

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

**California State University
Office of the Chancellor
401 Golden Shore
Long Beach, California**

September 18, 2002—9:30 a.m.

Presiding: Debra S. Farar, Chair

Call To Order and Roll Call

Chair's Report

Chancellor's Report

Report of the CSU Alumni Council: *President—Wayne Adelstein*

Report of the California State Student Association: *Chair—Artemio Pimentel*

Report of California Postsecondary Education Commission: *Anthony M. Vitti*

Approval of Minutes of Board of Trustees' Meeting of July 17, 2002

Report of Committees

Committee on Collective Bargaining: *Chair—Robert G. Foster*

Committee on Finance: *Chair – William Hauck*

4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects

Committee on Campus Planning, Buildings and Grounds: *Chair – Ralph R. Pesqueira*

1. Amend the 2002/2003 Capital Outlay Program, Nonstate Funded
4. State and Nonstate Funded Five-Year Capital Improvement Program 2003/2004 through 2007/2008
5. Approval of Schematic Plans

Committee on University Faculty and Personnel, *Chair – Martha Fallgatter*

1. Revision of Title 5, California Code of Regulations, Section 42933, Catastrophic Leave Donation Program

Committee on Audit: *Chair – Shailesh J. Mehta*

Committee on Institutional Advancement: *Chair – Frederick W. Pierce IV*

1. Approval of Naming of Facility – California State University, Dominguez Hills
2. Approval of Naming of Facility – California State University, San Marcos

Committee of the Whole: *Chair—Debra S. Farar*

1. Revision of Title 5, California Code of Regulations, Adding Section 42356 “Smoking on Campus”

Committee on Governmental Relations: *Chair – Murray L. Galinson*

1. 2001/2002 Legislative Report No. 10

Committee on Educational Policy: *Chair – Roberta Achtenberg*

1. California State University Enrollment Management Policies
2. Academic Plan Update for Fast-Track Program Development

Communications and Correspondence

Old Business

New Business

Public Comment

Adjournment

**MINUTES OF THE MEETING OF
BOARD OF TRUSTEES**

**Trustees of the California State University
CSU Office of the Chancellor
Dumke Auditorium
Long Beach, California 90802**

July 17, 2002

Trustees Present

Debra S. Farar, Chair
Roberta Achtenberg
Martha Fallgatter
Bob Foster
Murray L. Galinson
Harold Goldwhite
William Hauck
Shailesh J. Mehta
Ralph Pesqueira
Frederick W. Pierce IV
Charles B. Reed, Chancellor
Erene S. Thomas
Kyriakos Tsakopoulos
Anthony Vitti

Trustees Absent

William D. Campbell
Ricardo Icaza
Cruz Bustamante, Lt. Governor
Gray Davis, Governor
Delaine Eastin, Superintendent of Public Education
Dee Dee Myers
Herb Wesson, Jr., Speaker of the Assembly

Chancellor's Office Staff

Christine Helwick, General Counsel
Jackie R. McClain, Vice Chancellor, Human Resources
David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Richard West, Executive Vice Chancellor and Chief Financial Officer

Chair Farar called the meeting to order at 10:11 a.m.

Chair's Report

Chair Farar greeted everyone and stated that she was grateful and honored for the opportunity to chair the best board of higher education in the country.

Chair Farar reported that between the chancellor, trustees and vice chancellors there was coverage of commencements at all campuses up and down the state. She congratulated Martha Fallgatter on her dual role as both trustee and parent when she had the delightful honor of being on the platform at Cal Poly San Luis Obispo for her son's graduation.

Chair Farar reported that in late June Trustee Ric Icaza appeared before the California State Senate Rules Committee for his confirmation hearing. The full senate will take up the matter of full confirmation in the near future. She also noted that Erene Thomas became the senior student trustee as a voting member of the Board of Trustees on July 1, 2002.

Chair Farar introduced and welcomed the newest CSU president, Dr. Rollin Richmond, who now leads Humboldt State University.

Chair Farar noted the opening of CSU Channel Islands on August 16, 2002. She congratulated President Rush and his colleagues for taking the lead in building bridges with the community through its college level summer school program funded through the federal migrant education program providing access to higher education for disadvantaged high school students.

