Report of the meeting of the Board of Trustees, September 20-21, 2011

After two closed sessions related to Executive Personnel Matters and Collective Bargaining, the open session was called to order at 10:34 a.m. by Chair Herbert Carter.

Committee on Collective Bargaining – Open Session: The committee had no report to offer. Spokespersons for CSUEU encouraged that the union and CSU work together; and concern was expressed that the contract had expired and no progress has been made in negotiations.

Committee on Governmental Relations: (Go to http://calstate.edu/bot/agendas/Sep11/GovRel.pdf for more detailed information). Minutes of the July 12, 2011 meeting were approved as presented.

Garrett Ashley, Vice Chancellor for University Relations and Advancement, provided a brief introduction followed by a report from Karen Zamarripa, Assistant Vice Chancellor for Advocacy and State Relations. She highlighted a number of legislative issues including:

- The “Amazon tax” legislation has been delayed for a year while broader internet taxation policies are pursued, potentially at the federal level.
- AB 970 (6-month notice requirement for student fee increases) and AB 1326 (oil severance tax) are 2-year bills so will remain active into next year.
- Have been following a number of bills related to pension reform. None are active at this time, but it is possible that it will re-emerge either legislatively or as a voter initiative.
- In terms of bills regarding executive compensation, all of those are currently dormant.
- Have been supportive of the Dream Act and have urged the governor to sign legislation related to this initiative.
- The Chancellor also has urged the governor to sign SB 940 which provides that priority enrollment for veterans will not be altered by SB 1440, and AB 194 which would provide priority registration for former foster youth until 2017.
- The Chancellor has asked the governor to veto SB 857 which would prevent the PERB from ordering reimbursement of expenses associated with illegal strikes.

The 2011-2012 Legislative Report was approved as presented.

Committee of the Whole: (Go to http://calstate.edu/bot/agendas/Sep11/Whole.pdf for more detailed information). Minutes of the meeting of March 22, 2011 were approved as presented.
Christine Helwick, General Counsel, provided a report on current litigation involving the California State University (CSU). A detailed report is available at the above URL.

Committee on Institutional Advancement: (Go to http://calstate.edu/bot/agendas/Sep11/IA.pdf for more detailed information). Minutes of the meeting of May 10, 2011 were approved as presented.

Discussion Items:

1. The California State University’s 50th Anniversary Celebration: Information. President Jolene Koester introduced financial journalist (Financial News Network and CNBC) and author Bill Griffith, who graduated from Northridge in 1980 with a degree in Journalism. Mr. Griffith offered an entertaining and very interesting presentation regarding his educational and professional career and accomplishments. President Robert Corrigan of San Francisco State University then introduced Associate Professor Gretchen LeBuhn who provided an overview of her research project, the Great Sunflower Project, which has a research team of over 100,000 individuals across the country (including many young people) working with native pollinator populations. President Mildred Garcia of Dominguez Hills introduced LaTangia Oliver, one of the student recipients of the William Randolph Hearst Trustees’ Award for Outstanding Student, who spoke about the impact of the CSU system on her life. Guy Heston, Chair of the CSU Alumni Council, acknowledged the cumulative 2.6 million alumni of the CSU system, and presented a commendation to the CSU system for the positive impact it has had on these millions of former students. He then offered a video presentation that featured a number of CSU alumni offering their reflections upon their CSU experiences. Portions of this video will be run on television as promotional spots. Senate Chair Jim Postma then presented the Academic Senate of the California State University (ASCSU’s) resolution celebrating the CSU’s 50th Anniversary. State legislator Ricardo Lara, a member of the Higher Education Committee and former CSU student, offered his congratulations and a resolution from the State Legislature commemorating the 50th Anniversary.

2. Recognition of Recipients of the 2011-2012 William Randolph Hearst/California State University Trustees’ Award for Outstanding Achievement, Information. Chancellor Reed provided background on the Hearst/CSU Trustee Scholarships, including introducing a number of donors who have made special contributions to this fund. The individual recipients from each CSU campus were individually recognized and received a certificate of accomplishment. (A list of recipients can be accessed at the above URL.)

