**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

California State University  
Office of the Chancellor—Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, CA  90802

Agenda  
November 13-14, 2018

<table>
<thead>
<tr>
<th>Time*</th>
<th>Committee</th>
<th>Location¹</th>
</tr>
</thead>
</table>

**TUESDAY, NOVEMBER 13, 2018**

8:00 a.m.  Call to Order

8:00 a.m.  **Board of Trustees—Closed Session**  Munitz Conference Room  
Executive Personnel Matters  
Government Code §11126(a)(1)

Pending Litigation  
Government Code §11126(e)(1)  
Hudson v. CSU and CSU v. Hudson  
Benjamin v. CSU  
Taylor v. CSU  
Anticipated Litigation – One Item

9:15 a.m.  **Committee on Collective Bargaining—Closed Session**  Munitz Conference Room  
Government Code §3596(d)

9:45 a.m.  **Committee on Campus Planning, Buildings and Grounds**

**Consent**  
*Action*  1. Approval of Minutes  
*Discussion*  
*Information*  2. Sale of the State University House  
*Information*  3. California State Polytechnic University Pomona, Transfer of Real Property  
*Information*  4. Humboldt State University, Acceptance of Interest in Real Property

¹ All committees meet in the Dumke Auditorium unless otherwise noted.

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.
TUESDAY, NOVEMBER 13, 2018 (cont.)

10:15 a.m.  Committee on University and Faculty Personnel
Consent
Action 1. Approval of Minutes
Action 2. Annual Report on Outside Employment for Senior Management Employees
Information 3. Annual Report on Vice President Compensation, Executive Relocation, and Executive Transition
Discussion
Action 4. Executive Compensation: Vice Chancellor of Human Resources – California State University
Action 5. Chancellor’s Housing Allowance

11:00 a.m.  Joint Committees on Finance and Campus Planning, Buildings and Grounds
Consent
Action 1. Approval of Minutes
Discussion
Action 3. Approval to Issue Board of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Amend the 2018-2019 Capital Outlay Program for the Acquisition of Real Property for Sonoma State University

11:30 a.m.  Committee on Institutional Advancement
Consent
Action 1. Approval of Minutes
Discussion
Action 2. Naming of the Don Miller and Ron Simons Rose Float Laboratory – California State Polytechnic University, Pomona
Action 3. Naming of the JUSTIN and J. LOHR Center for Wine and Viticulture – California Polytechnic State University, San Luis Obispo

12:00 p.m.  Luncheon

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.


**TUESDAY, NOVEMBER 13, 2018 (cont.)**

1:00 p.m.  **Committee on Educational Policy**

Consent

Action  1. Approval of Minutes

Discussion

Information  2. Student Mental Health Services
Information  3. Student Veterans
Information  4. Graduation Initiative 2025

3:15 p.m.  **Committee on Finance**

Consent

Action  1. Approval of Minutes

Information  2. 2018-2019 Student Fee Report
Information  3. 2017 Systemwide Hate Violence Report

Discussion

Information  4. California State University Annual Investment Report
Action  5. Approval of the 2019-2020 Operating Budget Request

**WEDNESDAY, NOVEMBER 14, 2018**

8:30 a.m.  **Committee on Governmental Relations**

Consent

Action  1. Approval of Minutes

Discussion

Information  2. State Legislative Update

9:00 a.m.  **Committee on Audit**

Consent

Action  1. Approval of Minutes

Discussion

Information  2. Status Report on Current and Follow-up Internal Audit Assignments

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.*
WEDNESDAY, NOVEMBER 14, 2018 (cont.)

9:15 a.m. Committee on Collective Bargaining—Open Session

Consent

Action 1. Approval of Minutes

Discussion

Action 2. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 11, the United Auto Workers, Local 4123 (UAW)

10:00 a.m. Board of Trustees

Call to Order

Roll Call

Public Speakers

Chair’s Report

Chancellor’s Report

Report of the Academic Senate CSU: Chair—Catherine Nelson

Report of the California State Student Association: President—Mia Kagianas

Report of the California State University Alumni Council: President—Manolo P. Morales

Consent

Action 1. Approval of Minutes

Action 2. Approval of Committee Resolutions as follows:

Committee on University and Faculty Personnel

2. Annual Report on Outside Employment for Senior Management Employees

4. Executive Compensation: Vice Chancellor of Human Resources – California State University

5. Chancellor’s Housing Allowance

Joint Committees on Finance and Campus Planning, Buildings and Grounds


3. Approval to Issue Board of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Amend the 2018-2019 Capital Outlay Program for the Acquisition of Real Property for Sonoma State University

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.
The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

**Committee on Institutional Advancement**
2. Naming of the Don Miller and Ron Simons Rose Float Laboratory – California State Polytechnic University, Pomona
3. Naming of the JUSTIN and J. LOHR Center for Wine and Viticulture – California Polytechnic State University, San Luis Obispo

**Committee on Finance**
5. Approval of the 2019-2020 Operating Budget Request

<table>
<thead>
<tr>
<th>11:30 a.m.</th>
<th><strong>Board of Trustees—Closed Session</strong></th>
<th>Munitz Conference Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Executive Personnel Matters</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Government Code §11126(a)(1)</td>
<td></td>
</tr>
</tbody>
</table>

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.*
Addressing the Board of Trustees

Members of the public are welcome to address agenda items that come before standing and special meetings of the board, and the board meeting. Comments should pertain to the agenda or university-related matters and not to specific issues that are the subject of collective bargaining, individual grievances or appeals, or litigation. Written comments are also welcome and will be distributed to the members of the board. The purpose of public comments is to provide information to the board, and not to evoke an exchange with board members. Questions that board members may have resulting from public comments will be referred to appropriate staff for response.

Members of the public wishing to speak must provide written or electronic notice to the Trustee Secretariat by two working days before the committee or board meeting at which they desire to speak. The notice should state the subject of the intended presentation. An opportunity to speak before the board on items that are on a committee agenda will only be provided where an opportunity was not available at that committee, or where the item was substantively changed by the committee.

In fairness to all speakers who wish to speak, and to allow the committees and Board to hear from as many speakers as possible, while at the same time conducting the public business of their meetings within the time available, the committee or board chair will determine and announce reasonable restrictions upon the time for each speaker, and may ask multiple speakers on the same topic to limit their presentations. In most instances, speakers will be limited to no more than three minutes. The totality of time allotted for public comment at the board meeting will be 30 minutes, and speakers will be scheduled for appropriate time in accord with the numbers that sign up. Speakers are requested to make the best use of the public comment opportunity and to follow the rules established.

Note: Anyone wishing to address the Board of Trustees, who needs any special accommodation, should contact the Trustee Secretariat at least 48 hours in advance of the meeting so appropriate arrangements can be made.

Trustee Secretariat
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802
Phone: 562-951-4020
Fax: 562-951-4949
E-mail: trusteesecretariat@calstate.edu

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.
AGENDA

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 9:45 a.m., Tuesday, November 13, 2018
Glenn S. Dumke Auditorium

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Jane W. Carney
Wenda Fong
John Nilon
Christopher Steinhauser
Peter J. Taylor

Consent

1. Approval of Minutes of the Meeting of September 11, 2018, Action

Discussion

2. Sale of the State University House, Information
3. California State Polytechnic University Pomona, Transfer of Real Property, Information
4. Humboldt State University, Acceptance of Interest in Real Property, Information
Trustee Rebecca D. Eisen called the Committee on Campus Planning, Buildings and Grounds to order.

Public Speakers

Mr. Ejmin Hakobian asked about the process of constructing campus projects and if any follow up auditing is done to ensure funding is used responsibly and appropriately through project completion.

Consent Agenda

The minutes of the July 24, 2018 meeting of the Committee on Campus Planning, Buildings and Grounds were approved as submitted.
San José State University Interdisciplinary Science Building

Schematic plans for a new Interdisciplinary Science Building were presented for approval. This building will be the first academic building built in over 30 years on the San Jose campus.

Following the presentation, the trustees commented on the number of approvals required from the Board of Trustees per project and requested a one-page listing at each meeting that displays past and future actions for each project being presented. Trustee Jack McGrory commented on the high cost per square foot, to which Assistant Vice Chancellor Elvyra San Juan responded was related to high construction costs in the area.

The committee recommended approval of the proposed resolution (RCPBG 09-18-14).

Preliminary Five-Year Capital Plan

The preliminary five-year capital plan for the CSU, for fiscal years 2019-2020 through 2023-2024 was presented and totals $16 billion. In addition, information on funding spent on academic projects since 2014 was shared. Examples of various types of projects such as seismic, STEM, self-support, public-private, and donor were reviewed.

The final capital and financing plan will be presented to the Board of Trustees for approval in November.

Following the presentation, the trustees requested a listing of buildings that are older than 60 years. They also asked how high use facilities are prioritized with other projects. At Trustee Peter J. Taylor’s request, Mrs. San Juan reviewed the approval process for the project priority list, which includes consideration by the Department of Finance.

Trustee Eisen adjourned the meeting.
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Sale of the State University House

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Buildings and Grounds

Summary

The Board of Trustees authorized the purchase of a facility to serve as the State University House in March 1991. This agenda item informs the Board of Trustees of the intent to sell the State University House. A separate agenda item being presented to the Committee on University and Faculty Personnel seeks approval for use of the proceeds for the chancellor’s housing allowance.

Background

In 1972, Mr. and Mrs. John Brown Cook gifted a property in the city of Los Angeles that could be used as the official residence and event space for the chancellor of the California State University. The terms of the gift included that the property, or its proceeds, must be used to provide, or assist in providing and maintaining a California State University House for systemwide functions, activities and programs of the CSU. The house was used for many years; however, in 1991 it was determined that there would be great benefit if the house was in closer proximity to the Office of the Chancellor in Long Beach. As a result, the Board of Trustees approved the sale of the Los Angeles house and the purchase of a residence in Long Beach. The Board of Trustees also approved the use of surplus funds remaining from the sale of the Los Angeles residence to be used as an endowment consistent with the terms of the gift, including post-acquisition expenses, including but not limited to repair, maintenance, staffing, and furnishing.

The State University House is located in Long Beach. The California Mission style house was built in 1930 and renovated in the 1991-1992 timeframe. Due to the age and condition of the State University House, significant repairs, code upgrades and improvements are necessary which have been projected at approximately $835,000 for the next ten years as described in a 2017 Facility Condition Assessment Report. Staff considered alternatives to the repairs and improvements of the house to identify the preferred solution to meet the needs of the university. Based upon the magnitude of the future improvement and renewal costs, it has been concluded that it is cost effective to sell the State University House and use the proceeds to supplement the State University House endowment which currently has a balance of approximately $2.1 million.
The endowment would provide a monthly stipend of non-state funds for the chancellor for the costs of a residence. Board of Trustees consideration of the proposed endowment is in Agenda Item 5 of the Committee on University and Faculty Personnel.

The CSU has the authority to sell the State University House as provided in the California Education Code. Under the Standing Orders of the Board of Trustees, in this regard, the Executive Vice Chancellor or his designee is delegated authority to purchase, sell and exchange interest in or use of real property such as the State University House. This agenda item provides information to the Board of Trustees on the proposed transaction.
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State Polytechnic University Pomona, Transfer of Real Property

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Buildings and Grounds

Summary

This agenda item informs the California State University Board of Trustees of the intent to transfer property located on the California State Polytechnic University, Pomona campus to the California Highway Patrol (CHP).

Background

In May 2015, the Board of Trustees provided authority to the chancellor to negotiate and execute the terms of a Memorandum of Understanding (MOU) with the state to accept interest in 287 acres of real property, known as the Lanterman Development Center (Center), located approximately one mile from the Cal Poly Pomona campus core. The Center was previously operated by the California Department of Developmental Services. In 2015, the California Department of Finance and the CSU executed an MOU, which outlined the conditions for the transfer of the Lanterman property to the CSU including accommodating the real property needs of the CHP on a mutually agreed upon parcel. The transfer of the Lanterman property to CSU occurred on July 1, 2015.

Cal Poly Pomona and the CHP have identified and agreed upon an approximate 6-acre site for the CHP, which is located at the northeast area of the campus. The proximity of the CHP facility will benefit the campus by enhancing collaboration in mutual aid situations, facilitating investigations on traffic and enforcement, and provide potential opportunities for inter-agency training.

Cal Poly Pomona will transfer the subject property to the CHP through the California Department of General Services. This agenda item provides information to the Board of Trustees on the proposed transaction as the board has delegated authority to the chancellor.
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Humboldt State University, Acceptance of Interest in Real Property

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

The City of Arcata proposes to donate to Humboldt State University 884 acres of property in an unincorporated area of Humboldt County approximately nine miles from Humboldt State University. The property is contiguous with the Jacoby Creek Forest which is managed as a community forest by the City of Arcata. The property will be jointly managed through a cooperative agreement with the City of Arcata that will include the sharing of fire roads, forest data and monitoring, scientific studies, and public access.

The campus will use the property as a living laboratory for departments within the College of Natural Resources and Sciences. The land will be used for faculty research, student research, and undergraduate and graduate field experience.

The City of Arcata is expected to receive a grant from the State of California Wildlife Conservation Board to purchase the property from a private land owner. The university will also be party to a grant agreement as a successor grantee and the City of Arcata as the grantee.

The results of the due diligence process conducted for the Upper Jacoby Creek Property revealed nothing that would cause the university to reject the proposed acquisition of the land. Under the Standing Orders of the California State University Board of Trustees, the chancellor is delegated acceptance of gifts on behalf of the Board of Trustees.

The estimated annual cost for maintenance and security of the unimproved forest land is minimal. Any costs will be covered by Facility Investment Fund held by the university; the current amount in the trust fund is $934,000.
AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 10:15 a.m., Tuesday, November 13, 2018
Glenn S. Dumke Auditorium

Hugo N. Morales, Chair
Silas H. Abrego, Vice Chair
Rebecca D. Eisen
Douglas Faigin
Debra S. Farar
Jean P. Firstenberg
Lillian Kimbell

Consent

1. Approval of Minutes of the Meeting of July 24, 2018, Action
2. Annual Report on Outside Employment for Senior Management Employees, Action
3. Annual Report on Vice President Compensation, Executive Relocation, and Executive Transition, Information

Discussion

4. Executive Compensation: Vice Chancellor of Human Resources – California State University, Action
5. Chancellor’s Housing Allowance, Action
Trustee Farar called the meeting to order.

Approval of Minutes

The minutes of the March 21, 2018 meeting were approved as submitted.

Executive Compensation Policy

Recommendations for an executive compensation policy were presented by Chancellor Timothy P. White, Vice Chancellor Melissa L. Bard and Sibson Consulting. Chancellor White shared that the current practice for setting presidential pay is a result of historic conditions, compounded over time and the importance of establishing an updated executive compensation policy that is reasonable, consistent, transparent and competitive for recruiting and retaining great leaders for the California State University (CSU).

Vice Chancellor Melissa Bard shared a histogram that showed higher education salary increases in comparison to CSU employee groups compounded over a six-year period. For a variety of reasons, the executive salary increases have fallen behind in comparison with both the Higher Ed average and other CSU employee groups. Vice Chancellor Bard also went over in detail the history of how the peer comparators were determined, which was originally developed by the California Postsecondary Education Commission (CPEC).
Sibson Consulting presented the results of the compensation market study and industry standards as it pertains to base salary compensation that they conducted, which covered all 23 CSU campus presidents. Four executive compensation models were presented as outlined in the item agenda. Sibson Consulting’s recommendations were based on data collected from CSU’s approved comparator groups for the 23 presidents. Model 1A was Sibson’s recommendation to the chancellor and the trustees to consider, which is to bring all president’s salaries closest to 100% of market median equal to their peers.

There was a robust discussion surrounding the origins and the criteria used in identifying the comparators in the executive compensation study; a need to look into total compensation package that includes pension plans; the idea of whether the compensation study could have been done internally by CSU faculty; concerns regarding the four models that were presented by Sibson Consulting; the need for turnover rate data and comparisons; how often should the CSU look at the peer median in order to make adjustments; and, if this compensation adjustment would be a one time or ongoing.

Also discussed were the anomalies with the groups presented, specifically in Group B, which shows most of the presidents outside of the range, the appropriate group or comparator for Maritime Academy and the future impact to the entire system if one of these compensation models were to be selected.

Because of these questions and concerns, there was a general agreement among the committee members that more information is needed to understand the compensation models better before a decision could be made. No action was taken.

Chair Day adjourned the board for lunch and closed session.

The committee meeting was reconvened and called to order by Trustee Farar.

**Compensation for Executives**

Recommendations for the fiscal year 2018-2019 executive compensation was presented by Chancellor Timothy White for all executives; except, Trustee Douglas Faigin for the vice chancellor and chief audit officer; and Chair Adam Day for the chancellor. The recommended action was approved by the committee (RUFP 07-18-07).

Trustee Farar adjourned the committee meeting.
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Annual Report on Outside Employment for Senior Management Employees

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

In accordance with the California State University (CSU) Board of Trustees policy on outside employment disclosure requirements, this item presents the outside employment activities of senior management employees that took place during the 2017 calendar year.

Background

In November 2016 the policy on disclosure requirements for outside employment was updated (RUFP 11-16-10) to require the Board to annually review and approve the outside employment of all senior management employees. For purposes of this policy, senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.

The policy also requires this information be presented for public discussion and made available on a public website. The annual report on outside employment for senior management employees will be posted for public viewing on the CSU transparency and accountability website at: https://www2.calstate.edu/csu-system/transparency-accountability.