Chair Farar acknowledged the efforts of Trustee Shailesh Mehta, who was promoting good community relationships at CSU Hayward between the business technology program and the Indian community in Silicon Valley.

Chair Farar congratulated President Baker and his advancement staff on earning, for the fourth consecutive year, the top award from the Council for Advancement and Support of Education, "The Circle of Excellence Award." The 2002 award recognizes fund raising success in the 2000/2001 fiscal year, during which gifts to Cal Poly totaled 43.2 million.

Chair Farar congratulated the CSSA on their transition, and asked the newly elected CSSA chair, Artemio Pimentel, to introduce his fellow CSSA executive board colleagues. Mr. Pimentel introduced the following individuals: Marivic Tolentino, SDSU, Vice Chair of Internal Affairs; Jose Solache, CSUDH, Vice Chair of External Affairs; Bruce Wolfe, SFSU, Chair of Legislative Affairs; Danny Vivian, CSULB, Chair of University Affairs; Fay Roepcke, CSUC, Speaker of the Multi Cultural Caucus

Chair Farar also congratulated newly elected executive committee of the Academic Senate and in particular, Dr. Jackie Kegley, upon her re-election as chair. She asked Dr. Kegley to introduce her colleagues. Dr. Kegley introduced the following individuals: Professor David Hood, History CSULB, Vice Chair Academic Senate; Professor Les Pincu, Criminology at CSUF, Secretary (re-elected); and Professor Hal Chernofsky, Sociology, and Director of the Marriage

and Family Counseling Program at CSUDH, At-Large Representative and Professor Christie Jensen, Professor of Public Policy at CSUS, At-Large Representative

Chair Farar also congratulated Wayne Adelstein on his re-election as President of the Alumni Council. She stated that the Board looked forward to working with its constituent groups.

Chair Farar urged the trustees to read Chancellor Reed's first column in the May/June issue of AGB's Trusteeship magazine on the importance of moving teacher education to the top of higher education's agenda.

Chair Farar reported approval of the 2002/2003 State University House operating budget of \$65,571.00. She stated that funding for SUH is all non-state money derived from the proceeds of the sale of the previous State University House and that the trust fund is restricted to supporting operation, furnishing, and maintenance of the State University House.

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

Chancellor's Report

Chancellor Reed thanked Chair Farar and joined her in welcoming President Richmond to the California State University.

Chancellor Reed stated that former trustees Larry Gould and Daniel Cartwright had been honored at the dinner held for trustees the evening before. He asked that the trustees approve the resolution for Dan later in the morning.

Chancellor Reed noted that former Trustee Stanley Wang was unable to be at the dinner due to prior commitments in China. The Chancellor also noted that because of Stanley's ongoing generosity to CSU students and faculty, ten students and two faculty members would be leaving to spend this next year in China.

Chancellor Reed also noted that former Humboldt State President Alistair McCrone had also been honored for his 28 years of service at the dinner. He asked that the trustees approve his recognition as President Emeritus.

Chancellor Reed reported that he had met the outgoing and incoming California State Student Association teams during their meeting in Long Beach. He stated that he looks forward to working with Art Pimentel from Sacramento State and his new leadership team

Chancellor Reed also welcomed Jackie Kegley and the new executive board of the Academic Senate. He also welcomed Wayne Adelstein, as continuing president of the Alumni Council.

Chancellor Reed stated that there was nothing new to report regarding the budget. He also said that the Assembly indicated that it would meet again on Thursday. The chancellor stated his

concern that the longer a budget is not in place, the more at risk the CSU's budget would become.

Chancellor Reed reported that both California Maritime Academy and CSU Long Beach were re-accredited by WASC

Chancellor Reed reported that the board approved the CSEA contract at its meeting the day before and thanked the CSEA for how hard they worked on the contract and also for their partnership in working with the CSU and the Trustees in Sacramento to help achieve the budget.

Chancellor Reed congratulated General Counsel Chris Helwick, who was installed as the president of the National Association of College and University Attorneys.

