

## AGENDA

### TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

Glenn S. Dumke Conference Center  
400 Golden Shore  
Long Beach, California

January 27, 1999 • 10:00 a.m.

Presiding: *William Hauck, Chairman*

#### Call To Order and Roll Call

#### Chairman's Report

#### Chancellor's Report

#### Report of California Postsecondary Education Commission—*Ralph R. Pesqueira*

#### Approval of Minutes of Board of Trustees' Meeting of October 29, 1998

#### Approval of Minutes of Board of Trustees' Meeting of November 11, 1998

#### Agenda Items for Board of Trustees' Consideration

1. Conferral of the Title *Trustee Emeritus, Action*
2. Conferral of the Title *Trustee Emeritus, Action*
3. Resolution Honoring Trustee Moulton, *Action*
4. Resolution Honoring Trustee Petrossian, *Action*
5. Recognition of NCAA Women's Volleyball Champions, *Information*
6. Appointment of Ad Hoc Committee on Off-Campus Facilities, *Action*

#### Report of Committees

##### Ad Hoc Committee on Board Operations: *Anthony M. Vitti*

##### Committee on Finance: Vice Chair—*Anthony M. Vitti*

1. Proposed Revision of Title 5 Regulations—Functions of Auxiliary Organizations

##### Committee on Campus, Planning Buildings and Grounds: Chair—*Ali C. Razi*

3. Certify a Final Environmental Impact Report and Approve the Campus Master Plan Revision for California State University, San Bernardino
4. Approval of Schematic Plans, California State University, Northridge—Arts, Media and Communication Building

##### Committee on Institutional Advancement: Vice Chair—*Laurence K. Gould, Jr.*

2. 1997/98 Annual Report of the Survey of Voluntary Support for the California State University
4. CSU Celebrating Teachers

**Committee on Governmental Relations: Chair—*Joan Otomo-Corgel***

1. Adoption of Trustees' Statement of Legislative Principles
2. 1999-2000 Legislative Report No. 1

**Committee on Audit: Chair—*Stanley T. Wang***

**Committee on Collective Bargaining: Chair—*Michael D. Stennis***

**Committee on Educational Policy: Vice Chair—*Joan Otomo-Corgel***

**Communications and Correspondence**

**Old Business**

**New Business**

1. Chairman's Nomination of Five Members to Serve on Committee on Committees for 1999/2000.

**Public Comment**

**Adjournment**

**MINUTES OF MEETING OF  
BOARD OF TRUSTEES**

**Trustees of The California State University  
Glenn S. Dumke Conference Center  
400 Golden Shore  
Long Beach, California**

**October 29, 1998**

In compliance with Government Code Section 11123, the Board of Trustees met via teleconference in the board room of the Glenn S. Dumke Conference Center to review and approve the 1999/2000 Trustees' Support Budget.

Chairman Hauck called the meeting to order at 10:01 a.m. and asked the Trustees' Secretariat to call the roll.

**Trustees Present in Board Room**

**Charles B. Reed, Chancellor**

Harold Goldwhite

**Trustees Present via Teleconference**

William Hauck, Chairman

William D. Campbell

Bob Foster

Laurence K. Gould, Jr.

James H. Gray

Eric C. Mitchell

Maridel Moulton

Joan Otomo-Corgel

Alice S. Petrossian

Ali C. Razi

Michael D. Stennis

Anthony M. Vitti

Stanley T. Wang

**Trustees Absent**

Ronald L. Cedillos

Jim Considine

Gray Davis, Lt. Governor

Delaine Eastin, Superintendent of Public Instruction

Martha C. Fallgatter

Ralph R. Pesqueira

Antonio Villaraigosa, Speaker of the Assembly

Pete Wilson, Governor

### **Chancellor's Office Staff**

Davis S. Spence, Executive Vice Chancellor  
Richard P. West, Senior Vice Chancellor, Business and Finance  
Douglas X. Patiño, Vice Chancellor, University Advancement  
Christine Helwick, General Counsel  
Samuel A. Strafaci, Interim Senior Director, Human Resources

### **1999/2000 Support Budget**

Chairman Hauck asked Mr. Richard P. West, senior vice chancellor, business and finance, to present the item.

Senior Vice Chancellor West said there were three parts to the 1999/2000 Support Budget. The first part addresses the state appropriated support budget for 1999/2000, the second part is the lottery revenue-funded portion of the yearly operating budget, and the third part is action to establish the State University Fee level for the next year, which is consistent with current statutes and is the same as the fee for the 1998/99 year.

### **1999/2000 State Appropriated Support Budget**

Senior Vice Chancellor West said each trustee had received the 1999/2000 Support Budget, a 55-page document that recommends a total General Fund appropriation of \$2,416,113,000, an increase of \$252,067,000 over the current year. He noted that with the addition of \$12,716,000 in State University Fee revenue projected as a result of increased enrollment, the total increase for state appropriations is \$264,783,000.

### **1999/2000 Lottery Revenue Budget**

Senior Vice Chancellor West said the total lottery revenue available to the CSU in 1999/2000 is estimated to be \$34.9 million. He said that after providing for a systemwide reserve of \$5.1 million as a cushion for economic uncertainties and cash flow variation due to fluctuations in lottery receipts, the total available for allocation is \$29.8 million. He reported that the \$5.1 million reserve assists CSU campuses by providing necessary start-up funds for the beginning of the fiscal year and provides for cash-flow variations due to fluctuations in quarterly lottery receipts.

### **1999/2000 State University Fee**

Senior Vice Chancellor West said the Support Budget proposal is based on the same State University Fee schedule that is in place for the current year and is consistent with existing statutes that prohibit an increase in 1999/2000. He said the fee schedule continues the five percent fee differential between graduate and undergraduate students where a lower fee is paid by undergraduates.

Following a period of questions and answers, Chairman Hauck asked for a motion to approve the 1999/2000 Support Budget; there was a second. On a roll call vote the trustees unanimously approved the proposed 1999/2000 Support Budget, including the lottery revenue portion of the yearly operating budget and the State University Fee level for the next year.

## **1999/2000 State University Fee**

### ***1. State Appropriated 1999/2000 Support Budget***

**RESOLVED**, By the Board of Trustees of The California State University, that the 1999/2000 Support Budget 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 such changes made by the chancellor be communicated promptly to the trustees; and, be it further

**RESOLVED**, That the chancellor is authorized to comply with requests of the Department of Finance and the legislature regarding establishment of priorities within this budget; and, be it further

**RESOLVED**, That copies of this resolution be transmitted to the California Postsecondary Education Commission, to the governor, to the director of finance and to the legislature.

### ***2. 1999/2000 Lottery Revenue Budget***

**RESOLVED**, By the Board of Trustees of The California State University, that the 1999/2000 Lottery Revenue Budget totaling \$29.8 million be approved for implementation by the chancellor, with the authorization to make transfers between components of the Lottery Revenue Budget and phase expenditures in accordance with receipt of lottery funds; and, be it further

**RESOLVED**, That the chancellor is hereby granted authority to adjust the 1999/2000 Lottery Revenue Budget approved by the Board of Trustees to the extent of receipt of greater or lesser lottery revenue than budgeted in 1999/2000 to respond to opportunities or exigencies; and, be it further

**RESOLVED**, That a report of Lottery Revenue Budget receipts and expenditures be made to the Board of Trustees.

### ***3. 1999/2000 State University Fee Schedule***

**RESOLVED**, By the Board of Trustees of The California State University, that the following schedule for the State University Fee is approved for the 1999/2000 academic year effective the fall term 1999 and until further amended:

**1999/2000 State University Fee Schedule**  
*(Effective Fall Term 1999)*

All campuses, except California State University, Stanislaus:

<b>Units</b>	<b>Per Semester</b>	<b>Per Quarter</b>	<b>Per Academic Year</b>
<b>Undergraduate</b>			
6.1 or more	\$753	\$502	\$1,506
0 to 6.0	\$438	\$292	\$ 876
<b>Graduate</b>			
6.1 or more	\$792	\$528	\$1,584
0 to 6.0	\$459	\$306	\$ 918

California State University, Stanislaus:

<b>Units</b>	<b>Per Semester</b>	<b>Winter Term</b>	<b>Per Academic Year</b>
<b>Undergraduate</b>			
6.1 or more	\$686	\$134	\$1,506
0 to 6.0	\$371	\$134	\$ 876
<b>Graduate</b>			
6.1 or more	\$721	\$142	\$1,584
0 to 6.0	\$388	\$142	\$ 918

And, be it further

**RESOLVED**, That the chancellor may approve individual campus State University Fee rates that do not exceed the maximum fee rates established by this fee schedule for the 1999/2000 fiscal year.