Annual Report

The annual report on outside employment for senior management is provided in Attachment A. The report shows 19 senior management employees with outside employment during the reporting period for the 2017 calendar year.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the 2017 Senior Management Outside Employment Disclosure Report, as cited in Item 2 of the Committee on University and Faculty Personnel at the November 13-14, 2018 meeting of the Board of Trustees, is approved.
<table>
<thead>
<tr>
<th>Employee Name (Campus)</th>
<th>CSU Working Title</th>
<th>Name of Outside Employer/Business</th>
<th>Role</th>
<th>Total Time Served (Hours)</th>
<th>Total Compensation Received</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melissa Bard (Chancellor's Office)</td>
<td>Vice Chancellor, Human Resources</td>
<td>Frederick Community College</td>
<td>Teach 1 section (3 cr.) of a course online in Fall and Spring semesters</td>
<td>40 hours/year</td>
<td>$4,000</td>
<td></td>
</tr>
<tr>
<td>Debra Larson (Chico)</td>
<td>Provost and Vice President, Academic Affairs</td>
<td>OK Auto Family Trust</td>
<td>Secretary on Board of Director</td>
<td>20 hours</td>
<td>$4,000 plus $1,000 travel expenses</td>
<td></td>
</tr>
<tr>
<td>Gayle Hutchinson (Chico)</td>
<td>President</td>
<td>Juice Plus</td>
<td>Direct Distributor</td>
<td>10 hours</td>
<td>$1,600</td>
<td>Chair of Board to provide health benefits and President of affiliated non-profit that provides grants to non-profit with profits of trust. Donations exceed $16,000</td>
</tr>
<tr>
<td>Leroy Morishita (East Bay)</td>
<td>President</td>
<td>JA Health Insurance Brokerage</td>
<td>Chair of the Board and President of affiliated non-profit (see add'l comments)</td>
<td>3 hours quarterly</td>
<td>$16,000</td>
<td></td>
</tr>
<tr>
<td>Bereneceea Johnson Eanes (Fullerton)</td>
<td>Vice President, Student Affairs</td>
<td>Palo Alto University</td>
<td>Safety Protocol Task Force</td>
<td>22 hours</td>
<td>$6,050</td>
<td></td>
</tr>
<tr>
<td>Craig Wruck (Humboldt)</td>
<td>Vice President, University Advancement</td>
<td>Colorado Planned Giving Roundtable</td>
<td>Presented two conference sessions regarding charitable giving and taxes</td>
<td>4 hours</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Craig Wruck (Humboldt)</td>
<td>Vice President, University Advancement</td>
<td>PG Calc (Planned Giving consultants)</td>
<td>Presented webinar content regarding charitable giving and taxes</td>
<td>6 hours</td>
<td>$2,610</td>
<td></td>
</tr>
<tr>
<td>Douglas Dawes (Humboldt)</td>
<td>Vice President, Administrative Affairs</td>
<td>Cache Valley, CPA, PLLC (Owner)</td>
<td>Vice President, Administration and Finance</td>
<td>80 hours</td>
<td>$7,500</td>
<td>Provide tax and consulting services for less than 15 entities/individuals</td>
</tr>
<tr>
<td>Janet Dial (Los Angeles)</td>
<td>Vice President, University Advancement</td>
<td>International Scholarship and Tuition Services, Inc. (ISTS)</td>
<td>Scholarship Selection Committee Chair</td>
<td>40 hours</td>
<td>$400</td>
<td></td>
</tr>
<tr>
<td>Jose Gomez (Los Angeles)</td>
<td>Executive Vice President and Chief Operating Officer</td>
<td>California Casualty Indemnity Exchange</td>
<td>Advisory Board Member</td>
<td>64 hours</td>
<td>$54,800</td>
<td></td>
</tr>
</tbody>
</table>

*Senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.
<table>
<thead>
<tr>
<th>Employee Name (Campus)</th>
<th>CSU Working Title</th>
<th>Name of Outside Employer/Business</th>
<th>Role</th>
<th>Total Time Served (Hours)</th>
<th>Total Compensation Received</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronnie Higgs (Monterey Bay)</td>
<td>Vice President, Student Affairs and Enrollment</td>
<td>Peninsula Sports, Inc.</td>
<td>High School Football Official</td>
<td>40 hours total</td>
<td>$1,200</td>
<td></td>
</tr>
<tr>
<td>Barbara Zappas (Monterey Bay)</td>
<td>Vice President, University Development</td>
<td>Montage Wellness Center</td>
<td>Yoga Instructor</td>
<td>172 hours</td>
<td>$1,200</td>
<td></td>
</tr>
<tr>
<td>Tomas Morales (San Bernardino)</td>
<td>President</td>
<td>United Health Group of New York</td>
<td>Director, Board of Directors</td>
<td>6-10 hours a year</td>
<td>$12,000</td>
<td></td>
</tr>
<tr>
<td>Shari McMahan (San Bernardino)</td>
<td>Provost/Vice President</td>
<td>24-Hour Fitness</td>
<td>Instructor</td>
<td>52 hours per year</td>
<td>$1,200</td>
<td></td>
</tr>
<tr>
<td>Chukuka Enwemeka (San Diego) - no longer with CSU</td>
<td>Provost and Senior Vice President</td>
<td>Zenith Bank PLC</td>
<td>Board Member</td>
<td>0 - All work performed while on vacation</td>
<td>$29,500</td>
<td>A portion of compensation donated to a church and other charitable organizations in Nigeria.</td>
</tr>
<tr>
<td>Chukuka Enwemeka (San Diego) - no longer with CSU</td>
<td>Provost and Senior Vice President</td>
<td>SDSU Research Foundation</td>
<td>Principal Investigator</td>
<td>124 hours</td>
<td>$15,776</td>
<td>Provided Keynote presentation for conference on sexual violence</td>
</tr>
<tr>
<td>Luoluo Hong (San Francisco)</td>
<td>Vice President, Student Affairs &amp; Enrollment Management</td>
<td>Vanderbilt University</td>
<td>Keynote Speaker</td>
<td>2-3 hours</td>
<td>$4,000</td>
<td>Provided Keynote presentation for conference on health and wellness</td>
</tr>
<tr>
<td>Luoluo Hong (San Francisco)</td>
<td>Vice President, Student Affairs and Enrollment Management</td>
<td>Tulane University</td>
<td>Keynote Speaker</td>
<td>4-6 hours</td>
<td>$5,000</td>
<td>Provided Keynote presentation and break out session for conference on health and wellness</td>
</tr>
<tr>
<td>Paul Lanning (San José)</td>
<td>Vice President, University Advancement</td>
<td>Ascend Partners Group, LLC</td>
<td>Partial owner of consulting firm</td>
<td>10 hours</td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td>Keith Humphrey (San Luis Obispo)</td>
<td>Vice President, Student Affairs</td>
<td>Sierra Vista Hospital</td>
<td>Governing Board member</td>
<td>15 hours</td>
<td>$2,000</td>
<td>Not involved in making any decisions affecting CSU's dealing with outside employer</td>
</tr>
<tr>
<td>Lisa Vollendorf (Sonoma)</td>
<td>Provost &amp; Executive Vice President of Academic Affairs</td>
<td>Vanderbilt University Press</td>
<td>Receive royalties for book publication, did not work any hours for this compensation in 2017.</td>
<td>0 hours</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Paz Oliverez (Stanislaus)</td>
<td>Interim Vice President, Student Affairs</td>
<td>Innovative Educators</td>
<td>Webinars in higher ed best practices</td>
<td>9 hours</td>
<td>$4,750</td>
<td></td>
</tr>
</tbody>
</table>

*Senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.*
<table>
<thead>
<tr>
<th>Employee Name (Campus)</th>
<th>CSU Working Title</th>
<th>Name of Outside Employer/Business</th>
<th>Role</th>
<th>Total Time Served (Hours)</th>
<th>Total Compensation Received</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paz Oliverez (Stanislaus)</td>
<td>Interim Vice President, Student Affairs</td>
<td>Audio Solutionz</td>
<td>Webinars on higher education best practices</td>
<td>6 hours</td>
<td>$3,400</td>
<td></td>
</tr>
</tbody>
</table>

*Senior management includes presidents, vice presidents, executive/vice chancellors and the chancellor.
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Annual Report on Vice President Compensation, Executive Relocation, and Executive Transition

Presentation By

Timothy P. White
Chancellor

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

In January 2008 the Board of Trustees adopted a resolution (RBOT 01-08-01) requiring the chancellor to provide an annual report on vice presidential compensation actions, executive relocation costs, and executive transition programs. This agenda item will share the annual report with the Board.

Vice President Compensation

Current trustee policy requires the chancellor to review and approve recommendations for vice presidential compensation at the initial appointment and subsequently. Additionally, the chancellor is to provide an annual report on vice president compensation if compensation actions have been taken. Attachment A shows 22 vice president compensation actions during the reporting period (September 1, 2017 – August 31, 2018).

Additionally, as previously shared with the Board, Chancellor Timothy P. White authorized a three percent compensation pool for eligible unrepresented employees for fiscal year 2018-2019. As a result, vice presidents were eligible for merit salary increases from this compensation pool.

Executive Relocation

It is recognized that the relocation of newly hired individuals may be required, and a relocation program is provided to assist in the relocation process. The annual report on relocation expenses for CSU Executives follows:

- Dr. Adela de la Torre
  President, San Diego State
From Sacramento, California
Relocation of household goods and property: $12,209.13
Relocation travel expense: $279.04

- Dr. Thomas Parham
  President, CSU Dominguez Hills
  From Rancho Santa Margarita, California
  Relocation of household goods and property: $2,153.36
  Relocation of personal office items from UC Irvine: $3,493.23
  Temporary housing: $1,137.78

- Mr. Framroze Virjee
  President, CSU Fullerton
  From Rolling Hills, California
  Relocation of household goods and property: $7,207.82
  Temporary housing: $154.21

- Dr. Lynnette Zelezny
  President, CSU Bakersfield
  From Clovis, California
  Relocation of household goods and property: $10,302.79
  Relocation travel expense: $23.04
  Home sale fees and expenses: $49,739.61

**Executive Transition**

Trustee policy requires the chancellor to report annually on all existing transition programs. The annual update follows.

*Executive Transition Program:*

*The executive transition program is available to executives appointed into an executive position between November 18, 1992 and November 14, 2006. The program provides an executive a one year transition after leaving executive office. (RUFP 11-92-04)*

Dr. Horace Mitchell – President Emeritus
Effective Date: July 1, 2018 – June 30, 2019
Salary: $250,512
Dr. Mitchell entered into a one-year transitional period to which he is entitled under the provisions of the program. During this period Dr. Mitchell is available for advice and counsel on matters pertaining to CSU Bakersfield. He also remains available to the chancellor and other system executives for advice and counsel on matters pertaining to the CSU. In addition, he provides consultation for executive leadership development programs and strategy.

*Executive Transition II Program:*

*The transition II program replaced the executive transition program for executives appointed into executive positions on or after November 15, 2006. A period of transition is provided for executives who have served five years in an executive position and who separate from their executive position in order to assume previously identified CSU employment. (RUFP 11-06-06)*

- There are no participants in the transition II program.
### Vice President Compensation Actions

#### Filled Vacancies

<table>
<thead>
<tr>
<th>Campus</th>
<th>Name</th>
<th>Title</th>
<th>Date</th>
<th>Salary</th>
<th>Other Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel Islands</td>
<td>Yao, Richard</td>
<td>Vice President for Student Affairs</td>
<td>6/15/2018</td>
<td>$215,004</td>
<td></td>
</tr>
<tr>
<td>Chico</td>
<td>Lang, Milton</td>
<td>Vice President for Student Affairs</td>
<td>1/16/2018</td>
<td>$240,000</td>
<td></td>
</tr>
<tr>
<td>East Bay</td>
<td>Espinoza, Suzanne</td>
<td>Vice President, Student Affairs</td>
<td>7/1/2018</td>
<td>$224,004</td>
<td></td>
</tr>
<tr>
<td>Fullerton</td>
<td>Knutson Miller, Kari</td>
<td>Provost and Vice President for Academic Affairs</td>
<td>1/1/2018</td>
<td>$262,728</td>
<td></td>
</tr>
<tr>
<td>Humboldt</td>
<td>Dawes, Douglas</td>
<td>Vice President for Administration and Finance</td>
<td>3/29/2018</td>
<td>$225,000</td>
<td></td>
</tr>
<tr>
<td>Long Beach</td>
<td>Apel, Scott</td>
<td>Vice President, Administration and Finance</td>
<td>1/1/2018</td>
<td>$240,000</td>
<td>Auto Allowance $7,200/annual Non-General Funds</td>
</tr>
<tr>
<td>Long Beach</td>
<td>Cesca, Michele</td>
<td>Vice President, University Relations and Development</td>
<td>8/1/2018</td>
<td>$225,000</td>
<td>Auto Allowance $7,200/annual Non-General Funds</td>
</tr>
<tr>
<td>Sacramento</td>
<td>Frisone, Al</td>
<td>Vice President for University Advancement</td>
<td>9/18/2017</td>
<td>$225,000</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>Carter, Phyllis</td>
<td>Vice President of Administration and Finance and Chief Financial Officer</td>
<td>6/1/2018</td>
<td>$244,548</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>Summit, Jennifer</td>
<td>Provost and Vice President of Academic Affairs</td>
<td>4/2/2018</td>
<td>$279,000</td>
<td></td>
</tr>
<tr>
<td>San José</td>
<td>Day, Patrick</td>
<td>Vice President for Student Affairs</td>
<td>8/16/2018</td>
<td>$248,004</td>
<td></td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>Ewing, Matthew</td>
<td>Vice President for University Development</td>
<td>5/3/2018</td>
<td>$275,004</td>
<td>Temporary (6 mos.) Housing Allowance $3,000/month Non-General Funds</td>
</tr>
<tr>
<td>Sonoma</td>
<td>Sawyer, Wm Gregory</td>
<td>Vice President for Student Affairs and Chief Student Affairs Officer</td>
<td>4/1/2018</td>
<td>$225,000</td>
<td></td>
</tr>
</tbody>
</table>
### Other Compensation Changes

<table>
<thead>
<tr>
<th>Campus</th>
<th>Name</th>
<th>Title</th>
<th>Date</th>
<th>Description of Change</th>
<th>Salary After Change or Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pomona</td>
<td>McGuthry, John</td>
<td>Vice President, Information Technology and Institutional Planning/Chief Information Officer</td>
<td>7/1/2017</td>
<td>Change in responsibilities</td>
<td>$238,104</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Gomez, Jose</td>
<td>Executive Vice President and Chief Operating Officer</td>
<td>7/1/2018</td>
<td>Equity Increase</td>
<td>$258,144</td>
</tr>
<tr>
<td>Northridge</td>
<td>Gunsalus, Robert</td>
<td>Vice President for University Advancement</td>
<td>6/1/2018</td>
<td>Equity Increase</td>
<td>$247,968</td>
</tr>
<tr>
<td>Northridge</td>
<td>Baker, Hilary</td>
<td>Vice President, Information Technology and CIO</td>
<td>6/1/2018</td>
<td>Equity Increase</td>
<td>$233,772</td>
</tr>
<tr>
<td>San Marcos</td>
<td>Baur, Cathy</td>
<td>Vice President for University Advancement</td>
<td>7/1/2018</td>
<td>Equity Increase</td>
<td>$220,000</td>
</tr>
<tr>
<td>Chico</td>
<td>Boura, Ahmad</td>
<td>Vice President for University Advancement</td>
<td>FY 2017/18</td>
<td>MPP Merit Bonus Program - established goals met</td>
<td>$33,487</td>
</tr>
<tr>
<td>San Diego</td>
<td>Carleton, Mary Ruth</td>
<td>Vice President, University Relations and Development</td>
<td>FY 2017/18</td>
<td>MPP Merit Bonus Program - established goals met</td>
<td>$27,924</td>
</tr>
<tr>
<td>Northridge</td>
<td>Gunsalus, Robert</td>
<td>Vice President for University Advancement</td>
<td>9/1/2017</td>
<td>Auto Allowance Non-General Funds</td>
<td>$750/mo.</td>
</tr>
<tr>
<td>Bakersfield</td>
<td>Davis, Thomas</td>
<td>Vice President for Business and Administrative Services</td>
<td>10/23/2017</td>
<td>Use of auto - provided In-Kind via Athletics Corporate Sponsor Contract</td>
<td>N/A</td>
</tr>
</tbody>
</table>
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Vice Chancellor of Human Resources – California State University

Presentation By

Timothy P. White
Chancellor

Summary

This action item establishes the compensation for Ms. Evelyn Nazario as vice chancellor of human resources for the California State University.

Background

The CSU Board of Trustees is pleased to present Ms. Evelyn Nazario as vice chancellor of human resources for the California State University effective October 1, 2018.

Ms. Nazario has been with the California State University since 2008 and is serving as associate vice chancellor of human resources management. In that capacity she is responsible for providing guidance in all HR-related matters to the CSU’s 23 campuses and oversees the full range of human resources policy, programs and services. Prior to joining the CSU, she served as director of compensation and human resources operations for the University of California, Irvine.

Ms. Nazario holds a bachelor’s degree in psychology from Vanguard University and a master’s degree in organizational leadership from Brandman University.

Executive Compensation

Chancellor White recommends that Ms. Evelyn Nazario receive an annual salary of $297,546 effective October 1, 2018, the date of her appointment as vice chancellor of human resources for the California State University. This is the same salary as the outgoing vice chancellor, Ms. Melissa Bard.

In accordance with existing policy, Ms. Nazario will receive the following benefits:

- An auto allowance of $1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees; and
- An executive transition program provided she meets the eligibility requirements passed by the Board of Trustees on November 15, 2006 (RUFP 11-06-06).
There is no moving and relocation benefit with this appointment.

Chancellor White recommends the trustees approve the salary for the next vice chancellor of human resources for the California State University, Ms. Evelyn Nazario.

**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED,** by the Board of Trustees of the California State University, that Ms. Evelyn Nazario shall receive a salary set at the annual rate of $297,546 effective the date of her appointment as vice chancellor of human resources for the California State University; and be it further

**RESOLVED,** that Ms. Nazario shall receive additional benefits as cited in Item 4 of the Committee on University and Faculty Personnel at the November 13-14, 2018 meeting of the Board of Trustees.
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Chancellor’s Housing Allowance

Presentation By

Adam Day
Chairman
CSU Board of Trustees

Summary

This agenda item seeks approval to utilize the proceeds of the sale of the State University House to supplement an existing foundation endowment of non-state funds and provide a housing allowance to the Chancellor for a replacement residence.

Background

Due to the planned sale of the State University House, which is utilized as the residence and event space for the Chancellor, this agenda item proposes that the Chancellor will now receive a housing allowance to offset the expense of a personal replacement residence. The proceeds from the sale of the State University House will be used to supplement an existing foundation endowment that provided for the purchase and maintenance of the State University House, which would now provide a monthly housing allowance for the Chancellor to supplement the costs of a residence.

Recommendation

It is recommended that the Board authorize the utilization of proceeds from the sale of the State University House to supplement the current State University House foundation endowment, which would provide a monthly stipend of $7,917 of non-state funds for the Chancellor to supplement the costs of a residence.

The following resolution is presented for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that:

The Chancellor receive a $7,917 monthly housing allowance of non-state funds to supplement the cost of a residence. These funds are to be paid by the foundation endowment created through an original donor gift to support the housing and hospitality-related functions for the Chancellor of the California State University and supplement by the proceeds of the sale of the State University House located in Long Beach.
AGENDA

JOINT COMMITTEES ON
FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 11:00 a.m., Tuesday, November 13, 2018
Glenn S. Dumke Auditorium

Committee on Finance

John Nilon, Chair
Peter J. Taylor, Vice Chair
Jane W. Carney
Douglas Faigin
Emily Hinton
Jack McGrory
Hugo N. Morales
Lateefah Simon
Christopher Steinhauser

Committee on Campus Planning, Buildings and Grounds

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Jane W. Carney
Wenda Fong
John Nilon
Christopher Steinhauser
Peter J. Taylor

Consent

1. Approval of Minutes of the Meeting of January 31, 2018, Action

Discussion


3. Approval to Issue Board of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Amend the 2018-2019 Capital Outlay Program for the Acquisition of Real Property for Sonoma State University, Action
Trustee John Nilon called the meeting to order. There were no requests for public comment.

Approval of Minutes

The minutes of the November 15, 2016 joint committees meeting were approved as submitted.

Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Approval of Related Actions for the Extended Learning Building and Parking Structure Project at California State University San Marcos

Trustee Nilon presented agenda item two as a consent action item. The committee recommended approval of the proposed resolution (RFIN/CPBG 01-18-01).

Summary of California State University Public-Private Partnerships

Information about the various types of public-private partnership projects of the CSU was reviewed.
Following the presentation, the trustees asked about the campus vetting process and requirements for new projects, the difference between commercial and mixed-use developments, use of revenue funds, and how best to support non-revenue generating projects such as academic buildings.

