

**MINUTES OF MEETING OF  
COMMITTEE OF THE WHOLE**

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

**March 18, 1998**

**Members Present**

Martha C. Fallgatter, Chairman  
William Hauck, Vice Chairman  
Jim Considine  
Robert G. Foster  
Bernard Goldstein  
Laurence K. Gould, Jr.  
James H. Gray  
Eric C. Mitchell  
Maridel Moulton  
Joan Otomo-Corgel  
Ralph R. Pesqueira  
Ali C. Razi  
Charles B. Reed, Chancellor, ex officio  
Michael D. Stennis  
Anthony M. Vitti  
Stanley T. Wang

**Members Absent**

Roland E. Arnall  
William D. Campbell  
Ronald L. Cedillos

**Chancellor's Office Staff**

June M. Cooper, Senior Vice Chancellor and Interim Chief of Staff  
Charles W. Lindahl, Interim Senior Vice Chancellor, Academic Affairs  
Douglas X. Patiño, Vice Chancellor, University Advancement  
Christine Helwick, General Counsel  
Samuel A. Strafaci, Interim Senior Director, Human Resources

Chairman Fallgatter called the meeting to order at 10:05 a.m.

**Consent Item**

The minutes of the meeting of January 23, 1998, were approved without discussion.

## Discussion Items

### Litigation Report No. 7

Christine Helwick, general counsel, presented the item submitting the biannual report on the status of significant litigation confronting the CSU. She reminded trustees that the meeting furnished an opportunity in public to explain what was occurring with ongoing litigation but not an opportunity to discuss strategy or tactics. She called attention to four cases in particular: *Monterey Mechanical Co. v. Pete Wilson, et al.* challenges provisions of the Public Contract Code requiring public institutions to employ contractors that enter into a certain percentage of contracts with women-, minority-, and disabled veterans-owned businesses or to demonstrate a good faith effort that they have tried to do so. Ms. Helwick reported that the 9th Circuit Court of Appeals ruled that the law is unconstitutional, at least as it applies to the requirement with respect to women and minority contractors. The Court left unaffected a law relating to disabled veterans. The 9th Court of Appeals has decided not to proceed with any reconsideration of this case, so the appellate decision declaring the statute unconstitutional as it applies with women- and minority-business enterprises stands and CSU is proceeding to change contract procedures to comply with this ruling. *Doe, et al. v. Regents, et al.* challenges the legal validity of the higher education components of Proposition 187; and *Gregorio T., et al. v. Wilson, et al.* challenges Prop. 187. Ms. Helwick reported that these were the two lawsuits, one filed in federal court, the other in state court, that immediately challenged Prop. 187. They were both filed the day after the election. In the federal proceeding, the judge has ruled that the passage of the federal Welfare Reform Law pre-empted the state law. She dismissed the action. Ms. Helwick continued that the state based its ruling on the federal court action. Consequently, Prop. 187 has not been implemented in California and will not be implemented because of these rulings.

*Neal, et al. v. Board of Trustees of the CSU, et al.* enjoined the elimination of wrestling at CSU Bakersfield, or the placement of any cap on the male membership of the team in order to comply with the Consent Decree in the *Cal NOW* litigation. Male wrestlers had argued that it is reverse discrimination to try and achieve proportionality between male and female participants. Ms. Helwick reported that the court granted a temporary restraining order requiring CSU to eliminate the cap that had been placed on the male wrestling squad, ruling that achieving proportionality is not a safe harbor against claims of reverse discrimination. She added that the preliminary injunction hearing had been held a few days before the board meeting and, while there was no ruling made, there are some hopeful signs that the judge will reconsider his initial ruling. What is important about this case, Ms. Helwick stated, was that it did not change the obligation of any campus in the CSU to meet the goals that are established in the *Cal NOW* consent decree. *Coalition for Economic Equality, et al. v. Pete Wilson, et al.* challenges the constitutionality of Proposition 209. CSU was brought in to this case as a class member defendant, as was every other state agency in California. Ms. Helwick reported that the United States Supreme Court has refused to consider the case, so Prop. 209 is now effective law in California. All judicial challenges have been exhausted.

Fred Pierce IV, CSU Alumni Association, asked that, in regard to the *Neal* case, if CSU obligations under the *Cal NOW* consent decree are not changed, would the case limit the CSU campuses' ability to meet the requirements of the decree by reducing commitments in men's athletics. Ms. Helwick replied that on the Bakersfield campus, it limits their ability with respect to wrestling, but that's as far as the opinion goes.

### **Private-Sector Participation in Development of North Campus Property at California State University, Northridge**

Chair Fallgatter introduced the item regarding a public/private development project at CSU Northridge. President Blenda Wilson continues to explore potential development opportunities for the north campus property. The development concept being presented, she said, entails the use of approximately 28 acres for biotech research and development uses.

President Wilson reported that in September 1997, the campus withdrew a proposal for development of the north campus, realizing that in the various compromises that had been made to construct a market center, the best possible use and return for the university had not been achieved. At that time the president had reported she would come before the board again with developments that were consistent with the strategic and academic priorities of the campus. The proposal detailed in the item, she stated, fulfills that commitment.

The president said that the item was a preliminary report and that a full proposal and master plan would be brought to the trustees for approval at the May 1998 meeting. The biotech development described in the agenda is only one part of the total campus master plan that will be discussed in detail in May. This item calls for approval by the trustees of the general direction that CSUN is taking and to confirm the chancellor's authorization to enter into agreements that are necessary to implement the development. She detailed major accomplishments of the developer, Mr. Alfred Mann; listed the companies that will relocate to the north campus — MiniMed, Advanced Bionics, MRG, and the Alfred Mann Foundation; described the planned facilities; and explained the ground lease.

Benefits to the campus, the president stated, are that the ground lease provides significant revenue to the campus, but even more importantly, the synergy between the biotech park and the interests of CSUN's Colleges of Engineering, Computer Sciences, Health and Human Development, Science and Mathematics, and Extended Learning, all have programs which are likely to provide internship opportunities for students, joint research and collaboration on product development with faculty, and use of the physical plant.

The president described the community's support of the project: endorsement by all the local chambers of commerce, the United Chambers of Commerce, The Valley Industry and Commerce Association, and the Economic Alliance of the San Fernando Valley. Additionally, the possibility of the biotech business industry partnership was brought to the campus by the Mayor's Office and the Jobs for Recovery Program in Los Angeles, and supported by the local councilmen because biotech, along with entertainment industry uses, are clearly the most prominent industries that will be involving the valley communities.

The president asked trustees for support of the two agreements listed in the item, the Joint Powers Agreement with the City of Los Angeles and the Exclusive Right to Negotiate with the biotech developer. She opened the discussion for questions.

Trustee Razi stated that the project was a great improvement as it related to the CSUN mission. Trustee Vitti stated that he was encouraged and excited by the opportunity. He felt the proposal was

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the best use for the land and asked if there had been discussion regarding the financing. President Wilson stated that the agreement was primarily a ground lease. The campus assesses the availability of the conference center as a \$4 million contribution in terms of construction alone, not to mention the potential for internships and joint research projects. There was also the potential contributions from the Mann Foundation.

Trustee Goldstein offered his congratulations, stating that the proposal gave significant teaching and research activities and opportunities for teachers and students in an advanced scientific environment. Trustee Gray asked if the campus would be asked to subordinate any construction lending. President Wilson replied no.

The committee recommended approval of the proposed resolution (RCOW 03-98-02).

### **Adjournment**

The meeting adjourned at 3:55 p.m.