

## **AGENDA**

### **COMMITTEE OF THE WHOLE**

**Meeting: 1:15 p.m. Tuesday, March 11, 2008**  
**Glenn S. Dumke Auditorium**

Roberta Achtenberg, Chair  
Jeffrey L. Bleich, Vice Chair  
Herbert L. Carter  
Carol R. Chandler  
Debra S. Farar  
Kenneth Fong  
George G. Gowgani  
Melinda Guzman  
Curtis Grima  
William Hauck  
Raymond W. Holdsworth  
A. Robert Linscheid  
Peter G. Mehas  
Lou Monville  
Charles B. Reed, Chancellor  
Jennifer Reimer  
Craig R. Smith  
Glen O. Toney  
Kyriakos Tsakopoulos

#### **Consent Items**

Approval of Minutes of Meeting of September 18, 2007

#### **Discussion Items**

1. Litigation Report, *Information*
2. *Access to Excellence* Systemwide Strategic Planning Report, *Information*

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

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

**September 18, 2007**

**Members Present**

Roberta Achtenberg, Chair  
Jeffrey L. Bleich, Vice Chair  
Herbert L. Carter  
Carol R. Chandler  
Debra S. Farar  
Kenneth Fong  
George G. Gowgani  
William Hauck  
Raymond W. Holdsworth  
Andrew J. LaFlamme  
A. Robert Linscheid  
Peter Mehas  
Lou Monville  
Charles B. Reed, Chancellor  
Jennifer Reimer  
Craig R. Smith  
Glen O. Toney

**Consent Items**

**Approval of Minutes of May 16, 2007**

Chair Achtenberg noted that the minutes of the May 16, 2007 Committee meeting was a consent item. She stated that unless there was an objection, the consent item would be considered approved.

**Discussion Items**

**Litigation Report**

Chair Achtenberg asked Christine Helwick, General Counsel, to present the item. Ms. Helwick stated that the General Counsel's Report was presented twice a year and as a summary of significant cases and broad legal trends facing the CSU. Ms. Helwick directed attention to the report on the status of cases that have been identified as having institutional significance. She brought to the Trustees attention a recent development in the environmental claim brought by the City of Fresno on the Campus Pointe Project, noting that the claim has been settled and she

expected the case to be dismissed soon. There is another companion environmental claim brought by the neighboring shopping center, she continued, that is still in negotiation. Ms. Helwick introduced a PowerPoint report that displayed an overview of all litigation activity. The first slide, she reported, presented the total number of active cases pending against the CSU. The second slide described the types of cases against CSU, and was consistent with previous case distribution charts. Ms. Helwick stated that employment continues to be CSU's biggest exposure area, both in terms of volume and actual cost. The next slide demonstrated how cases were resolved during the past reporting period. Ms. Helwick reported that approximately half of the resolved cases were settled, and, in the instances of a noteworthy plaintiff's outcome as occurred recently in the Vivas case in Fresno, which got a lot of press attention, it was important to keep in mind the overall success ratio. Ms. Helwick noted that CSU settled or prevailed in 94% of the cases resolved since the last reporting period. The last slide she presented depicted the number of incoming claims received in the last 6 months. Claims were defined as matters that have the potential to become adverse and where attorneys are required to spend more than 2 hours of time on them.

Chair Achtenberg adjourned the meeting.

## COMMITTEE OF THE WHOLE

### Litigation Report

### Presentation By

Christine Helwick  
General Counsel

### Summary

This is the semi-annual report on the status of significant litigation confronting the CSU, which is presented for information. "Significant" for purposes of this report is defined as litigation: (1) with the potential for a systemwide impact on the CSU; (2) which raises public policy issues of significant interest or concern; (3) brought by or against another public agency; or (4) which, for other reasons, has a high profile or is likely to generate widespread publicity. *New information since the date of the last report is printed in italics.*

The cases contained in this report have been selected from 85 currently active litigation files; in 5 of those cases, CSU is the party pursuing relief.

### New Cases

#### Jones v. Cal Poly Pomona, et al.

*Los Angeles County Superior Court*

*Paul Jones is an outside high voltage contractor, who suffered severe injuries (and ultimately had his arm amputated) while working at an electrical transformer station at Cal Poly Pomona. He claims that a campus electrician improperly energized the station in violation of campus policies and procedures. His wife is claiming a loss of consortium. The case is in the discovery stage.*

#### Levesque v. CSU, et al.

*U.S. District Court, Fresno*

*Virginia Iris Levesque was a clerical employee in athletics at California State University, Fresno from 2000 through 2005, when she was laid off, along with four others, in response to the budget crisis. She has since unsuccessfully applied for many new positions on campus, and alleges that the failure to rehire her is in retaliation for complaints of discrimination and policy violations she made while working for the former men's basketball coach, Ray Lopes. The case is in the discovery stage. Trial is set for June 2009.*

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Rodriguez v. CSU, et al.

*Los Angeles County Superior Court*

*Raul and Crystal Rodriguez are graduates of California State University, San Bernardino, who complain that a 2007 salary increase for CSU executives, approved retroactive to the beginning of the fiscal year, at the first Board meeting following late approval of the state budget, is unconstitutional because it constitutes extra compensation for services already performed and/or a gift of public funds. CSU has filed a motion for summary judgment which is set for hearing in May 2008.*

Schmidt v. CSU, et al.

*U.S. District Court, San Diego*

*Deena Schmidt, former women's swimming coach at SDSU, filed this lawsuit for discrimination, retaliation and Title IX violations, based on her gender and medical condition (cancer) after her employment contract expired and was not renewed in July 2007. This case is in the early discovery stage. The court has ordered all parties to appear with full settlement authority at a case management conference before a magistrate judge on March 17, 2008.*

**Construction Cases**

CH2M HILL v. BOT

*San Francisco County Superior Court*

*CH2M Hill was the general contractor on the SFSU technology infrastructure project. The project was only 50% complete on the date it was scheduled to be fully completed in April 2006. CH2M Hill filed this action to have the court declare the contract illegal and invalid and excuse it from performing. In January 2007, the University terminated CH2M Hill from the project. A one day mediation mini-trial has been scheduled for April 2008. The case is in the discovery stage.*

**Employment Cases**

Carreira v. CSU, et al.

*Los Angeles County Superior Court*

*Maria Carreira, a professor in the Department of Romance, German and Russian Languages and Literature filed a lawsuit claiming that she was retaliated against for having previously filed a whistleblower complaint. Although Carreira's whistleblower complaint was intended to be confidential, it was released by faculty members to others in her department and Carreira claims she was then bullied and harassed as a result. The outside investigation concluded that some of her claims had merit, but that she had not suffered any adverse employment consequences. Appropriate action was taken against those found to be at fault. In September 2007 the court allowed Carreira to add a petition for writ of mandate to her existing claims, alleging that CSU abused its discretion in the investigation and response to her whistleblower retaliation complaint. On January 8, 2008 the court granted Carreira's petition, finding that the underlying investigation was legally flawed and ordering that the CSU set aside its determination on Carreira's retaliation complaint. CSU has filed an appeal of this ruling. A mediation of all of*

*her claims is set for February 20, 2008. Trial is schedule for April 7, 2008, but may be vacated pending appeal of the ruling on the writ.*

Fayad v. CSU

U.S. District Court, San Jose; *Santa Clara County Superior Court*

Mohamed Fayad was hired as a full professor in the computer engineering department at SJSU in 2002. He was denied tenure in May 2005 and subsequently hired as a part-time lecturer. He alleges that the denial of tenure and "demotion" were based at least in part upon his Egyptian national origin and his Muslim religion. *Fayad initially filed his claim in federal court but now has filed it in state court. The federal action may be dismissed but discovery is proceeding in the state action.*

Giovannetti v. Trustees, et al

U.S. District Court, San Francisco

Joseph Giovannetti, a tenured professor in Native American studies, alleges that Humboldt State University subjected him to discriminatory treatment based on his ethnicity as a Native American. He alleges that HSU also retaliated against him for complaining about discrimination by unlawfully removing him as Chair of the Native American Studies Department, refusing to hire additional faculty for the department as promised in an earlier settlement, and canceling some of Plaintiff's courses. Giovannetti and two other complainants had an earlier lawsuit for similar discrimination claims that was settled. In June 2006, the court granted part of CSU's motion for summary judgment and dismissed plaintiff's claims of racial discrimination and racial harassment. Plaintiff's retaliation claim remains. Shortly thereafter, plaintiff's counsel withdrew and was not replaced until January of 2007. *Trial began on October 22, 2007. At the judge's suggestion, after plaintiff had put on most of his evidence, the case was dismissed.*

Horsford, et al. v. Shell, et al.

Brown v. CSU, et al.

Snow v. CSU, Fresno, et al.

King v. CSU, et al.