Trustee Nilon adjourned the meeting.
Approval of the 2019-2020 through 2023-2024 Five-Year Capital Plan and Multi-Year Financing Authorization

Summary

This item presents for approval the Five-Year Capital Plan covering the period from 2019-2020 through 2023-2024 and proposes multi-year financing authorization for a portion of the academic facilities included in the Five-Year Capital Plan. The intent of the multi-year financing approach is to increase campus certainty of funding by utilizing available funds originally appropriated to the California State University for annual debt service payments for General Obligation and State Public Works Board Bonds, as well as a portion of the current base funding appropriation. By increasing funding certainty, campuses will be able to improve project planning efforts, co-fund projects, and make good use of the limited operating funds.

The Five-Year Capital Plan totals over $16 billion and is comprised of academic and self-support projects as well as a list of infrastructure improvement projects addressing critical utilities, seismic, fire and life-safety, accessibility, and other improvements across all campuses. The Five-Year Plan can be found at http://calstate.edu/cpdc/Facilities_Planning/majorcapoutlayprogram.shtml. The list of priority projects for the first year of the plan is provided in Attachment A.

A multi-year financing authorization in a not-to-exceed amount of $1.1 billion is being proposed to fund academic project priorities and enable the CSU to implement a portion of the Five-Year Plan. The funds will enable the CSU to renovate aging facilities and provide limited growth to support the Graduation Initiative and the workforce needs of the global economy.
Background

The primary objectives of the capital outlay program are to provide facilities appropriate to the CSU’s educational programs, to create environments conducive to learning, and to ensure that the quality and quantity of facilities at each of the 23 campuses serve students equitably. The Board of Trustees approved the Categories and Criteria for Priority Setting for the Five-Year Capital Plan (the “Categories and Criteria”) at their May 2018 meeting. The Categories and Criteria guide the development of each campus’s five-year plans and the proposed academic priority list and self-support summary list.

The Preliminary Five-Year plan was presented as an information item at the September 2018 Board of Trustees meeting to seek input and provide an update on the use of capital and facilities renewal funding. The September item included information on projects completed since 2014 addressing systemwide needs in the areas of utility infrastructure, renovation/replacement of existing facilities, Science Technology Engineering and Mathematics, seismic strengthening, and additional capacity to serve enrollment growth.

2019-2020 through 2023-2024 Five-Year Capital Plan

The Five-Year Capital Plan identifies the campuses’ capital project priorities to address facility deficiencies and accommodate student enrollment growth. The campuses have identified a funding need of more than $16 billion for the five-year period with over $10 billion for academic facilities and approximately $6 billion for self-support facilities.

For each campus the plan includes:
- Campus history
- Campus master plan map and building legend (including off-campus centers)
- Current Five-Year Plan
- Previous Five-Year Plan Funding

Systemwide information includes:
- Campus summaries of state/CSU funding, and self-support funding
- Charts and graphs of campus housing, parking capacity, and planned projects
- Seismic Safety Action Plan (10-year period)
- Summary of Greenhouse Gas Emissions
- Summary of Renewal Backlog and Annual Renewal Need for Academic Facilities and Infrastructure
Since the September 2018 Board of Trustees meeting, minor changes and corrections have been made to the Five-Year Plan. Those revisions impact the proposed project scope, budget, and schedule. As shown in Attachment A, the academic priority list for 2019-2020 totals $1.9 billion, and the self-support list totals $125 million, for a total of about $2 billion in the first year.

Projects included in the academic projects priority list address:

- Correcting infrastructure deficiencies
- Renovating or replacing existing facilities
- Constructing new classrooms, labs, faculty offices, or instructional support space to accommodate growth in student enrollment

The prioritization of academic projects uses the criteria established by the Board of Trustees by proposing correction of critical infrastructure as the top priority, advancing the replacement and renewal of existing space (particularly those with hazardous materials), supporting co-funding of projects, and managing growth. The priority list also identifies those projects that include a seismic strengthening component.

To inform the recommended prioritization of academic projects, several reports are used to weigh the relative need of a project:

- Summary of Campus Capacity – compares projected full-time equivalent (FTE) enrollment to FTE seat capacity to quantify lecture, lab, and faculty office needs
- Laboratory Enrollment versus Laboratory Capacity – to evaluate access to lab teaching space by discipline
- Utilization Report – provides classroom and lab use by room size

These reports compare projected enrollment to available space using legislative or CSU standards. Campuses also submit a project justification, feasibility study, and other back-up material that are used to help assess relative need and balance the needs of the system.

As reported in September, the need for campus academic and infrastructure projects continues to grow as our facilities age. The chart shows that 56 percent of the academic facilities gross square feet are 40 years old or more – and of that amount 15 percent are more than 60 years old. The cost to replace building and utility systems that have passed their useful life now approaches $3.7 billion.
To address the aging facilities, per the Board of Trustees criteria, the capital program has prioritized the use of funds to address critical infrastructure needs and renovate or replace existing facilities. The CSU continues to work on improved tracking of funded projects implemented to reduce the backlog and extend the life of the building, and structure the capital program to leverage systemwide funds/financing for infrastructure with the operating funds reserved by campuses to address major repairs and classroom renewal.

Financing of the self-support capital projects will continue to come forward to the Board of Trustees on an individual basis.

**Academic Projects Multi-Year Bond Authorization**

In November 2016, the Board of Trustees approved a $1 billion multi-year financing plan to address academic facility and infrastructure needs identified in the 2019-2020 through 2023-2024 Five-Year Plan. In response to the significant need across the system, the strategy to address our aging and outdated facilities involves using existing resources to support additional debt and requesting additional funding and financing, as follows:

1) Use the remaining bond financing authority approved in November 2016 to fund approximately $180 million.
2) Use existing operating base budget capital funding to finance an amount not to exceed $1.1 billion over several years.
3) Seek additional permanent operating budget funding of $80 million to support up to $1.2 billion of additional debt for capital outlay/facilities infrastructure.
4) Seek $250 million one-time funding for infrastructure replacement and deferred maintenance.
5) Support General Obligation bond efforts with debt service funded by the state.

**Board of Trustee Resolutions and Recommendation**

The following resolutions are presented for approval:

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

2. The chancellor is authorized to proceed in 2018-2019 with design and construction to fast-track projects in the 2019-2020 through 2023-2024 Five-Year Plan.
3. The chancellor is requested to explore all reasonable funding methods available and communicate to the Board of Trustees, the governor, and the legislature the need to provide funds to develop the facilities necessary to serve the academic program and all eligible students.

4. The chancellor is authorized to make adjustments to the Five-Year Capital Plan, including the priority sequence, scope, phase, project cost, financing source, and total budget request for the Program and report budget adjustments in the subsequent Five-Year Plan.

5. The chancellor is authorized to make adjustments in the projects to be financed as necessary to maximize use of the limited financing resources and in consideration of the CSU’s priorities for funding capital outlay projects.

Furthermore,

Orrick, Herrington & Sutcliffe LLP, as bond counsel, is preparing resolutions to be presented at this meeting that authorize interim and permanent financing for the projects described in this agenda item. The proposed resolutions will be distributed at the meeting and will achieve the following:

1. Authorize the sale and issuance of Systemwide Revenue Bond Anticipation Notes, and/or the related or stand-alone sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate amount not to exceed $1.1 billion and certain actions relating thereto.

2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes, the revenue bonds, and the related debt instruments.

Approval of the resolutions as described in this Agenda Item 2 of the Joint Committees on Finance and Campus Planning, Buildings and Grounds at the November 13-14, 2018, meeting of the CSU Board of Trustees is recommended.
Approval to Issue Board of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Amend the 2018-2019 Capital Outlay Program for the Acquisition of Real Property for Sonoma State University

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

This item requests the following actions by the California State University Board of Trustees for Sonoma State University Petaluma Property Acquisition project:

1. Approval of an amendment to the 2018-2019 capital outlay program for the acquisition of real property.

2. Authorization of the issuance of long-term Systemwide Revenue Bond (SRB) financing and related debt instruments, including shorter term and variable rate debt, floating and fixed rate loans placed directly with banks, and bond anticipation notes (BANs) to support interim financing under the CSU commercial paper (CP) program, in an aggregate amount not-to-exceed $37,020,000.

The Board of Trustees is being asked to approve the resolutions related to the acquisition and financing of the project.

Property Acquisition

The newly constructed project is located at 785 Baywood Drive, Petaluma, California 94954. The project includes an existing 90-unit multi-family housing facility and 180-surface parking spaces on 2.17-acres. The property will be owned and managed by the campus housing program and used to help meet campus workforce housing needs and future student demand for housing.
Thorough due diligence has been completed to identify any potential issues which may result in unnecessary costs associated with, for example, environmental concerns, land use, building construction, or to identify other restrictions on the property or title issues which may impact the intended use. Third-party experts were engaged to conduct a property appraisal, a facility condition assessment, a phase 1 environmental (hazard) assessment, a title report, and an ADA compliance review. A geotechnical exploration report was also reviewed, and a structural and seismic assessment by a member of the CSU Seismic Review Board was completed. Results of the due diligence process did not identify any reasons to reject the proposed purchase.

**Financing**

The SRB program provides capital financing for self-support projects of the CSU, including housing, parking, student union, health center, continuing education facilities, certain auxiliary projects, and other projects, including academic facilities, approved by the Board of Trustees. Revenues from these programs and other revenues approved by the Board of Trustees, including CSU operating funds, are used to meet operational requirements of the projects and to pay debt service on bonds issued to finance the projects. The consolidated pledge of gross revenues to the bondholders strengthens the SRB program and has resulted in strong credit ratings and low borrowing costs for the CSU. Prior to issuance of bonds, some projects are funded through BANs issued by the CSU in support of its CP program. The BANs are provided to the CSU Institute, a recognized systemwide auxiliary organization, to secure the CSU Institute’s issuance of CP used to finance the projects. CP notes provide greater financing flexibility and lower short-term borrowing costs during project construction than long-term bond financing. Proceeds from the issuance of bonds are then used to retire outstanding CP and finance any additional costs.

The not-to-exceed par amount of the proposed bonds is $37,020,000 based on a sale price of $42 million and a campus housing reserve contribution of $5.5 million. Additional net financing costs, such as issuance costs (estimated at $520,000), are expected to be funded from bond proceeds. The campus anticipates closing the acquisition in early 2019.

The following table summarizes key information about this financing transaction:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not-to-exceed amount</td>
<td>$37,020,000</td>
</tr>
<tr>
<td>Amortization</td>
<td>Approximately level debt service over 30 years</td>
</tr>
<tr>
<td>Projected maximum annual debt service</td>
<td>$2,399,745</td>
</tr>
<tr>
<td>Projected debt service coverage including the new project:</td>
<td></td>
</tr>
<tr>
<td>Net revenue – Sonoma pledged revenue programs:</td>
<td>1.74</td>
</tr>
<tr>
<td>Net revenue – Projected campus housing program:</td>
<td>1.46</td>
</tr>
</tbody>
</table>

1. Combines 2017-2018 information for all campus pledged revenue programs with 2020-2021 projections for the project.
The not-to-exceed amount for the project, the maximum annual debt service, and the financial ratios above are based on an all-in interest cost of 5.15 percent, which includes a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan assumes level amortization of debt service, which is the CSU program standard. The campus financial plan projects a housing program net revenue debt service coverage of 1.46 in fiscal year 2020-2021, the first full year of operations for the project, which appropriately exceeds the CSU benchmark of 1.10 for the program. Combining the project projections for 2020-2021 with 2017-2018 information for all campus pledged revenue programs yields a campus net revenue debt service coverage for the first full year of project operations of 1.76, which exceeds the CSU benchmark of 1.35.

Board of Trustee Resolutions and Recommendation

The following resolutions are presented for approval:

   RESOLVED, by the Board of Trustees of the California State University, that:

   1. The 2018-2019 capital outlay program is amended to include the acquisition of real property for Sonoma State University.

   2. The chancellor, or his designee, is delegated the authority to negotiate the final agreement for the purchase of the property contingent on the results of the due diligence.

Furthermore,

Orrick, Herrington & Sutcliffè LLP, as bond counsel, is preparing resolutions to be presented at this meeting that authorize interim and permanent financing for the project described in this agenda. The proposed resolutions will be distributed at the meeting and will achieve the following:

1. Authorize the sale and issuance of the Board of Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate amount not to exceed $37,020,000 and certain actions relating thereto.

2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes, the revenue bonds, and the related debt instruments.
Approval of the resolutions for this project as described in this Agenda Item 3 of the Joint Committees on Finance and Campus Planning, Buildings and Grounds at the November 13-14, 2018, meeting of the CSU Board of Trustees is recommended for:

**Sonoma State University Petaluma Property Acquisition**
AGENDA

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Meeting: 11:30 a.m., Tuesday, November 13, 2018
Glenn S. Dumke Auditorium

Jean P. Firstenberg, Chair
Rebecca D. Eisen, Vice Chair
Debra S. Farar
Wenda Fong
Jack McGrory
Hugo N. Morales
J. Lawrence Norton
Romey Sabalius

Consent
1. Approval of Minutes of the Meeting of September 11, 2018, Action

Discussion
2. Naming of the Don Miller and Ron Simons Rose Float Laboratory – California State Polytechnic University, Pomona, Action
3. Naming of the JUSTIN and J. LOHR Center for Wine and Viticulture – California Polytechnic State University, San Luis Obispo, Action
MINUTES OF THE MEETING OF
COMMITTEE ON INSTITUTIONAL ADVANCEMENT
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California

September 11, 2018

Members Present

Jean P. Firstenberg, Chair
Rebecca D. Eisen, Vice Chair
Debra S. Farar
Wenda Fong
Jack McGrory
Hugo N. Morales
J. Lawrence Norton
Romey Sabalius
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Firstenberg called the meeting to order.

Approval of Minutes

The minutes of March 20, 2018, were approved as submitted.

2018-2019 California State University Trustees’ Award for Outstanding Achievement

Trustee Firstenberg shared that each year the CSU Board of Trustees provides scholarships to students who demonstrate superior academic performance, personal accomplishments, community service and financial need.

Chancellor White thanked trustees and members of the CSU Foundation board for their contributions to the CSU Trustees’ scholarships. He introduced Trustee Emeritus Ali C. Razi, CSU Foundation Board of Governors member and CSU Trustees’ Award selection committee chair, whose leadership continues to expand this scholarship program. He then introduced the top Razi scholar, Manuel Gonzales IV, from San Diego State University.

The board recognized the 23 recipients of the 2018-2019 CSU Trustees’ Award for Outstanding Achievement. Trustee Fong called each student forward to receive their certificate and read a brief description of their accomplishments.

Trustee Firstenberg adjourned the meeting.
COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Naming of the Don Miller and Ron Simons Rose Float Laboratory – California State Polytechnic University, Pomona

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Soraya M. Coley
President
California State Polytechnic University, Pomona

Summary

This item will consider naming the Rose Float Facility Replacement Laboratory Building at California State Polytechnic University, Pomona as the Don Miller and Ron Simons Rose Float Laboratory.

This proposal, submitted by Cal Poly Pomona, meets the criteria and other conditions specified in the Board of Trustees Policy on Naming California State University Facilities and Properties, including approval by the system review panel and the campus academic senate.

Background

The proposed naming of the facility recognizes the leadership and generosity of Wilford B. “Butch” and Vivien Lindley’s $1 million investment in the replacement building project for the Rose Float Laboratory. Mr. and Mrs. Lindley’s lead $1 million pledge inspired additional donations from university alumni, friends and organizations, which to date total over $2.4 million toward the project. The Rose Float Laboratory replacement facility will enhance the collaborative efforts of Cal Poly Pomona and Cal Poly San Luis Obispo’s annual Pasadena Tournament of Roses Parade Float development, in which each campus prepares half of the float over the course of a year to be ultimately combined at the Pomona campus prior to the parade on New Year’s Day. The replacement facility will be 5,800 gross square feet to house an enclosed float construction laboratory, staging and testing spaces, a workshop, storage and restrooms.

Butch Lindley graduated from Cal Poly Pomona’s College of Agriculture with a bachelor’s degree in agronomy in 1967. A U.S. Army veteran and highly successful businessman, he co-founded J & L Farms, Inc., a farm management company. The company, along with Lockwood Vineyard, raises and harvests grapes for various wineries throughout California and includes 2,000 acres in Monterey County and 2,700 acres in Modesto.
Butch and Vivien Lindley have made commitments totaling $11,052,498 to university initiatives and programs, including a planned gift to the Wilford B. and Vivien Lindley Endowment to benefit the university’s Don B. Huntley College of Agriculture. Mr. Lindley was recognized with Cal Poly Pomona’s Distinguished Alumni Lifetime Achievement Award in 2017. He and Mrs. Lindley are members of the Rose Float Alumni Chapter, and they are members of Cal Poly Pomona’s Founders’ Society and Kellogg/Voorhis Heritage Society for their lifetime and planned giving.

The Lindleys requested that the naming be in honor of Don Miller and Ron Simons, who were instrumental in Cal Poly Universities’ award-filled, 70-year Tournament of Roses legacy.

Don Miller, a 1952 ornamental horticulture graduate of Cal Poly Voorhis Unit, is credited as the catalyst for Cal Poly’s first float entry in the Tournament of Roses Parade. A proud Cal Poly student and resident of Pasadena in the 1940s, Mr. Miller advocated for a Cal Poly float with Tournament officials, and in the summer of 1948, he was approached by the Pasadena Rose Parade Committee to produce a float entry within 90 days. Mr. Miller fully committed to the project, helping to produce a float design, recruiting campus volunteers, obtaining the plant materials required for decoration, and securing a $258 budget for float production. Cal Poly’s first float on January 1, 1949, “Childhood Memories,” won the Award of Merit and began Cal Poly Universities’ 70-year history with the Tournament.

Ron Simons (’64 and ’69) has been dedicated to the Rose Float since his time as an undergraduate, serving as a volunteer leader for a number of Cal Poly Rose Parade floats. He also rode as the astronaut on Cal Poly’s 1962 float, “Man on the Moon,” that he helped design and construct. Mr. Simons went on to co-chair the 1963 parade float, as well as assuming the chairmanship of the 1964 float before his graduation. After serving three years in the U. S. Army, he returned to campus for his second degree and was asked once again to lead the Rose Float as Pomona’s chair for the 1968 “The Mouse That Got Away” float. This involvement led to the Tournament’s Princess Award for excellence in animation as a float’s first use of hydraulics in the parade. Shortly thereafter, he began his 43-year staff career at Pomona by establishing the campus’ alumni association. During those staff years, Mr. Simons continued to volunteer as one of the Rose Float program’s lead advisors. His tremendous pride in the Cal Poly Rose Float legacy, which brings unique national and international recognition each year, is shared by generations of Cal Poly alumni.

Mr. Simons received an honorary doctorate degree from Cal Poly Pomona in 2012 for over five outstanding decades of service to the university. His efforts were instrumental to philanthropic development and the subsequent creation of the division of University Advancement, where he served in lead management positions and as associate vice president for University Development prior to his retirement.
Recommended Action

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the Rose Float Facility Replacement Laboratory Building at California State Polytechnic University, Pomona be named the Don Miller and Ron Simons Rose Float Laboratory.
COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Naming of the JUSTIN and J. LOHR Center for Wine and Viticulture – California Polytechnic State University, San Luis Obispo

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Jeffrey D. Armstrong
President
California Polytechnic State University, San Luis Obispo

Summary

This item will consider naming the newly constructed agricultural facilities at California Polytechnic State University, San Luis Obispo as the JUSTIN and J. LOHR Center for Wine and Viticulture.