Chancellor Reed presented the following commendations: Robert Garcia, outgoing chair of the California State Student Association, and Audrey Mink, champion debater at Cal State Long Beach. Also, the CSU Trustees' Hearst Award was awarded to the following students: Dijana Fazlic of CSU Chico, Julia D. Sutton of CSU Fullerton, Alfredo Ruben Gay of CSU Los Angeles, Sally J. Smith of CSU Northridge, Joseph Richard Mullin of San Francisco State University, and Annette F. Gilbertson of San Jose State University, all are the recipients of the CSU Trustees' Hearst Award for outstanding achievement.

Chancellor Reed announced that at its June meeting the Alumni Council reappointed Trustee Fred Pierce to serve a third term as Alumni Trustee.

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

Report of the CSU Alumni Council

Wayne Adelstein, president, reported for the Alumni Council

Report from the California State Student Association

Artemio Pimentel, chair, reported for the CSSA.

Report from the California Postsecondary Education Commission

Trustee Vitti referred the trustees to the report contained in their packets.

Approval of Minutes

The minutes of the meeting of the May 9, 2002 Committee on Committees were approved as submitted.

The minutes of the meeting of the Board of Trustees of May 15, 2002 were approved as submitted.

Board of Trustees

Chair Farar presented three information items and two action items. The information items were Recognition of California State University, Bakersfield Men's Swim Team, Recognition of California State Polytechnic University, Pomona Women's Basketball Team and Recognition of the Model United Nations and Model League of Arab States Teams at California State University, San Bernardino.

Conferral of the Title Student Trustee *Emeritus* (RBOT 07-02-04)

Chair Farar moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, Daniel N. Cartwright, having been nominated by his student colleagues, was appointed to the Board of Trustees of the California State University by Governor Gray Davis on May 25, 2000; and

WHEREAS, Dan Cartwright has been an active voice for nearly 400,000 students attending the California State University, promoting their interests as well as the greater good of the university in the advancement of education in California and

WHEREAS, the California State University is pleased to recognize and honor those who have made significant 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 Student Trustee *Emeritus* on Daniel N. Cartwright, with all the rights and privileges thereto.

Conferral of the Title President *Emeritus* (RBOT 07-02-05)

Chair Farar moved the item; there was a second.

The Board of Trustees approved the following resolution:

WHEREAS, Alistair W. McCrone became the fifth president of Humboldt State University on July 1, 1974 and served in this capacity with distinction for twenty-eight years making him the university's longest serving president and the second longest in the history of the California State University; and

WHEREAS, During his tenure, President McCrone oversaw the construction of the Student and Business Services Building, the Engineering and Biological Sciences Building and a major addition to the Wildlife and Fisheries Building,

renovation and seismic strengthening of Founders Hall and Siemens Hall, the acquisition of off-campus instructional resources such as Research Vessel Coral Sea, Marine Wildlife Center, the Natural History Museum, and First Street Gallery, the Creekview Residences, and the acquisition of a house soon to become an alumni house; and

WHEREAS, Humboldt State University is repeatedly listed among the best comprehensive liberal arts universities in the West by *U.S. News & World Report*, has the highest proportion of baccalaureate graduates on a national per capita basis among public master's degree granting institutions who complete doctorates in science and engineering, became the first semester calendar campus of the California State University to operate a state-funded summer program, and has become the cultural center of the north coast region; and

WHEREAS, the students, faculty and staff of Humboldt State University made a commitment to community service long before the current popularity, and to respect the environment as evidenced by the highly successful, twenty-five year old recycling program; and

WHEREAS, President McCrone worked vigorously with faculty, staff, students, and alumni to improve the academic quality and reputation of the university, and personally congratulated 37,000 graduates of Humboldt State University, and

WHEREAS, Dr. McCrone spearheaded emergency preparedness and served on other panels for the California State University system; and

WHEREAS, the California State University is pleased to recognize and honor those educators who have made significant 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 President *Emeritus* of Humboldt State University on Alistair W. McCrone, with all the rights and privileges thereto.

Committee Reports

Committee on Collective Bargaining

Trustee Foster reported the committee ratified a new agreement with the California State Employees Association on a new three-year contract. Trustee Foster thanked the CSEA, Vice Chancellor McClain and her staff for their work on the contract. The committee also recognized requests to address the committee from a representative of APC and a representative of CSEA.

