for the 2024-2025 through the 2028-2029 Academic Year

RESOLVED, By the Board of Trustees of the California State University that the following academic year 2024-2025 through 2028-2029 schedule of systemwide tuition and per-unit fees be approved, effective fall term 2024:

Academic Year	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029
Undergraduate Programs					
Full-Time (6.1+ units)	\$ 6,084	\$ 6,450	\$ 6,838	\$ 7,248	\$ 7,682
Part time (0-6.0 units)	\$ 3,528	\$ 3,738	\$ 3,962	\$ 4,200	\$ 4,452
Credential Programs					
Full-Time (6.1+ units)	\$ 7,062	\$ 7,488	\$ 7,938	\$ 8,414	\$ 8,918
Part time (0-6.0 units)	\$ 4,098	\$ 4,344	\$ 4,604	\$ 4,880	\$ 5,172
Graduate & Post-Baccalaureate					
Full-Time (6.1+ units)	\$ 7,608	\$ 8,064	\$ 8,548	\$ 9,060	\$ 9,604
Part time (0-6.0 units)	\$ 4,416	\$ 4,680	\$ 4,960	\$ 5,258	\$ 5,574
Doctoral Programs					
Doctor of Audiology	\$ 15,624	\$ 16,560	\$ 17,554	\$ 18,608	\$ 19,724
Doctor of Education	\$ 12,546	\$ 13,296	\$ 14,094	\$ 14,940	\$ 15,836
Doctor of Nursing Practice	\$ 16,188	\$ 17,160	\$ 18,190	\$ 19,282	\$ 20,438
Doctor of Occupational Therapy	\$ 18,228	\$ 19,320	\$ 20,480	\$ 21,708	\$ 23,010
Doctor of Physical Therapy	\$ 18,228	\$ 19,320	\$ 20,480	\$ 21,708	\$ 23,010
Doctor of Public Health	\$ 18,900	\$ 20,034	\$ 21,236	\$ 22,510	\$ 23,860
Nonresident Fee					
Semester Rate (per unit)	\$ 420	\$ 444	\$ 471	\$ 498	\$ 528
Quarter Rate (per unit)	\$ 280	\$ 296	\$ 314	\$ 332	\$ 352
Graduate Business Professional					
Semester Rate (per unit)	\$ 285	\$ 303	\$ 321	\$ 339	\$ 360
Quarter Rate (per unit)	\$ 190	\$ 202	\$ 214	\$ 226	\$ 240

The systemwide tuition and fees provided in the above table are for the academic year. The applicable per-term schedules, for universities based on a semester or quarter calendar for regular students (6.1 units or more per term) and part time students (up to 6.0 units per term), and for the academic year will be provided on the calstate.edu internet site; and be it further

RESOLVED, the chancellor will amend the systemwide tuition and fee rate increase(s) if such action is required by the state budget act approved for 2024-2025, 2025-2026, 2026-2027, 2027-2028, or 2028-2029 or if such action is limited by state law (e.g., doctoral programs). Any such changes made by the chancellor will be communicated promptly to the trustees; and be it further

RESOLVED, revenue from the tuition increase will be used for purposes of student achievement and success, as outlined in the board-approved operating budget plan each year; and be it further

RESOLVED, the chancellor will report to the board in January 2028, regarding an assessment of these tuition rates, using data to evaluate the tuition policy established by the Board; and be it further

RESOLVED, the scheduled tuition rate increases will sunset July 1, 2029, and require board review and action to change rates beyond the 2028-29 academic year rates approved by this resolution.

Approval of the 2024-2025 Operating Budget Plan (RFIN 09-23-11)

RESOLVED, that the future of California rests on the California State University's ability to provide a high-quality, affordable, and accessible education to 460,000 students each year; and be it further

RESOLVED, by the Board of Trustees of the California State University that the 2024-2025 Operating Budget Plan 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 the chancellor promptly communicate any changes to the trustees; and be it further

RESOLVED, that the chancellor transmit copies of this resolution and the 2024-2025 CSU Operating Budget Plan included as Attachment A to this agenda item to the governor, to the director of the Department of Finance, and to the legislature.

Chair Fong presented the three remaining discussion items: Conferral of Commendation – Sylvia A. Alva, Conferral of the Title of Faculty Trustee Emeritus – Romey Sabalius, and Conferral of the Title of Chancellor Emerita – Jolene Koester. Chair Fong introduced the honorees and Interim Chancellor Koester for their respective remarks. There was a motion and a second to approve the respective conferrals. The following resolutions were unanimously approved.

BOARD OF TRUSTEES

Conferral of Commendation – Sylvia A. Alva (RBOT 09-23-09)

RESOLVED, by the Board of Trustees of the California State University, that this board commends Dr. Sylvia A. Alva for her steadfast dedication, service and leadership as executive vice chancellor for Academic and Student Affairs on behalf of the students, faculty, staff, administrators, alumni and friends of the California State University.

Conferral of the Title of Faculty Trustee Emeritus – Romey Sabalius (RBOT 09-23-10)

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of Faculty Trustee Emeritus on Dr. Romey Sabalius, with all the rights and privileges thereto.

Conferral of the Title of Chancellor Emerita – Jolene Koester (RBOT 09-23-11)

RESOLVED, by the Board of Trustees of the California State University, that the title of Chancellor Emerita be conferred on Dr. Jolene Koester, with all the rights and privileges thereto.

BOARD OF TRUSTEES

Conferral of Commendation – Billie Jean King

Presentation By

Wenda Fong
Chair of the Board

Summary

It is recommended that Billie Jean King be commended for her longstanding, impactful and renowned work and service in support of the California State University and the ideals and core values for which the university system stands.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that this board commends Billie Jean King for her longstanding, impactful and renowned work and service in support of the California State University and the ideals and core values for which the university system stands.

BOARD OF TRUSTEES

Conferral of the Title of President Emerita – Lynnette Zelezny

Presentation By

Mildred García
Chancellor

Summary

It is recommended that President Lynnette Zelezny, upon her retirement, be conferred the title of President Emerita for her many years of dedicated service to California State University, Bakersfield; Fresno State University; and the California State University. The granting of emerita 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 President Emerita on Lynnette Zelezny, with all the rights and privileges thereto.