This proposal, submitted by Cal Poly San Luis Obispo, meets the criteria and other conditions specified in the Board of Trustees Policy on Naming California State University Facilities and Properties, including approval by the system review panel and the campus academic senate.

Background

The proposed naming of the facility recognizes the $2.5 million pledge by the Resnick Foundation and the $1 million gift and $1.5 million pledge by Jerome J. Lohr (Jerry Lohr). Their gifts and pledges of $2.5 million each will be used to fund the wine and viticulture center with an estimated completion date of fall 2019. The center will dramatically transform the Wine and Viticulture program within the College of Agriculture, Food and Environmental Sciences. Specifically, this project will provide 15,600 square foot winery; 12,000 square foot grange hall; crush, fermentation, barrel, sensory, bottling, enology and viticulture rooms; teaching and research labs; a bonded winery; offices; and community and industry meeting spaces.

The Resnick Foundation was founded in 1997 by Stewart and Lynda Resnick, who serve as copresidents. The Resnicks are also founders of the $4 billion Wonderful Company and own a number of successful privately held and global companies, including JUSTIN Vineyards & Winery, Fiji Water and Teleflora. Through their foundation and companies, the Resnicks have generously contributed to community development efforts, educational initiatives ranging from scholarships, school grants, preschools, art programs, the Wonderful Agriculture Career Prep program, and the Wonderful College Prep Academy. Stewart Resnick is a member of the board of trustees of the School of Medicine at UCLA and the J. Paul Getty Trust.
Winemaker and businessman Jerry Lohr is regarded as an industry leader and pioneer who helped establish California’s Central Coast as a major wine growing region. Leading one of the most successful multigenerational family wineries in the world, Mr. Lohr has received numerous accolades for his dedication and commitment to producing quality wines. He graduated from South Dakota State University in 1958 with a degree in engineering and a year later earned a master’s degree in civil engineering from Stanford. At Cal Poly, Mr. Lohr has served on the President’s Council of Advisors, Cal Poly Foundation Board of Directors and the Advisory Council of the Wine and Viticulture Department. In addition, he has been integral in developing Cal Poly’s Wine and Viticulture Program and has generously pledged to the Wine and Viticulture program and facilities. Mr. Lohr regularly hires Cal Poly graduates and provides hands-on internships to students. He has played a significant role in the university’s teaching vineyard and winery and was awarded an honorary doctorate degree by Cal Poly in June 2018.

**Recommended Action**

The following resolution is recommended for approval:

**RESOLVED,** by the Board of Trustees of the California State University, that the newly constructed agricultural facilities at California Polytechnic State University, San Luis Obispo be named the JUSTIN and J. LOHR Center for Wine and Viticulture.
AGENDA

COMMITTEE ON EDUCATIONAL POLICY

Meeting: 1:00 p.m., Tuesday, November 13, 2018
Glenn S. Dumke Auditorium

Peter J. Taylor, Chair
Jane W. Carney, Vice Chair
Rebecca D. Eisen
Debra S. Farar
Wenda Fong
Emily Hinton
Lillian Kimbell
Thelma Meléndez de Santa Ana
John Nilon
J. Lawrence Norton
Romey Sabalius
Christopher Steinhauser

Consent
1. Approval of Minutes of the Meeting of September 11, 2018, Action

Discussion
2. Student Mental Health Services, Information
3. Student Veterans, Information
4. Graduation Initiative 2025, Information
MINUTES OF MEETING OF
COMMITTEE ON EDUCATIONAL POLICY

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

September 11, 2018

Members Present

Peter Taylor, Chair
Jane w. Carney, Vice Chair
Rebecca D. Eisen
Debra S. Farar
Wenda Fong
Emily Hinton
Lillian Kimbell
Thelma Meléndez de Santa Ana
John Nilon
J. Lawrence Norton
Romey Sabalius
Christopher Steinhauser
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Taylor called the meeting to order.

Approval of Minutes

The minutes of May 15, 2018, were approved as submitted.

International Education

Loren J. Blanchard, executive vice chancellor for Academic and Student Affairs, introduced the information item. He noted that the purpose of this presentation was to highlight how international education in the CSU has expanded and evolved since the last presentation to the board on this topic in 2011.

Leo Van Cleve, assistant vice chancellor for International Programs and Summer Arts, presented the item, discussing the five key components of international education in the CSU: international collaborations, international students, international alumni, faculty development and study abroad.
He highlighted several examples, including the CSU’s longstanding partnership with the German state Baden-Württemberg, which has resulted in thousands of students expanding their global knowledge. Additionally, the presentation included a video of a faculty member discussing his experience at a recent faculty seminar held in conjunction with the University of Ghana and a video of a CSU Fresno student who recently participated in study abroad.

Following the presentation, trustees had a number of questions. Their queries focused on several key themes, including how to increase the number of CSU students participating in study abroad and how to improve data collection to have a better understanding of what students are accessing these opportunities. Additionally, trustees asked clarifying questions about the overall cost of international education opportunities.

Research, Scholarship and Creative Activities

Ganesh Raman, assistant vice chancellor for Research presented the information item, explaining that research, scholarship and creative activities are integral to the CSU mission. He provided several examples of these activities at the CSU and indicated that the CSU saw an increase in external grants and contracts for research, scholarship and creative activities in 2016-17.

Josue Duque, a student at CSU Monterey Bay, presented about his research into sustainable farming practices and how it has supported his overall educational goals. Additionally, Craig Clements, associate professor of Meteorology and Climate Science at San José State University, presented about his research into fire weather and how it enhances his role as a faculty member.

Following the presentation, trustees asked about how many CSU undergraduate students are engaging research opportunities. They also asked questions related to indirect costs of research and how the CSU’s research-related external grants, contracts and awards compare to other higher education institutions.

Graduation Initiative 2025

Loren J. Blanchard, executive vice chancellor for Academic and Student Affairs, introduced the information item. He noted that the 2018-19 academic year is the third year of Graduation Initiative 2025, and that it is a critical time for the success of the initiative. Next fall, campuses will enroll the cohort of students who will reflect the CSU’s 6-year graduation rate in 2025.

JamesMinor, assistant vice chancellor and senior strategist for Academic and Student Affairs presented an overview of the past investments in student success that are a result of the Graduation Initiative. He also highlighted several early indicators of progress related to Executive Order 1110 and external support. President Soraya Coley presented about initiatives underway at California State Polytechnic University, Pomona. Finally, Jeff Gold, assistant vice chancellor for Student Success Strategic Initiatives, presented a high-level overview of the focal areas for the third year of the Graduation Initiative 2025.
Following the presentation, trustees asked questions related to ongoing efforts to establish an admission requirement for a fourth year of high school mathematics or quantitative reasoning. Trustees also asked about feedback on new course models implemented as part of Executive Order 1110. Finally, questions on funding – how funds are allocated among campuses and how campus efforts are evaluated – were also asked.

Trustee Taylor adjourned the Committee on Educational Policy.
COMMITTEE ON EDUCATIONAL POLICY

Student Mental Health Services

Presentation By

Denise Bevly
Director of Student Wellness and Basic Needs Initiatives
Student Academic Services

Beth Jaworski
Assistant Vice President, Student Services
California State University, San Bernardino

Armando Zaragoza
President, CSU San Marcos Active Minds
California State University San Marcos

Summary

The California State University (CSU) is committed to the success of its more than 480,000 students. When students’ physical, mental or emotional health remains unaddressed, it can have an impact on both their personal and academic growth. That is why student engagement and well-being is one of the six operational priorities driving the Graduation Initiative 2025 efforts.

The CSU is committed to addressing student well-being in a holistic manner. As an educational institution, the university is particularly focused on the areas that impact students’ ability to be successful, persist and complete their degree. This includes areas such as quality education, food, housing, a sense of belonging and mental and physical health.

This information item focuses on one critical element of student well-being, mental health. According to the National Alliance on Mental Illness, one in five adults in America experience mental illness in a given year. Without question, mental health is a national issue with which communities across the country are grappling. Institutions of higher education, including CSU campuses, are no exception. This agenda item includes data from the 2018 National College Health Assessment survey, which provides the most comprehensive picture of CSU student well-being available. In addition, the 2016 CSU results and the 2018 national reference group results are provided for context.
CSU faculty, staff and administrators are committed to supporting the mental health of students. All 23 CSU campuses provide baseline mental health services for students, as outlined in Executive Order 1053 – *Policy on Student Mental Health*. In addition, campuses have gone beyond these baseline services to support students, focusing their efforts on providing education, outreach, training and acute, crisis support to students. At the same time, the CSU is actively developing and strengthening relationships with regional and local agencies and organizations to provide comprehensive care to students, in instances where students’ needs go above and beyond campus capabilities.

**National College Health Assessment**

The American Health College Association created the National College Health Assessment (NCHA) to be a nationally recognized research instrument/study that provides insight into student health habits, behaviors and perceptions. The survey is used by hundreds of colleges and universities across the country.

In 2014, the CSU Student Mental Health Services Advisory Committee – the committee charged with reviewing, evaluating and recommending educational and administrative policies that address the needs of students’ mental health - recommended that the university utilize the NCHA survey as a tool to assess student health, wellness and safety systemwide. This recommendation was supported by the Student Affairs Council, directors of Counseling and Psychological Services and the Student Health Services Advisory Committee.

The CSU goals for the systemwide administration of the NCHA are to:

- Gain valuable data from across the system to establish a baseline for numerous health-related variables to improve how the university connects students to needed resources;
- Better understand how to equip students with resources to help with engagement, persistence, learning and retention; and
- Recognize how the CSU compares to other universities across the country.

**CSU Administration of the NCHA**

In spring 2016, the CSU administered the NCHA systemwide for the first time, with the data providing a benchmark for the system. The most recent administration of the NCHA began in February 2018, with 22 of 23 campuses participating (CSU Los Angeles plans to launch the survey on its campus in fall 2018). The intention was for campuses to administer the survey at approximately the same time of year as the 2016 survey, so that the campus climate would be as similar as possible to previous data collection periods.
The NCHA was administered on 22 CSU campuses via online confidential surveys. Campuses with enrollments below 8,000 students participated in census sampling, while most campuses with enrollments above 8,000 participated in a sampling survey of 7,000 randomly selected students. Across the 22 CSU campuses, nearly 22,000 students participated in the survey, with campus response rates ranging from 4 percent to 12 percent. The number of responses represents approximately four percent of the CSU. The demographics closely mirror those of the CSU, making this sample representative of the total student population.

National Reference Group

The NCHA survey allows the CSU results to be compared with a fall 2018 NCHA reference group, to place CSU results in a national context. The reference group was representative of 88,178 students at 140 institutions across the U.S.

The CSU sample and the national reference group were largely similar in terms of sociodemographic characteristics. CSU respondents were slightly older on average compared to the reference group and both had a similar gender distribution. However, the CSU sample was more diverse in terms of race/ethnicity (71 percent non-White compared to the reference group’s 46 percent non-White).

2018 CSU NCHA Results

CSU campuses’ NCHA results were analyzed and a report was produced by Aydin Nazmi, Ph.D., associate professor of public health nutrition at California Polytechnic State University, San Luis Obispo. In reviewing the data (included below), it is important to note that the results are self-reported by student respondents and represent their feelings and experiences at a fixed moment in time.

The 2018 CSU results indicate that the percentage of student respondents who self-reported experiencing various mental health issues has increased since the administration of the 2016 report. At the same time, the 2018 CSU results are consistent with the national reference group results.

While the charts included in this agenda item are not disaggregated by gender identity or race/ethnicity, the data showed that the reported rate for experiencing various mental health issues for students identifying as non-binary and for students of color was higher than the overall rate. To address this, CSU campuses operate targeted outreach campaigns aimed specifically at connecting these student populations with mental health resources and services. Examples of these campus programs are included in this agenda item.
The 2018 CSU data demonstrate that while a larger percent of students are experiencing mental health issues, the number of students who are seeking treatment or utilizing services is also increasing.

For example, in 2018, 16 percent of CSU students indicated that they have received mental health services from university health/counseling. This rate increased from the 14 percent who sought services in 2016. And, in the 2018 NCHA results, 78 percent of CSU respondents indicated that they would consider seeking help from a mental health professional in the future, up from 75 percent in 2016.

These data demonstrate that campus efforts are having an impact on students. While there is significantly more work ahead, campus programs, such as peer-to-peer outreach, support groups, workshops and mental health trainings, are being utilized by students and connecting them to the services they need.

*NCHA Data*

Percent of respondents who self-reported experiencing various mental health issues within the last 12 months

<table>
<thead>
<tr>
<th></th>
<th>CSU Overall 2016</th>
<th>CSU Overall 2018</th>
<th>Reference Group 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hopeless</td>
<td>49.7</td>
<td>54.2</td>
<td>53.4</td>
</tr>
<tr>
<td>Overwhelmed</td>
<td>83.7</td>
<td>85.8</td>
<td>87.4</td>
</tr>
<tr>
<td>Exhausted</td>
<td>80.3</td>
<td>82.5</td>
<td>84.3</td>
</tr>
<tr>
<td>Very lonely</td>
<td>55.3</td>
<td>58.4</td>
<td>62.8</td>
</tr>
<tr>
<td>Very sad</td>
<td>63.0</td>
<td>66.6</td>
<td>68.7</td>
</tr>
<tr>
<td>Depressed</td>
<td>36.3</td>
<td>41.8</td>
<td>41.9</td>
</tr>
<tr>
<td>Overwhelming anxiety</td>
<td>57.4</td>
<td>62.9</td>
<td>63.4</td>
</tr>
<tr>
<td>Overwhelming anger</td>
<td>41.3</td>
<td>44.3</td>
<td>42.1</td>
</tr>
<tr>
<td>Intentional self-harmed</td>
<td>5.7</td>
<td>6.6</td>
<td>7.8</td>
</tr>
<tr>
<td>Seriously considered suicide</td>
<td>9.0</td>
<td>11.6</td>
<td>12.1</td>
</tr>
<tr>
<td>Attempted suicide</td>
<td>1.5</td>
<td>1.8</td>
<td>1.7</td>
</tr>
</tbody>
</table>
Percent of respondents who self-reported that they were diagnosed or treated by a professional for the following mental health conditions within the last 12 months

<table>
<thead>
<tr>
<th>Condition</th>
<th>CSU Overall 2016</th>
<th>CSU Overall 2018</th>
<th>Reference Group 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anorexia</td>
<td>0.9</td>
<td>1.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Anxiety</td>
<td>14.2</td>
<td>17.4</td>
<td>22.1</td>
</tr>
<tr>
<td>ADHD</td>
<td>3.5</td>
<td>4.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Bipolar disorder</td>
<td>1.5</td>
<td>1.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Bulimia</td>
<td>0.9</td>
<td>1.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Depression</td>
<td>11.5</td>
<td>14.2</td>
<td>18.1</td>
</tr>
<tr>
<td>Insomnia</td>
<td>4.6</td>
<td>5.3</td>
<td>5.5</td>
</tr>
<tr>
<td>Other sleep disorder</td>
<td>2.1</td>
<td>2.5</td>
<td>2.6</td>
</tr>
<tr>
<td>OCD</td>
<td>2.0</td>
<td>2.2</td>
<td>3.1</td>
</tr>
<tr>
<td>Panic attacks</td>
<td>7.6</td>
<td>9.3</td>
<td>11.0</td>
</tr>
<tr>
<td>Phobia</td>
<td>1.2</td>
<td>1.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Schizophrenia</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Substance abuse or addiction</td>
<td>1.1</td>
<td>1.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Other Addiction</td>
<td>0.6</td>
<td>0.7</td>
<td>0.6</td>
</tr>
<tr>
<td>Other mental health condition</td>
<td>2.4</td>
<td>3.0</td>
<td>3.8</td>
</tr>
<tr>
<td>None of the above</td>
<td>78.0</td>
<td>74.2</td>
<td>69.8</td>
</tr>
<tr>
<td>At least one of the above</td>
<td>13.2</td>
<td>14.2</td>
<td>8.9</td>
</tr>
<tr>
<td>Both depression and anxiety</td>
<td>8.8</td>
<td>11.6</td>
<td>14.6</td>
</tr>
</tbody>
</table>
Percent of student respondents who self-reported the following life issues or events being *Traumatic or Very Difficult to Handle* within the last 12 months

<table>
<thead>
<tr>
<th></th>
<th>CSU Overall 2016</th>
<th>CSU Overall 2018</th>
<th>Reference Group 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academics</td>
<td>47.9</td>
<td>52.7</td>
<td>50.2</td>
</tr>
<tr>
<td>Career-related issues</td>
<td>30.0</td>
<td>34.4</td>
<td>29.3</td>
</tr>
<tr>
<td>Death of family member or friend</td>
<td>16.0</td>
<td>17.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Family problems</td>
<td>33.6</td>
<td>36.9</td>
<td>31.3</td>
</tr>
<tr>
<td>Intimate relationships</td>
<td>30.6</td>
<td>31.5</td>
<td>31.4</td>
</tr>
<tr>
<td>Other social relationships</td>
<td>25.1</td>
<td>28.5</td>
<td>29.2</td>
</tr>
<tr>
<td>Finances</td>
<td>39.9</td>
<td>43.2</td>
<td>35.9</td>
</tr>
<tr>
<td>Health problem of family member or partner</td>
<td>23.3</td>
<td>25.6</td>
<td>21.8</td>
</tr>
<tr>
<td>Personal appearance</td>
<td>30.1</td>
<td>34.7</td>
<td>31.2</td>
</tr>
<tr>
<td>Personal health issue</td>
<td>24.7</td>
<td>28.3</td>
<td>24.6</td>
</tr>
<tr>
<td>Sleep difficulties</td>
<td>32.2</td>
<td>36.3</td>
<td>32.9</td>
</tr>
<tr>
<td>Other event/s</td>
<td>11.0</td>
<td>12.6</td>
<td>10.8</td>
</tr>
<tr>
<td>At least one of the above</td>
<td>76.9</td>
<td>80.0</td>
<td>77.6</td>
</tr>
</tbody>
</table>

Percent of student respondents who self-reported having *Ever Utilized Mental Health Services* from the following providers

<table>
<thead>
<tr>
<th></th>
<th>CSU Overall 2016</th>
<th>CSU Overall 2018</th>
<th>Reference Group 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counselor, therapist, or psychologist</td>
<td>34.0</td>
<td>36.0</td>
<td>42.2</td>
</tr>
<tr>
<td>Psychiatrist</td>
<td>12.2</td>
<td>12.9</td>
<td>15.4</td>
</tr>
<tr>
<td>Physician or Nurse Practitioner</td>
<td>14.6</td>
<td>15.8</td>
<td>18.8</td>
</tr>
<tr>
<td>Minister or other clergy</td>
<td>5.7</td>
<td>5.6</td>
<td>6.5</td>
</tr>
</tbody>
</table>
Student Mental Health Services

CSU campuses offer a number of services and programs aimed at supporting students’ mental health needs. Executive Order 1053, Policy on Student Mental Health, provides policies and procedures related to guidelines for mental health services in the CSU. The policy went into effect in December 2010 and was established to enhance the academic performance of students and facilitate retention.

Basic Services

Executive Order 1053 outlines basic mental health services that all CSU campuses are required to provide to students.

- **Counseling/Psychotherapy** - Campuses offer short-term individual and group counseling/therapy services that are responsive to the diverse population of currently-enrolled students.

- **Suicide and Personal Violence Services** - Campuses provide immediate responses to suicidal and violent behavior. This includes a continuum of services for students, families and the campus community, spanning from the identification of suicide or violence through the loss and grieving process.