Fresno County Superior Court

Daniel Horsford, Steven King, Richard Snow, three former Fresno campus police officers, recovered a \$1.17 million verdict for reverse discrimination against the campus in 2000, which has been paid. The court also awarded \$3.2 million in attorney fees which has been paid. Plaintiffs have filed an appeal of the attorney fee award, seeking a higher amount. *Briefing is underway.*

Auwana Brown, also a former employee in the CSU Fresno Police Department, settled a sexual harassment lawsuit against former police chief, Willie Shell in 1998. She is represented by the same attorneys who are representing Horsford, King and Snow. As a part of the settlement, Brown agreed to resign. But after her resignation became effective, and the Horsford verdict came in, she petitioned the State Personnel Board to reinstate her. The SPB refused, and Brown then asked the Court of Appeal to order the SPB to set aside her resignation. The court instead sent the case back to the SPB for further findings. After three years of inactivity, the SPB issued a decision denying Brown reinstatement. *Brown also filed a civil suit for damages. Both cases have been consolidated, but her civil suit has been stayed while Brown further challenges the SPB's decision.*

Richard Snow suffered a work-related hip fracture in November 2000 and is on disability retirement. He filed a new lawsuit alleging that the university discriminated against him because of his disability, failed to accommodate him, and retaliated against him because of the Horsford verdict. Steven King also filed a new lawsuit after the Horsford verdict claiming that the university discriminated and retaliated against him, because he was not appointed lieutenant and/or chief of police in the CSU Fresno Police Department. The Snow and King cases have been consolidated. *Trial is scheduled for June 16, 2008.*

Johnson-Klein v. CSU, Fresno, et al.  
Fresno County Superior Court

Stacy Johnson-Klein was terminated as CSU Fresno's head women's basketball coach in March 2005 for serious performance issues. In September 2005, she filed this lawsuit against CSU, President Welty, retired Athletic Director Scott Johnson, and Fresno State's athletic corporation for gender discrimination, sexual harassment, Title IX violations, retaliation and wrongful termination. She claimed that her supervisors sexually harassed her by making inappropriate comments about her breasts and clothing, and that she was inappropriately touched by one or more of her supervisors. Johnson-Klein alleged that she was terminated in retaliation for complaining about harassment, as well as gender inequities in athletics. *After a nine week jury trial, a verdict was returned against CSU for \$19.1 million in December 2007. In response to CSU's post-trial motions, the court ruled the verdict excessive and reduced the amount to \$6.6 million. Plaintiff has filed a motion for attorneys' fees and costs of \$2.9 million, which is scheduled to be heard on March 11, 2008.*

Lalehzarian, et al. v. CSU, et al.  
Fresno County Superior Court

Hamo Lalehzarian, Prakash Mahajan and Masud Mansui, all former faculty members in the College of Engineering and Computer Science at CSU Fresno, filed a wrongful termination case claiming racial and age discrimination. They have a parallel grievance, which has not yet been assigned to arbitration. This case is in the discovery stage. *Trial is scheduled for July 21, 2008.*

May v. Trustees  
Monterey County Superior Court

James May is a former faculty member at CSU Monterey Bay who retired in 2000. He alleged that he was forced to take an early retirement due to continuing mistreatment, race, disability and age discrimination, harassment, retaliation, failure to prevent discrimination, and wrongful termination. In 2002, the jury returned a \$375,000 verdict in favor of May for harassment and retaliation on the basis of race and national origin. The court granted CSU's motion for a new trial. May appealed both the trial court's grant of a new trial and the defense verdict on his discrimination claims. In 2005, the Court of Appeal affirmed the trial court's ruling and the defense verdict. In June 2005, the California Supreme Court granted May's petition for review. *In September 2007, the Supreme Court dismissed the appeal and reaffirmed the decision of the Court of Appeal. Before the case was scheduled for re-trial, the parties agreed to engage in mediation. The matter was settled for a total amount of \$625,000-- \$275,000 payable to May and \$350,000 payable to his attorneys.*

Milutinovich v. CSU, Fresno, et al.

Fresno County Superior Court

Diane Milutinovich, formerly Associate Athletics Director and Senior Woman Administrator at CSU Fresno, was reassigned to be Director of the University Student Union after her position in Athletics was eliminated in an effort to cut administrative costs through reorganization. Milutinovich's first lawsuit for wrongful termination was dismissed because she failed to file a government tort claim. She refiled this second action, asserting statutory claims that she was fired because of her alleged efforts to achieve Title IX compliance and in retaliation for her advocacy of gender equity issues in employment and athletics. In September 2006, the University terminated Milutinovich for poor performance, and she has amended her complaint to allege wrongful termination and further retaliation. *The case settled for \$3.5 million in October 2007.*

Modarres v. California State University, Fullerton, et al.

Orange County Superior Court

Moshen Modarres was a full time lecturer in the Business Department at CSUF. Modarres alleges that he was discriminated against based on his race (Persian), national origin and ancestry because he applied but was not selected for a tenure track position. He also alleges he was wrongfully terminated when he was not reappointed as a lecturer. His complaint names the University and Ellen Dumond, a Department Chair in the College of Business and Economics, as defendants. *The University filed a challenge to the legal sufficiency of the allegations against Dumond, which was sustained, leaving CSUF as the only remaining defendant. The case is in the discovery stage.*

Ohton v. SDSU, et al.

San Diego County Superior Court

David Ohton, SDSU's Athletics Department strength and fitness coach, sued the CSU and various individuals for alleged retaliation under the state "whistleblower" statute, claiming he was retaliated against for statements he made in CSU's investigative audit of alleged improprieties in the SDSU Athletics Department and equipment room. The trial court granted CSU's motion for summary judgment on the ground that Ohton had not sought to reverse the university's administrative determination that there was no retaliation, before filing suit. Ohton appealed. The Court of Appeal reversed and instructed the trial court to give Ohton an opportunity to amend his complaint. On August 24, 2007, the trial court granted him the right to file a first amended complaint adding a petition for writ of mandate that seeks to reverse the university's administrative determination. *On February 8, 2008 the court denied CSU's early motion to dismiss this complaint. The hearing on the writ has not yet been scheduled. Ohton has now filed a second lawsuit seeking to set aside a later administrative finding that subsequent actions were also not retaliatory for his participation in the 2002-03 audit. This case will be consolidated with Ohton's first lawsuit.*

Runyon v. CSULB, et al.

Los Angeles County Superior Court

L.R. Runyon, a professor in the Finance Department of the College of Business at CSU Long Beach, alleges he was removed from his position as department chair in retaliation for reporting alleged improper activities by the Dean of the College of Business, Luis Calingo. Runyon made

various complaints to his supervisors and others that the Dean made inappropriate and wasteful business trips and spent too much time away from campus. The Dean subsequently removed Runyon as chair of the department citing Runyon's failure to meet certain performance objectives. An extensive investigation into Runyon's claims of retaliation concluded that he was removed as department chair for performance reasons and not in retaliation for his complaints about the Dean. In September 2006, the court granted CSU's motion for summary judgment and dismissed Runyon's case. Runyon has filed an appeal. The parties have submitted their appellate briefs, but the court has not yet scheduled this case for oral argument.

Vivas v. CSU, et al.

Fresno County Superior Court

Lindy Vivas, former head women's volleyball coach at Fresno, filed this lawsuit for discrimination, retaliation and Title IX violations, based on her sexual orientation, gender and marital status, after her employment contract expired and was not renewed in December 2004. Vivas reapplied for the position, and was considered. After evaluating all of the applicants, Ruben Nieves was hired as the new head coach. *After a five week trial, a verdict was returned against CSU for \$5.85 million in July 2007. In response to CSU's post-trial motions, the court determined the verdict excessive and reduced the amount to \$4.51 million. The court also awarded \$678,258 in attorney's fees and costs. CSU has appealed.*

Wells v. Trustees, et al

U.S. District Court, San Francisco

Former Humboldt State track coach David Wells complains that his contract was not renewed because he complained about the mishandling of funds in the athletic department and unequal spending on women's athletics. *On October 10, 2007, the matter was settled for a lump sum payment of \$140,000 and three additional years of employment at \$30,000 each year.*

**Environmental Cases**

Alvarado Hospital Medical Center v. SDSU, et al.

City of San Diego v. Trustees, et al.

Del Cerro Action Council v. Trustees, et al.

SANDAG v. CSU, et al.

SDMTS v. CSU, et al.

San Diego County Superior Court

The environmental impact report for the 2005 SDSU campus Master Plan revision was challenged in three lawsuits filed by the City of San Diego, Alvarado Hospital, and Del Cerro neighborhood association, each alleging the EIR does not adequately address necessary mitigation measures. These cases were consolidated. As a result of the City of Marina decision, CSU decertified its EIR and prepared a supplemental one. The court granted petitioners' request for a total of \$224,788 in attorneys' fees to the three plaintiffs. CSU appealed this award. CSU settled with Alvarado and the City for a total payment of \$81,000. CSU is continuing the appeal of \$89,877.50 in attorney fees to Del Cerro. *Oral argument before the Court of Appeal took place on February 14, 2008.*

*The revised environmental impact report for the 2007 SDSU campus Master Plan revision has been challenged in three new lawsuits filed by the City of San Diego, the San Diego Metropolitan Transit System and the San Diego Association of Governments, each alleging the EIR violates CEQA and does not adequately address necessary mitigation measures. These actions will all likely be consolidated.*

Carson Harbor Village v CSU

Los Angeles County Superior Court

Carson Harbor Village, a mobile home community situated across the street from the Dominguez Hills campus, filed two writ petitions alleging that CSU failed to comply with the California Environmental Quality Act. The first sought to enjoin the construction of the Home Depot Center Hotel and Training Facility on the grounds that CSU improperly submitted a Supplemental Environmental Impact Report instead of a separate Environmental Impact Report. The second sought to enjoin the use of permanent lights at the campus track stadium on the grounds that Carson Harbor Village failed to receive proper notice of the SEIR for that project. On August 17, 2006, the court denied both petitions. Both decisions have been appealed. *The parties have submitted their appellate briefs and oral argument was heard on February 7, 2008. A decision has not yet been rendered.*

City of Fresno v. CSU, et al.