**Public Comment**

The board heard comments from Terry Jones, president, California Faculty Association.

**Adjournment**

The meeting adjourned at 10:48 a.m.

**MINUTES OF MEETING OF  
BOARD OF TRUSTEES**

**Trustees of The California State University  
Glenn S. Dumke Conference Center  
400 Golden Shore  
Long Beach, California**

**November 11, 1998**

**Trustees Present**

William Hauck, Chairman  
William D. Campbell  
Ronald L. Cedillos  
Jim Considine  
Harold Goldwhite  
Laurence K. Gould, Jr.  
James H. Gray  
Eric C. Mitchell  
Maridel Moulton  
Joan Otomo-Corgel  
Ralph R. Pesqueira  
Alice S. Petrossian  
Ali C. Razi  
Charles B. Reed, Chancellor  
Michael D. Stennis  
Anthony M. Vitti  
Stanley T. Wang  
Pete Wilson, Governor

**Trustees Absent**

Gray Davis, Lt. Governor  
Delaine Eastin, Superintendent of Public Instruction  
Martha C. Fallgatter  
Bob Foster  
Antonio Villaraigosa, Speaker of the Assembly

**Chancellor's Office Staff**

David S. Spence, Executive Vice Chancellor  
Richard P. West, Senior Vice Chancellor, Business and Finance  
Douglas X. Patiño, Vice Chancellor, University Advancement  
Christine Helwick, General Counsel  
Bruce M. Richardson, Deputy General Counsel  
Samuel A. Strafaci, Interim Senior Director, Human Resources

Chairman Hauck called the meeting to order at 10:20 a.m.

## **Chairman's Report**

Chairman Hauck was pleased to announce that the President of the California State University Board of Trustees and Governor of California, the Honorable Pete Wilson, was in attendance. Chairman Hauck said Governor Wilson had served the people of California for the past eight years providing assistance and support to the CSU system, which was so important to California's economy in terms of work force and quality of life. He reminded the trustees that in the early 1990s Governor Wilson agreed to support the Compact for Higher Education, a major step in stabilizing higher education in the state. In turn, the Board of Trustees promised to improve the productivity of the institution and to provide a higher quality education in California.

On behalf of the Board of Trustees, Chairman Hauck presented Governor Wilson with a framed resolution of appreciation for his service to the State of California and particularly to the California State University system.

Governor Wilson thanked and congratulated the trustees for eight years of hard work and honest decisions that had taken CSU from a time of budget cuts and fee increases to the present time of budget increases and fee cuts. He told the trustees that in a recent survey 70 percent of the people of California indicated their confidence in the state's direction on education.

Governor Wilson reminded the trustees that for four consecutive years there have been no fee increases in either the UC or the CSU system, undergraduate student fees had decreased five percent, and that fees for the 1998/1999 school year are at the same level they were in 1994/95.

Governor Wilson highlighted the many accomplishments of the past eight years, including the attainment of the Compact's goal of \$10 million in savings in each of the Compact's four years through productivity improvement, the recent passage of Proposition 1-A, and the conveyance of Fort Ord and Camarillo State Hospital into CSU campuses.

Governor Wilson said he did not come to the meeting just to express his gratitude, but to urge the trustees to continue striving to improve not only higher education, but from preschool through K-12. He urged the CSU to continue its mission to assure teacher competency, require subject matter competency, and demand that accountability be restored to our public schools.

(The complete text of the governor's remarks is included in the Chairman's Report marked Exhibit "A.")

## **Chancellor's Report**

Chancellor Reed asked Governor Wilson to join him and Trustee Wang and his family at the podium. Chancellor Reed said that the Stanley Wang family had made a remarkable and generous gift to the CSU, its faculty and staff in the amount of one million dollars. Chancellor Reed said this gift would establish the Wang Family Recognition Award for CSU faculty who have made exemplary contributions and achievements in their disciplines. He said the gift would be distributed in the amount of \$100,000 each year for ten years. Each year an award will be given to four faculty members and one administrator in the amount of \$20,000 each. Chancellor Reed said this gift ties in closely with the CSU mission of providing a high quality education for all California students. On behalf of the entire CSU system, Chancellor Reed expressed deepest gratitude to Trustee Wang and his family for this marvelous gift.

Professor Gene Dinielli, chair, Statewide Academic Senate, Ms. Gwynna Morris, president, CSU Alumni Council; and Mette Adams, chair, California State Student Association, all expressed heartfelt gratitude and appreciation for such an extraordinary gift.

Trustee Wang thanked the Board of Trustees and the chancellor for giving him the opportunity to pay his respects and express his gratitude to all educators. He said that education not only provided him knowledge and wisdom, but humanity and passion which provided the foundation to be successful in his career and happy in his family and social life.

Chancellor Reed reported that work was being done on Compact II and that the Department of Finance is proceeding to review the budget that the trustees approved within the same parameters as Compact II. He said CSU would continue to focus priorities on improving public schools, restructuring teacher education, and CSU's partnership with the community colleges and public schools.

As an election update, Chancellor Reed, reminded the trustees that Proposition 1-A had passed by a 62.7 percent vote. He said he was optimistic the vote for Prop 1-A was more than a vote for facilities, but a vote that California is willing to invest in its future and to invest in education.

Chancellor Reed informed the board that he had completed campus visits to all 23 campuses. He said he had learned a lot and was anxious to get started on his second round of campus visits.

Chancellor Reed congratulated President Milt Gordon, CSU Fullerton, for his appointment to serve on the NCAA study group of university presidents to look at all issues around basketball nationwide for all of higher education.

Chancellor Reed asked Jon Regnier, retiring senior director, physical planning and development, to join him and Chairman Hauck at the podium. Chancellor Reed thanked Mr. Regnier for his 32 years of dedicated service to the CSU and presented him with a resolution honoring his outstanding service to the people of California.

(The complete text of the Chancellor's Report is attached marked Exhibit "B.")

### **Report from the California Postsecondary Education Commission**

Trustee Pesqueira, CSU representative to CPEC, referred the trustees to the report contained in their packets. Trustee Pesqueira reported that at the last meeting the commission heard a report from Kattie Haycock, executive director of the Educational Trust of Washington, D.C., on the condition of schools throughout the United States. He said he hoped that the trustees would have an opportunity to meet with Ms. Haycock in the near future.

### **Approval of Minutes**

The minutes of the Board of Trustees' meeting of September 16, 1998, were approved as submitted.

### **Report of Committees**

#### **Report from the Committee on Finance**

Trustee Gray, chair, reported for the committee.

Trustee Gray reported that the committee heard one information item and six action items.

The information item consisted of the annual report on student fees.

**Delineating and Consolidating CSU Policy for Financing Activities and a Related Notice of Intent to Change Title 5, California Code of Regulations (RFIN 11-98-18)**

Trustee Gray moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

**CSU Policy for Financing Activities**

**WHEREAS**, The Board of Trustees of The California State University (“the Board” or “the Trustees”) finds it appropriate and necessary to use various debt financing programs afforded to it through the methods statutorily established by the legislature, and to use to its advantage those programs available to it through debt financing by recognized auxiliary organizations of the California State University; and

**WHEREAS**, The Board wishes to establish and maintain policies that provide a framework for the approval of financing transactions for the various programs that enable appropriate oversight and approval by the Trustees; and

**WHEREAS**, Within a policy framework the Board desires to establish appropriate delegations that enable the efficient and timely execution of financing transactions for the CSU and its recognized auxiliary organizations in good standing; and

**WHEREAS**, The Board recognizes that there is a need from time to time to take advantage of rapidly changing market conditions by implementing refinancings that will lower the cost of debt financing for the CSU and its auxiliary organizations and that such refinancings could be better implemented by reducing the time required to authorize such refinancings; and

**WHEREAS**, The Board finds it appropriate and necessary to review significant auxiliary organization financing transactions; and

**WHEREAS**, There are certain aspects of the tax law for the reimbursement of up front expenses from tax-exempt financing proceeds that would be more appropriately satisfied through a delegation to the Chancellor without affecting the Trustees’ ultimate approval process for such financings; now, therefore be it

**RESOLVED**, By the Board of Trustees of The California State University as follows:

**Section 1. State Public Works Board Lease Revenue Financing Program**

1.1 The authorizations set forth in this section shall be in full force and effect with respect to any State Public Works Board project which has been duly authorized by the Legislature in a budget act or other legislation and duly signed by the Governor and which is then in full force and effect.