Committee on Finance

Trustee Hauck reported the committee heard one information item, Status Report on the 2002/2003 Support Budget.

Committee on Campus Planning, Buildings And Grounds

Trustee Pesqueira reported the committee heard three information items and three action items. The information items were: California Environmental Quality Act Annual Report; Status Report on the 2002/2003 State Funded Capital Outlay program and Economic Stimulus Package and Progress Report on California State University Capital Outlay Projects. The action items are as follows:

Amend the 2002/2003 Capital Outlay Program, Nonstate Funded (RCPBG 07-02-10)

Trustee Pesqueira moved the item; 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 2002/03 Nonstate Funded Capital Outlay Program is amended to include: 1) \$6,000,000 for preliminary plans, working drawings, construction and equipment for the California State University, Monterey Bay, Student Housing Renovation project, and 2) \$16,114,000 for preliminary plans, working drawings, construction and equipment for the California State University, Stanislaus, Residence Life Village, Phase III project.

Categories and Criteria for the State Funded Five-Year Capital Improvement Program, 2004/2005–2008/2009 (RCPBG 07-02-11)

Trustee Pesqueira moved the item; 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 Categories and Criteria for the State Funded Five-Year Capital Improvement Program, 2004/05–2008/09 in Attachment A of Agenda Item 5 of the July 16-17, 2002 meeting of the trustees' Committee on Campus Planning, Buildings and Grounds be approved; and

The chancellor is directed to use these categories and criteria to prepare the CSU State Funded Five-Year Capital Improvement Program. If this results in an "action year" (2004/05) request beyond reasonable expectation of available

funding, the chancellor is delegated authority to adjust the number of campus projects submitted.

Approval of Schematic Plans (RCPBG 07-02-12)

Trustee Pesqueira moved the item; 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 Board of Trustees, upon consideration of the information provided in the FEIR approved in January 1999, makes the following findings:

1. The board finds that the FEIR certified by this board in January 1999 was prepared to include the Science Building Annex, Phase I project pursuant to the requirements of the California Environmental Quality Act.
2. The project before this board is consistent with the project description as analyzed in the previously certified FEIR and does not propose substantial changes to the original project description, which would require major revision to the FEIR or Findings adopted by this board in certifying said FEIR.
3. The project will not involve substantial changes in the circumstances under which the project will be undertaken that would require major revision to the FEIR or Findings adopted by this board in certifying said FEIR.
4. No new information of substantial importance has been identified which shows that the project will have one or more significant effects not discussed in the previously certified FEIR.
5. Although the proposed project potentially could have a significant effect on the environment, no further environmental documentation is required because all potentially significant effects (a) have been analyzed adequately in the FEIR, and (b) have been avoided or mitigated pursuant to Findings adopted in the certification of the FEIR, including revisions or mitigation measures imposed upon the proposed project.
6. Therefore, the project is within the scope of the previously certified FEIR, no new effects will occur and no new mitigation measures are required, and no new environmental document is required.

7. The project will benefit the California State University in the implementation of its statewide mission to provide postsecondary higher education.
8. 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 project.
9. The schematic plans for California State University, San Bernardino, Science Building Annex, Phase I are approved at a project cost of \$26,016,000 at CCCI 4019.

Committee on Governmental Relations

Trustee Galinson reported the committee heard one action item as follows:

2001/2002 Legislative Report No. 9 (RGR 07-02-05)

Trustee Galinson moved the item; 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 2001-02 Legislative Report No. 9 is adopted.

Committee on University and Faculty Personnel

Trustee Fallgatter reported the committee heard one action item as follows:

Proposed Revision of Title 5 Regulations—Amendment of the California State University Conflict of Interest Code (RUF 07-02-03)

Trustee Fallgatter moved the item and there was a second.

Chair Farar stated that this resolution proposed a change in Title 5 Regulations and therefore a public hearing must be held. She asked for public comment on the proposed changes in the regulations.

Hearing none, the public hearing was closed.