LandValue 77, et al. v. CSU, et al.

Fresno County Superior Court

The City of Fresno filed an action challenging the approval of the EIR on Campus Pointe, a public/private retail and housing development on the CSUF campus. The timing and manner of the Board's approval and the failure to contribute its fair share for off-site mitigation are alleged CEQA violations. *This matter has been settled with an agreement on street improvements, parks and recreational facilities, and police jurisdiction, among others. The City also waived all claims for attorneys' fees and costs.*

LandValue 77, a private business entity in Fresno, filed a companion CEQA challenge to the Campus Pointe project, including a claim of conflict of interest by former Trustee Moctezuma Esparza, whose company will operate a movie theater in the project. This second case was initially filed in Sacramento County but was transferred to Fresno County and consolidated with the City of Fresno case. *A hearing on LandValue's CEQA claims will take place on April 18, 2008. A hearing date on the conflict-of-interest claim is yet to be determined.*

City of Marina v. CSUMB, et al.

FORA v. CSUMB, et al.

Monterey County Superior Court

Plaintiffs in these two lawsuits are challenging the adequacy of the final environmental impact report prepared for CSU Monterey Bay's Master Plan. They allege that the City and FORA will suffer unmitigated adverse impacts if the plan is implemented and that the CSU improperly fails to recognize the jurisdiction of FORA over campus development that does not involve education or research. The trial court issued a decision in favor of the City of Marina and FORA. CSU appealed. In 2003, the Court of Appeal reversed the trial court and ruled that CSU is not required to contribute to the cost of local infrastructure improvements, notwithstanding the mitigation requirements of environmental law. FORA filed a petition with the California

Supreme Court. On July 31, 2006, the California Supreme Court ruled that the cost of environmental mitigation is voluntary and does not constitute a tax or assessment. CSU must therefore revise its environmental impact report to account for its fair share of environmental impacts caused by its projects. The Court held that CSU has the ultimate discretion to determine the value of its fair share, subject only to an abuse of discretion. The Court also required CSU to seek reimbursement for environmental mitigation costs from the Legislature. *The campus is working on a revised environmental impact statement. The City of Marina and FORA pursued claims for attorney fees before a mediator agreed to by the parties. CSU ultimately agreed to pay \$730,000 in fees. The City of Marina and FORA then sought additional fees from the court for additional work performed in post-judgment writ proceedings. The court has now awarded them an additional \$86,500.00 in fees.*

### **Personal Injury Cases**

#### Daniels v. The Fraternity Phi Gamma Delta, et al.

Fresno County Superior Court

Parents of Danny Daniels, a 19 year old student who died of alcohol poisoning in the Phi Gamma Delta fraternity house in January 2007, have filed this wrongful death claim against CSU Fresno. Plaintiffs claim that CSU knew or should have known that the fraternity was serving alcohol to minors. *The case is in the discovery phase.*

#### Eriksson v. CSU, Fresno, et al.

Fresno County Superior Court

Stan and Karan Eriksson are the parents of an equestrian student-athlete at CSU Fresno, who died as a result of massive head injuries suffered when her own horse fell on her, after being startled by a herd of cows in a pen. At the time of the accident, the student-athlete was on a recreational ride in an agricultural area of the campus. The parents allege that the university negligently failed to supervise and train their daughter, failed to warn her about the presence of the animals, maintained a dangerous condition of property in that the cows were "violent and aggressive," and failed to provide appropriate emergency medical assistance. In July 2006, CSU prevailed on a motion for summary judgment on the theory of plaintiff's assumption of the risk. Plaintiffs appealed. *In September 2007, the Court of Appeal upheld the summary judgment. The Supreme Court subsequently denied plaintiffs' petition for review, and the case is now closed.*

### **Student Cases**

#### Alpha Chi v. CSU, Chico, et al.

Butte County Superior Court

Alpha Chi, a local sorority, along with individual members, alumni, and an advisor of the sorority filed this suit, alleging that the Chico campus' development, implementation, and enforcement of new rules adopted from the Greek System Review Task Force Report violates First Amendment, due process, and equal protection rights. The sorority seeks to regain University recognition, which was withdrawn when the sorority violated the fall 2005 "no recruitment" rule. The plaintiffs also seek an injunction prohibiting enforcement of the new

rules, a declaration stating that the rules are unconstitutional, and money damages. Plaintiffs' motion for preliminary injunction was denied in May 2006. *The matter settled with a waiver of the parties' fees and costs on October 6, 2007.*

College Republicans, et al. v. Achtenberg, et al.

U.S. District Court, San Francisco

The College Republicans and two students at San Francisco State complain that their First and Fourteenth Amendment rights were violated in connection with a five-month investigation into the claims of another SFSU student that they stepped on Hamas and Hezbollah flags as an act of political protest at an anti-terrorism rally sponsored by the College Republicans in October 2006. The investigation, conducted by the Student Organization Hearing Panel, ultimately found there was no violation of campus policies. At a preliminary injunction hearing in October 2007, the court ruled that "civility" is too vague to support a disciplinary charge, as it could potentially encompass unpopular expression protected by the First Amendment. *In January 2008, the Board of Trustees amended the Student Conduct Code to clarify that "civility" is not a basis for disciplinary action. This case has now settled. In addition to the Board action, the campus has agreed to revise a portion of its student organization handbook, language in its Sexual Harassment Policy, and to pay attorneys' fees and nominal damages in a total amount of \$41,800.*

Every Nation Campus Ministries, etc. v. Reed, et al.

U.S. District Court, San Diego

A group of Christian student organizations and students at the San Diego and Long Beach campuses sued under various legal theories to challenge the constitutionality of the Trustees anti-discrimination policy, which refuses recognition of student organizations that discriminate on the basis of religion, sexual orientation or marital status. The plaintiff groups exclude homosexuals and others from joining or becoming officers. They allege that their First Amendment rights of freedom of religion and association trump the Trustees anti-discrimination prohibition, and that they must be recognized and provided full access to university facilities. The court denied plaintiffs' motion for a preliminary injunction, and partially granted CSU's motion to dismiss several claims. Both sides filed summary judgment motions, which were heard in July of 2006. The court took the matter under submission, and later issued a statement that it would not rule until the Ninth Circuit issued its decision in a similar case. In August 2007, the Ninth Circuit ruled in favor of a school district that had denied student club recognition to a Christian group, holding that First Amendment rights were not violated by the school district's nondiscrimination rule. *A request has been filed in the Ninth Circuit for a review by the full court. The judge in this case previously issued an order declining to make any decision until the Ninth Circuit's final decision has issued. Plaintiffs asked the court to reconsider the delay, and the court agreed to issue a ruling, likely within the next 60 days.*

Martinez, et al. v. Regents of the UC, et al.

Yolo County Superior Court

This is a class action filed by non-resident citizen students against UC, CSU, and the California Community Colleges, challenging the exemption from out-of-state tuition for those, including undocumented immigrants, who meet the three year California high school attendance requirement of AB540. Plaintiffs allege AB540 violates federal immigration laws, the U.S. and California Constitutions, and the Unruh Act. Plaintiffs seek an injunction enjoining enforcement

of AB540, a declaration that the statute is unlawful, class-wide tuition restitution, damages, and attorney fees. Defendants collectively filed motions to dismiss, which were granted in October 2006. *Plaintiffs have appealed.*

## **Other Cases**

### CFA v. PERB, et al.

#### Court of Appeal

CFA filed an unfair labor practice charge asserting, among other things, that CSU unilaterally changed its parking practices to bar union employees from using new parking facilities that are limited to students who are paying the higher parking fees. An administrative law judge concluded that the use of parking facilities is within the scope of bargaining and that CSU had committed an unfair labor practice. CSU appealed. The full PERB Board reversed the decision and held that parking location is outside the scope of bargaining, and thus there was no unfair labor practice. CFA has filed this petition challenging this outcome in the court of appeal. *Briefing is complete, and oral argument is scheduled for February 20, 2008.*