- **Emergency/Crisis Services** - Campuses address mental health crises that occur during Counseling Center hours of operation and have protocols for addressing crises that occur after regular business hours.

- **Outreach** - Campuses provide educational workshops, programs and services that address critical student issues as well as prevention and wellness programs.

- **Mental Health Consultation** - Mental health professionals on campus may provide consultative services to members of the university community regarding student mental health issues. As part of this consultative service, mental health professionals identify and address real, perceived and potential issues that may impede students’ academic progress or success.

- **Referral Resources** - Mental health professionals on campus identify appropriate referrals both within the institution and the local community to assist students whose challenges are outside the scope of the campus’ basic mental health services. When clinically indicated, mental health professionals also make an effort to ensure that students follow up on those referrals.
Augmented Services

Campuses may offer augmented mental health services beyond the scope of basic services. In these instances, the student, not the university, is financially responsible to the provider for all mental health services received off campus and for services received on campus but beyond the scope of authorized basic services.

The augmented services a campus may offer include but are not limited to:

- Specialty care appropriate to the mental health needs of students;
- Services to partners or family members of eligible students; or
- Services to students of non-state-supported programs of the university, such as those offered through continuing education.

Personnel

Based on preliminary fall 2018 counts, there were approximately 223 full-time equivalent (FTE) counselors employed across the CSU. The systemwide ratio of counselors to students is 1:2,156. Comparative data from recent academic years indicate that the number of FTE counselors employed across the CSU has continued to increase. Correspondingly, the counselor-to-student ratio has improved, as shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th>Fall 2010</th>
<th>Fall 2012</th>
<th>Fall 2014</th>
<th>Fall 2016</th>
<th>Fall 2018 (preliminary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counselors (FTE)</td>
<td>140.6</td>
<td>164.4</td>
<td>177.9</td>
<td>192.6</td>
<td>222.6</td>
</tr>
<tr>
<td>Student Headcount</td>
<td>411,139</td>
<td>435,498</td>
<td>458,897</td>
<td>477,163</td>
<td>479,815</td>
</tr>
<tr>
<td>Counselor-to-Student Ratio</td>
<td>1:2,924</td>
<td>1:2,649</td>
<td>1:2,580</td>
<td>1:2,477</td>
<td>1:2,156</td>
</tr>
</tbody>
</table>
The hiring of additional counselors, and the corresponding improvement in the counselor-to-student ratio, is also demonstrated visually below:

As demonstrated in this chart, the student headcount has increased approximately 14 percent between fall 2010 and fall 2018. At the same time, campus investments in hiring additional FTE counselors has increased at a more rapid rate, increasing nearly 37 percent during the same period. The hiring of these additional FTE counselors has resulted in the counselor-to-student ratio decreasing, improving by nearly 28 percent between 2010 and 2018.

Additionally, interns – typically postdoctoral students who provide direct services to students in the CSU – are not included in the counselor-to-student ratio. If interns are included, the counselor-to-student ratio narrows further, to 1:1,902.

These figures also do not include the myriad of other campus personnel who play a role in addressing students’ mental health, such as doctors, psychiatrists and licensed social workers who serve as case managers.
Benchmarking Data

Currently, the standards that most university counseling programs use are set by the International Association of Counseling Services (IACS), which encourages campuses to strive toward a range of 1:1,000 to 1:1,500 counselor to student ratios. However, IACS has stated that it is “very difficult to come up with a specific ratio that ensures adequate staffing at all university counseling centers.”

One source of benchmarking data is the results from the Association for University and College Counseling Center Directors (AUCCCD) annual survey, conducted in 2016. The survey data, based on responses from 529 counseling center directors at universities nationwide, show that the mean counselor staff to student ratio is 1:1,737. Small campuses (fewer than 1,500 students) had a smaller mean ratio of 1:705. Large campuses (greater than 35,000 students) had larger ratios of 1:2624. AUCCCD does note in the report that “although the ‘counselor-to-student ratio is frequently utilized in estimating the adequacy of existing counseling center staff, what is considered a ‘good’ ratio varies greatly from one institution to another, depending on factors such as the percent of the student population that utilizes the counseling center.”

Adjustment of Figures

An important caveat to the employee data presented in this agenda item relates to the employee category in which counselors are classified. The FTE counselor counts represent individuals who are employed in CSU positions categorized in the SSP-AR (Student Services Professional, Academic-Related) series. Not every individual classified as SSP-AR provides mental health services to students. For example, an individual classified as SSP-AR might have a teaching or research assignment. Based on preliminary 2018 data, approximately 36 percent of these individuals are tenured or tenure-track faculty.

To reflect this nuance and provide the most accurate figures possible, the number of FTE counselor positions has been adjusted to reflect only 95 percent of SSP-AR classified employees in the CSU. This is a conservative estimate that improves the accuracy of the data reported here.

Funding

To fund basic mental health services, CSU campuses may use state appropriations. On the majority of campuses, however, students are assessed a mandatory campus-based student fee to provide basic services. In many instances, the student health fee includes both physical and mental health services. In other cases, a campus may pursue a student fee specific to mental health services.

In accordance with Executive Order 1102, California State University Student Fee Policy, campuses may enact or increase student mental health fees, or student health fees that will also fund mental health, through a student referendum or through appropriate and meaningful
consultation. An advisory student referendum is expected in order to measure student support prior to adjusting the fee. If a referendum is not conducted prior to adjusting the fee, the president must demonstrate to the campus fee advisory committee the reasons why the appropriate and meaningful consultation methods selected will be more effective.

Internal and External Review

CSU mental health services are required to undergo regular reviews as part of an ongoing assessment program. Additionally, each campus mental health services department must undergo regular external reviews at least every five years. This can be accomplished by maintaining accreditation by the IACS, the Accreditation Association of Ambulatory Health Care, American Psychological Association or another external accrediting group. Alternatively, an external review may be conducted using applicable standards set by a professional organization, such as the Council for the Advancement of Standards in Higher Education and JED Campus, a Jed Foundation program.

Examples of Campus Programs

While baseline mental health services are outlined in Executive Order 1053, all 23 CSU campuses go above and beyond to conduct outreach to students, provide training to the campus community and to serve students who are struggling with mental health. While not an exhaustive list, several examples of campus programs are included below:

California State University, Chico

In the past two years, CSU Chico has increased the number of outreach programs for students, staff and faculty in an effort to raise awareness about how developmental trauma might be impacting students in the classroom. These trainings include education specifically on suicide intervention.

California State University, Fresno

CSU Fresno is one of several CSU campuses that offer Let’s Talk, an outreach program that provides easy access to informal consultations with counselors from University Counseling Services. Counselors provide drop-in consultation hours at sites around campus. Students can meet for a consultation on a first-come, first-served basis, no appointment needed. A Let’s Talk counselor is available to listen, offer support, provide resources and problem-solving tools and refer a student for additional services if needed.
California State University, Fullerton

At CSU Fullerton, mental health staff recently collaborated with the health center to begin offering integrative primary care mental health screens. When students present for a medical appointment, they are given an anxiety screening. If their scores are above a certain mark, they are referred to meet with a wellness integration specialist to learn coping skills for their anxiety.

Humboldt State University

Humboldt State offers a comprehensive website with self-help tools and resources for students. It also has a strong training program, with 10-24 practicum students and 3-4 residents each semester. A campus therapist works part-time in student housing, providing easy access to assistance for students.

Additionally, CSU Humboldt offers a variety of programs aimed at supporting student veterans’ mental health needs. A therapist routinely visits campus to meet with student veterans and a Counseling and Psychological Services liaison works directly with veterans. Additionally, Humboldt State has a faculty counselor who has worked for the U.S. Department of Veterans Affairs and is well versed in issues pertaining to veterans.

California State University, East Bay

CSU East Bay routinely hosts panels of students speaking with their peers on mental health issues. This includes specialized panels, such as those led by students of color who are training to become mental health professionals. These panel events have been extremely successful on campus and have provided valuable leadership experience for the students involved. CSU East Bay also runs drop-in mindfulness groups in visible locations on campus, which are open to the entire community.

California State University, Long Beach

CSU Long Beach operates a strong peer education suicide prevention program, Project OCEAN (On-Campus Emergency Assistance Network). Project OCEAN is designed to strengthen and fill gaps in existing services to expand the safety net for students vulnerable to mental health crises. Through this program, trainings are held each semester to equip students with information about the different warning signs, resources and ways to support those who may be struggling with thoughts of suicide. In addition, Project OCEAN holds pop-ups around campus where students can drop by and talk with their peers on topics such as improving interpersonal relationships and managing stress.
California State University, Los Angeles

CSU Los Angeles has a Minds Matter committee that is active in developing wellness throughout the campus community. The committee has supported the training of more than 700 faculty and staff in Mental Health First Aid, an 8-hour course that gives participants the skills to help someone who is developing a mental health challenge or experiencing a mental health crisis. The evidence behind Mental Health First Aid demonstrates that it builds mental health literacy, helping individuals identify, understand and respond to signs of mental illness.

California State University, Monterey Bay

At CSU Monterey Bay, staff are working cross-divisionally with Academic Affairs to integrate holistic wellness into academic curricula and programming. Additionally, the campus recently joined the ranks of CSU campuses that have an Active Minds chapter on campus. Active Minds is a student organization that exists on 600 campuses nationwide and empowers students to change the perception of mental health, reduce stigma and encourage those in need to seek help.

California State University, Northridge

CSU Northridge offers a robust support group and workshop program. Each semester, 17 different groups are offered, such as International Student Support Group, LBGTQIA+ Support, Man 2 Man/Men of Color, Women’s Support, etc. Workshop topics range from anxiety management to grief and loss.

Mental Health Records and Privacy

CSU policy requires that mental health records be secured in compliance with state and federal laws and that the records must conform to standards of practice set by appropriate professional bodies. Only individuals authorized by the mental health services manager may gain access to mental health records. All electronic information data are required to be securely backed up in off-site locations.

The Integrated CSU Administrative Manual defines medical records and psychological counseling records related to an individual as Level 1 Confidential data. As such, each campus is required to establish and document two forms of formal risk assessment criteria:

1. Criteria for situations in which a formal risk assessment must be performed; and
2. Criteria for situations in which a formal risk assessment may be necessary as determined by the information security officer.
In July 2015, the Office of the Chancellor developed a Health Care Components Identification and Scoping Questionnaire to assist campuses in identifying health care components of the CSU, which is a hybrid covered entity under HIPAA (the Health Insurance Portability and Accountability Act of 1996). If additional departments and/or centers on a campus are designated as a health care component, the Office of the Chancellor coordinates with those departments and/or centers as they work with the campus information security officers to develop plans and timelines to conduct HIPAA risk assessments and implement the findings.

Conclusion

The CSU is deeply committed to the well-being of all students. CSU campuses offer a robust spectrum of mental health services and resources to students, including outreach, education, training, preventive care and acute, crisis care. All 23 campuses go above and beyond the baseline services to meet students where they are and connect them with the mental health support they need. This includes developing and strengthening partnerships with regional and local agencies and organizations to provide comprehensive care in cases where a students’ needs go beyond the campus’ capabilities.

In addition to the robust services currently provided, the CSU continues to identify and pursue strategies – both systemwide and on campus – to improve student wellness, including mental health. As the CSU pursues its Graduation Initiative 2025 goals, these investments and innovations in mental health services will be critical to ensuring students’ well-being, success and completion.
COMMITTEE ON EDUCATIONAL POLICY

Student Veterans

Presentation By

Loren J. Blanchard
Executive Vice Chancellor
Academic and Student Affairs

Marshall W. Thomas
Director, Active Duty and Veterans Affairs
Academic and Student Affairs

Matthew Aldrete
Student
Humboldt State University

Background

In March 2006, Governor Arnold Schwarzenegger charged California’s three systems of higher education – the California State University (CSU), the University of California and the California Community Colleges – with expanding education opportunities for service members and veterans through collaboration with the U.S. military and state and federal agencies. The initiative, called Troops to College, is the foundation upon which veterans’ services at the CSU was built.

Led by former vice president of Advancement at Sonoma State University and retired Marine Corps Colonel, Bucky Peterson, the Troops to College intersegmental task force evaluated the status of veterans in California higher education and established a set of goals to better serve their needs. As a result of this effort, which concluded in December 2007, there have been significant changes for student veterans and service members in California.

In the CSU, Troops to College continues to thrive, to the benefit of the more than 21,000 military-affiliated students enrolled at the university. Campuses have increased outreach to prospective military students, hosted yearly trainings for support staff and established Veterans Resource Centers (VRCs) where military-affiliated students can access the wide range of services provided to support their academic pursuits.

The last presentation to the CSU Board of Trustees on student veterans was in March 2013. The purpose of this discussion item is to provide an overview and update of veterans’ programming in the CSU and highlight examples of successful campus programs.
Military-Affiliated Student Population

In addition to the many military-affiliated individuals employed across the system, the 23 CSU campuses currently enroll more than 21,000 military-affiliated students. These students bring a diversity of life experience to their education, enriching the experience for all individuals on campus.

The CSU serves three student populations that together comprise the university’s military-affiliated population:

- **Veterans** – Students who have served in the U.S. armed forces but have been discharged from the service;
- **Service Members** – Students who continue to serve on active duty, in the reserves or in the National Guard (NG); and
- **Dependents** – Students who are a dependent of a service member or veteran and are eligible for state and federal veterans education benefits.

Data from campus VRCs provide a snapshot of enrollments in the spring semester for the last three academic years, as shown in the figure below. The data suggest that the number of veterans and service members is leveling off, while the number of dependents grows, resulting in an overall growth of the CSU’s military-affiliated student population.

While national comparison data are difficult to obtain, as a state, California enrolls the second largest population of student veterans and service members attending college using G.I. Bill benefits. The state enrolls more than 95,000 individuals, trailing Texas by fewer than 3,000 students. Of these student veterans and service members attending college in California using G.I. Bill benefits, more than 50,000 enroll at a public university.
Statewide comparison data are also difficult to obtain, due to the methodology used by the U.S. Department of Veterans Affairs (VA) to compile statistics. Based on available data, students using G.I. Bill benefits comprise approximately three percent of the California Community College student population, two percent of the CSU student population and one percent of the University of California population.

Campus-by-Campus Enrollment

Enrollment of military-affiliated students varies from campus to campus. The table below includes data provided by the VRCs at each campus based on spring 2017 enrollment. Later this year, a systemwide enrollment survey will be administered for academic year 2017-18.

<table>
<thead>
<tr>
<th>Campus</th>
<th>Veterans and Service Members</th>
<th>Dependents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego State University</td>
<td>879</td>
<td>1768</td>
<td>2647</td>
</tr>
<tr>
<td>California State University, Sacramento</td>
<td>516</td>
<td>1420</td>
<td>1936</td>
</tr>
<tr>
<td>California State University San Marcos</td>
<td>656</td>
<td>1119</td>
<td>1775</td>
</tr>
<tr>
<td>California State University, Northridge</td>
<td>562</td>
<td>1075</td>
<td>1637</td>
</tr>
<tr>
<td>California State University, San Bernardino</td>
<td>533</td>
<td>1021</td>
<td>1554</td>
</tr>
<tr>
<td>California State University, Fullerton</td>
<td>506</td>
<td>991</td>
<td>1497</td>
</tr>
<tr>
<td>San Francisco State University</td>
<td>407</td>
<td>701</td>
<td>1108</td>
</tr>
<tr>
<td>California State University, Long Beach</td>
<td>567</td>
<td>470</td>
<td>1037</td>
</tr>
<tr>
<td>San José State University</td>
<td>398</td>
<td>490</td>
<td>888</td>
</tr>
<tr>
<td>California State Polytechnic University, Pomona</td>
<td>416</td>
<td>434</td>
<td>850</td>
</tr>
<tr>
<td>California State University, Fresno</td>
<td>235</td>
<td>573</td>
<td>808</td>
</tr>
<tr>
<td>California State University, Los Angeles</td>
<td>435</td>
<td>285</td>
<td>720</td>
</tr>
<tr>
<td>California State University, Chico</td>
<td>209</td>
<td>509</td>
<td>718</td>
</tr>
<tr>
<td>California State University, Stanislaus</td>
<td>174</td>
<td>511</td>
<td>685</td>
</tr>
<tr>
<td>California Polytechnic State University, San Luis Obispo</td>
<td>75</td>
<td>466</td>
<td>541</td>
</tr>
<tr>
<td>California State University, East Bay</td>
<td>259</td>
<td>239</td>
<td>498</td>
</tr>
<tr>
<td>California State University Channel Islands</td>
<td>118</td>
<td>299</td>
<td>417</td>
</tr>
<tr>
<td>California State University, Bakersfield</td>
<td>184</td>
<td>221</td>
<td>405</td>
</tr>
<tr>
<td>California State University, Monterey Bay</td>
<td>86</td>
<td>316</td>
<td>402</td>
</tr>
<tr>
<td>Sonoma State University</td>
<td>60</td>
<td>300</td>
<td>360</td>
</tr>
<tr>
<td>Humboldt State University</td>
<td>141</td>
<td>249</td>
<td>390</td>
</tr>
<tr>
<td>California State University, Dominguez Hills</td>
<td>179</td>
<td>147</td>
<td>326</td>
</tr>
<tr>
<td>California State University Maritime Academy</td>
<td>39</td>
<td>64</td>
<td>103</td>
</tr>
</tbody>
</table>
**Veterans Education Benefits**

There are eight federal veterans education benefits and one California state benefit for which CSU military-affiliated students may be eligible. These benefits are in addition to state and federal financial aid that is available to most CSU students.

Eligibility for veterans education benefits is determined by the managing federal or state agency. The chart below lists the nine benefits and indicates which category of military-affiliated students may be eligible.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Veterans</th>
<th>Service Members</th>
<th>Dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Active Duty</td>
<td>Reserve/NG</td>
</tr>
<tr>
<td>Montgomery G.I. Bill</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Vocational Rehabilitation and Employment</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post 9/11 G.I. Bill</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Marine Gunnery Sergeant John David Fry Scholarship</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Survivors’ &amp; Dependents’ Educational Assistance</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Montgomery G.I. Bill – Selected Reserves</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Reserve Educational Assistance Program</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Department of Defense Tuition Assistance</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>CalVet College Fee Waiver for Veteran Dependents</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

It is important to note that a significant number of military-affiliated students are not eligible for any veterans education benefits. There are a number of reasons that this is the case. For example, some veterans are ineligible because they were discharged from the military with a rating other than “Honorable.” Others have exceeded the time allotted after discharge for the use of benefits.

One of the most common reasons for military-affiliated students not using benefits at the CSU is that they have exhausted all of their benefits before achieving their educational goal. As 90 percent of student veterans in the CSU are transfer students, it is possible for these students to have exhausted their benefits at the prior institution.
The chart below shows the percentage of service members and veterans using veterans education benefits in the CSU.

![Veterans and Service Members Pie Chart]

To be eligible for education benefits, a dependent’s service member parent or spouse must have transferred his/her own benefits to the dependent. The service member must have a service-connected disability or the service member must have been killed while in the service.

The CalVet Tuition Fee Waiver is the primary education benefit provided to dependents of veterans. This state program waives statewide mandatory fees for California resident students who are dependents of veterans with a service-connected disability. Students who use the CalVet Fee Waiver may concurrently use federal education benefits.
Different from the previous graphic, the chart below shows the percentage of eligible dependents using education benefits in the CSU. Campuses only track dependent students who utilize veterans education benefits.