The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of The California State University acting under the authority of Sections 87300 and 87306 of the Government Code and Section 89030.1 of the Education Code, that the Board hereby amends the

California State University Conflict of Interest Code in Exhibit “A,” “Designated Positions,” of Article 20 of Subchapter 7, Chapter 1, Division 5 of Title 5 of the *California Code of Regulations* as specified in Exhibit A to Agenda Item 1 of the July 16-17, 2002, meeting of the Trustees’ Committee on University and Faculty Personnel; and be it further

RESOLVED, That the California State University has determined that the amendment of the regulation will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the *Government Code*; will not result in any costs or savings in federal funding to the State; and will not impose a mandate on local agencies or school districts; and be it further

RESOLVED, That the Board of Trustees delegates to the Chancellor of The California State University authority to further adopt, amend, or repeal this regulation pursuant to Education Code Section 89030.1 if the further adoption, amendment, or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action.

Committee on Audit

Trustee Mehta reported the committee heard one information item, as Status Report on Current and Follow-up Internal Audit Assignments.

Committee on Institutional Advancement

Trustee Pierce reported the committee heard one information item which was an Update on University Advancement and two action items as follows:

Approval of Naming of Facility – California State University, Channel Islands (RIA 07-02-05)

Trustee Pierce moved the item; 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 department of archives and special collections in the future John Spoor Broome Library at California State University, Channel Islands be named The Robert J. and Norma M. Lagomarsino Department of Archives and Special Collections.

**Approval of Naming of College– California State University, Northridge
(RIA 07-02-06)**

Trustee Pierce moved the item; 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 College of Education at California State University, Northridge be named the Michael D. Eisner College of Education.

Committee on Educational Policy

Trustee Achtenberg reported the committee heard three information items: California State University Enrollment Management Policies; California State University Lower-Division Major Core Alignment Project and Notable Accomplishments in California State University Teaching, Research and Scholarship; The Department of Chemistry and Biochemistry at California State University Los Angeles. The committee also heard one action item as follows:

**Amendments to the Constitution of the Academic Senate California State University
(REP 07-02-06)**

Trustee Achtenberg moved the item; 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 proposed amendments to the Constitution of the Academic Senate of the California State University included in Appendix A to Agenda Item 3 of the July 16-17, 2002, meeting of the Trustees' Committee on Educational Policy, having been ratified by the faculties of a majority of the campuses, are approved by the Board.

Communications and Correspondence

Old Business

New Business

Public Comments

The Board heard comments from J.J. Hurley and Jana Weeks, students representing C.O.U.G.H., Mr. George Kurtz, Ms. Christine McCarthy, APC, Ms. Pauline Robinson, CSEA, Mr. Armando Ramirez, CSUF CSEA Campus Representative, and Dr. Susan Meisenhelder, President, California Faculty Association.

The meeting adjourned at 11:41 p.m.

REPORT OF CHAIR DEBRA S. FARAR
Board of Trustees
The California State University
July 17, 2002

Good morning everyone. In my first report as chair at the May meeting, I began by saying how grateful and honored I am for the opportunity to chair the best board of higher education in the country. I also said that I was humbled by the wisdom and expertise sitting at this table and throughout the entire CSU and that my plan was to take full advantage of it. Now I believe these comments are worth repeating not only at this meeting but also at every meeting because of the enormous responsibility all of us have at the CSU to keep the promise of access to a high quality education for all eligible California students. However, I will not burden you by beginning every chair report with these exact same comments. I might just change the wording a little.

At the last board meeting we were anticipating a round of commencement ceremonies and as our chancellor said, “commencements are truly the most important part of our year because we see our students accomplish their objectives and change their lives. Now I can report to you that between the chancellor, trustees and vice chancellors there was coverage of campuses up and down the state. I actually considered listing all the coverage but it was getting too complex. It was like a parlor game of who was coming and going where. But I just want to acknowledge that Martha Fallgatter, she served in a dual role of both trustee and parent when she had the delightful honor of being on the platform at Cal Poly San Luis Obispo for her son’s graduation. Congratulations.

In late June Trustee Ric Icaza appeared before the California State Senate Rules Committee for his confirmation hearing and in the near future we look forward to the senate taking up full confirmation.

I am also pleased to note that Erene Thomas has now become the senior student trustee as a voting member of the Board of Trustees. Congratulations Trustee Thomas. We are looking forward to working with you as a vital voice for our students.