### CSU v. Dynegy, Inc., et al.

#### San Diego County Superior Court

In October 2005, CSU filed this complaint against producers, marketers, traders, transporters, and distributors of natural gas for manipulating and fixing their price in violation of state antitrust laws. The case was consolidated with many others in San Diego County Superior Court asserting the same claims. In July, 2007, two of the smaller defendants agreed to settle for an agreement to provide plaintiffs with helpful documents that would otherwise be difficult to procure and cash payments of \$750,000 and \$1,500,000. These proceeds were applied to litigation costs and remaining funds are in a separate trust to cover litigation costs going forward and allocated among all plaintiffs at the end of the cases. *This case is now in the discovery stage. Settlements have now been reached with Sempra for \$2.5 million and with Dynegy for \$17.5 million and, in concept, with Duke for \$16 million. Settlement discussions with other defendants are underway. These settlement proceeds will be distributed based on each plaintiff's proportionate share of gas purchases from each defendant, and initial distributions may begin as early as February 2008.*

### CSU v. PERB

#### Court of Appeal

CSU filed a petition for writ of mandate against the Public Employment Relations Board seeking an order reversing PERB's decision that would bar CSU from bargaining for limitations on an arbitrator's authority in faculty status arbitrations. *The Court of Appeal ordered PERB to vacate its decision and deny CFA's claim. CFA's subsequent petition for review to the California Supreme Court was denied.*

### LAUSD v. LADWP, et al.

#### Los Angeles County Superior Court

The Los Angeles Unified School District filed this action against the Los Angeles Department of Water and Power to recover capital facilities fees and to invalidate a new ordinance imposing

those fees as a part of a June 2004 water rate increase. The University of California and CSU, which are also subject to these new fees, joined LAUSD and cross-complained against LADWP. California law only permits LADWP to impose new capital facilities fees on educational institutions with consent and after negotiations between the parties. On February 14, 2007, the parties agreed to settle the case. LADWP will pay the plaintiffs \$2,125,000, subject to necessary board approvals and submission of documentation of qualifying expenses by plaintiffs. CSU will recover approximately \$212,000 as a result of this settlement. To finalize the settlement, the plaintiffs are gathering documentation of water conservation expenditures to submit to LADWP.

Marketing Information Masters, Inc. v. CSU, et al.

U.S. District Court, San Diego

Plaintiff Marketing Information Masters alleged that SDSU and its employee Robert Rauch violated MIM's copyright by including large portions of its 2003 Pacific Life Holiday Bowl report in SDSU's 2004 Holiday Bowl report. CSU filed a motion to dismiss the complaint. *On February 5, 2008, the court dismissed the action, ruling that the changes Congress made to the Copyright Act, which permit suits against the states, are unconstitutional. A claim against Rauch in his individual capacity remains.*

Travis v. CSU, et al.

Los Angeles County Superior Court

John Travis, as President of the California Faculty Association, filed a petition for writ of mandate claiming that the appointment of former Chancellor Barry Munitz as Trustee Professor at California State University, Los Angeles violated the Open Meeting Act, and that CSU violated the Public Records Act by not disclosing certain unspecified documents in connection with this appointment. After CSU filed a motion to dismiss, Travis voluntarily dismissed the Public Records Act claim, abandoned his original theory of an Open Meeting Act claim. He amended he petition to claim instead that Chancellor Reed was not permitted to inform the Board in closed session of Dr. Munitz's return to CSU. On January 11, 2007, the court denied this claim, finding that CSU Trustees lawfully discussed Dr. Munitz's return to employment in a closed session under the "personnel" exemption. Travis appealed. *Oral argument was heard in the Court of Appeal on January 29, 2008, and a decision is expected within 90 days.*

Travis v. CSU, et al.

Los Angeles County Superior Court

John Travis, President of the CFA, alleges that the current Executive Transition Program is an unlawful gift of public funds and an unlawful dual government retirement benefit. Travis seeks to undo the Executive Transition Program in its entirety, and refund the payments made to former executives Peter Smith and David Spence. *The case will proceed to trial on February 22, 2008, on the parties' written briefs.*

## **COMMITTEE OF THE WHOLE**

### ***Access to Excellence Systemwide Strategic Planning Report***

#### **Presentation By**

Roberta Achtenberg  
Chair of the Board

Gary Reichard  
Executive Vice Chancellor  
and Chief Academic Officer

#### **Summary and Overview of Process**

At the September 2006 Board meeting, the Board of Trustees approved initiation of a project with the goal of developing a successor strategic plan for the California State University. The resolution approved by the Board included both substantive and process elements.

As to substance, the Board affirmed a report that detailed areas in which the current strategic plan, *Cornerstones*, had largely succeeded in its goals; areas in which goals had been partially fulfilled; and areas in which progress had been clearly insufficient. In particular, comments provided to the Board included these.

Achievements across the system have been especially noteworthy in areas related to learning outcomes and assessment of student achievement of those outcomes (Principle 1); sharpening of the focus on support for student success and active learning (Principles 2 and 3); outreach efforts to P-12 (Principle 5); efforts to improve progress to degree, retention, and graduation rates (Principle 5); and accountability and reporting of campus outcomes (Principle 9). Moreover, the CSU has developed funding strategies for such purposes as integrated technology initiatives, P-12 outreach, applied research, and joint doctoral programs (Principle 8), and has adhered to *Cornerstones* Principle 10, which affirmed that “campuses shall have significant autonomy in developing their own missions, identity, and programs, with institutional flexibility in meeting clearly defined system policy goals.” The all-important balance between the system-wide strategic plan and priorities, on the one hand, and the unique nature and strengths of individual campuses, on the other, has been carefully maintained.

Some principles and priorities identified under *Cornerstones*, however, have not been as well addressed. Lack of progress in these areas has been largely due to

constraints (and contractions) resulting from budget difficulties at the State level. Principles and priority areas that do not seem yet to have been sufficiently addressed include: “reinvestment” in faculty in the form of professional development to support the full range of faculty responsibilities (Principle 4); graduate education and continuing education as key elements of CSU mission (Principle 6); and development of a new State policy framework for higher education (Principle 7). These principles and priorities should be considered in a successor planning process.

The substance of a new strategic plan, therefore, was not only to take into account changes in the CSU’s internal and external environments, but also to take into account *Cornerstones* goals both met and unmet. For un-met goals, the Board expected renewed commitment. For those *Cornerstones* goals that now have become part of the essential CSU fabric, the Board anticipated that the new plan would include continuing commitment. At the same time, fresh goal-setting was anticipated in response to an updated environmental scan that would take account of State needs, and especially those that the California State University might commit to address directly and effectively.

As to process, the Board approved formation of a Steering Committee to oversee a work plan set to unfold on an ambitious schedule. Responding to planning and environmental themes that were to be promulgated by the Steering Committee by November 2006, each of the twenty-three universities was to hold a “campus conversation” to which all constituencies would be invited to contribute. These were to conclude by March 2007, at which time the Steering Committee would review campus input, and would set themes for an April 2007 systemwide planning summit. The planning summit results would in turn permit the Steering Committee to approve a first draft strategic plan. Comment periods were to follow the release of the first draft, permitting CSU constituents and stakeholders to offer alternatives and refinements. Fall 2007 was to feature three regional summits of external stakeholders, where critical input might be gathered. After more drafts, refinements, and Steering Committee considerations, an early-2008 unveiling and review by policy influentials, especially in the state capital, was anticipated. A refined, penultimate draft strategic plan was to be brought for Trustee initial review in March 2008.

These activities have all been accomplished within the expected timetable.

Steering Committee members extend their thanks to the very large number of persons—both within and outside the CSU-- who have offered their ideas and views as to key goals for the next decade. Internal constituents include faculty, staff, students, administrative leaders, and the Alumni Council. The Academic Senate, CSU has been tireless in its reviews and helpful comments. External stakeholders include many from P-12, the business community, and community-based organizations who spent both time and direct expense to gather at regional

meetings in Long Beach, San Francisco, and Fresno in fall 2007. Through this broad participation of stakeholders and constituents, a draft strategic plan has emerged that is grounded in current realities, as well as directed at meeting identifiable future challenges.

### *Access to Excellence*

The complete draft of *Access to Excellence* – the name of the new CSU strategic plan adopted by the Steering Committee – follows below. Some preliminary observations about it are in order.

First, as a *strategic*, and not a *comprehensive*, plan, *Access to Excellence* seeks to define general directions for the CSU for approximately the next ten years. The draft explicitly defers the work of implementation—i.e., identification of specific indicators to measure success, and timetables for achievement of the specified objectives—until after adoption of this strategic plan (see “Implementation work in the near future,” below). This process mirrors that followed a decade ago with *Cornerstones*.

Second, consistent with Trustee expectations, *Access to Excellence* should be understood to embrace explicitly *Cornerstones* goals, which have now become part of the CSU’s essential sense of self and mission.

Third, as a result of the environmental scan on which the plan is grounded, *Access to Excellence* identifies three major domains within which action in the next ten years is seen as urgent. As set out in the document, these are 1) increasing student access and success; 2) meeting State needs for economic and civic development, through continued investment in applied research and meeting workforce and other societal needs; and 3) sustaining institutional excellence through investments in faculty, innovation in teaching, and better access to undergraduate student research and service.