Committee on Educational Policy: (Go to http://calstate.edu/bot/agendas/Sep11/EdPol.pdf for more detailed information.) Minutes of the meeting of July 12, 2011 were approved as presented.
Discussion Items:

1. California State University Alcohol Policies and Prevention Programs: Fifth Biennial Report, Information: Chancellor Reed noted that this currently is the most serious issue relative to student safety and success on all of our campuses. President John Welty offered a power-point presentation (available at the above URL) that outlined the strategies that are being employed to address the issues and noted that these efforts have garnered measurable success on all campuses. In addition, he noted that campus initiatives also include tobacco and prescription drug abuse. Chancellor Reed interjected that the most serious problem on campuses has moved from alcohol to prescription drug abuse.

2. Report on Voluntary Self-Monitoring of Equal Opportunity in Athletics for Women Students, Information. Chancellor Reed referenced a power-point report (available at the above URL), and noted that a tremendous amount of progress has been made since 1993 when the CSU and the California National Organization for Women (CA NOW) entered into a consent decree to increase participation of female students in intercollegiate athletics on the NCAA-member campuses, to increase expenditures for women’s athletic programs, and to increase grants-in-aid and scholarships for female student athletes. President Welty offered a detailed account which demonstrated substantial progress in all three areas. Progress is carefully monitored and in those rare instances where goals are not reached strategies are immediately employed to address them. It was noted that there is no other educational system in the country that has reached the level of compliance as has the CSU.

3. Report on SB 1440 Implementation and Oversight Committee, Information. EVC Ephraim Smith and AVC Eric Forbes made a presentation regarding the current status of creating TMCs for individual disciplines. A chart was displayed which showed the CSU approval rates for 16 disciplines ranging from 100% approval to a low of 50% approval. It was clear that additional consultation will be required in order to improve the model curricula in many disciplines in order to achieve better results. Representatives of the CO are in close contact with the CCCs and individual CSU disciplines in order to clarify and streamline the process. Noted that the biggest hurdles are to have programs adapted at the CCC (and to some extent at the CSU) level to strengthen the TMCs, and also to get the word out to high school and CCC students that this opportunity is available.

4. Academic Plan Update for Fast-Track Program Development, Action. State University Dean Christine Mallon proposed three programs to be approved via the Fast-Track Program:

   - **Bakersfield** MS Science Education (fall 2012)
   - **San Diego** BA Comparative International Studies (spring 2012)
     - BA Lesbian, Gay, Bisexual, and Transgender Studies (spring 2012)
     - BA Sustainability (spring 2012)
   - **San José** MS Biomedical Engineering (fall 2011)

M/S/P to approve the three programs as presented.
5. International Programs in the California State University, Information. Leo Van Cleve, Director of International Programs, offered an update on the current status of international programs in the CSU. He began by noting that the CSU is revisiting the potential for reopening our programs in Israel. Currently there are approximately 6,500 students engaging in the study abroad program. The bulk of the presentation focused upon programs in Africa, including a video, CSU in Africa, that highlighted CSU students and their study abroad experiences in Ghana and South Africa, which were overwhelmingly positive.

6. The California State University: From Local to Global Engagement, Information. Judy Botelho, the Director of the Center for Community Engagement, offered an update on service learning activities. Noted that there has been a 114% increase in service learning opportunities since the initiative began in 1999 (from 28,800 to 61,645 students involved). The STEM (Science, Technology, Engineering and Mathematics disciplines) program has grown considerably. CSU campuses lead nationally in recognition for their service learning activities. Director Botelho introduced Carlos Silveira, Professor of Art at CSU Long Beach, who discussed courses he teaches in Cambodia using community art projects in order to engage both Cambodian youth and art students from CSU Long Beach in cross-cultural exchange for social justice.

Committee on University and Faculty Personnel: (Go to http://calstate.edu/bot/agendas/Sep11/UFP.pdf for more detailed information). Minutes of the meeting of July 12, 2011 were approved as presented.

1. Compensation for Vice Presidents: Annual Update, Information. A speaker from the floor expressed his concern at the increases in Vice Presidents salaries at a time when faculty/staff are losing their jobs and salaries have remained static. Chancellor Reed noted that there are over 260 VPs in the CSU system. He referenced the information available at the above URL regarding compensation.