![Dependent Pie Chart]

**Cultural Training and Events**

CSU campuses regularly provide education to faculty and staff about military and veteran culture. A number of campuses offer programs that cover the challenges of transition back to civilian life and highlight the contributions student veterans make to campuses and communities.

The first veteran awareness program in the CSU, VET NET Ally, was developed in 2010 as a student veteran’s doctoral dissertation project at CSU Long Beach. Attendees participate in a seminar that includes modules on military culture, mental health, benefits and a panel of student veterans. After completing the seminar, participants are presented with decals to display in their workspace to let military-affiliated students know that they have taken the time to learn about how best to support this student population. Since 2010, several other CSU, University of California and California Community College campuses have adopted or adapted the program.

Additionally, all CSU campuses formally recognize significant historical events, such as 9/11, and holidays associated with military service, such as Memorial Day. Campuses celebrate Veterans Day with events open to the campus and community. Examples of events include flag raisings, cultural events, cake-cutting ceremonies, film screenings and panels of veterans from different military conflicts. In some instances, campuses have arranged fly-bys of military aircraft.
Campus Veterans Resource Centers (VRC)

All 23 CSU campuses have at least one staff member dedicated to serving military-affiliated students. Twenty-one campuses have a dedicated space for veterans, a VRC, while the remaining two campuses report that space will be established this academic year. Nearly all campuses fund VRC operations through the campus general fund.

VRC staff members provide a wide range of services to military-affiliated students and bear the primary responsibility for complying with both state and federal regulations related to the provision of veterans’ education benefits.

State and Federal Compliance

VRC staff is responsible for ensuring compliance with all state and federal regulations related to veterans education benefits. This process begins with the annual catalog approval. When the campus issues a new catalog, VRC staff must complete and submit an application to the California State Approving Authority for Veterans Education (CSAAVE) to request approval of the new catalog. The purpose of the application is to certify that the campus meets all state and federal requirements to maintain the campus’ ability to participate in G.I. Bill programs.

Certification of U.S. Department of Veterans Affairs (VA) Benefits

All campuses have at least one School Certifying Official (SCO) who reviews students’ course enrollments, verifies alignment with their established education plans, submits certification of enrollment and bills the VA for tuition and fees for each eligible student every semester. These functions are subject to regular audits by both the VA and CSAAVE.

Advising

SCOs provide essential advising services to students who receive G.I Bill benefits. The VA only pays for coursework that counts directly toward a student’s degree plan. As such, SCOs act in an advising capacity, assisting student veterans with understanding the intersection of their G.I. benefits and the campus’ academic requirements.

Department of Defense Tuition Assistance

Members of the National Guard, active duty and reserve service members may participate in the Department of Defense’s (DoD) Tuition Assistance Program. While the number of CSU students receiving this benefit is relatively small, VRC staff are often responsible for the reporting requirements.
Outreach

VRC staff engage in regular outreach to military-affiliated students. Campuses in close proximity to military bases have developed relationships with base education offices to provide information to service members and dependents. Additionally, since more than 90 percent of student veterans enter the CSU as transfer students, each campus has developed relationships with VRCs at their local California Community Colleges. Through these relationships, campuses provide military-affiliated students wishing to transfer to a CSU campus with up-to-date information about admission requirements.

Advocacy

VRC staff engage in a number of forms of advocacy. Staff work with individual students to resolve campus concerns. They act as advocates for students with VA service providers. On a larger scale, VRC staff advocate for policy changes at the campus level on behalf of student veterans, as needed. In addition, VRC staff participate and often provide leadership in regional and national organizations such as the National Association of Veterans Program Administrators and the Western Association of Veterans Education Specialists.

Partnerships with Veterans Service Providers

CSU campuses have established strong working relationships with national, regional and local agencies and organizations. One such partnership is with the VA’s VetSuccess on Campus (VSOC) program. Participating campuses host a VA counselor in the VRC who assists veterans with VA services, ranging from vocational rehabilitation counseling to employment workshops to assistance applying for a VA home loan. This partnership has proven effective at connecting students with VA services. While there are currently only 94 campuses nationwide that participate in VSOC, four are CSU campuses.

Mental Health Services

While the majority of CSU student veterans have adjusted well to civilian life and life as a student, some students experience mental health concerns. For student veterans in need, the first avenue for VRC staff is to connect them with campus-based Counseling and Psychological Services and Disabled Student Services offices. VRCs do not compile data on student veteran usage of mental health services.

Students in need of more comprehensive care are connected with local Vet Centers. Vet Centers are funded by the VA, but operate independently of the VA hospital system. Services at Vet Centers are often provided by other veterans and are easily accessible in a timely (sometimes immediate) manner, where VA hospital services can take longer to access. In the event that an eligible veteran needs longer-term or specialized care, VRC staff encourage the use of traditional VA Health Care services.
Examples of Campus-Based Programs

VRCs provide military-affiliated students with a place to engage socially with others who have similar life experiences. These opportunities to connect with other student veterans are instrumental in providing a sense of camaraderie and belonging that veterans often find missing in their lives after leaving the service. While simply providing a social space for those interactions is considered a baseline service at colleges and universities across the country, many CSU campuses take additional steps to build a sense of community. While not an exhaustive list, below are a few examples of campus-based programs.

*Humboldt State VETS Outdoor Program*

Designed to help student veterans transition from military service back into the civilian and academic world, the HSU VETS Outdoor Program provides experiential learning through outdoor adventure-based activities. The program invites student veterans and those who support them to engage in activities such as skiing and snowboarding, river rafting, hiking, fishing and backpacking. Through these experiences, veterans are encouraged to develop stress management strategies and overcome the real and perceived challenges of civilian life.

*CSU Fullerton Women Veterans Conference*

As women comprise only 15 percent of the U.S. Armed Forces, women veterans can be overlooked when veterans are recognized for their service. To better support women veterans, CSU Fullerton hosts weekly discussion groups and monthly brunches. In March, the campus celebrates Women in the Military History Week and holds an annual Women Veterans in Higher Education Conference. This conference, for women veterans who are current or future college students, provides an opportunity to gather, meet and share their stories in an inclusive and supportive environment and to connect with other veterans as peers, mentors or service providers.

*Archi’s Institute for Sustainable Agriculture in Partnership with Cal Poly Pomona*

Archi’s Institute for Sustainable Agriculture (AiSA) provides six- and twelve-week courses in sustainable and organic agricultural industry for individuals transitioning out of the military. Since 2007, AiSA has prepared more than 450 graduates for all aspects of agribusiness, including farming techniques and business development. As students exit the program, those ready to work on an existing farm are provided job placement assistance. Others who wish to build their own businesses have received entrepreneurship training to support their goals.
Conclusion

CSU campuses are committed to the well-being and success of student veterans, service members and dependents. Through VRCs, staff provide a spectrum of services designed to support these students, including advising, advocacy and benefits assistance. Additionally, staff in these centers connect military-affiliated students with resources – both campus-based and external – that will best meet their needs.

As the number of military-affiliated students in the CSU continues to grow, it presents campuses with a number of challenges and opportunities. VRCs continue to seek the best solutions for managing shifting state and federal regulations, requirements for greater accountability, increased audits and new legislation. Additionally, larger military-affiliated populations result in a need for additional space for VRCs.

One area of opportunity for campuses is in improving data collection related to military-affiliated students. From existing data, it is evident that the retention and graduation rates for veterans and service members enrolled at the CSU is consistent with the rates of their peers. However, more in-depth data would be beneficial, not only for responding to G.I. Bill requirements but also for university efforts to achieve the Graduation Initiative 2025 goals. With last year’s adoption of Cal State Apply, campuses anticipate being able to better track the academic success of military-affiliated students. These data will allow the CSU to continue refining services targeted at military-affiliated students, to ensure they are successful in their educational pursuits.
Graduation Initiative 2025

Presentation By

Loren J. Blanchard
Executive Vice Chancellor
Academic and Student Affairs

James Minor
Assistant Vice Chancellor and Senior Strategist
Academic and Student Affairs

Jeff Gold
Assistant Vice Chancellor
Student Success Strategic Initiatives

Summary

Graduation Initiative 2025 is the California State University’s (CSU) signature effort aimed at increasing degree completion rates and eliminating equity gaps, thereby supporting student success and meeting the future workforce needs of California. As the initiative enters its third year, this information item provides an update based on final systemwide graduation rate data for 2018. It also provides details on the systemwide areas of focus for the 2018-19 academic year.

Graduation Initiative 2025 Goals

At the September 2016 Board of Trustees meeting, the board heard a detailed report on Graduation Initiative 2025 and voted to approve the CSU’s ambitious student completion and equity targets. The approved targets are:

- A 40 percent 4-year graduation rate goal for first-time students;
- A 70 percent 6-year graduation rate goal for first-time students;
- A 45 percent 2-year graduation rate goal for transfer students;
- An 85 percent 4-year graduation rate goal for transfer students;
- The elimination of achievement gaps (the gaps that exist between students who identify as African-American, American-Indian or Latino and their peers) throughout the CSU; and
- The elimination of opportunity gaps (the gaps that exist between Pell recipients and their peers) throughout the CSU.
These system targets are extremely ambitious and, when attained, will place CSU campuses among the very top of comparable institutions across the nation. Nationally, virtually no institutions with profiles comparable to the CSU campuses (funding level, student preparation and diversity) have attained graduation rates at a level consistent with the CSU’s new targets. Indeed, attainment of these goals – with the CSU’s vibrantly diverse student population – will set new, unprecedented national standards for student success and timely degree attainment.

**Operational Priorities**

At the January 2017 Board of Trustees meeting, Chancellor White outlined five priority areas where focus is needed to achieve the Graduation Initiative 2025 goals: academic preparation, enrollment management, financial support, data-driven decision making and administrative barriers. Based on feedback received from campus constituents, “student engagement and well-being” was added as a sixth focal area.

The following represents the CSU’s aspirational goals with respect to each of these areas of focus:

- **Academic preparation:** We will provide CSU students, including those who arrive academically underprepared, the opportunity and support needed to complete 30 college-level semester units – 45 quarter units – before beginning their second academic year.
- **Enrollment management:** We will ensure students are able to enroll in the courses they need, when they need them.
- **Student engagement and well-being:** We will continue to address the well-being of all CSU students while fostering a strong sense of belongingness on campus.
- **Financial support:** We will ensure that financial need does not impede student success.
- **Data-driven decision making:** We will use evidence and data to identify and advance the most successful academic support programs.
- **Administrative barriers:** We will identify and remove unnecessary administrative impediments.

**2018 Graduation Rate Data**

Meeting the student success goals of Graduation Initiative 2025 requires the CSU to consistently measure progress. Two years into the initiative, data indicate that the CSU is making good progress toward all six goals.

In the 2017-18 academic year, 105,431 CSU students earned their baccalaureate degree. This represents a record high for the CSU, with 6,660 additional students crossing the commencement stage compared to the previous year and 13,387 compared to 2016.
**Historical Graduation Rates for First-Time Students**

These 105,431 CSU graduates leave the university with a high-quality degree, but also having developed the knowledge, skills, cultural competency and professional dispositions needed to support their future workforce and educational goals.

The chart below places the 2018 graduation rates for first-time students into historical context. Over the past 40 years, there have been peaks, valleys and plateaus in graduation rates; however, the overall trend has been one of progress.

**Historical Graduation Rate for Transfer Students**

Similar to the chart for first-time students, the historical chart of graduation rates for transfer students includes peak, valleys and plateaus, however the overall trend has been one of progress.
As the CSU pursues its Graduation Initiative 2025 goals, it is likely that progress from year-to-year will not always be linear. However, similar to the historical trend lines, it is anticipated that trends will demonstrate long-range progress in meeting the initiative goals.

4-Year Graduation Goal for First-Time Students

The 4-year graduation rate for the first-time student cohort that began in 2014 and graduated in 2018 or earlier was 25 percent. This rate is the highest ever for the CSU and builds on recent momentum as demonstrated in the charts below.

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Grad Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2010</td>
<td>15.8</td>
</tr>
<tr>
<td>2007-2011</td>
<td>15.9</td>
</tr>
<tr>
<td>2008-2012</td>
<td>16.2</td>
</tr>
<tr>
<td>2009-2013</td>
<td>17.8</td>
</tr>
<tr>
<td>2010-2014</td>
<td>18.6</td>
</tr>
<tr>
<td>2011-2015</td>
<td>19.2</td>
</tr>
<tr>
<td>2012-2016</td>
<td>20.7</td>
</tr>
<tr>
<td>2013-2017</td>
<td>22.6</td>
</tr>
<tr>
<td>2014-2018</td>
<td>25.5</td>
</tr>
<tr>
<td><strong>2025 Goal</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>
6-Year Graduation Goal for First-Time Students

The 6-year graduation rate for the first-time student cohort that began in 2012 and graduated in 2018 or earlier was 61 percent. This rate is the highest ever for the CSU and builds on significant increases in the 2008, 2009 and 2010 cohorts (as demonstrated in the chart below).

By crossing the 60 percent threshold, the CSU has exceeded the national average for public four-year universities (59 percent) according to the National Center for Education Statistics.

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Grad Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2012</td>
<td>51.4</td>
</tr>
<tr>
<td>2007-2013</td>
<td>51.8</td>
</tr>
<tr>
<td>2008-2014</td>
<td>54.0</td>
</tr>
<tr>
<td>2009-2015</td>
<td>57.0</td>
</tr>
<tr>
<td>2010-2016</td>
<td>59.1</td>
</tr>
<tr>
<td>2011-2017</td>
<td>59.2</td>
</tr>
<tr>
<td>2012-2018</td>
<td>61.1</td>
</tr>
<tr>
<td><strong>2025 Goal</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>
2-Year Graduation Goal for Transfer Students

The 2-year graduation rate for the transfer cohort that began in 2016 and graduated in 2018 or earlier was 38 percent. This rate is the highest ever for the CSU and builds on recent momentum as demonstrated in the charts below.

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Grad Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2010</td>
<td>23.3</td>
</tr>
<tr>
<td>2009-2011</td>
<td>24.5</td>
</tr>
<tr>
<td>2010-2012</td>
<td>27.8</td>
</tr>
<tr>
<td>2011-2013</td>
<td>26.7</td>
</tr>
<tr>
<td>2012-2014</td>
<td>28.4</td>
</tr>
<tr>
<td>2013-2015</td>
<td>30.5</td>
</tr>
<tr>
<td>2014-2016</td>
<td>32.6</td>
</tr>
<tr>
<td>2015-2017</td>
<td>35.1</td>
</tr>
<tr>
<td>2016-2018</td>
<td>37.8</td>
</tr>
<tr>
<td><strong>2025 Goal</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>
4-Year Graduation Goal for Transfer Students

The 4-year graduation rate for the transfer cohort that began in 2014 and graduated in 2018 or earlier was 77 percent. This rate is the highest ever for the CSU and builds on recent momentum as demonstrated in the charts below.

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Grad Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2012</td>
<td>67.2</td>
</tr>
<tr>
<td>2009-2013</td>
<td>69.2</td>
</tr>
<tr>
<td>2010-2014</td>
<td>72.8</td>
</tr>
<tr>
<td>2011-2015</td>
<td>72.9</td>
</tr>
<tr>
<td>2012-2016</td>
<td>73.9</td>
</tr>
<tr>
<td>2013-2017</td>
<td>75.3</td>
</tr>
<tr>
<td>2014-2018</td>
<td>77.1</td>
</tr>
<tr>
<td>2025 Goal</td>
<td>85</td>
</tr>
</tbody>
</table>
Underrepresented Students of Color Equity Gap Goal

The data indicate that, for the first time since the beginning of Graduation Initiative 2025, equity gaps between students from historically underrepresented communities—those who identify as African-American, American-Indian or Latino—and their peers have begun to close. The gap for the 2012 cohort that graduated within six years narrowed to 10.5 percentage points from 12.2 percentage points the previous year.

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Grad Rate (percentage points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2012</td>
<td>13.5</td>
</tr>
<tr>
<td>2007-2013</td>
<td>13.4</td>
</tr>
<tr>
<td>2008-2014</td>
<td>12.3</td>
</tr>
<tr>
<td>2009-2015</td>
<td>11.3</td>
</tr>
<tr>
<td>2010-2016</td>
<td>12.0</td>
</tr>
<tr>
<td>2011-2017</td>
<td>12.2</td>
</tr>
<tr>
<td>2012-2018</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>2025 Goal</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

The graphic below provides a visual representation of the equity gap for students who identify as African-American, American-Indian or Latino. The navy line at the bottom of each box represents the graduation rate for underrepresented students of color in the CSU. The blue line at the top of each box represents the graduation rate for the rest of the student population. The figure in between the two lines represents the percentage point gap between the two rates, the equity gap.

What this graphic demonstrates is that both sets of graduation rates increased in 2018; however, the graduation rate for underrepresented students of color rose at a higher rate, resulting in the narrowing of the equity gap.
Pell Equity Gap Goal

The data indicate that, for the first time since the beginning of Graduation Initiative 2025, equity gaps between Pell recipients and their peers have begun to close. The gap for the 2012 cohort that graduated within six years narrowed to 9.5 percentage points from 10.6 percentage points the previous year.

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Grad Rate (percentage points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2012</td>
<td>10.4</td>
</tr>
<tr>
<td>2007-2013</td>
<td>9.3</td>
</tr>
<tr>
<td>2008-2014</td>
<td>9.1</td>
</tr>
<tr>
<td>2009-2015</td>
<td>8.6</td>
</tr>
<tr>
<td>2010-2016</td>
<td>10.0</td>
</tr>
<tr>
<td>2011-2017</td>
<td>10.6</td>
</tr>
<tr>
<td>2012-2018</td>
<td>9.5</td>
</tr>
<tr>
<td><strong>2025 Goal</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

The graphic below provides a visual representation of the equity gap for students who receive Pell grants. The navy line at the bottom of each box represents the graduation rate for Pell recipients in the CSU. The blue line at the top of each box represents the graduation rate for the rest of the student population. The figure in between the two lines represents the percentage point gap between the two rates, the equity gap.

What this graphic demonstrates is that both sets of graduation rates increased in 2018; however, the graduation rate for Pell recipients rose at a higher rate, resulting in the narrowing of the equity gap.
Impact of Graduation Rate Improvements

As Graduation Initiative 2025 efforts continue to result in more students having the opportunity to graduate earlier, according to their goals, there are positive impacts for both current and future CSU students. For example, graduating at least one term earlier enables students to begin collecting a salary sooner and avoid paying for an additional term of college. Research indicates that first-time students graduating one term earlier will see an immediate economic gain of $13,264 and a long-term gain of $31,370.

In addition, as students earn their degree sooner it provides additional enrollment capacity at CSU campuses. For example, a one percentage point improvement across the cohorts of students reflected in our reported graduation rates creates additional capacity for approximately 2,500 students or approximately 9,000-10,000 additional open seats in course sections.

Workgroup Recommendations

The Office of the Chancellor created cross-representational advisory workgroups for each of the six priority areas of Graduation Initiative 2025 to provide implementation guidance. These workgroups included a mixture of faculty, students, alumni, campus administrators and external stakeholders.

Over the past year, all workgroups met regularly. In August 2018, the workgroups provided the Chancellor’s Office with a comprehensive set of recommendations. This was followed on September 21, 2018, with a final meeting of all six workgroups. During this meeting, the workgroup members presented their final recommendations and provided additional context for potential systemwide implementation. The entire set of recommendations also provides a resource for campuses for local consideration.