Fourth, as an approach to action and progress within these important domains, *Access to Excellence* identifies two important categories of goals and necessary actions. The first category identifies eight goals to which the CSU will unilaterally commit:

- Reduce existing achievement gaps
- Plan for faculty turnover and invest in faculty excellence
- Plan for staff and administrative succession and professional growth
- Improve public accountability for learning results
- Expand student outreach
- Enhance student opportunities for “active learning”
- Enhance opportunities for global awareness
- Recognize the CSU’s responsibility to meet post-degree needs of working professionals (including alumni)

The second category includes two overarching objectives that the CSU sees as priorities for public policy attention:

- Public policy to grow expectations for degree attainment
- Strengthened cross-sector (P-16) strategies

### **Implementation Work in the Near Future**

Consistent with the schedule approved by the Board in September 2006, present plans are to return a final version of this report for Board action at its May 2008 meeting. Assuming Board adoption of the new strategic plan, detailed work on the implementation phase will commence, with appropriate consultation across CSU constituencies and stakeholder groups. This will entail limited further study of some goal areas. Some portion of this work will be accomplished by Chancellor's office staff where extant data sources and perspectives make that appropriate and feasible. Another portion will be commissioned work, especially in goal areas where fresh data and/or extensive analysis of data sources will be necessary. Informational reports on this work will be routinely provided to the Board, to assure congruence of implementation efforts with Board vision. Every effort will be made to conclude this "post-planning" phase as soon as possible, to ensure rapid implementation of the new strategic plan.

### ***Access to Excellence Draft***

The text that follows is the complete draft of *Access to Excellence*.

## **ACCESS TO EXCELLENCE**

Draft for Discussion by Board of Trustees, March 2008

The great public universities of our country sustain their stature because they are both durable and adaptable. They work continuously to achieve the public good, by looking to the future while also preserving the best historic values of the academy. Committed to service to individuals and to the society at large, their mission and their primary financial support derive from a social compact with the people they serve, and to the purposes of education and free inquiry in our society.

*Access to Excellence* focuses on the intersection of the California State University (the CSU) with the economic, political, and social environment of the State of California, anticipating what the people of the State will need from the CSU in the next decade, and how best to position the institution to meet those needs. It is a public statement of the principles and core values of the institution, and sets forth broad strategic goals that will be the basis for setting priorities and measuring success over the next several years.

As a strategic system-level plan for the twenty-three universities that constitute the California State University, this plan refreshes the current CSU system plan, *Cornerstones*, builds on its successes, attends to continuing goals that have yet to be met, and reorients priorities to meet current circumstances. Adopted in 1998, *Cornerstones* articulated the principles that have anchored the CSU's system-level work over the last decade. At base, these are five continuing commitments: to access; to learning-centered and outcomes-based education; to funding stability; and to accountability.<sup>1</sup> *Cornerstones* has been a useful and durable plan, and much has been accomplished as a result of its vision. But a good deal has changed in the last decade, and the next ten years promise even greater opportunities and challenges.

## **LOOKING AHEAD: THE STRATEGIC CONTEXT FOR LEADERSHIP IN THE CALIFORNIA STATE UNIVERSITY**

The major social, economic, and political forces that shape this plan are in some respects continuations of the themes of the past decade. At the State level, the years now in view will be

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<sup>1</sup> See Appendix 1.

a time characterized by population growth and demographic change, rapidly changing technologies, and workforce transition. These years will also be a time of continuing fiscal challenges to publicly funded institutions, as demands on State funds will continue to squeeze discretionary spending for higher education. And these years will be a time of sweeping change for all of higher education, as technology will continue to expand capacity to meet new populations, and to change traditional ways of doing the work of teaching, research, and service.

Many of these internal and external trends are well-recognized by the CSU, and policies are in place to manage them. Even so there are key differences between the past and the future, because of demographic and economic transitions, and changes in institutional capacity to meet them. Understanding these changes and their consequences for the role of the CSU is essential to setting the agenda for the strategic management of the institution in the years ahead.

**Growth and growing diversity.** California's population will continue to grow, to an estimated 43 million by 2020, with most of the increase in the Central Valley and the southern part of the State and among Latino populations. *Even without* increases in high school graduation or college-going rates, budgeted enrollments in the CSU are projected to grow at an average annual rate of slightly over 2.5% per year, or roughly 10,000 new students each year, a number larger than the enrollment of seven of the CSU campuses in 2006.<sup>2</sup> Moreover, if efforts to increase college-going rates succeed to any significant degree, the demand for places in the CSU will far exceed such projected growth. In any case, CSU students will continue to come from predominantly low- and middle-income families, and will face real economic hurdles in being able to access higher education. At the same time, the educational needs of different regions of the State will increasingly diverge, because of regional demographic differences and distinctive regional employer and community needs.

**Aging population.** California has historically been a "young" state by national standards, but that also will be changing. Starting in roughly 2011, when the baby boom generation reaches retirement age, the proportion of the population aged 65 and higher will be growing faster than

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<sup>2</sup> California Postsecondary Education Commission, Combined Undergraduate Forecast, and the California Department of Finance, Graduate Enrollment Projections (2006).

the number of working-age Californians, by as much as 70% overall between 2011 and 2020. As a result, workplace shortages are expected to occur in several regions and industries, and that shortfall will be most acute among scientists and engineers and in the helping professions, including teaching, nursing, allied health fields, and care for the elderly. These needs are unlikely to be met exclusively by new workers; they will require much more attention to continuing education and retraining, including post-baccalaureate short courses, professional education, and graduate education.<sup>3</sup>

The aging population will also put greater pressure on funds for public support systems, particularly in health care, already the fastest-growing part of the State budget. It will also add to personnel expenses for major employers (including the CSU), as growth in payouts for retiree benefits will place demands on resources that otherwise might go to current workers.

**Internationalism and the knowledge economy.** The world has shrunk and has “flattened” since *Cornerstones* was adopted. The Internet, in particular, has dramatically lowered the cost of transporting ideas and the fruits of talent from anywhere on the planet to anywhere else. To be competitive, businesses and organizations need to work collaboratively with partners and entities both within and beyond national boundaries, and be capable of competing not only locally, but globally.

It is internationally recognized that educated, analytical, creative and productive people are the essential resources that nations need to advance their economic development, maintain competitiveness, build social cohesion, and assure civic success. The positive returns from investment in higher education are well documented, in greater workforce productivity, advances in technology, higher tax revenues, reduced spending on social programs, and a more engaged citizenry.<sup>4</sup> Many countries have made growth in postsecondary education a central part of their national agendas. The results are telling: among OECD countries, postsecondary participation

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<sup>3</sup> See Brady, et. al., (2005), and Fountain, et. al. (2007).

<sup>4</sup> See Economic and Social Returns, *Solutions for Our Future*, available at <http://www.solutionsforourfuture.org>; also. The Institute for Higher Education Policy, *Reaping the Benefits*, 1998.

rates increased an average of 36% in just the 1995 – 2003 period, and have more than doubled in China, Korea and India.<sup>5</sup>

**Growing workforce requirements for postsecondary degree attainment.** One consequence of the growing knowledge economy is that greater proportions of the population now need access to some form of postsecondary education. Individuals with just high school diplomas have sharply fewer viable options for sustainable employment. Instead, a postsecondary degree is now necessary, and more than ever jobs require some type of postsecondary degree or training. Degree requirements for information-age jobs increasingly extend to masters, professional, and continuing education. Continuing adult education for refreshing of skills, applied masters programs, and professional degrees and certificates will also be in high demand.

Opinion research shows that the public understands this. Recent research from Public Agenda shows a dramatic change in just the last seven years in public perceptions about the importance of a college degree.<sup>6</sup> In 2000, when asked if a college education was necessary to get ahead, 31% of a national sample said yes, compared to 67% who believed that people could find other ways to get ahead. In 2007, the same question found a majority now believing that college is necessary for success – a twenty point change in just seven years. Perhaps of sharper concern, 62% of the public also think that qualified students do not have the opportunity to attend college – up from 57% seven years ago.

Long accustomed to being considered first in the world for the reputation of its higher education system, the United States' actual position has slipped, and it is now eighth among OECD nations in the proportion of the adult population that has attained a college degree. The need to increase postsecondary educational attainment to maintain economic competitiveness was a major theme in the 2007 report of the United States Secretary of Education's National Commission on the future of higher education. However, this priority has yet to be translated to new initiatives to increase capacity for higher education in our country.

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<sup>5</sup> See *Apples and Oranges in the Flat World*, American Council on Education, 2007. India, China and South Korea are not members of the OECD, so exact comparisons of levels of educational growth in these countries are not available in the same format as for OECD countries.

<sup>6</sup> *Squeeze Play*, Public Agenda, 2007.

Instead, the United States faces an anomaly of stagnant or even declining levels of educational attainment even though enrollments are increasing. The explanation is that postsecondary enrollment growth is just keeping pace with overall population growth, while high school graduation rates are falling, most dramatically among males, students from low-income families, and among the new immigrant populations who comprise the majority of American young people. Overcoming this stagnation will depend predominantly upon increasing success among Latino and Black student groups, from high school through college graduation.