2. Executive Compensation: Annual Executive Relocation Report, Information. Chancellor Reed referenced the document available at the above URL.

3. Executive Compensation: Annual Executive Transitions Update, Information. Chancellor Reed referenced the document available at the above URL.

4. Report from the Special Committee on Presidential Selection and Compensation, Action. Two individuals, one faculty and one student CSSA representative, spoke against the recommendation to make campus visits optional. Christine Helwick, General Counsel, went through the document and offered explanations and clarifications regarding the changes to the policy. Trustee Cheyne expressed concern regarding the “optional” nature of campus visits and the potential that it could compromise the ability to have an inclusive process that resulted in a positive outcome. Discussion followed, including
suggestions that the campus committee be consulted in deciding about campus visits, and that the language be made stronger in terms of there being an expectation of campus visits unless there are extenuating circumstances. A motion was made and seconded to amend the policy to specify that the campus committee be consulted prior to a decision being made on whether there would be a campus visit. M/S/P to accept the policy as amended.

Committee on Finance: (Go to http://calstate.edu/bot/agendas/Sep11/Fin.pdf for more detailed information. Minutes of the meeting of July 12, 2011 were approved as presented.

Executive Vice Chancellor Ben Quillian and Assistant Vice Chancellor for Budget, Robert Turnage presented information on the following agenda items:

1. Report on the 2011-2012 Support Budget, Information. The CSU currently has taken a $650 million reduction in state support, or nearly one-fourth of the 2010-2011 state support. If state revenues fall short of projections, an additional “trigger” reduction of up to $100 million also could be imposed.

2. Planning for the 2012-2013 Support Budget, Information. A preliminary plan for 2012-2013 support budget requests was presented to the board. This plan assumes that were the CSU to suffer the $100 million trigger cut it would be a one-time rather than a permanent cut. The total request for $315 million includes (in millions of dollars):
   - Enrollment growth (5%) $ 100
   - Mandatory costs (health/dental benefits, new space, energy) $50
   - Compensation increase (3 percent “pool”) $95
   - Graduation Initiative/Student Success $40
   - Urgent Maintenance needs $15
   - Information technology infrastructure upgrade/renewal $15

3. 2012-2013 Lottery Revenue Budget, Information. The CSU will receive $42 million in lottery funds, $3 million of which will be set aside as reserve. The remaining $39 million will be allocated much as it has in the past (see detailed breakdown at above URL), with the exception that $5 million of the funds allocated for campus based programs will be redirected to Early Start Financial Aid.

Assistant Vice Chancellor/Controller, George Ashkar and Portfolio Managers Mike Rodgers and Tom Moore provided information on CSU’s current investments:

4. California State University Annual Investment Report, Information. Last week’s bond sale included upgraded credit ratings from Standard & Poors and Moody and, subsequently, a 4.43 rate on bond sales which is excellent. Refunding yielded $19.2 million in savings to the CSU. Noted that we now are in a global economy and financial conditions in Europe and Greece are impacting our portfolio. CSU funds primarily are invested through the CSU Systemwide Investment Fund-Trust (SWIFT). As of June 30,
2011 the asset balance in the SWIFT portfolio totaled $2.3 billion. More detailed information is available at the above URL.

5. California State University Investment Policy, Action. In July 2011, the state legislature created a new investment vehicle at the state level in which the CSU may invest funds called the State Agency Investment Fund (SAIF) which allows state agencies to invest a minimum of $500 million and earn a higher rate of return than other investment options at the state level. This resolution approves changes to the CSU Investment Policy to make it consistent with recent changes in investment options. M/S/P to accept the revised policy.

6. California Polytechnic State University Cal Poly Housing Corporation – Auxiliary Organization Dissolution Approval, Action. The Cal Poly Housing Corporation (CPHC) has no employees and all administrative services are provided through the Cal Poly Corporation (CPC). Dissolution of the CPHC will result in cost savings of approximately $25,000 per year plus other increased efficiencies. M/S/P to dissolve the CPHC and transfer assets to the CPC.

7. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments, Action. This item was pulled.