1.2 The chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and each of them (collectively, “Authorized Representatives of the Trustees”) are hereby authorized and directed, for and in the name and on behalf of the trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all construction agreements, equipment agreements, equipment leases, site leases, facility leases and other documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to provide for the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

1.3 All Authorized Representatives of the Trustees are authorized and directed, for and in the name and on behalf of the Trustees, to do any and all things, take any and all actions and execute and deliver any and all certificates, agreements and documents which they, or any of them, may deem necessary or advisable in order to facilitate any interim loan of the Board and the lawful issuance and delivery of the obligations of the Board.

## Section 2. California State University Bond Act of 1947 Financing Program

2.1 The chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and each of them (collectively, “Authorized Representatives of the Trustees”), are hereby authorized and directed, for and in the name and on behalf of the trustees, to take any and all actions necessary to refinance any existing bonds issued pursuant to the Bond Act of 1947 if the refinancing transaction will result in net present value savings, as determined by an Authorized Representative of the Trustees and which determination shall be final and conclusive. Authorized Representatives of the Trustees are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, official statements and all other documents, certificates, agreements and information necessary to accomplish such refinancing transactions.

## Section 3. Auxiliary Organization Debt Issuance Programs

3.1 Title 5, California Code of Regulations, Section 42500 (d) is being amended to restate and make it clear that auxiliary organizations may issue debt instruments to finance or refinance projects. For purposes of this section, “debt instruments” means, loans, notes, bonds, finance leases, installment purchase or sale agreements, and certificates of participation.

3.2 The chancellor shall provide the Trustees with information prior to auxiliary organizations issuing debt instruments except for certain transactions as further described in this section. Upon the Trustees being provided with information about the transaction, the chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and

each of them (collectively, “Authorized Representatives of the Trustees”) may execute documents, attest to statements of fact and take all actions necessary on behalf of the Trustees to approve the financing and to assist the recognized auxiliary organization to complete and to qualify such financing transactions as tax-exempt, unless one or more of the Trustees ask that the transaction be held for further review.

3.3 For auxiliary organization transactions that are only for the purpose of refinancing existing debt on real property projects, a special processing rule may apply. If the chancellor determines that (1) the primary purpose for such a refinancing is to produce net debt service savings and (2) the structure of the refinancing will result in net debt service savings, then the chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, the director of financing and risk management, and each of them, without special notice to the Trustees, may execute documents, attest to statements of fact, and take all actions necessary on behalf of the Trustees to approve the refinancing and to assist any recognized auxiliary organization to complete and to qualify the refinancing transaction as tax-exempt. If the primary purpose of the refinancing transaction as determined by the chancellor, is for reasons other than to produce net debt service savings or the structure does not result in net debt service savings, then the transaction is subject to the procedures described in Section 3.2.

3.4 The chancellor shall require campus presidents to establish campus procedures applicable to campus auxiliary organizations for the issuance of debt instruments to finance or to refinance personal property with lease-purchase or other tax-exempt financing methods. The procedures issued by the chancellor need not contain a requirement for presentation of such financings to the Trustees. Campus presidents shall be authorized to take all actions to assist the auxiliary organization on behalf of the Trustees to complete and qualify such financing transactions as tax-exempt.

3.5 The delegations conferred by the subsections of this resolution are limited and do not authorize the chancellor or other Authorized Representatives of the Trustees to establish any indebtedness of the State of California, the Board of Trustees, any CSU campus, or any officers or employees of any of them. Lending or pledging the credit of any of these entities is not intended or authorized by this resolution.

#### Section 4. Tax Law Requirement for Reimbursement of Project Costs

4.1 For those projects which may be financed under the authority of the Trustees, the chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and each of them (collectively, “Authorized Representatives of the Trustees”), are hereby authorized to make declarations on behalf of the Trustees solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the U.S. Treasury Regulations; provided, however that any such declaration:

4.1.1. Will not bind the Trustees to make any expenditure, incur any indebtedness, or proceed with the project or financing; and

4.1.2. Will establish the intent of the Trustees at the time of the declaration to use proceeds of future indebtedness, if subsequently authorized by the Trustees, to reimburse the Trustees for expenditures as permitted by the U.S. Treasury Regulations.

## Section 5. Effective Date and Implementation

5.1 Within the scope of this financing policy, the chancellor is authorized to further define, clarify and otherwise make and issue additional interpretations and directives as needed to implement the provisions of this policy.

5.2 This resolution supercedes RFIN 01-94-01 and shall take effect immediately.

### **Authorize the Issuance and Sale of the San Diego State University Parking System Revenue Bonds, Series A, and Related Matters (RFIN 11-98-19)**

Trustee Gray moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

Orrick, Herrington & Sutcliffe LLP as bond counsel for the trustees is preparing a resolution for the sale and issuance of revenue bonds to be presented for approval at this meeting that will achieve the following:

1. Authorize the sale and issuance of the San Diego State University Parking System Revenue Bonds, Series A, in an amount not to exceed \$13,775,000 and certain actions relating thereto including the approval of the forms of the Indenture and Notice of Sale as presented to the board at this meeting.
2. Approve the form of the official statement prepared by Sutter Securities, financial advisor, and presented to the board at this meeting.
3. Provide a delegation to authorize the chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management to take any and all necessary actions to execute documents for the sale and issuance of the bonds.

The resolution being prepared by bond counsel and the forms of the official statement, indenture, and notice of sale will be distributed at this meeting and presented for approval.

### **Private Sector Participation in the Development of The Village at Centennial Square at San Francisco State University (RFIN 11-98-20)**

Trustee Gray moved the resolution; there was a second.

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

1. Support the concept of a public/private partnership for the construction of The Village at Centennial Square, a mixed-use project to include on-campus apartments, a new student services building, and off-street parking as described in this agenda item.

2. Confirm the chancellor's authority to enter into negotiations and such agreements as necessary to initiate the process for specific development programs to be considered by the campus, Office of the Chancellor, and the Board of Trustees.
3. Will consider the following action items for approval at appropriate times during the development process:
  - (a) Specific development program(s) negotiated by the campus and the developer, with the advice of the chancellor;
  - (b) Master Plan revisions, as needed;
  - (c) Proposed schematic plans; and
  - (d) Environmental documents for all facilities.

**Approval of an Auxiliary Organization Tax-Exempt Financing at San Jose State University (RFIN 11-98-21)**

Trustee Gray moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

**WHEREAS**, The San Jose State University Foundation (the "Foundation") is organized under the Nonprofit Public Benefit Corporation Law of the State of California and the articles of incorporation of the Foundation provide that it is not organized for profit; and

**WHEREAS**, The Foundation is an auxiliary organization of the California State University and is authorized to act pursuant to California Education Code Section 89900 et seq.; and

**WHEREAS**, The articles of incorporation of the Foundation provide that the income will not inure to the benefit of any private person; and

**WHEREAS**, The Foundation desires to issue bonds (the "Bonds") on behalf of the Board of Trustees of the California State University (the "Board") to acquire, construct, and equip a new Child Development Center of approximately 11,500 gross square feet (the "Project") situated one-half block away from the campus on property purchased by the ASI; and

**WHEREAS**, The bonds are limited obligations of the Foundation payable solely from loan repayments made by ASI and Spartan Shops, Inc. (the "Corporation") under a loan agreement entered into among the Foundation, ASI, and the Corporation, proceeds of the bonds, and certain other amounts under the indenture; and

**WHEREAS**, The Foundation's rights to receive payments under the loan agreement would be assigned to the Bond trustee to make payments of debt service on the Bonds, and the Foundation will not be obligated to pay the Bonds except from amounts received from the ASI and the Corporation; and

**WHEREAS**, As security for the repayment of the principal of, premium, if any, and interest on the Bonds, both the ASI and the Corporation will grant the Foundation a security interest in their revenues; and

**WHEREAS**, The Board of Trustees has determined that it is desirable to assist in the acquisition and financing of the Project with the proceeds of the Bonds; now, therefore, be it

**RESOLVED**, By the Board of Trustees of The California State University as follows:

**Section 1.** The Board of Trustees hereby approves the purposes and activities of the Foundation.

**Section 2.** The issuance of Bonds by the Foundation in an aggregate principal amount not to exceed two million five hundred thousand dollars (\$2,500,000) and the proposed form of the Bonds to be issued by the Foundation solely on behalf of the Board, as presented to the Board and on file with the Secretary, is hereby approved, provided that this resolution shall not constitute or authorize an obligation of the State of California, the Board of Trustees of the California State University, San Jose State University, or any officers or employees of any of these entities, and no lending or pledging of the credit of any of these entities is intended or authorized by this resolution.

**Section 3.** The property to be financed by the Bonds is hereby determined to be located within the geographic boundaries of the Board and has a substantial connection with the Board.