This morning I am delighted and honored to welcome our newest president, Dr. Rollin Richmond, who now leads Humboldt State University. I was privileged to chair the presidential search for Dr. Richmond along with Roberta Achtenberg and Bob Foster and we are very proud of our efforts. Dr. Richmond comes to us from Iowa State University with a rich background in scholarship and higher education leadership but he’s not a stranger to California. He attended high school in La Mesa and completed his bachelor’s degree at nearby San Diego State. It is certainly our good fortune that he decided to return to California. Welcome back, President Richmond.

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We are eagerly awaiting the opening of CSU Channel Islands next month. Now even before the doors formally opened the campus is already making an educational presence in Ventura County. A college level summer school program was funded through the federal migrant education program. It provides access to higher education for disadvantaged high school students. Students are earning three units of college credit and five units of high school credit. Congratulations to President Rush and his colleagues for taking the lead and building this bridge with the community.

I would also like to acknowledge the efforts of Trustee Shailesh Mehta, who has been instrumental in bringing members of the Indian community in Silicon Valley and supported the business technology program at CSU, Hayward. Thank you, Shailesh, for your efforts to promote good community relationships and partnerships at the CSU.

Now as Vice Chancellor Caldera reported at yesterday's meeting, Cal Poly San Luis Obispo won the top award from the Council for Advancement and Support of Education, "The Circle of Excellence Award." This is the fourth consecutive year Cal Poly receives this award in the public comprehensive non-doctoral category. The 2002 award recognizes fund raising success in the 2000/2001 fiscal year, during which, gifts to Cal Poly totaled 43.2 million. President Baker and the Advancement staff are to be congratulated for their continuous outstanding results.

Now is the time for transition in our organizations. Two weeks ago the California State Student Association elected its new officers. Artemio Pimentel of CSU Sacramento was elected chair. Artemio would like introduce your fellow student officers.

"Artemio...Thank you very much Madame Chair. Executive Officers I'm going to start with the Vice President of Internal Affairs, Ms. Marevick Tolentino, of San Diego State University, Mr. Jose Solache, who was re-elected President of CSU Dominguez Hills and his will be our next External Vice Chair. Denny Vivian, ASI President at CSULB who was elected University Affairs Officer and Bruce Wolfe, from San Francisco State University, who was elected Legislative Affairs Officer. Faye Ropke, Chico State University MC Speaker."

Congratulations to all of you. We really look forward to your leadership in bringing forward student priorities.

I also want to congratulate Dr. Jackie Kegley upon her re-election as chair of the Statewide Academic Senate and all of the new executive committee. Jackie: Thank you Chair Farar, to my right is Prof. David Hood, History CSULB Vice Chair Academic Senate; Prof. Les Pincu, Criminology, Fresno, Secretary (re-elected) and Hal Chernofsky, Prof. Sociology, and Director of the Marriage and Family Counseling Program at CSUDH, At Large Representatives Prof. Absent today because sChristie Jensen, Professor of Public Policy at CSUS

Thank you and congratulations to all of you, too.

We're looking forward to working very closely with you in the coming year and I would really like to take this opportunity to thank the Senate for their leadership and their outstanding efforts in promoting CSU goals.

Wayne Adelstein continues as President of the Alumni Council. I was privileged to attend part of the CSU Alumni Council meeting last month along with Wayne and Fred Pierce which was hosted by CSU Northridge, this year and also attended by representatives of the Chancellor's office and members from all over the state. This two-day meeting is an opportunity for the CSU Alumni Council to interact and strategize with other members. I was very impressed with the part of the meeting I attended and congratulations, Wayne. We look forward to working with our constituent groups.

I hope you all were able to read Chancellor Reed's first column as a regular contributor in the May/June Trusteeship magazine on the importance of moving Teacher Education to the top of Higher Education's agenda. Now as the largest producers of teachers in the state with many programs of excellence, it is fitting that our Chancellor and the CSU are recognized at national leaders in Teacher Education.