Committee on Committees: (Go to http://calstate.edu/bot/agendas/Sep11/Committees.pdf for more detailed information.) Minutes of the meeting of May 9, 2011 were approved as presented.

M/S/P to appoint Faculty Trustee Bernadette Cheyne to the following committees:
- Educational Policy
- Institutional Advancement
- Governmental Relations
- University and Faculty Personnel

PLENARY

Public Comment

- California State University Employees Union (CSUEU) president expressed his belief in the critical nature of the campus visits by presidential candidates. He also noted his dissatisfaction with executive compensation increases when other CSU employees have received no salary increases.
- A professor from Sonoma State and chair of bargaining team for California Faculty Association (CFA) expressed his commitment to achieving a reasonable contract, and to negotiate with civility. Believes that the CSU’s response to the fact finder’s (Philip Tamoush) report was lacking in civility.
- CSUEU head of bargaining expressed concern that when salary issues arise they often tend to exclude staff. Acknowledged that a 3% increase is being requested for next year.
This should be acknowledged during bargaining, even if it is “contingent” upon state funding.

- The mother of a prospective student explained that her daughter had received a “conditional” admission to a campus but then was denied admission based upon a grade dispute. She asked that the situation be investigated and remedied. She was assured that the situation would be addressed.
- Several representatives of the Chicano Studies Community Task Force Committee spoke. Noted that the Chicano community at CSULA is the largest on campus. Challenged the CSULA plan to combine Chicano and Latino Studies and change the department name. Indicated that their requests for information and meetings have been ignored. Asked for transparency, a meeting with President Rosser, and a number of documents related to the issue.

Chair’s Report

- Four trustee search committees have been formed for presidential selection at Fullerton, Northridge, San Francisco and San Bernardino.
- Noted meetings of the trustees Special Committee on Presidential Selection and Compensation
- On August 27 the CSU hosted a successful event at Dominguez Hills that attracted many prospective students and their parents.
- Offered congratulations to Philip Levine, an emeritus professor from Fresno, who has been appointed as the new U.S. poet laureate.
- Congratulated the Hearst Award winners.

Chancellor’s Report

- Noted that this is the greatest number of presidential searches that has ever occurred in the history of the CSU.
- Acknowledged that we still do not know what our budget situation is and is concerned that the trigger will be pulled. There is no plan for a mid-year adjustment in tuition, but will have to spend down reserves to practically nothing. Expressed hope that the state will begin to reinvest in higher education.
- Hosted a national teacher education meeting at Irvine and discussed reforming our teacher education programs. This is had led to over $7 million in donations to help improve our teacher ed programs. Have also received $1.5 million to look at the clinical preparation of students.
- Have been asked to join the 100K teacher preparation program for preparing math and science teachers.
- Four CSU campuses have received grants of from $5-7 million dollars for their Hispanic programs.

CSU Alumni Council Report (Guy Heston):

- Acknowledged two CSU Alumni who make important contributions to the state and nation.
• Held their fall conference and will be publishing their e-letter this next week.

CSSA Report (Gregory Washington):
• Welcomed the new student trustee, Jillian Ruddell, from Chico.
• Have finalized their policy agenda which has been disseminated to members of the Board.
• Are planning a shared governance summit at Fresno next month.
• Have scheduled two trips to Washington, D.C. to advocate for higher education, including Pell Grants.
• Referenced the proposed changes to the presidential search process and highlighted the importance of campus visits and some forum for the students to meet with potential presidents.

ASCSU Report (Jim Postma):
• Welcomed the new faculty trustee, Bernadette Cheyne.
• Thanked the Chancellor and Trustee Monville for attending last week’s Senate meeting to discuss the budget, the presidential selection process, and other matters.
• Discussed the Senate resolutions, copies of which had been provided to the Board.

Approval of Minutes of Board of Trustees’ Meeting of July 12, 2011: The minutes were approved as presented.

Board of Trustees:
1. M/S/P to confer the title of President Emeritus on Steven L. Weber.
2. M/S.P to offer a Commendation for Service to Nicole M. Anderson

Committee Reports

All committees reported on their activities (as outlined above). All action items passed.