Recognizing that resource and time limitations make implementing all of the recommendations impossible, the Office of the Chancellor is developing a report (to be made available to the board prior to this month’s meeting) that highlights the top four systemwide areas of focus for the 2018-19 academic year. These areas of focus are informed by the workgroup recommendations and, in several instances, were identified by the full group as a top priority.

Academic Preparation Policies

Supporting campus faculty and staff in implementing the recent policy changes is a top priority for the academic year. This includes supporting high-quality instruction and providing meaningful professional development opportunities for faculty and staff.
To study the implementation of the policy changes, the Office of the Chancellor has partnered with WestEd, a nonprofit research, development and services agency, to implement an evaluation plan. Consultation with CSU stakeholders to inform the design of the Implementation Studies Project (ISP) began in 2017.

The current ISP framework covers a three-year period. It consists of formative and summative studies that will inform the CSU about the pathways students take and the progress they make immediately after the implementation of Executive Order 1110. To the extent possible, the ISP will explore why these trends have occurred. It will also examine the variation of the models and instructional approaches adopted by campuses and analyze how these approaches perform for various student populations, including historically underserved students.

**Framework for Student Engagement and Well-being**

Another focal area is creating a framework for student engagement and well-being. The CSU is committed to addressing student well-being in a holistic manner. As an educational institution, the university is particularly focused on the areas that impact students’ ability to be successful, persist and complete their degree. This includes areas such as quality education, food, housing, a sense of belonging and mental and physical health. To support students, CSU campuses focus their efforts on providing education, outreach, training and acute, crisis support to students in need. At the same time, the CSU is actively developing and strengthening relationships with regional and local agencies and organizations to provide comprehensive care to students, in instances where students’ needs go above and beyond campus capabilities.

**Students Average Unit Load**

One of the most important predictors of whether a student will finish their degree in a timely manner is the number of units they take each term. As highlighted in the Enrollment Management Workgroup’s final report, “data are consistently showing that students who take a full load (15 semester units) are not harmed, and in some cases, outperform those who don’t.”

The Office of the Chancellor will continue to support campus efforts to increase students’ average unit load in order to allow increasing numbers of students the opportunity to take the courses they need, when they need them.

**Advising**

The final area of focus for the 2018-19 academic year is systematically improving the quality of advising that students receive while enrolled at the CSU. To this end, there are four specific components of advising that will be addressed:
• **Accountability** – Ensuring that every student has at least one individual, or office, responsible for monitoring their progress through degree completion.

• **Advising Structures** – Supporting campuses as they rethink and simplify advising structures to improve coordination across the various offices on campus where students receive guidance.

• **Data Integration** – Combining existing data systems to increase the availability and use of real-time information that advisors use to support students.

• **Degree Plans for Students** - Increasing the percentage of students who have a clear degree plan, before they begin their first academic term.

Systemwide conversations have already begun on how to move these priorities forward. More information will be presented to the board on these focal areas during future meetings.

**Conclusion**

CSU students, faculty, staff and administrators continue to work diligently to achieve the goals of Graduation Initiative 2025 and ensure that all students have the opportunity to be successful and graduate according to their own personal goals. Entering the third year of the initiative, graduation rates indicate that strong progress is being made. The upcoming focus on academic preparation, student engagement and well-being, students’ average unit load and quality advising will play an integral role in maintaining this progress and ensuring that all CSU students benefit.

To continue this momentum and innovation, Graduation Initiative 2025 must remain a budget funding priority for the CSU and the state of California. Graduation Initiative 2025 must also be achieved in parity with increased enrollment growth funding in order for the CSU to achieve its share of additional college graduates needed by the year 2030, enabling California to meet its projected workforce goals.
AGENDA

COMMITTEE ON FINANCE

Meeting: 3:15 p.m., Tuesday, November 13, 2018
Glenn S. Dumke Auditorium

John Nilon, Chair
Peter J. Taylor, Vice Chair
Jane W. Carney
Douglas Faigin
Emily Hinton
Jack McGrory
Hugo N. Morales
Lateefah Simon
Christopher Steinhauser

Consent

1. Approval of Minutes of the Meeting of September 11, 2018, Action
2. 2018-2019 Student Fee Report, Information
3. 2017 Systemwide Hate Violence Report, Information

Discussion

4. California State University Annual Investment Report, Information
5. Approval of the 2019-2020 Operating Budget Request, Action
Members Present

John Nilon, Chair
Peter J. Taylor, Vice Chair
Jane W. Carney
Douglas Faigin
Emily Hinton
Jack McGrory
Hugo N. Morales
Lateefah Simon
Christopher Steinhauser
Adam Day, Chair of the Board
Timothy P. White, Chancellor

Trustee John Nilon called the meeting to order.

Public Comment

Public speakers made comments related to consultant and executive pay. They also expressed the need to continue advocating for additional funding and to re-evaluate some of the local programs being funded.

Approval of Minutes

The minutes of the July 24, 2018 meeting of the Committee on Finance were approved as submitted.
Finance
Agenda Item 1
November 13-14, 2018
Page 2 of 2

Planning for the 2019-2020 Operating Budget

An overview of the CSU’s total budget was shared. It is made up of the operating fund, enterprise and capital, and federal and state student aid. Nearly half of the funds are designated and cannot be re-directed for other expenses.

The preliminary 2019-2020 CSU Budget Plan was presented for trustee feedback. The proposal includes funding requests for Graduation Initiative 2025, enrollment growth, facilities, employee salaries, and mandatory costs. Additional one-time funding requests were also shared for consideration. In order to increase predictability and help with planning, the possibility of a multi-year budget plan and its potential benefits was introduced.

Following the presentation, the trustees asked questions about how to better address basic student needs, including possibly increasing the amount being requested. Trustee Romey Sabalius opined that, given the state’s positive economic outlook, the request for facilities deferred maintenance should be much higher in order to make significant progress on backlog. Trustee Jack McGrory suggested a general obligation bond. Several trustees expressed support for a sustainable multi-year funding plan.

Feedback received on the preliminary plan will be used to craft the final plan that will be presented to the Board of Trustees in November 2018. Staff will continue to work on the draft multi-year plan and return to the Board at a future meeting for further discussion.

Trustee Nilon adjourned the meeting on Finance Committee.
COMMITTEE ON FINANCE

2018-2019 Student Fee Report

Presentation By

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

As required by California State University Fee Policy, this information item presents the California State University Board of Trustees with the 2018-2019 annual campus fee report. The report provides total average tuition and mandatory fees for the CSU system, and the range of mandatory fees charged by campus.

2018-2019 CSU Student Fee Report

Total tuition and average systemwide campus-based mandatory fees increased between 2017-2018 and 2018-2019 by an average of $85 per student. When compared to peer institutions, a CSU education remains affordable. Those already low rates, coupled with the many institutional financial aid programs offered at the CSU, continue to make CSU an affordable option for students from all socio-economic backgrounds. Overall:

- Nearly 81 percent (380,000+) of all CSU students received nearly $4.3 billion in total financial assistance.
- 63 percent of all students have their tuition fully covered by grants or waivers.
- 54 percent of CSU baccalaureate recipients graduated with zero education loan debt.
- Of the 46 percent who graduated with debt, the average loan debt of $17,367 is lower than the California average of $22,785 and well below the national average of $28,650.

Pursuant to applicable provisions of state law, the Board of Trustees has authority over California State University tuition and fees. The trustees established the California State University Student Fee Policy in August 1996, which was a consolidation of state fee statute and Board of Trustee fee policy decisions.

Specific to this report, campus-based mandatory fees (Category II) are charged to all students who enroll at a particular CSU campus. The current fee policy, Executive Order 1102, addresses campus-based mandatory fees specifically; it delegates authority to the chancellor to establish these fees and further delegates to each campus president the authority to increase, decrease or abolish this type of fees. Also, each campus president is responsible for assuring that appropriate
and meaningful consultation occurs prior to adjusting any campus-based mandatory fee and prior to requesting that the chancellor establish a new mandatory fee. Appropriate and meaningful consultation occurs prior to adjusting an existing fee or requesting the establishment of a new fee and includes consultation with the campus fee advisory committee (note: a majority of committee members are students), the campus faculty senate, the campus student body association and other constituencies affected by any proposed change. A student referendum is encouraged by the fee policy in order to measure student support but alternative forms of consultation may be used by the president if the president determines that a referendum is not the best mechanism to achieve appropriate and meaningful consultation.

2018-2019 CSU Comparison Institution Tuition and Fees

The tables that follow outline the systemwide average tuition plus average campus-based mandatory fees at the CSU compared with other public institutions’ tuition and mandatory fees.

The total of the CSU’s resident undergraduate tuition and average campus-based fees is lower than those of the fifteen comparison institutions identified by the California Postsecondary Education Commission. The 2018-2019 comparison institution tuition and fee average is $11,569, and the CSU tuition and fee average is $7,303, or 37 percent below the comparison average. The following table lists the 2017-2018 tuition and average campus-based mandatory fee rates with a comparison to 2018-2019 rates:

<table>
<thead>
<tr>
<th>Campus</th>
<th>2017-2018</th>
<th>2018-2019</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Connecticut (Storrs, CT)</td>
<td>$14,880</td>
<td>$15,730</td>
<td>$850</td>
</tr>
<tr>
<td>Rutgers University (New Brunswick, NJ)</td>
<td>14,638</td>
<td>14,974</td>
<td>337</td>
</tr>
<tr>
<td>Illinois State University (Normal, IL)</td>
<td>14,061</td>
<td>14,516</td>
<td>456</td>
</tr>
<tr>
<td>Wayne State University (Detroit, MI)</td>
<td>13,864</td>
<td>14,266</td>
<td>402</td>
</tr>
<tr>
<td>George Mason University (Fairfax, VA)</td>
<td>11,924</td>
<td>12,462</td>
<td>538</td>
</tr>
<tr>
<td>University of Maryland, Baltimore County</td>
<td>11,518</td>
<td>11,778</td>
<td>260</td>
</tr>
<tr>
<td><strong>Comparison Average</strong></td>
<td><strong>$11,233</strong></td>
<td><strong>$11,569</strong></td>
<td><strong>$336</strong></td>
</tr>
<tr>
<td>University of Colorado at Denver</td>
<td>11,258</td>
<td>11,395</td>
<td>137</td>
</tr>
<tr>
<td>Georgia State University at Atlanta</td>
<td>10,858</td>
<td>10,858</td>
<td>0</td>
</tr>
<tr>
<td>Arizona State University at Tempe</td>
<td>10,792</td>
<td>10,822</td>
<td>30</td>
</tr>
<tr>
<td>Cleveland State University</td>
<td>9,636</td>
<td>10,387</td>
<td>751</td>
</tr>
<tr>
<td>University of Texas at Arlington</td>
<td>9,538</td>
<td>10,082</td>
<td>544</td>
</tr>
<tr>
<td>State University of New York at Albany</td>
<td>9,550</td>
<td>9,816</td>
<td>266</td>
</tr>
<tr>
<td>University of Wisconsin at Milwaukee</td>
<td>9,565</td>
<td>9,588</td>
<td>23</td>
</tr>
<tr>
<td>North Carolina State University</td>
<td>9,058</td>
<td>9,101</td>
<td>43</td>
</tr>
<tr>
<td>University of Nevada at Reno</td>
<td>7,359</td>
<td>7,764</td>
<td>405</td>
</tr>
<tr>
<td><strong>California State University</strong></td>
<td><strong>$7,218</strong></td>
<td><strong>$7,303</strong></td>
<td><strong>$85</strong></td>
</tr>
</tbody>
</table>
The CSU has the lowest resident graduate tuition and fee rates among the 15 comparison institutions. The 2018-2019 comparison institution tuition and fee average is $13,800, and the CSU tuition and fee average is $8,737, or 37 percent below the comparison average. The following table compares the 2017-2018 tuition and fee rates with the 2018-2019 rates:

<table>
<thead>
<tr>
<th>Campus</th>
<th>2017-2018</th>
<th>2018-2019</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rutgers University (New Brunswick, NJ)</td>
<td>$18,984</td>
<td>$19,416</td>
<td>$432</td>
</tr>
<tr>
<td>University of Maryland, Baltimore County</td>
<td>18,072</td>
<td>18,624</td>
<td>552</td>
</tr>
<tr>
<td>Wayne State University (Detroit, MI)</td>
<td>17,163</td>
<td>17,661</td>
<td>498</td>
</tr>
<tr>
<td>University of Connecticut (Storrs, CT)</td>
<td>16,810</td>
<td>17,660</td>
<td>850</td>
</tr>
<tr>
<td>George Mason University (Fairfax, VA)</td>
<td>14,547</td>
<td>15,139</td>
<td>592</td>
</tr>
<tr>
<td>Cleveland State University</td>
<td>13,816</td>
<td>14,182</td>
<td>365</td>
</tr>
<tr>
<td><strong>Comparison Average</strong></td>
<td>$13,399</td>
<td>$13,800</td>
<td>$401</td>
</tr>
<tr>
<td>State University of New York at Albany</td>
<td>12,792</td>
<td>13,058</td>
<td>266</td>
</tr>
<tr>
<td>Illinois State University (Normal, IL)</td>
<td>11,798</td>
<td>12,185</td>
<td>387</td>
</tr>
<tr>
<td>Arizona State University at Tempe</td>
<td>11,938</td>
<td>12,134</td>
<td>196</td>
</tr>
<tr>
<td>University of Wisconsin at Milwaukee</td>
<td>11,861</td>
<td>11,884</td>
<td>23</td>
</tr>
<tr>
<td>University of Texas at Arlington</td>
<td>10,968</td>
<td>11,660</td>
<td>692</td>
</tr>
<tr>
<td>North Carolina State University</td>
<td>11,027</td>
<td>11,495</td>
<td>468</td>
</tr>
<tr>
<td>Georgia State University at Atlanta</td>
<td>11,488</td>
<td>11,488</td>
<td>0</td>
</tr>
<tr>
<td>University of Colorado at Denver</td>
<td>10,283</td>
<td>10,315</td>
<td>31</td>
</tr>
<tr>
<td>University of Nevada at Reno</td>
<td>9,444</td>
<td>10,107</td>
<td>664</td>
</tr>
<tr>
<td><strong>California State University</strong></td>
<td>$8,652</td>
<td>$8,737</td>
<td>$85</td>
</tr>
</tbody>
</table>
CSU has the second lowest non-resident undergraduate tuition and average campus-based mandatory fees of the CSU’s public peer comparison institutions. CSU non-resident undergraduate tuition (which includes the systemwide tuition charge) and fees is $19,183 per academic year in 2018-2019. This is approximately 31 percent below the comparison average rate of $27,863.

<table>
<thead>
<tr>
<th>2018-2019 Comparison Institution Academic Year Undergraduate Non-Resident Tuition and Fees</th>
<th>2017-2018</th>
<th>2018-2019</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Connecticut (Storrs, CT)</td>
<td>$36,948</td>
<td>$38,098</td>
<td>$1,150</td>
</tr>
<tr>
<td>George Mason University (Fairfax, VA)</td>
<td>34,370</td>
<td>35,922</td>
<td>1,552</td>
</tr>
<tr>
<td>University of Colorado at Denver</td>
<td>31,448</td>
<td>32,005</td>
<td>557</td>
</tr>
<tr>
<td>Rutgers University (New Brunswick, NJ)</td>
<td>30,579</td>
<td>31,282</td>
<td>704</td>
</tr>
<tr>
<td>Wayne State University (Detroit, MI)</td>
<td>30,094</td>
<td>30,880</td>
<td>786</td>
</tr>
<tr>
<td>Georgia State University at Atlanta</td>
<td>29,432</td>
<td>29,432</td>
<td>0</td>
</tr>
<tr>
<td>North Carolina State University</td>
<td>27,406</td>
<td>28,444</td>
<td>1,038</td>
</tr>
<tr>
<td>Arizona State University at Tempe</td>
<td>27,372</td>
<td>28,336</td>
<td>964</td>
</tr>
<tr>
<td><strong>Comparison Average</strong></td>
<td><strong>$26,915</strong></td>
<td><strong>$27,863</strong></td>
<td><strong>$948</strong></td>
</tr>
<tr>
<td>University of Maryland, Baltimore County</td>
<td>25,654</td>
<td>26,872</td>
<td>1,218</td>
</tr>
<tr>
<td>State University of New York at Albany</td>
<td>24,430</td>
<td>26,656</td>
<td>2,226</td>
</tr>
<tr>
<td>University of Texas at Arlington</td>
<td>24,738</td>
<td>26,120</td>
<td>1,382</td>
</tr>
<tr>
<td>Illinois State University (Normal, IL)</td>
<td>25,168</td>
<td>26,040</td>
<td>872</td>
</tr>
<tr>
<td>University of Nevada at Reno</td>
<td>21,551</td>
<td>22,236</td>
<td>685</td>
</tr>
<tr>
<td>University of Wisconsin at Milwaukee</td>
<td>20,845</td>
<td>20,867</td>
<td>23</td>
</tr>
<tr>
<td><strong>California State University</strong></td>
<td><strong>$19,098</strong></td>
<td><strong>$19,183</strong></td>
<td><strong>$85</strong></td>
</tr>
<tr>
<td>Cleveland State University</td>
<td>13,687</td>
<td>14,754</td>
<td>1,067</td>
</tr>
</tbody>
</table>

**Campus-Based Mandatory Fees**

Campus-based mandatory fees (Category II) are charged to all students who enroll at a particular CSU campus. In addition, campuses charge miscellaneous course fees (Category III) for some courses to provide materials or experiences that enhance basic course offerings. Campuses also charge fees for self-support programs (Category V), such as parking, housing, and student unions. As required by the CSU Fee Policy, this annual report focuses primarily on campus-based mandatory fees.