Finally, this is the time of the year where under policy the board chair approves and reports on the operating budget of the State University House. In your packets you will find a budget for the State University House. The 2002/2003 operating budget was approved in the amount of \$65,571.00 with provisions for supplies, services, insurances and utilities. The funding all of which is non-state money is derived from the proceeds of the sale of the previous State University House in Bel Air. The trust fund is restricted to supporting operation, furnishing and maintenance of the State University House.

Are there any questions from Board members about this State University House Budget? No questions were asked.

Thank you, that concludes my report and I would now like to recognize Dr. Charles Reed to deliver the Chancellor's Report.

REPORT OF CHANCELLOR CHARLES B. REED
Board of Trustees
The California State University
July 17, 2002

Thank you, Chair Farar. I, too, want to join you in welcoming President Richmond to the California State University. As I have shared with you, I have known Rollin for about 15 years or so and I know he will do an outstanding job.

Last evening, we honored former Trustee Larry Gould and Dan Cartwright. I ask you today to approve the resolution for Dan.

Former Trustee Stanley Wang was unable to join us last evening, but he wanted me to give all of you his very best. He is currently in China at his new plant in Shanghai. I want to report to you that in the next two weeks, thanks to Stanley and his family, ten students and two faculty members will be leaving to spend this next year in China. This is yet another example of Stanley's ongoing generosity toward our students and faculty.

Also last evening, we honored former Humboldt State President Alistair McCrone for 28 years of great service. On our agenda today is the approval of his President Emeritus recognition.

Over the weekend, I had an opportunity to spend some time with the outgoing and incoming California State Student Association teams when they met here in Long Beach. I met with Art Pimentel from Sacramento State and his new leadership team and look forward to working with them. We have three presidents of the CSSA here with us here today. We have Robert Garcia somewhere, and we are going to honor Robert as the outgoing CSSA Chair in a minute. We also have Shaun Lumachi, who has come back for this event and to show that if you do get your degree there is hope. Shaun graduated and he is now fully employed in Long Beach working for the Long Beach Chamber of Commerce.

I also want to welcome Jackie Kegley and the new board of the Academic Senate. Wayne Adelstein, welcome back, and I look forward to seeing you Sunday at the CSU's "Dodger Day," where many of our colleagues will be.

Regarding the budget, as Richard and Bill Hauck discussed yesterday, we have nothing new to report. The Assembly indicated that they are going to meet again on Thursday but we still have no budget in sight. What I am concerned about is the longer we go without a budget the more at risk the California State University is. I worry that they will just say, "OK, let's just give everybody a 3% across-the-board cut to make it out of here." We have already admitted students to the CSU for the coming year. We tried to hold our growth to 4%. The governor recognized what was happening to us and put 5% growth into our budget. Now we are looking at 6% growth

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on a 400,000 base. That is phenomenal. We can do this one time, but if we don't get our growth funded in this budget, there are going to be some tough decisions in October and November when we come back to this board. So we will keep you informed about the budget.

Some good news: The WASC accrediting group have re-accredited the California Maritime Academy and also California State University, Long Beach so we continue to have every one of our institutions fully accredited.

The board yesterday approved the CSEA contract and I want to thank the CSEA for how hard they worked on the contract and also for their partnership in working with the California State University and the Trustees in Sacramento to help us achieve the budget that we hope that we are going to be able to get. Continuing to work together will be best for all of us, so I want to recognize you and thank you for that.

Congratulations are in order for Chris Helwick, who just two weeks ago was installed as the president of the National Association of Colleges and University Attorneys. That is a prestigious position and it brings great recognition to the California State University on a national level.

Next, we have a number of resolutions and commendations. We are honoring Robert Garcia, outgoing chair of the California State Student Association, and Audrey Mink, a Cal State Long Beach student who is a champion debater. Also Dijana Fazlic of CSU Chico, Julia D. Sutton of CSU Fullerton, Alfredo Ruben Gay of CSU Los Angeles, Sally J. Smith of CSU Northridge, Joseph Richard Mullin of San Francisco State University, and Annette F. Gilbertson of San Jose State University, all are the recipients of the CSU Trustees' Hearst Award for outstanding achievement.

Last but not least, I think everybody knows that at the June meeting of the Alumni Council, Trustee Fred Pierce was reappointed for a third term as Alumni Trustee. So we welcome Fred back again.

Chair Farar, that concludes my report