**Section 4.** The chancellor, the executive vice chancellor, and the senior vice chancellor for business and finance and the director of financing and risk management, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for in the name and on the behalf of the Board of Trustees, to take any and all actions and execute and deliver any and all certificates, agreements, and documents which they, or any of them, may deem necessary or advisable in order to facilitate the approval of the issuance of the Bonds by the Foundation as described in Section 1 hereof.

**Section 5.** This resolution shall take effect immediately upon its adoption.

**Private Sector Participation in the Development of a Marine Environmental Resources Building at California Maritime Academy (RFIN 11-98-22)**

Trustee Gray moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

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

1. Support the concept of utilizing the private sector to design, finance, construct, and operate a joint-use facility at the California Maritime Academy as described in this agenda item and authorize the project to proceed with the understanding that additional information will be presented to the board at key points in the process.
2. Confirm the chancellor's authority to enter into negotiations and such agreements as necessary to initiate the process for specific development programs to be considered by the campus, Office of the Chancellor, and the Board of Trustees; and

3. Will consider the following action items for approval at appropriate times during the development process:
  - (a) Specific development program(s) negotiated by the campus and the developer, with the advice of the chancellor;
  - (b) Proposed schematics plans; and
  - (c) Environmental documents for the facility.

**Private Sector Participation in the Development of a 150-Acre Vineyard at California Polytechnic State University, San Luis Obispo (RFIN 11-98-23)**

Trustee Gray moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

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

1. Support the concept of California Polytechnic State University, San Luis Obispo to utilize the private sector to develop, manage, and maintain 150 acres of campus-owned agricultural land for a wine grape vineyard to provide educational facilities that will replicate industry standards and size as described in this agenda item.
2. Confirm the chancellor's authority to enter into negotiations and such agreements as necessary to initiate the process for specific development programs to be considered by the campus, Office of the Chancellor, and the Board of Trustees.
3. Will consider the following action items for approval at appropriate times during the development process:
  - (a) Specific development program(s) negotiated by the campus and the specific developer, with the advice of the chancellor;
  - (b) Master Plan revisions, as needed;
  - (c) Proposed schematic plans, as needed; and
  - (d) Environmental documents for all facilities, as needed.

**Report from the Committee on Campus Planning, Buildings and Grounds.**

Trustee Razi, chair, reported for the committee.

Trustee Razi reported the committee heard two information items and three action items. The information items were on professional appointments and construction costs.

**Amend the 1998/99 Capital Outlay Program, Nonstate Funded (RCPBG 11-98-19)**

Trustee Razi moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University, that the 1998/99 Nonstate Funded Capital Outlay Program be amended to include: (1) \$5,316,000 for

construction and equipment for the California State University, Dominguez Hills, California Academy of Mathematics and Science project; (2) \$7,744,000 for preliminary plans, working drawings, construction and equipment for the California Maritime Academy, Marine Environmental Resources Building; and (3) \$2,810,000 for preliminary plans, working drawings, construction and equipment for the California State University, Northridge, University Club project.

**Approval of Schematic Plans (RCPBG 11-98-20)**

Trustee Razi moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

**1. Approval of Schematic Plans—California State University, Northridge—Administration Building**

**RESOLVED**, By the Board of Trustees of The California State University, that upon consideration of the information provided in the previously approved Final MEIR prepared for the California State University, Northridge, master plan revision; the board finds that:

1. The Final MEIR was prepared to specifically include this project and has been previously approved by this Board of Trustees on May 13, 1998, pursuant to the requirements of the California Environmental Quality Act; and
2. Based on the information contained in the previously approved Final MEIR and the mitigation measures identified therein and previously adopted, the proposed project will not have a significant effect on the environment; and
3. Therefore, no additional mitigation measures are necessary; and
4. The project will benefit The California State University; and, be it further

**RESOLVED**, That the mitigation measures and implementation of the recommended improvements specified in the Final MEIR for the campus master plan relative to the main (academic) campus development projects were adopted by the trustees on May 13, 1998, and will be implemented for this project; and, be it further

**RESOLVED**, That mitigation measures shall be monitored and reported in accordance with the plan previously approved by the Board of Trustees as Attachment D of Campus Planning, Buildings and Grounds Agenda Item 5, master plan revision and Final MEIR certification, approved on May 13, 1998, which meets the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6); and, be it further

**RESOLVED**, That the chancellor is requested, under Delegation of Authority by the Board of Trustees, to file the Notice of Determination for the California State University, Northridge, Administration Building; and, be it further

**RESOLVED**, That the schematic plans for the California State University, Northridge, Administration Building project are approved at a project cost of \$13,378,000 at CCCI 3722.

**2. Approval of Schematic Plans—California State University, Northridge—Art and Design Center Addition**

**RESOLVED**, By the Board of Trustees of The California State University, that upon consideration of the information provided in the previously approved Final MEIR prepared for the California State University, Northridge, master plan revision; the board finds that:

1. The Final MEIR was prepared to specifically include this project and has been previously approved by this Board of Trustees on May 13, 1998, pursuant to the requirements of the California Environmental Quality Act; and
2. Based on the information contained in the previously approved Final MEIR and the mitigation measures identified therein and previously adopted, the proposed project will not have a significant effect on the environment; and
3. Therefore, no additional mitigation measures are necessary; and
4. The project will benefit The California State University; and, be it further

**RESOLVED**, That the mitigation measures and implementation of recommended improvements specified in the Final MEIR for the campus master plan relative to the main (academic) campus development projects are hereby adopted as part of this approval of the California State University, Northridge, Art and Design Center Addition; and, be it further

**RESOLVED**, That mitigation measures shall be monitored and reported in accordance with the plan previously approved by the Board of Trustees as Attachment D of Campus Planning, Buildings and Grounds Agenda Item 5, master plan revision and Final MEIR certification, approved on May 13, 1998, which meets the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6); and, be it further

**RESOLVED**, That the chancellor is requested, under Delegation of Authority by the Board of Trustees, to file the Notice of Determination for the California State University, Northridge, Art and Design Center Addition; and, be it further

**RESOLVED**, That the schematic plans for the California State University, Northridge, Art and Design Center Addition are approved at a project cost of \$5,754,000 at CCCCI 3722.

**3. Approval of Schematic Plans—San Diego State University—Parking Structure 5**

**RESOLVED**, By the Board of Trustees of The California State University, that upon consideration of the information provided in the previously approved Final EIR prepared for the San Diego State University master plan revision; the board finds that:

1. The Final EIR was prepared to specifically include this project and has been previously approved by the Board of Trustees on September 16, 1998, pursuant to the requirements of the California Environmental Quality Act; and

2. Based on the information contained in the previously approved Final EIR and the mitigation measures identified therein and previously adopted, the proposed project will not have a significant effect on the environment; and
3. Therefore, no additional mitigation measures are necessary; and
4. The project will benefit The California State University; and, be it further

**RESOLVED**, That the mitigation measures and implementation of recommended improvements contained in the Final EIR for the master plan revision relative to the Parking Structure 5 project are part of this approval for San Diego State University, Parking Structure 5 schematic plans; and, be it further

**RESOLVED**, That the mitigation measures shall be monitored and reported in accordance with the plan previously approved by the Board of Trustees as Attachment D of Campus Planning, Buildings and Grounds Agenda Item 3, master plan revision and Final EIR certification, approved on September 16, 1998, which meets the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6); and, be it further

**RESOLVED**, That the chancellor is requested, under the Delegation of Authority by the Board of Trustees, to file the Notice of Determination for the San Diego State University, Parking Structure 5 project; and, be it further

**RESOLVED**, That the schematic plans for the San Diego State University, Parking Structure 5 project are approved at a project cost of \$19,522,000 at CCCCI 3722.

**4. Approval of Schematic Plans—San Jose State University—Child Development Center**

**RESOLVED**, By the Board of Trustees of The California State University, upon consideration of the information provided in the Negative Declaration prepared for the San Jose State University, Child Development Center, the board finds that:

1. The Negative Declaration has been prepared for the project pursuant to the requirements of the California Environmental Quality Act; and
2. The proposed project will not have a significant effect on the environment; and
3. The project will benefit The California State University; and, be it further

**RESOLVED**, That the chancellor is requested, under Delegation of Authority granted by the Board of Trustees, to file the Notice of Determination for the San Jose State University, Child Development Center project; and, be it further

**RESOLVED**, That the schematic plans for the San Jose State University, Child Development Center project are approved at a project cost of \$3,060,000 at CCCCI 3722.