This challenge is nowhere more starkly presented than in California, where fully two-thirds of new college enrollments in years ahead will come from Latino populations currently underrepresented in higher education.<sup>7</sup> Student achievement and persistence gaps begin in elementary school and repeat themselves across the educational pipeline: in graduation from high school; in transitions from high school to college attendance, in Community College transfer to four-year institutions; in baccalaureate degree attainment; and in attainment of graduate and professional degrees. The result is that California is now *last* among all fifty US states in the proportion of African American and Latino students who make it from ninth grade to a baccalaureate degree.<sup>8</sup>

Left in place, these educational deficits will translate into debilitating economic and social gaps for the State, and growing inequality in access to health care, housing, and other aspects of social mobility.

In order to close degree attainment gaps and meet workforce needs, California must nearly double its current rate of college degree attainment in the next fifteen years – an increase of nearly 130,000 degrees awarded on top of current levels of production.<sup>9</sup> Some of this gap can be closed by increasing college transfer and baccalaureate attainment among students who

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<sup>7</sup> California Postsecondary Education Commission, Combined Undergraduate Forecast; DOF Graduate Enrollment Projections (CPEC, 2006). See also Brady, et. al., 2005; and Fountain et al., 2007.

<sup>8</sup> NCHEMS, from Census data; 2000, see <http://www.higheredinfo.org>.

<sup>9</sup> Jobs for the Future, 2007.

currently leave college without completing the degree. But the problem cannot be solved through action by postsecondary institutions alone. Increasing attainment levels and closing achievement gaps will require coordinated strategies across the entire educational pipeline. In California, this will challenge the basic foundation of the Master Plan for Higher Education, which is primarily focused on distributing to different segments of public higher education the students who are fully prepared to transition to college. A new statewide policy focus will be needed, built on increasing college readiness and demand, as well as creating greater capacity for higher education, and increasing access and attainment to substantially more Californians than in the past.

**Quality of Social and Civic Life.** Society's needs for higher education are not confined to workforce needs. There is also need for individuals who can be community leaders, who live healthy lives of civic engagement, and who work to make our democratic institutions successful. Each generation faces challenges in maintaining the quality of civic and social life, but the challenges for California in the early 21<sup>st</sup> century—environmental; political; civic; social; and economic—are particularly vivid. The quality of life, in communities, in families, and in civic structures, needs nurturing by Californians who are able to contribute to effective social and political structures in a diverse and rapidly changing society. Some of this will result from more people having enough economic security to enjoy better health, longer lives, and more leisure time. Higher education can and will contribute to such positive change, because of the economic benefits that come from a college education. But it will also contribute through providing more individuals with the benefit of acculturation in successful, diverse civic communities. Higher educational institutions can contribute importantly to social and political improvement by more self-consciously asserting their responsibility to educate for democratic engagement, leadership in sustainability, altruism, service, problem-solving, and civility.

**Continued funding challenges.** These challenges are all the more severe because they are occurring at a time that California is having trouble finding resources to keep its commitment to the level of access envisioned in the Master Plan, much less to double degree attainment in the State. For the better part of the last decade, postsecondary education has received a dwindling share of public resources in California, as budgets for health care and for prisons have grown remarkably. The combination of funding constraints and enrollment increases has led to severe budget stress, and unwelcome but necessary tactics in response: freezes on enrollment; cuts in

classes, faculty and staff; and student fee increases. These budget problems have not occurred because postsecondary education has become a low priority for the public. To the contrary, Americans support more educational opportunity and worry that qualified students are being denied access.<sup>10</sup> But four decades of budgeting via ballot measures have left California lawmakers with a chronic imbalance between widely-recognized priorities for support and the resources available to meet those priorities. Although higher education is widely regarded as an important strategic investment, it has not been elevated to the same level of urgency as other areas. In competition with K-12 education, health care, prisons, or emergency services, funding for higher education continues to receive lower priority.

California's political leadership has tried to stabilize funding for higher education, through a series of negotiated compacts that commit the State to new resources for enrollment growth of 2.5% per year and predictable, if modest, annual general increases in base funding. The compact with the governor and the State Department of Finance has provided a welcome baseline for system and campus resource planning, but there are no guarantees. Even as this plan was being finalized in 2008, the State had declared another budget emergency, and was considering mid-year rescissions and funding cuts. Worse, as an obstacle to strategic planning, persistent structural problems in the State budget constituted a threat to stability in future funding for higher education.

## **STRATEGIC ADVANTAGES FOR THE CALIFORNIA STATE UNIVERSITY**

The challenges ahead are simultaneously daunting and exciting. Meeting them will require leaders in the CSU and in the State to focus on how best to use the institution's assets to meet the public priorities so critical to California's future. There is much strength from which to build within the CSU.

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<sup>10</sup> *Squeeze Play*, Public Agenda, 2007.

**Learning-centered, outcomes oriented.** The mission of each of the institutions that comprise the California State University is to provide affordable access to education that is high quality, learning-centered, and outcomes-based. California's need to increase degree attainment at the bachelors, masters and professional levels is entirely consistent with the core strength of the CSU.

**Knowledge development, sustainability, and contributions to economy.** The CSU has long been committed to the development of new knowledge to benefit teaching and learning, to serve communities, and to contribute to regional and state-wide economies. What are too often presented as either-or propositions in higher education are in fact integrative, defining, and essential dimensions of quality in the CSU: excellence in teaching *and* in scholarship; faculty *and* student research; stimulating economic development *and* meeting community needs. The CSU's increasing applied research activities represent important contributions to regional and state economic development. The sustainability initiative is a good example of comprehensive engagement whereby a major public need is being systematically integrated into teaching, service, research, and facilities management. Newly emerging CSU graduate programs such as the professional science master's degrees are well aligned with and responsive to State workforce needs, and represent a likely area of CSU degree program development and growth in the future. The preparation of adequate numbers of well-trained teachers, a key part of the CSU's mission, remains centrally important to the future of the State.

**Civic and community engagement.** The CSU plays an important role in producing civic, political and social as well as economic outcomes. The societal benefits derived from higher education have never been more needed: California and the nation require healthy, engaged individuals who are involved in their communities and committed to sustainability—and who model the values of courtesy and respect for diversity, diverse views, and open dialogue.

The universities of the CSU are deeply engaged with their communities, supported by a strong and growing network of alumni who are critical in making the connections between community needs and university capacity to meet them. The geographic distribution of the twenty-three universities additionally provides a strategic asset for the institution and for the State, as

institutional resources can contribute to the transformation of many regions whose continued success depends upon economic and social innovation.

**Access, quality, cost-effectiveness, productivity.** The CSU has been and remains the State's most cost-effective investment in terms of producing baccalaureate degrees per dollar of public investment. Under *Cornerstones*, the CSU has shown that it is possible to combine commitments to access, quality, cost effectiveness, and productivity. CSU enrollments have increased, most rapidly among minority populations; low-income access has been protected through a largely effective system of need-based grant aid; and graduation rates have increased. Learning productivity – improving initial student success while also reducing unnecessary coursework and excess units to the degree – has also improved slightly: notably, the proportion of regularly admitted first-time freshmen in the CSU who need remedial courses in English and/or mathematics has declined, from 63% to 55% since 1996 – at the same time that freshmen enrollments have increased by 38%.<sup>11</sup> Efforts to increase productivity through year-round operation, greater use of distance-enhanced learning, and cost avoidance through administrative efficiencies have further reduced costs within the CSU. The cost-effectiveness of the California State University, relative to other options for investing scarce public resources, is a key strategic asset for the institution—and for the State—in the years ahead.

**Cross-sector commitment to meeting community needs.** The California State University has clearly stepped up to the imperative to tackle achievement gaps to build educational attainment. System as well as campus leaders have reached out across the State to build better awareness of the importance of going to college, and the need for families and students to work together to increase success. The Early Assessment Program (EAP) is an important example of successful cross-sector collaboration, accomplished through the joint efforts of the CSU, the California State Department of Education, and the State Board of Education. Work has also begun in creating a seamless system of transfer for community college students, with significant efforts by the CSU to develop major-specific Lower Division Transfer Patterns (LDTP). Much remains to be accomplished, however, and such future efforts will require continued commitment from CSU faculty and staff, greater collaboration with the community colleges, and support from policymakers.

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<sup>11</sup> From California State Proficiency reports, 1999-2000, and 2005-2006; at <http://www.asd.calstate.edu/remrates>

**Educational accountability.** Although much more remains to be done, the CSU has been leading State and national efforts to improve assessment of student learning: to embrace and strengthen regional and specialized accreditation; to pilot assessment instruments such as the Collegiate Learning Assessment and the National Survey of Student Engagement; and to provide leadership for the Voluntary System of Accountability (VSA) that is being promoted nationally by the two major national associations representing public colleges and universities, the National Association of State and Land-Grant Colleges (NASULGC) and the American Association of State Colleges and Universities (AASCU). Such efforts provide a solid basis for extending assessment work even further in the CSU and strengthening system accountability to the public for student learning results.

**System-level governance model.** California is too big and diverse to have a one-size-fits-all approach to university education. The twenty-three universities that comprise the CSU each have distinct strengths, serve distinct communities, and meet the broad missions of the institution in ways tailored to community needs. The California State University has undergone important transitions in its internal governance model, evolving from the top-down, regulated system contemplated by the Master Plan to a more federated system of highly differentiated institutions. This model presents a balance between campus-level entrepreneurship and autonomy and system-level commitment to serving State-level needs. Administrative efficiencies are obtained when possible through system-wide initiatives, such as the Integrated Technology Strategy (ITS) and Common Management System (CMS). And accountability is increasingly accomplished through a goals-and results model that is focused on performance rather than processes.

**Technology infrastructure.** Technology has brought about truly transformative change in higher education in the last decade, and few doubt that the changes will be even more profound in the future. The CSU is well positioned to take advantage of technology as a result of the Integrated Technology Strategy<sup>12</sup> that has put the policy, hardware and software in place to meet needs of the future. The goal of ITS has been to ensure that “all CSU students, faculty, and staff can communicate with anyone, from anyplace, at any time, through access to the full range of national and international information resources.” The realization of this goal is more nearly complete than might have been imagined ten years ago – benefiting not just CSU students,

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<sup>12</sup> [http://its.calstate.edu/systemwide\\_it\\_resources/its\\_report.pdf](http://its.calstate.edu/systemwide_it_resources/its_report.pdf)

faculty and staff, but any member of the public wanting access to the CSU. In addition to providing the capacity for much greater innovation in teaching and research, technology allows the institution to expand capacity through distance-mediated as well as through enriched campus-based instruction.

## **STRATEGIC CHALLENGES FACING THE INSTITUTION**

Despite the considerable advantages enjoyed by the CSU, it clearly faces a number of internal and external challenges that will require attention in the years ahead. Many of these can be addressed through creative initiative within the institution; others will require collaborative action at the State and national policy levels.

**Student attainment.** While the CSU has done much to increase student access and degree attainment, particularly among low income students, it cannot be content with maintaining current levels of progress. Closing achievement gaps at every level of the educational pipeline will require each university to accept greater responsibility for setting high expectations for student success. This will require better use of data to diagnose and confront the causes for student failure; it will require more proactive advising; more aggressive outreach to students in academic trouble, and more attention to student financial aid that will help students to cut back on work so as to be able to focus on their education as their primary priority.

**Engagement with P-12 Systems and Community Colleges.** The need for strong collaboration between the CSU, the Community Colleges and P-12 systems is evident throughout the State. The deficiencies and gaps in achievement facing the State can not be overcome through ad hoc or unilateral action by any one of these sectors. There have been efforts to build collaborations in some communities, and the State Superintendent of Public Instruction has established a statewide P-16 council, but these efforts need to be made enduring, through a statewide network supporting regional structures that are appropriately differentiated to meet the needs of diverse communities. Building this infrastructure and using it strategically to leverage change in performance cannot be accomplished by relying on volunteers who do this work as an add-on to other areas that are their primary responsibilities; it will require the dedication of resources.

**Faculty, staff, and administrative turnover.** The CSU's faculty and staff are its most important strategic assets— but they are assets that require attention because of the combination of generational turnover, gaps in compensation levels, and the need for professional development and support to keep pace with changes in student learning, technology, and scholarship.

The pattern across American higher education and within the CSU in the last decade has been to shift reliance for instruction onto non tenure-track faculty. In the CSU, such faculty have represented more than half of the teaching force since 1999. The current proportion is approximately two-thirds of the total faculty<sup>13</sup>. This is a worrisome situation because of the potential for erosion of quality and diminishing of intellectual independence that is associated with tenure. The CSU has made it a priority to reduce compensation gaps for faculty and at the same time to increase the proportion of positions held by tenured and tenure-track faculty, but budget challenges have impeded progress. There is also a continuing need to increase the diversity of the CSU faculty to match more nearly the diversity of the student body.

It will be crucial to ensure that student learning achievement is the most important consideration in determining modes of instruction in the CSU. Faculty, whatever their terms of employment, will need to be recruited with attention to their willingness to experiment with new modes of teaching and learning, as well as their disciplinary training and achievements. Recruiting new faculty is problematic in some areas because demand far exceeds supply. Effective recruiting in such areas necessitates higher salaries, robust start-up packages, and support for research, scholarship and creative activity. New faculty expect not only the opportunity to excel in their teaching, but also to be supported in their scholarly and creative work. The growth anticipated in post-baccalaureate educational programs of all types will also drive the need for additional investments in faculty professional development, including investments in research, scholarship, and creative activity.

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<sup>13</sup> Cited figures are “head count,” and not “full time-equivalent” faculty. In terms of full-time equivalent, non-tenure / tenure track faculty represent about one-third of CSU faculty.

Providing Increased funding for faculty and staff compensation and ensuring appropriate resources for their professional development will require additional resources. This is a continuing priority from *Cornerstones*, although one where the least progress has been made because of budget constraints.

Improving access and service to students and communities also will require greater reliance on professional staff, who will play a lead role in the critical work ahead. Finally, a new generation of strong and effective leaders must be cultivated within the institution, with the values and habits of work to continue to lead and innovate in the years ahead.

**Pedagogical innovation.** It is also important for the system and the individual universities to develop strategies to promote adaptations in pedagogy to improve student learning. Technology is one vehicle for accomplishing this goal; better use of experimental models within the system to test the efficacy of new techniques is another. Continuous investment in professional development will be necessary to enable faculty to improve their knowledge base for teaching and research. Reared in a digital age, many of today's students have an approach to learning that differs dramatically from norms of even ten years ago. To be successful in teaching and mentoring these students, CSU faculty and staff increasingly need to adapt teaching strategies to their changed and alternate learning styles.

Providing for strong student learning also requires augmenting traditional classroom-based instruction with active learning opportunities such as internships, faculty-staff research projects, and learning communities both face-to-face and online. This will require inventiveness and pedagogical expertise.

**Funding sufficiency.** Ensuring adequacy of funding to maintain quality, improve access, and increase degree attainment will be a major challenge to the institution. The CSU cannot commit to a false promise of being able to maintain quality and to increase access and degree attainment without adequate resources. The institution is already efficient and cost-effective, and will continue to work to become even more so. But increasing access and degree attainment will require additional unrestricted funds, which means a combination of State general funds and

student fees. Over-reliance on student fees will threaten access for those with limited economic means, as well as the institution's capacity to increase educational attainment among low income groups. Under current Trustee policy, each university has a goal to find a specific percentage of its resources from extramural sources. These specific institution-level goals have been met or even exceeded by some universities, but not yet been met by others. Even as all of the CSU universities will continue to find appropriate ways to increase the flow of external resources, however, private revenues are frequently restricted as to use, and so cannot substitute for State general fund support to sustain the core academic program.

Its teaching and service mission makes privatization such as that which has been practiced in other university settings an untenable path for the CSU. The demographic changes already in view and the reality that the majority of new undergraduates will be coming from low-income families requires that the CSU maintain its public identity to serve State needs, particularly at the undergraduate level. At the same time, more can and should be done to increase and diversify revenue sources for graduate education, research, and transfer of research outcomes to new businesses and technologies, as well as to increase support to grow international enrollments in the CSU.

**Funding distribution.** The challenge of resource scarcity will also likely force greater attention to establishing criteria for distributing resources among the CSU universities, and to the balance between funding equity as a goal vis-à-vis more differentiated strategies for meeting priorities. Inevitably, there will be unevenness in demand among universities, and within them among different disciplines. Most of the statewide enrollment growth will occur in a minority of the CSU universities in the southern part of the State and in the Central Valley.

Growing imbalances in demand among program areas will also raise questions about program mix and curriculum. If patterns within the CSU mirror national trends, the next two decades will likely see a continuation of relative decline in enrollments in the humanities, with proportionately greatest growth in business and engineering. These programs are more expensive to offer, particularly at the upper division and graduate levels. The unevenness in demand will create issues about program mix and ways that campuses can maintain balance in program offerings at the same time they are increasing investments in areas responsive to

emerging State and national priorities. Many such decisions are appropriately left to individual universities, based on their own priorities and on local and regional circumstances. Some, however, may require system-level efforts to encourage consolidation and sharing of programs across universities, including via technology-assisted instruction.

**State policy vision.** Public policy for postsecondary education has been caught in a kind of gridlock for the last ten years. This is not a problem unique to California. Nationally, there is a disconnect between growing awareness of the need for a public agenda for higher education, and a dominant model that promotes privatization and competition as the best way to address social problems. But California faces a special set of challenges, to some extent because of the continuing influence of the Master Plan that was so successful for so long. Stymied by chronic funding problems, and captured by the belief that the Master Plan continues to be basically adequate to address present and future needs, the State lacks consensus about what its agenda should be, much less a strategic plan to accomplish it.

## **STRATEGIC PLAN GOALS**

The environmental scan confirms that much of the CSU's vision and overarching goals from the *Cornerstones* initiative remain right for the future: student access and success, service to the State, and sustaining institutional capacity for excellence. These goals need to be adjusted, however, to put much greater emphasis on heightened student learning and increasing levels of educational attainment, while meeting the needs for economic development, a sustainable future, the development of new "green" economies, civic capacity, increasing funding and strengthening the strategic use of resources within the institution. More needs to be done as well to anticipate changes within the institution that will guide the recruiting and nurturing of a new generation of faculty and staff, and to prepare for pedagogical change.