**Certify a Final Environmental Impact Report and Approve the Campus Master Plan Revision and Schematic Plans for the San Jose State University—Joint Library (RCPBG 11-98-21)**

Trustee Razi moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University, that upon consideration of the information contained in the Final Environmental Impact Report, prepared for the San Jose State University Master Plan Revision and Joint Library Schematic Plans, the board finds that:

**WHEREAS**, The FEIR was prepared to address the potential significant environmental impacts, mitigation measures, and project alternatives associated with the approval of the Master Plan Revision and Schematic Plans and all discretionary actions relating to the proposed project; and

**WHEREAS**, The FEIR was prepared pursuant to the California Environmental Quality Act and the state CEQA Guidelines; and

**WHEREAS**, This board, by this resolution, certifies that the FEIR is complete and adequate and that it fully complies with the requirements of CEQA and the state CEQA Guidelines; and

**WHEREAS**, Section 21081 of the Public Resources Code and Section 15091 of the state CEQA Guidelines require that the Board of Trustees make findings prior to approval of a project (along with statements of facts supporting each finding); and

**WHEREAS**, This board hereby adopts the findings of fact in Attachment C, Agenda Item 5 of the November 10-11, 1998, meeting of the Committee on Campus Planning, Buildings and Grounds, which identify specific impacts of the Master Plan Revision and Joint Library Schematic Plans, and related mitigation measures, and which are hereby incorporated by reference; and

**WHEREAS**, The findings in Attachment C, which are incorporated by reference and adopted by this board, including specific overriding considerations that outweigh certain remaining significant impacts; now, be it further

**RESOLVED**, That the Board of Trustees of The California State University makes the following findings:

**1. Preparation of an Environmental Impact Report**

The FEIR has been prepared to address the significant environmental impacts, mitigation measures, project alternatives, comments and responses to comments associated with approval of the Master Plan Revision and Joint Library Schematic Plans, pursuant to the requirements of CEQA and the state CEQA Guidelines.

2. **Review and Consideration by the Board of Trustees**

Prior to certification of the FEIR, the Board of Trustees has reviewed and considered the FEIR, and finds that the FEIR reflects the independent judgment of the Board of Trustees. The board hereby certifies the FEIR as complete and adequate in that the FEIR addresses all significant environmental impacts of the Master Plan Revision and Joint Library Schematic Plans and fully complies with the requirements of CEQA and the state CEQA Guidelines. For purposes of CEQA and the state CEQA Guidelines, the record of the proceedings for the project is comprised of the following:

- A. The Draft EIR for the SJSU Master Plan Revision and Joint Library Schematic Plans;
- B. The FEIR, including comments received on the Draft EIR and responses to those comments;
- C. The proceedings before the Board of Trustees relating to the subject project, including testimony and documentary evidence introduced at the proceedings; and
- D. All attachments, documents incorporated, and references made in the documents specified in items A through C above.

All of the above information has been and will be on file with The California State University, Office of the Chancellor, Capital Planning, Design and Construction, 4665 Lampson Avenue, Los Alamitos, California 90720, and San Jose State University, Department of Planning, Design and Construction, Corporation Yard Building, Room 103, 404 E. San Fernando Street, San Jose, California 95192-0010.

**RESOLVED**, By the Board of Trustees of The California State University, that the board hereby certifies the FEIR for the Master Plan Revision and Joint Library Schematic Plans; and, be it further

**RESOLVED**, That the Board of Trustees of The California State University, hereby adopts the SJSU Master Plan Revision dated November 1998; and, be it further

**RESOLVED**, That the Board of Trustees of The California State University approves construction of the Joint Library Project, and all associated improvements, and directs that the FEIR be considered in any actions taken or considered with respect to the project; and, be it further

**RESOLVED**, That the mitigation measures and implementation of recommended improvements contained in the FEIR and set forth in Attachment D to Agenda Item 5 of the November 10-11, 1998, meeting of the Committee on Campus Planning, Buildings and Grounds, for the Master Plan Revision and Joint Library Project Schematic Plans, are hereby adopted as part of this approval for San Jose State University, Joint Library Schematic Plans; and, be it further

**RESOLVED**, That the mitigation measures identified in the Mitigation Monitoring Plan are hereby adopted and shall be monitored and reported in accordance with the Mitigation

Monitoring Matrix incorporated in the Mitigation Monitoring Plan, which is Attachment D, Agenda Item 5 of the November 10-11, 1998, meeting of the Committee on Campus Planning, Buildings and Grounds, and which is hereby adopted. The board finds that the plan meets the requirements of CEQA (Public Resources Code Section 21081.6); and, be it further

**RESOLVED**, That the chancellor or his designee is requested under the Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the FEIR for the Master Plan Revision and Joint Library Schematic Plans; and, be it further

**RESOLVED**, That the schematic plans for the San Jose State University, Joint Library Project are approved at a project cost of \$147,678,000 at CCCI 3722.

### **Report from the Committee on Audit**

Trustee Wang, chair, reported for the committee.

Trustee Wang reported the committee heard one information item, a report on current and follow-up internal audit assignments.

### **Report from the Committee on Governmental Relations**

Trustee Otomo-Corgel, chair, reported for the committee.

Trustee Otomo-Corgel recognized and commended Bobbie Metzger, executive director, Strategic Communications and Campus Relations, on her tireless efforts and success in the passage of Proposition 1-A.

Trustee Otomo-Corgel reported the committee heard one information item and one action item. The information item was a report on the 1998 general election and its impact on the CSU.

### **Legislative Report No. 13 (RGR 11-98-07)**

Trustee Otomo-Corgel moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University, that the 1997-98 Legislative Report No. 13 is adopted.

### **Report from the Committee on Institutional Advancement**

In the absence of Trustee Fallgatter, chair, Trustee Gould, vice chair, reported for the committee.

Trustee Gould reported the committee heard one action item and two information items. The information items were reports on the Ambassadors for Higher Education program and on university advancement.

### **Naming of Facility—California State University, Stanislaus (RIA 11-98-11)**

Trustee Gould moved the resolution; there was a second.

The Board of Trustees approved the following resolution:

**RESOLVED**, By the Board of Trustees of The California State University, that the professional schools building at California State University, Stanislaus be designated the Teo Demergasso, Clementine Demergasso and John Z. Bava Professional Schools Building.

### **Report from the Committee on Collective Bargaining**

Trustee Stennis, chair, reported for the committee.

Trustee Stennis reported the committee heard comments from representatives of the California State Employees' Association Units 2, 5, 7 and 9; the Academic Professionals of California, Unit 4; the California Faculty Association, Unit 3; and Professor Gene Dinielli, chair, Statewide Academic Senate. Trustee Stennis said all speakers discussed the status of current faculty unit bargaining and expressed hope that the parties would reach agreement soon.

Chairman Hauck recognized Professor Dinielli. Professor Dinielli noted that each trustee and president had a packet of twenty campus senate resolutions before them.

### **Report from the Committee on Educational Policy**

Trustee Campbell, chair, reported for the committee.

Trustee Campbell reported that the committee heard one information item, a progress report on the development of the Cornerstones Implementation Plan. Trustee Campbell advised that at the January meeting the board would be presented with a proposed implementation plan for discussion and the plan will then be presented for action at a subsequent meeting.

### **Communication and Correspondence**

#### **Old Business**

#### **New Business**

Chairman Hauck recognized Mette Adams, chair, California State Student Association, and asked her to give a brief report from the CSSA.

Ms. Adams reported that a schedule of the monthly CSSA meetings would be sent to the chancellor and the trustees, and urged them to attend any meeting whenever their schedules permit.

Ms. Adams was pleased to announce that San Jose State University had become a member of CSSA, bringing the total full membership to 17 campuses, the highest number in five years. She also reported that the CSSA voter registration drive resulted in over 4,000 CSU students registering to vote in a single day.

Ms. Adams called attention to the California State Student Bill of Rights contained in their report. She advised the document affirms the basic rights of all CSU students and assured that students on every campus will be guaranteed equity and consistency in the policies that impact their academic experience. She said the CSSA Board of Directors had unanimously approved the final draft in

October and that the executive committee is looking forward to dialog with both the Chancellor's Office, trustees, and the state legislature in pursuit of full adoption and implementation.

### **Public Comments**

The board heard comments from Reg Weaver, vice president, National Education Association; Art Pulaski, secretary/treasurer, California Federation of Labor; Lois Tinson, president, California Teachers Association; Terry Jones, president, California Faculty Association; Pauline Robinson, division director, CSEA; Albert Kinderman, chair, Academic Senate, Northridge; Charles F. Goetzl, president, Academic Professionals of California; and, Rich Reed on the Easyread System of Music, Math and Languages.