This new strategic plan sets forth three priorities for the institution: 1) increase student access *and* success; 2) meet State needs for economic and civic development, through continued investment in applied research and addressing workforce and other societal needs; and 3) sustain institutional excellence through investments in faculty, innovation in teaching, and increased involvement of undergraduates in research and in their communities. In implementing these goals, the CSU needs to distinguish between those to which it can immediately and unilaterally

commit, and those that will require collaboration with other educational partners and with State policy leaders.

### **Commitments from the CSU**

- 1) Reduce existing achievement gaps. In adopting this strategic plan, the CSU leadership commits to halving existing achievement gaps within the next ten years. The first step in accomplishing this will be to set clear goals and performance benchmarks that can be the basis for accountability for achieving these results. Work will need to occur at each of the points in the educational pipeline where leakages are occurring: in college-going rates among recent high school graduates; in first year retention rates; in transfer readiness and success; in baccalaureate degree completion; and in graduate and professional school readiness and completion. Detailed analyses are necessary to distinguish between system-wide goals and measures in these areas, and more specific metrics appropriate for individual universities. One significant system-level effort in this direction is the CSU's participation in the "Access and Success" initiative led by the National Association of System Heads (NASH), which involves twenty public higher education systems across the United States. Participation in national initiatives such as NASH, and others anticipated to develop within the next decade will permit the CSU to benefit from the lessons – positive and negative – from other higher education institutions in other regions, about how best to increase student success.
- 2) Plan for faculty turnover and invest in faculty excellence. The CSU will develop a comprehensive plan for reinvestment in its faculty to meet its goals of reducing compensation gaps and increasing the number of tenure-track faculty. In addition, the CSU commits to a comprehensive faculty planning effort, to include turnover planning, attention to recruitment and retention practices, and consideration of faculty development strategies to support excellence in both pedagogy and scholarship. This work on faculty development will include investments in applied institutional research about effective pedagogy, effective practices in student engagement, and ways to improve educational outcomes.
- 3) Plan for staff and administrative succession and professional growth. Attention to recruitment, professional development, and compensation for staff and administrators is also a priority. Complementary strategies to those that are employed for faculty need to be put in place. CSU system leadership will engage in the analytical work needed to project administrative turnover, and will evaluate whether existing campus- and system-level policies are adequate to provide the type of succession planning that is central to the future success of the institution. System-level resources also need to be invested in nurturance of the next generation of academic and administrative leaders, to give them the knowledge, skills and communication tools essential to leadership capacity for the future.

- 4) Improve public accountability for learning results. The CSU commits to strengthen its accountability to the public for learning results, through implementation of programs like the Voluntary System of Accountability, which includes public communication of results from the National Survey of Student Engagement (NSSE) and the Collegiate Learning Assessment (CLA), and/or other similar assessment instruments. It will be important to use findings from these accountability measures to inform curriculum and program improvements at the campus level. In acquiring stronger evidence about learning results, the CSU will also use its accountability efforts to measure effectiveness in meeting workforce and civic results. Efforts to reach out to employer groups in order to identify perceptions about the quality of CSU graduates will continue. An excellent example of such assessment is the ongoing work of the Center for Teacher Quality, which for several years has conducted surveys of satisfaction among employers of CSU-trained teachers. The CSU will also embed greater attention to ways to document and communicate its effectiveness in producing graduates who meet institutional goals for civic contributions, including service to communities and political engagement.
- 5) Expand student outreach. The CSU will continue its leadership in reaching out to new populations of students, beginning with expansion of “early outreach” efforts to middle schools. The great success of the Early Assessment Program (EAP) needs to be deepened and extended, and strengthened through systemic partnerships with school districts throughout the state. The EAP model will also be extended into a larger platform for reaching eleventh grade students and their families with information about financial aid, math and English preparation, study skills, and exposure to college life.
- 6) Enhance student opportunities for “active learning”. Substantial evidence exists to indicate that student involvement in research and community activities increases retention, enhances learning, contributes to building skills and habits of collaboration and problem-solving, and increases chances for success after graduation. Accordingly, the CSU will develop specific plans and programs to enhance opportunities for undergraduate students to link classroom learning to research and community participation, including service, as part of their educational experience. The CSU has within it many institutions with exemplary programs in undergraduate research and service; these need to be translated to best-practice models, and replicated throughout the system as a distinctive teaching and learning ‘brand’ for the CSU. Meeting this broad goal will also require attention to an improved infrastructure for applied research.
- 7) Enhance opportunities for global awareness. The CSU universities deploy programs now that create understanding of global issues and foster the capacity to collaborate with partners both globally and locally. Across the coming decade, strong and effective programs to build global awareness need to be replicated throughout the system. Accordingly, the CSU will support faculty work that internationalizes curricula and the experiences of students and faculty alike.
- 8) Act on the CSU’s responsibility to meet post-baccalaureate needs of working professionals (including alumni). The CSU needs to continue to expand its graduate and

professional program offerings in order to meet the workforce needs of the State. Increasingly, California's economy will depend upon workers with graduate, professional, and other forms of post-baccalaureate education. Special needs exist in science and technology fields, teaching and nursing. In addition, the CSU will need to develop a systematic plan to expand capacity through university extension programs to promote better models for meeting the needs for continuing education and retraining of working men and women.

### **Priorities for public policy attention, including cross-sector capacity**

The California State University cannot accomplish all that must be done by acting on its own. To meet the future needs of the State of California, the CSU will need to be strategically linked with State policy leaders; P-12, Community College, and University of California leaders; the business community; and the broad philanthropic community. The CSU alumni network is a rich resource to connect to those stakeholder groups, and needs to be part of the strategy-building to accomplish this goal. Issues that require such partnerships and State-level attention include building State policy capacity, funding, and statewide P-16 structures to better align curriculum, increase student preparation for college, and improve student transitions across educational sectors.

- 1) Public policy to grow expectations for degree attainment. Meeting California's needs for increased degree attainment will require the CSU to join with other educational leaders and to re-engage with State policy makers and community leaders for the purposes of educating them about the consequences of under-performance in higher education, securing the resources necessary to increase educational attainment levels, and evoking a policy commitment to achieving the agreed-upon results.

California needs to refresh its State policy goals for postsecondary education. This means setting goals for attainment that are appropriate to the social and workforce needs of this century and reflective of the missions of each institution. A new approach to master planning will be necessary – one focused on State needs that can only be met by postsecondary education, and accompanied by a realistic strategic financing plan to accomplish the goals of increasing access, success, and quality.

Without such a plan, California's higher education institutions will be forced to find their own paths to survival – which could lead them to protect their respective bases, increase student selectivity, and focus more on obtaining private resources even if that means diverting from the priorities of expanding student access and improving learning. Such actions would inevitably result in greater stratification within higher education, and ultimately in society. This is an avoidable scenario. California is a state that has historically stepped up to the challenge of finding creative solutions to public policies. In the last century, this State was an international model for postsecondary education. It can be again.

- 2) Strengthened cross-sector (P-16) strategies and structures. Closing existing achievement gaps requires attention first to closing *expectations* and *performance* gaps among administrators and teachers, from elementary school through the university. The CSU needs to continue to focus on preparation of adequate numbers of well-trained teachers and to work with leaders in P-12 and the Community Colleges to create the structures needed to sustain effective learning strategies in our schools and to effect seamless educational transitions for students.

Greater attention must be paid to strengthening cross-sector strategies to increase student preparation and achievement– strategies that will be sustained and focused, and for which institutions will be held accountable. It also will require commitment to building the infrastructure to support inter-sector work – analytical capacity to use data to diagnose where gaps are occurring; policy models to build and sustain learning interventions that enhance student success; and funding models that ensure that resources are invested in successful strategies, including fiscal incentives for collaboration among the segments.

## CONCLUSION

The future quality of civic and economic life in California more than ever rests on the performance of the twenty-three universities that comprise the California State University.

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California's future will hinge on its success in transitioning growing numbers of low-income, immigrant, and first-generation families into productive roles in society.

It is not an exaggeration to say that the success of the CSU in meeting the goals of this plan are absolutely central to the future quality of life in California: as goes the CSU, so goes California. The CSU is remarkably well-positioned to lead California in this great task. It is an opportunity—and a responsibility—that the leaders of the CSU embrace.

## **Appendix: Cornerstones Principles and Implementation**

### **Cornerstones Principles**

#### Educational Results

- Explicit and Demonstrated Learning Outcomes
- The CSU as a Student-centered Academic Enterprise
- Active Learning as a joint responsibility of the CSU and its students
- Reinvestment in Faculty and their Development and Scholarship

#### Access to Higher Education

- Greater Outreach, Retention, Transfer, and Graduation Rates, and Shorter Time to Degree
- A Continuing Focus on Graduate Education and Continuing Education

#### Financial Stability

- A Compact-based Policy Framework to Meet the Master Plan Goals
- Shared Responsibility for Enhancing Educational Excellence, with revenue and productivity objectives

#### University Accountability

- Assessment of Student Achievement and Broader Performance Reports
- Relative Autonomy and Flexibility to the Campuses in advancing the CSU policy goals