### **Adjournment**

The meeting adjourned at 11:50 a.m.

**REPORT OF CHAIRMAN WILLIAM HAUCK**  
**Board of Trustees**  
**The California State University**  
**November 11, 1998**

As you can see, we are honored this morning to have a member of our board with us. Technically he is the chairman of the board; I'm not, I'm just acting here in his place. Governor Wilson has served, as you know, now for almost eight years and you can be sure that he will be there until January 4. I think his schedule is no less rigorous today than it's been throughout his term. Clearly all of us as board members and as participants in the California State University have lots of debts of gratitude to pay to Governor Wilson from the standpoint of his assistance to the system, which is so important to California's economy as well as to all the people of California in terms of work force and quality of life. The Compact for Higher Education which he agreed to support earlier in the 90s was a major step, in my view, toward stabilizing higher education, public higher education, in the state. He made a bargain to provide that stability, and in turn we made a bargain with him to improve productivity and to generally do a better job. So it's my pleasure today to introduce as well as to honor my friend and the governor of California, Pete Wilson.

Governor, I know that you've never received any congratulatory resolutions. I know you have no wall space left, but we couldn't resist presenting you with this resolution, which I think expresses how we feel about the way you've treated this university system.

**Governor Wilson:** Thank you, Chancellor Reed. And thank you, distinguished Trustees, for this opportunity to congratulate you on all you've done—and continue to do—to improve the quality of higher education in California.

I thank you and congratulate you for eight years of hard work and honest decisions that have taken us from a time of budget cuts and fee increases to the present time of budget increases and fee cuts.

In a recent survey, a resounding majority of Californians—70 percent of them—indicated their confidence in this state's direction. Forgive me if I observe that they have abundant reason to feel such confidence: a booming economy; crime at a 32-year-low; dramatically falling welfare rolls; health coverage for poor children in place; and a K-12 education renaissance in full bloom, if not yet fully completed. And they look at what's going on in California's universities these days, and they have reason to be cheered by what they see—the kind of change that spells genuinely expanded opportunity for young Californians.

Since I first took office we've more than doubled the state's commitment to student financial aid to nearly three-quarters of a billion dollars . . . giving a lot more kids deserved access to higher learning through innovative plans like our Cal Grant program.

Our new "Scholarshare" plan gives working families a tax incentive to get a jump on their children's higher education needs by allowing them to make unlimited contributions into a state-sponsored college savings plan, with the taxable interest deferred until the funds are withdrawn for college.

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For four consecutive years there have been no fee increases in either the UC or CSU system. This year, in fact, we've done just the opposite—giving students a 5 percent *decrease* in their undergraduate fees. Fees for the 1998-1999 school year are at the same level they were in 1994-95, when this economy first kicked into high gear.

Through the higher education compact, we insisted upon and earned much-needed accountability in how our universities are operated. And I congratulate both systems for keeping their part of the bargain and meeting the compact's goal of \$10 million in savings in each of the compact's four years through productivity improvements.

Last week's passage of Proposition 1-A means an additional \$2.5 billion to be devoted to construction and renovation needs in universities all across this state. Here at Long Beach, a new science building will be built, as will offices to house more chemistry and biochemistry teachers; the Fine Arts Building will be renovated.

In addition to what the bond funds will build, we've also added a new UC campus in the Central Valley, and are converting Fort Ord and the Camarillo State Hospital into new CSU campuses.

That's all good news—it's the kind of progress we can and should achieve with a good economy and good minds at work—*hard* at work as you have been as these eight years have sped by. You deserve to take real satisfaction in what we've achieved together.

But I didn't come out all the way down from Sacramento *just* to express my gratitude. I came, as well, to urge you on—to urge you continue making all the change needed not just in the CSU system, but in preschool on.

More than 150 years ago, not long before California became a star on the American flag, the British writer Thomas Carlyle observed, "The true university of these days is a collection of books." That may have been true in 19<sup>th</sup> Century Brittainia. Not so in 21<sup>st</sup> Century California. In the California of tomorrow, every university's success will be measured only to the extent that it produces a quality workforce capable of winning the competition of this global market place, and producing citizens prepared to contribute energy and leadership to building a better California.

Recently, I came across a speech by President Atkinson, in which he describes his UC system as "a \$15 billion enterprise." He's right. Our universities are enterprises . . . each hub of economic activity. They're not merely line-items in a budget. Every university in California is an investment—a down-payment—in assured long-term economic growth.

And each of these enterprises requires top-flight management. And it's not just my own good luck, but a testament to the present strength of the CSU system that we could attract people of the caliber of Barry Munitz and Charlie Reed.

Top-flight education requires more from the trustees and the administration than top-flight management. It requires conviction—and the courage to confront challenges honestly—head on. Thanks to Chancellor Reed, Ralph Pesqueira and others like them with the courage to voice their opinions, we've been more aware of the hard truth that more than half of first-time CSU freshmen need remedial math...and that slightly less than half require remedial English.

Friends, we cannot boast of having the world's finest universities when freshmen repeat their high-school work. Neither UC, CSU, nor the community colleges should be required to do the job of our K-12 system. That's why I asked for and, this past September, signed the bill ending the terrible disservice of social promotion and providing for new programs of remedial learning to assure that all kids perform at grade-level before they are promoted.

By the way, someone might just let the governor-elect know that he won't have to perform on the promise to end social promotion...because we've already taken care of that for him. It's just the latest in a long list of reforms we've insisted on to make the K-12 system send you graduates you don't have to put through secondary school a second time.

No child is going to succeed in college or in life if they're solely dependent on calculators to do their math and spell-check to do their writing. That's why we've put an end to the failed practice of whole language, "new math" and "new, new math" and required California's youngest learners to be schooled in the basis—phonics, spelling and basic computation.

I visit the State Board of Education tomorrow afternoon back in Sacramento, to thank them for putting in place the rigorous world-class curricular standards that our children need if they are to be challenged to be all they can be.

And speaking of business smarts: if you want to run a business right, you have to have personnel evaluations—when I was a Marine, we called them a "fitness reports." Schools should be no different, which is why I insisted upon, fought for and won individualized testing of every student in K-12. Parents no longer are left in the dark as to their children's progress. From now on, we can tell what a child is learning and, just as important, when and where our schools are falling down on the job.

Which takes us to the matter of recruiting, training and rewarding teachers. To its credit, CSU recognized from the beginning that class-size reduction meant a much, much better start for kids—well worth having to scramble to recruit and train more teachers. I'm very pleased to see that you've expanded teacher preparation beyond the norm, through distance learning, alternative certification programs, and integrated undergraduate programs.

Chancellor Reed has made teacher education a top priority for CSU. Gary Hart has been an eloquent voice for this need. I hope you'll continue to address this need with the urgency it deserves. California needs more teachers—more good teachers...the kind who inspire a child's curiosity. While we've made numerous reforms to speed up teachers' entrée to the classroom, we've also put in place needed quality assurances: in this past budget alone, more than \$126 million to train teachers in our math and reading standards, as well as doubling the Beginning Teachers Support program.

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So where does this leave us, as we look at the new millennium? I look to California's future higher-education needs and I see at least four areas to be addressed.

The first has to do with sustaining and improving the ties between academic research and economic growth. California's high-technology initiatives—biotechnology, multimedia, semiconductors and many others—have flourished and grown, creating hundreds of thousands of jobs, in significant part because of university-based research and development.

Doubling the state R&D tax credit that industries receive for investing in university research has had the desired effect. California companies engage in better than one-fifth of all the R&D activity conducted in the United States, valued at \$35 billion annually. I urge my successor and the legislature to continue on that path, so that California can maintain its competitive edge academically and economically that has thrust us into the vanguard.

Second, California's ability to compete depends on the quality of our workforce. And that in turn depends upon dramatic improvement in the erratic quality of K-12 education—and upon increased attention from our public universities to training K-12 teachers and in providing sufficient technologically competent graduates. They are much in demand.

Why must California schools recruit teachers from other states? Why must a delegation of high-tech executives from California plead with Congress to increase H-1B visas for high-tech workers from other countries? Simple: Universities are not yet meeting our demand for teachers, or for graduates trained in disciplines that translate into employment in this knowledge-based economy. We must grow that needed talent at home so we are not compelled to import it. CSU has a major role to play in responding to both these critical needs.

Third, California is at the epicenter of this Information Age: Let's make the most of our opportunity to enable remote computer-learning. We now have in place the California Virtual University that's serving the needs of approximately 25,000 students taking courses offered by more than 100 universities and colleges. Let's build on that and make computer learning and other alternative means of education a chance to bring higher education into the lives of those who can't enjoy a residential experience. The need for graduate education for professional or career advancement of fully employed mature adults offers us a special opportunity to meet a special need.

And finally, speaking of opportunity, I urge you to assume a leadership role for CSU in fulfilling California's duty as a just and caring society to assure that every California child—of every ethnicity and every economic circumstance in every community in this state—enjoys genuine equality of access to opportunity.

The answer to making good this most important responsibility is not to provide preferences to some high school graduates. It is to provide pre-natal and pediatric care and challenging, quality education to every child in California. Then we will achieve diversity on the natural, not artificially through preferences.

Two years have passed since a majority of Californians voted for Proposition 209. And though some continue to resist the outcome, you, as trustees, have rightly observed and implemented the law. It's time to stop arguing about the wisdom of the voters and to start doing that heavy lifting that is now required.

We've achieved the health care, but not yet the K-12 reform required to rescue poor kids trapped in bad schools—bright kids being cheated of reaching their full potential. We are embarked upon outreach that is all-inclusive, academic tutoring, mentoring at-risk kids, and insisting that all K-12 schools teach the kind of strong and practical pre-college curricula that will give all our kids the chance to *earn* admission to CSU on their own merit.

I urge you: make it CSU's mission to assure teacher competency. Require subject matter competency as a condition of receiving a credential. And demand that accountability be restored to our public schools—or they will never be rid of mediocre teacher performance—and we will not change the “under-performing schools” that are so grievously shortchanging our children.

You have every right, and indeed a duty, to demand such change. Do that, my friends, and you will change California's future.

Thank you from the bottom of my heart for all you have done . . . and all that you will do.

It's been a great privilege working with you.

**Hauck:** Now have the chancellor's report: Charlie.

**REPORT OF CHANCELLOR CHARLES B. REED**  
**Board of Trustees**  
**The California State University**  
**November 11, 1998**

Mr. Chairman, before my report if I could make an announcement. Governor, if I could ask you, Trustee Stanley Wang and his family, Franny and Nina, to join me at the podium. Today I have the great pleasure of announcing a remarkable and generous gift to the California State University and its faculty and staff. Our good friend and colleague Trustee Wang, his wife, Franny, and Nina have made the California State University an extraordinary gift of one million dollars. This gift will allow us to establish the Wang Family Recognition Award for CSU faculty who have made exemplary contributions and achievements in their disciplines. The gift will be distributed in the amount \$100,000 each year for ten years. Each year we will award four CSU faculty members and one administrator \$20,000 each.

I'm especially thrilled to receive this gift because I believe it ties in so closely with the CSU's mission of providing a high quality education for all of California's students. With this generous gift we can reward the outstanding faculty members who bring pride and prestige to all of our campuses. It will also provide an extra incentive for outstanding performance and achievement by our faculty. Our students will benefit as well, by learning from faculty members who are encouraged and rewarded for their outstanding teaching and scholarship.

I would like to share this with you: these are the words that Stanley in his conversation with Chairman Hauck and myself said when he called us both about the award. Stanley said that "after my family, that education is the most important reason for my success; my professors taught me to be who I am. I have always had great respect for faculty and presidents. The faculty recognized what I wanted to achieve, and they helped me." "For that," Stanley said, "I want to give the faculty recognition and my deep appreciation that I feel as a trustee and former student for what faculty and staff have done for me."

Stanley, on behalf of the entire California State University system, we offer our deepest gratitude to you and your family for this wonderful gift: thank you.

I'm going to ask all the trustees to join the governor and the Wang family up here but before I do that, three people have indicated that they have one sentence of thanks that they would like to say to the Wang family. The first person that I would like to call on is Dr. Gene Dinielli, the chair of the Faculty Senate.

**Gene Dinielli:** Thank you, Chancellor Reed. I extended my gratitude last night to Stanley, but in a public forum and on behalf of over 17,000 faculty I want to thank you and your family for your generosity, but especially the generosity of spirit, Stanley, that you carry with you in all your dealings with the CSU.

**Reed:** Gwynna Morris, the president of the CSU Alumni Council.

**Gwynna Morris:** Thank you, chancellor. On behalf of the alumni of the state of California and the Alumni Council, I would like to express our deep appreciation for recognizing our mentors and our teachers, and I would like to congratulate the Wang family for their generous gift. Thank you.

**Reed:** Mette Adams, the chair of the California State Student Association.

**Mette Adams:** On behalf of the CSSA Board of Directors, which represents the 340,000 plus students of the system, we also would like to join the others and this entire room and the state in acknowledging this generous gift and celebrating those outstanding faculty and administrators who have excelled in their service as mentors and educators to the students and future leaders. Thank you.

**Reed:** If the trustees would please join the Wangs here, and the governor.

**Trustee Wang:** Thank you. Mr. Chair, Trustees, Governor, Chancellor. My family and I are deeply honored to be here to share this special moment with you. I also would like to take this opportunity to thank the Board of Trustees and the chancellor for giving me the opportunity to pay my respects and also allowing me to express our gratitude to all the educators. Education gives me not only knowledge-wisdom, but, even more important, humanity and a passion. This provided me the foundation to be successful in my career and to be happy in my family and social life. I always feel I don't deserve the recognition and honor. Actually I think that the honor and recognition should belong to every one of you in this room, for your dedication and endless efforts in the education field. Your influence will reach many, many years and generations to come. For this reason I want to thank you and salute every one of you. Thank you so much.

**Reed:** Trustee Wang, thank you. Just to show that Trustee Wang has a great sense of humor, he said to me this morning he was worried. He said talk is cheap, Charlie, I need to be able to give you a check. So thank you for your dedication and your family's commitment to education, Trustee Wang. We are continuing to work with the governor and his staff and the governor-elect on Compact II. Hopefully by the January meeting we will have an announcement that we can make. The Department of Finance is proceeding to review the budget that the trustees approved two weeks ago within the same parameters as Compact II.

A year ago at this November meeting this board invited me in an official way to join the CSU family and I just want to thank you for that privilege. I have enjoyed what might be the quickest year of my life. The good news was that you didn't have to start to pay me until March, but after coming out here last November, I think I made it all but one or two weeks between that time and March. So thank you for that privilege.

**Reed:** We will continue, as the governor said, to focus our priorities in the California State University on improving the public schools of California. All of our institutions and the presidents are working hard to restructure our teacher education programs and are focusing on their partnerships with the community colleagues and the public schools. In addition to that we have assembled an outstanding group of faculty members to work on converting the British Open University materials to focus on the emergency certification problem in California. Next week I will be hosting Sir John Daniel, the chancellor of the Open University, here at the Chancellor's Office in further putting together our plans.

As an election update you heard a brief report yesterday, but let me remind you that Prop 1-A passed by a 62.7 percent vote. I am optimistic the vote for Prop 1-A was more than a vote for facilities, it was the public saying very loud and very clear that they had an expectation that California

will invest in its future and invest in education, preschool through the universities. I think that we need to prove from an accountability standpoint and from a strategic planning standpoint that we are ready to assume that responsibility and that future investment.

I am pleased to report to this board that I have completed 23 campus visits. Last weekend I completed my visit to Humboldt and that was an accomplishment. As I said at Humboldt, that it is a university of choice because it certainly isn't a university of convenience. In the 23 campus visits I have learned much and I cannot wait to start to return to the campuses; I'm going to continue to do that. But one of the things that have been very clear is the quality of our faculty, our students and our programs. And that quality, and Dave Spence shared this with you, is very evident. As a part of that quality, all 23 of our institutions are different; and I like that diversity and I think that this board and I have to work as hard as we can to maintain that diversity among our institutions because that I think is the CSU's strength. And so that is a great lesson to me that I have enjoyed the past four or five months.

With Prop 1-A passing, we think that we have a new technology plan that we can put in place. The trustees' budget includes a \$25 million request to the legislature. With \$170 million from Prop 1-A and a recurring \$25 million, we will be well on our way to implementing the technology plan.

One announcement: I'd like to congratulate President Milt Gordon. He has been appointed to serve on the NCAA study group of presidents to look at all of the issues around basketball nationwide for all of higher education. I think he will represent us well.

With that I would like to ask Jon Regnier to join me and Chairman Hauck at the podium. On Monday evening we had a lot of fun with Jon and his 32 years of service to California State University. Thirty-two years of service and the only day, there are 6 each year, that John wears a tie is when the trustees are meeting in this building. Jon, on behalf of the Board of Trustees, your colleagues and friends and well wishers, we would like to present to you this resolution honoring Jon H. Regnier for 32 years of outstanding service to the people of California. Thank you.

**Jon Regnier:** I want to introduce my partner for the last 16 years, who's the director of the children's center at Cal State Long Beach, Pamela McDonald. And I want to let you know that I leave a very, very, very good staff; Linda Lees, Joan Stroh, and Pat Drohan and their colleagues are very good: you won't miss me at all. Thank you very much for a good run.

**Reed:** Mr. Chairman, that concludes my remarks.

**BRIEF**

**Action Item**

Agenda Item 1  
January 26-27, 1999

**BOARD OF TRUSTEES**

**Conferral of the Title *Trustee Emeritus***

**Presentation By**

William Hauck, Chair

**Summary**

A resolution will be presented to confer Trustee Emeritus status upon departing Trustee Jim Considine.

**Recommended Action**

Approval of the resolution.

## ITEM

2

Agenda Item 1  
January 26-27, 1999

### BOARD OF TRUSTEES

#### Conferral of the Title *Trustee Emeritus*

The following resolution is recommended for adoption:

**WHEREAS**, Jim Considine was first appointed a member of the CSU Board of Trustees in 1991, serving in a variety of roles, including that as vice chairman and chairman of the board; and

**WHEREAS**, During his tenure, he has provided key support to the establishment of CSU Channel Islands, presided over the incorporation of the Maritime Academy into the CSU system, and witnessed the emergence of CSU Monterey Bay; and

**WHEREAS**, In his role as Alumni Trustee, he has championed the two million alumni of the CSU, promoting their interests, overseeing the CSU Year of the Alumni and participating in numerous events honoring our alumni; and,

**WHEREAS**, He has richly embedded himself in the CSU community through his long association with Cal Poly San Luis Obispo, where he received his bachelor's degree, taught as a faculty member, and later helped lead the alumni organization; and

**WHEREAS**, He has been an alert and enthusiastic supporter of the CSU, constantly seeking ways to highlight the outstanding accomplishments, programs, and personalities of the university community; and

**WHEREAS**, The California State University is pleased to distinguish those members who have made signal contributions to the California State University; now, therefore, be it

**RESOLVED**, By the Board of Trustees of The California State University, that this Board confer the title of Trustee Emeritus on Jim Considine with all the rights and privileges pertaining thereto.

**BRIEF**

**Action Item**

Agenda Item 2  
January 26-27, 1999

**BOARD OF TRUSTEES**

**Conferral of the Title *Trustee Emeritus***

**Presentation By**

William Hauck, Chair

**Summary**

A resolution will be presented to confer Trustee Emeritus status upon departing Trustee Jim Gray.

**Recommended Action**

Approval of the resolution.

**ITEM**

2

Agenda Item 2

January 26-27, 1999

**BOARD OF TRUSTEES**

**Conferral of the Title *Trustee Emeritus***

The following resolution is recommended for adoption:

**WHEREAS**, Jim Gray was first appointed a member of the Board of Trustees of the California State University in 1990, serving in a variety of roles, including chair of the committees on Organization and Rules, Collective Bargaining, Governmental Relations, and Finance; and

**WHEREAS**, During his tenure, he has helped guide and advise the California State University as it confronted financial restrictions, enrollment declines and expansion, and undertook to launch new campuses at San Marcos, Monterey Bay, and Ventura; and

**WHEREAS**, He has been diligent in the performance of his responsibilities, serving as leader and listener, sharing his wit, his wisdom, and his rich experience in the business community, and promoting the name as well as the welfare of the California State University; and

**WHEREAS**, It is altogether fitting that the California State University distinguish those members who have made signal contributions to this system of higher education; now, therefore, be it

**RESOLVED**, By the Board of Trustees of the California State University, that this Board express its thanks to Jim Gray for his years of service to the people of this state and confer on him the title of Trustee Emeritus with all the rights and privileges pertaining thereto.

**BRIEF**

**Action Item**

Agenda Item 3  
January 26-27, 1999

**BOARD OF TRUSTEES**

**Resolution Honoring Trustee Moulton**

**Presentation By**

William Hauck, Chair

**Summary**

A resolution will be presented honoring departing Trustee Maridel Moulton.

**Recommended Action**

Approval of the resolution.

**ITEM**

2

Agenda Item 3

January 26-27, 1999

**BOARD OF TRUSTEES**

**Resolution Honoring Trustee Moulton**

The following resolution is recommended for adoption:

**WHEREAS**, Maridel Moulton was appointed to serve as a Trustee of the California State University by Governor Pete Wilson in December 1997; and,

**WHEREAS**, She has faithfully discharged her duties as a trustee, actively and fully participating as a member of the committees on Campus Planning, Buildings and Grounds; Educational Policy; Finance; Governmental Relations; Institutional Advancement; and Organization and Rules; and

**WHEREAS**, She has been an invaluable member of the Board, bringing to its discussions her broad experience in education, including her service as a commissioner on the California Student Aid Commission, to the benefit of the whole of the California State University; and

**WHEREAS**, It is most fitting that this Board distinguish such examples of service to this state and to the California State University; now, therefore, be it

**RESOLVED**, By the Board of Trustees of the California State University, that this board hereby recognizes and honors Maridel Moulton for her service as a Trustee and anticipates her further contributions to California's educational community.

**BRIEF**

**Action Item**

Agenda Item 4  
January 26-27, 1999

**BOARD OF TRUSTEES**

**Resolution Honoring Trustee Petrossian**

**Presentation By**

William Hauck, Chair

**Summary**

A resolution will be presented honoring departing Trustee Alice Petrossian.

**Recommended Action**

Approval of the resolution.

**ITEM**

2

Agenda Item 4

January 26-27, 1999

**BOARD OF TRUSTEES**

**Resolution Honoring Trustee Petrossian**

The following resolution is recommended for adoption:

**WHEREAS**, Alice S. Petrossian was appointed by Governor Pete Wilson to serve as a Trustee of the California State University in December 1997; and

**WHEREAS**, She has since that time conscientiously served as a member of the Board, and as a member of its committees on Collective Bargaining; Educational Policy; Governmental Relations; Institutional Advancement; and Organization and Rules; and

**WHEREAS**, She has contributed greatly to the work of this Board, drawing upon her rich experience in education, including her long service in the Glendale Unified School District, to the benefit of the students, faculty and staff of this great university; and

**WHEREAS**, It is altogether fitting that the California State University honor such fine examples of service; now, therefore, be it

**RESOLVED**, By the Board of Trustees of the California State University, that this Board hereby commends Alice S. Petrossian for her service as a Trustee and looks forward to her continued contributions to the citizens of this state.

**BRIEF**

**Information Item**

Agenda Item 5  
January 26-27, 1999

**BOARD OF TRUSTEES**

**Recognition of NCAA Women's Volleyball Champions**

**Presentation By**

Charles B. Reed  
Chancellor

Robert C. Maxson, President  
CSU Long Beach

**Summary**

The CSU Long Beach Women's Volleyball Team won the 1998 NCAA Women's Division I Volleyball Championship on December 19. The 49ers became the first team in NCAA women's volleyball history to end a season undefeated. The team players and coach Brian Gimmillaro will be introduced to the Board of Trustees.

**BRIEF**

**Action Item**

Agenda Item 6  
January 26-27, 1999

**BOARD OF TRUSTEES**

**Appointment of Ad Hoc Committee on Off-Campus Facilities**

**Presentation By**

William Hauck, Chair  
Board of Trustees

**Summary**

From time to time, the California State University is presented with opportunities to establish various off-campus facilities. There is no existing trustee policy to determine when such opportunities should be considered nor criteria to establish when they might be in the best interests of the institution. This item provides authority for the chair to appoint an ad hoc committee to develop such policy and review any current opportunities in light of this policy.

**Recommended Action**

Approval of the resolution.

## ITEM

2

Agenda Item 6  
January 26-27, 1999

### BOARD OF TRUSTEES

#### **Appointment of Ad Hoc Committee on Off-Campus Facilities**

From time to time, the California State University is presented with opportunities to establish various off-campus facilities. There is no existing trustee policy to determine when such opportunities should be considered nor criteria to establish when they might be in the best interests of the institution. Under Article VI, Section 6, of the Trustees' Rules of Procedure, the chair may appoint special committees "upon authority of the Trustees." Accordingly, the following resolution is recommended for adoption:

**RESOLVED**, By the Board of Trustees of The California State University, that the chair be authorized to appoint an Ad Hoc Committee on Off-Campus Facilities to develop policy to determine when opportunities to establish off-campus facilities should be considered and what criteria should apply to determine when they are in the best interests of the institution and therefore should be pursued. The committee shall review any proposals currently under consideration in light of this policy. The membership of this Ad Hoc Committee shall be determined by the chair.