The table on the following page displays the 2018-2019 academic year campus-based mandatory fee rates by campus and by fee category.
## 2018-2019 Category II Campus-Based Mandatory Fee Rates

<table>
<thead>
<tr>
<th>Campus</th>
<th>Health Facilities</th>
<th>Health Services</th>
<th>Instructionally Related Activities</th>
<th>Materials Services &amp; Facilities</th>
<th>Student Success</th>
<th>Student Association</th>
<th>Student Center</th>
<th>Total Campus-Based Mandatory Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield</td>
<td>$6</td>
<td>$317</td>
<td>$183</td>
<td>$62</td>
<td>$0</td>
<td>$397</td>
<td>$602</td>
<td>$1,567</td>
</tr>
<tr>
<td>Channel Islands</td>
<td>6</td>
<td>190</td>
<td>260</td>
<td>145</td>
<td>0</td>
<td>150</td>
<td>324</td>
<td>1,075</td>
</tr>
<tr>
<td>Chico</td>
<td>6</td>
<td>474</td>
<td>286</td>
<td>150</td>
<td>0</td>
<td>136</td>
<td>814</td>
<td>1,866</td>
</tr>
<tr>
<td>Dominguez Hills</td>
<td>6</td>
<td>150</td>
<td>10</td>
<td>5</td>
<td>560</td>
<td>135</td>
<td>334</td>
<td>1,200</td>
</tr>
<tr>
<td>East Bay</td>
<td>6</td>
<td>375</td>
<td>129</td>
<td>2</td>
<td>240</td>
<td>129</td>
<td>360</td>
<td>1,241</td>
</tr>
<tr>
<td>Fresno</td>
<td>6</td>
<td>226</td>
<td>264</td>
<td>46</td>
<td>0</td>
<td>69</td>
<td>234</td>
<td>845</td>
</tr>
<tr>
<td>Fullerton</td>
<td>6</td>
<td>168</td>
<td>76</td>
<td>74</td>
<td>382</td>
<td>156</td>
<td>282</td>
<td>1,144</td>
</tr>
<tr>
<td>Humboldt</td>
<td>36</td>
<td>576</td>
<td>674</td>
<td>345</td>
<td>0</td>
<td>117</td>
<td>185</td>
<td>1,933</td>
</tr>
<tr>
<td>Long Beach</td>
<td>10</td>
<td>150</td>
<td>50</td>
<td>10</td>
<td>346</td>
<td>124</td>
<td>366</td>
<td>1,056</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>6</td>
<td>265</td>
<td>126</td>
<td>5</td>
<td>276</td>
<td>54</td>
<td>275</td>
<td>1,007</td>
</tr>
<tr>
<td>Cal Maritime</td>
<td>14</td>
<td>680</td>
<td>130</td>
<td>280</td>
<td>0</td>
<td>210</td>
<td>0</td>
<td>1,314</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>0</td>
<td>186</td>
<td>254</td>
<td>165</td>
<td>0</td>
<td>96</td>
<td>700</td>
<td>1,401</td>
</tr>
<tr>
<td>Northridge</td>
<td>6</td>
<td>120</td>
<td>30</td>
<td>5</td>
<td>232</td>
<td>192</td>
<td>566</td>
<td>1,151</td>
</tr>
<tr>
<td>Pomona</td>
<td>6</td>
<td>255</td>
<td>40</td>
<td>0</td>
<td>424</td>
<td>120</td>
<td>766</td>
<td>1,611</td>
</tr>
<tr>
<td>Sacramento</td>
<td>46</td>
<td>244</td>
<td>384</td>
<td>0</td>
<td>0</td>
<td>138</td>
<td>756</td>
<td>1,568</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>27</td>
<td>261</td>
<td>162</td>
<td>15</td>
<td>180</td>
<td>123</td>
<td>412</td>
<td>1,180</td>
</tr>
<tr>
<td>San Diego</td>
<td>50</td>
<td>300</td>
<td>388</td>
<td>50</td>
<td>414</td>
<td>70</td>
<td>474</td>
<td>1,746</td>
</tr>
<tr>
<td>San Francisco</td>
<td>6</td>
<td>314</td>
<td>236</td>
<td>690</td>
<td>0</td>
<td>108</td>
<td>164</td>
<td>1,518</td>
</tr>
<tr>
<td>San Jose</td>
<td>68</td>
<td>364</td>
<td>0</td>
<td>32</td>
<td>654</td>
<td>192</td>
<td>744</td>
<td>2,054</td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>10</td>
<td>612</td>
<td>321</td>
<td>1,210</td>
<td>854</td>
<td>332</td>
<td>735</td>
<td>4,074</td>
</tr>
<tr>
<td>San Marcos</td>
<td>40</td>
<td>322</td>
<td>80</td>
<td>249</td>
<td>500</td>
<td>150</td>
<td>630</td>
<td>1,971</td>
</tr>
<tr>
<td>Sonoma</td>
<td>38</td>
<td>414</td>
<td>500</td>
<td>38</td>
<td>0</td>
<td>248</td>
<td>818</td>
<td>2,056</td>
</tr>
<tr>
<td>Stanislaus</td>
<td>22</td>
<td>400</td>
<td>326</td>
<td>284</td>
<td>0</td>
<td>130</td>
<td>168</td>
<td>1,330</td>
</tr>
</tbody>
</table>
The following table compares total campus-based mandatory fees by campus for the 2017-2018 and 2018-2019 academic years. As shown in the table, the systemwide average of campus-based mandatory fees increased by $85 (5.8 percent). Increases in these fees occurred for various reasons. Some campuses have authorized annual incremental increases for certain fees that keep pace with inflation such as the California Consumer Price Index or Higher Education Price Index. A student success fee increase approved when the fee was originally authorized accounted for the increase at Dominguez Hills. Chico, East Bay, Humboldt, Los Angeles and San Luis Obispo increased health services fees to better fund rising health costs and provide increased services to students. Bakersfield, Monterey Bay and Sacramento increased student center fees to expand student unions and related activities.

<table>
<thead>
<tr>
<th>Campus</th>
<th>2017-2018</th>
<th>2018-2019</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield</td>
<td>$1,405</td>
<td>$1,567</td>
<td>$162</td>
</tr>
<tr>
<td>Channel Islands</td>
<td>1,075</td>
<td>1,075</td>
<td>0</td>
</tr>
<tr>
<td>Chico</td>
<td>1,606</td>
<td>1,866</td>
<td>260</td>
</tr>
<tr>
<td>Dominguez Hills</td>
<td>1,095</td>
<td>1,200</td>
<td>105</td>
</tr>
<tr>
<td>East Bay</td>
<td>1,092</td>
<td>1,241</td>
<td>149</td>
</tr>
<tr>
<td>Fresno</td>
<td>843</td>
<td>845</td>
<td>2</td>
</tr>
<tr>
<td>Fullerton</td>
<td>1,108</td>
<td>1,144</td>
<td>36</td>
</tr>
<tr>
<td>Humboldt</td>
<td>1,751</td>
<td>1,933</td>
<td>182</td>
</tr>
<tr>
<td>Long Beach</td>
<td>988</td>
<td>1,056</td>
<td>68</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>897</td>
<td>1,007</td>
<td>110</td>
</tr>
<tr>
<td>Cal Maritime</td>
<td>1,314</td>
<td>1,314</td>
<td>0</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>1,301</td>
<td>1,401</td>
<td>100</td>
</tr>
<tr>
<td>Northridge</td>
<td>1,133</td>
<td>1,151</td>
<td>18</td>
</tr>
<tr>
<td>Pomona</td>
<td>1,597</td>
<td>1,611</td>
<td>14</td>
</tr>
<tr>
<td>Sacramento</td>
<td>1,462</td>
<td>1,568</td>
<td>106</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>1,143</td>
<td>1,180</td>
<td>37</td>
</tr>
<tr>
<td>San Diego</td>
<td>1,718</td>
<td>1,746</td>
<td>28</td>
</tr>
<tr>
<td>San Francisco</td>
<td>1,512</td>
<td>1,518</td>
<td>6</td>
</tr>
<tr>
<td>San Jose</td>
<td>1,979</td>
<td>2,054</td>
<td>75</td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>3,691</td>
<td>4,074</td>
<td>383</td>
</tr>
<tr>
<td>San Marcos</td>
<td>1,965</td>
<td>1,971</td>
<td>6</td>
</tr>
<tr>
<td>Sonoma</td>
<td>1,982</td>
<td>2,056</td>
<td>74</td>
</tr>
<tr>
<td>Stanislaus</td>
<td>1,296</td>
<td>1,330</td>
<td>34</td>
</tr>
</tbody>
</table>

Average $1,476 $1,561 $85
COMMITTEE ON FINANCE

2017 Systemwide Hate Violence Report

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Summary

This item provides an annual report of hate violence on campuses pursuant to Education Code §67380(a) (5). The statute requires that the number of arrests for, and reported incidents of, hate violence be reported to the CSU Board of Trustees, who “shall … make a report containing a compilation of that information available to the general public on the Internet Web site of each respective institution.”

In the 2017 calendar year there were a total of four reported incidents of hate violence on four campuses. Two of these incidents constituted a non-criminal act of hate violence.

Background

The CSU seeks to maintain a safe educational and working environment, which includes compliance with safety laws and regulations. These include the federal Jeanne Clery Disclosure of Campus Security and Crime Statistics Act (Clery Act) (20 U.S.C. 1092(f)) and the Violence Against Women Reauthorization Act of 2013, which amends the Clery Act under the Campus Sexual Violence Elimination Act provision (Campus SaVE Act). State laws and regulations include the Higher Education Act (Education Code §§ 67380 et seq. and 67390 et seq.).

Hate crime is defined in Penal Code §422.55. Hate violence for reporting purposes is defined in Education Code §67380(c)(1) as “any act of physical intimidation or physical harassment, physical force or physical violence, or the threat of physical force or physical violence, that is directed against any person or group of persons, or the property of any person or group of persons because of the ethnicity, race, national origin, religion, sex, sexual orientation, gender identity, gender expression, disability, or political or religious beliefs of that person or group.”

Conclusion

For the year ending December 31, 2017, four reported incidents of hate violence (two hate crimes and two incidents of non-criminal acts of hate violence) will be reported on the Cal State and 23 campus web pages, in accordance with Education Code §67380(a)(5).
COMMITTEE ON FINANCE

California State University Annual Investment Report

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

This item provides the annual investment report to the California State University Board of Trustees for the fiscal year ended June 30, 2018. The information in Attachment A will serve as the basis for an annual report to the California State Legislature and Department of Finance regarding CSU investments as required by Education Code 89726

Background

Pursuant to the California State University Master Investment Policy (included as Attachment B) CSU investments as of June 30, 2018 consisted of investments in the Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). Except for amounts held at the State in SMIF, all CSU investments are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately $710 million in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.
Finance
Agenda Item 4
November 13-14, 2018
Page 2 of 4

CSU Investments – Balances, Allocations, and Returns
June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>% of CSU Investments</th>
<th>Twelve Month Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Portfolio (SWIFT)</td>
<td>$3.83 billion</td>
<td>94.4%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Total Return Portfolio (TRP)</td>
<td>$126 million</td>
<td>3.1%</td>
<td>3.01%</td>
</tr>
<tr>
<td>Surplus Money Investment Fund (SMIF)</td>
<td>$101 million</td>
<td>2.5%</td>
<td>1.30%</td>
</tr>
<tr>
<td>CSU Investments</td>
<td>$4.06 billion</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

CSU Investment Portfolios

For detailed information on the investment performance and characteristics of the CSU investment portfolios please see Attachment A.

CSU Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT)

The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objective is safety of principal and liquidity.

The Liquidity Portfolio is managed through contracts with two investment management firms, US Bancorp Asset Management and Wells Capital Management, each of whom provides investment management services for the program. Funds invested in the Liquidity Portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the State and the Liquidity Portfolio investment policy. Consistent with state law, the Liquidity Portfolio is restricted to high quality, fixed income securities.

1 Initial investment in the TRP was made on April 1, 2018, thus return information for the TRP is only for the three months ended June 30, 2018.
CSU Total Return Portfolio (TRP)

By legislation effective January 1, 2017, the CSU investment authority was expanded to allow investment in mutual funds (including equity mutual funds) and real estate investment trusts. The Total Return Portfolio was created to take advantage of the new investment options.

The purpose of the TRP is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level.

Under State law, investment of funds in the TRP is subject to the CSU meeting certain conditions regarding investment oversight, reporting, and use of earnings, and is to be phased in at no more than $400 million as of June 2018, $600 million as of June 2019, and thirty percent of eligible investments thereafter. The CSU Investment Advisory Committee (IAC), established by the Board of Trustees in September 2017, oversees the TRP and focuses on key issues such as investment policy, asset allocation, investment manager oversight, and investment performance.

The TRP investment policy provides a framework for the investment of portfolio funds in the TRP and includes the following key elements as further described in the TRP Investment Policy:

- Investment Objectives
- Investment Manager Selection
- Spending Policy
- Roles & Responsibilities
- Time and Investment Horizon
- Environmental, Social and Governance
- Risk Tolerance
- (ESG) Framework
- Expected Return
- Risk Management
- Asset Allocation
- Monitoring & Control Procedures
- Benchmarks

The IAC has adopted an investment schedule for the TRP that utilizes a dollar-cost averaging approach and provides regular monthly contributions to the TRP. An initial investment of $33.5 million into the TRP was made on April 1, 2018, with the goal of reaching the fiscal year 2018-2019 statutory limit of $600 million in the first half of 2019. After June 30, 2019, the investment schedule will be re-assessed by the IAC and staff, as the TRP can be increased to as much as 30 percent of CSU investments at that time. The investment schedule may also be adjusted by the IAC at any time depending on market conditions. Consistent with state law and specifically, Education Code 89726, additional moneys earned through investments in the TRP shall be used only for capital outlay or maintenance, and shall not be used for ongoing operations.
Surplus Money Investment Fund (SMIF)

The State Treasurer also provides investment vehicles that may be used for CSU funds. The Surplus Money Investment Fund (SMIF) is used by the State Treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool. In order to facilitate certain expenditures, the CSU maintains small amounts of funds with the State. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

New Reporting Requirements

Education Code 89726 requires quarterly investment reports to the Board of Trustees and an annual report to the State Legislature and the Department of Finance. Investment information in Attachment A will serve as the basis for the annual report to be sent to the California State Legislature and Department of Finance.

Next Steps

Following the November 2018 meeting of the Board of Trustees, staff will submit the annual report on CSU investments to the State Legislature and the Department of Finance. Staff will continue implementing the TRP investment schedule with oversight from the IAC. Staff will also begin working on developing the Intermediate Duration Portfolio, consistent with the CSU Master Investment Policy, with the goal of implementing this portfolio in the first half of 2019. The next investment report to the board is scheduled for the March 2019 meeting and will provide information on the fiscal quarter ending September 30, 2018.
CSU Annual Investment Report

For the Fiscal Year Ended June 30, 2018

CSU investments as of June 30, 2018 consisted of investments in the CSU Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). All CSU investments (except for funds invested in SMIF) are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately $710 million in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

Balances and Allocations as of June 30, 2018

<table>
<thead>
<tr>
<th>Investments</th>
<th>Balance</th>
<th>% of CSU Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Portfolio (SWIFT)</td>
<td>$3.83 billion</td>
<td>94.4%</td>
</tr>
<tr>
<td>Total Return Portfolio (TRP)</td>
<td>$126 million</td>
<td>3.1%</td>
</tr>
<tr>
<td>Surplus Money Investment Fund (SMIF)</td>
<td>$101 million</td>
<td>2.5%</td>
</tr>
<tr>
<td>CSU Investments</td>
<td>$4.06 billion</td>
<td>100%</td>
</tr>
</tbody>
</table>

For the year ended June 30, 2018, direct investment management fees, advisory, and custodial fees totaled just under $2.1 million, or about 0.052 percent (5.2 basis points) on CSU investments total balance as of June 30, 2018.

---

1 Direct investment management fees exclude TRP mutual fund investment management fees. TRP mutual fund investment management fees are included as mutual fund expenses and reported as a percent of total fund assets. See TRP Fund Expense Ratio (Fee) in the table on page 3.
CSU Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT)

The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objective is safety of principal and liquidity. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

<table>
<thead>
<tr>
<th>CSU Liquidity Portfolio</th>
<th>Benchmark²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year Annualized Return³</td>
<td>0.85%</td>
</tr>
<tr>
<td>3 Year Annualized Return</td>
<td>0.86%</td>
</tr>
<tr>
<td>5 Year Annualized Return</td>
<td>0.83%</td>
</tr>
<tr>
<td>Annualized Since Inception Return⁴</td>
<td>1.23%</td>
</tr>
<tr>
<td>Yield</td>
<td>2.45%</td>
</tr>
<tr>
<td>Duration (Years)</td>
<td>0.98</td>
</tr>
<tr>
<td>Average Credit Rating</td>
<td>AA-</td>
</tr>
</tbody>
</table>

Holdings by Asset Type (% of CSU Liquidity Portfolio):

- U.S. Government Agencies: 30.36% Asset-Backed Securities: 7.52%
- U.S. Corporate Bonds: 29.40% CD’s and Cash Equivalents: 5.71%
- Treasuries: 25.68% Municipal Obligations: 0.52%

CSU Total Return Portfolio (TRP)

The purpose of the Total Return Portfolio is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level. Consistent with state law, the TRP is invested in mutual funds subject to registration by, and under the regulatory authority of the United States Securities and Exchange Commission or in United States registered real estate investment trusts.

<table>
<thead>
<tr>
<th>CSU Total Return Portfolio</th>
<th>Strategic Benchmark⁵</th>
<th>Policy Benchmark⁶</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Months Return</td>
<td>3.01%</td>
<td>1.53%</td>
</tr>
<tr>
<td>Annualized Since Inception Return⁷</td>
<td>3.01%</td>
<td>1.53%</td>
</tr>
</tbody>
</table>

---

² Benchmark for the CSU Liquidity Portfolio (SWIFT) is the Bank of America Merrill Lynch 0-3 Year Treasury Index.
³ All Returns reported gross of fees and as total return, including income and gains (realized and unrealized).
⁴ Inception Date for the CSU Liquidity Portfolio (SWIFT) was July 1, 2007.
⁵ The TRP Strategic Benchmark is Inflation (Core Consumer Price Index) plus 4.5% per annum. The long-term rate of inflation is assumed at 2.5% per annum.
⁶ The TRP Policy Benchmark is a blend of passive indices whose weights match the TRP target asset allocation.
⁷ TRP Inception Date was April 1, 2018.
Holdings by Asset Type (% of CSU Total Return Portfolio):

- Equity Mutual Funds: 45.95%
- Fixed Income Mutual Funds: 39.03%
- Real Asset Mutual Funds: 15.02%

Values, Holdings & Fees (CSU Total Return Portfolio)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Strategy Name</th>
<th>Ticker</th>
<th>Value (millions)</th>
<th>% of Total Return Portfolio</th>
<th>TRP Fund Expense Ratio (Fee)</th>
<th>Universe Median Expense Ratio (Fee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>Vanguard Total Bond Market Index Fund</td>
<td>VBTIX</td>
<td>27.8</td>
<td>22%</td>
<td>0.040%</td>
<td>0.500%</td>
</tr>
<tr>
<td></td>
<td>Vanguard Inflation-Protected Securities Fund</td>
<td>VIPIX</td>
<td>6.3</td>
<td>5%</td>
<td>0.070%</td>
<td>0.430%</td>
</tr>
<tr>
<td></td>
<td>Lord Abbett High Yield Fund</td>
<td>LHYOX</td>
<td>7.6</td>
<td>6%</td>
<td>0.600%</td>
<td>0.730%</td>
</tr>
<tr>
<td></td>
<td>Pacific Funds Floating Rate Income Fund</td>
<td>PLFRX</td>
<td>3.8</td>
<td>3%</td>
<td>0.710%</td>
<td>0.750%</td>
</tr>
<tr>
<td></td>
<td>Vanguard Emerging Markets Government Bond Index Fund</td>
<td>VGAUX</td>
<td>3.8</td>
<td>3%</td>
<td>0.320%</td>
<td>0.880%</td>
</tr>
<tr>
<td>Equity</td>
<td>Vanguard Total Stock Market Index Fund</td>
<td>VITSX</td>
<td>30.2</td>
<td>24%</td>
<td>0.035%</td>
<td>0.690%</td>
</tr>
<tr>
<td></td>
<td>Vanguard Developed Markets Index Fund</td>
<td>VTMNX</td>
<td>15.1</td>
<td>12%</td>
<td>0.060%</td>
<td>0.860%</td>
</tr>
<tr>
<td></td>
<td>Vanguard Emerging Markets Stock Index Fund</td>
<td>VEMIX</td>
<td>12.6</td>
<td>10%</td>
<td>0.110%</td>
<td>1.190%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>Vanguard Real Estate Index Fund</td>
<td>VGSNX</td>
<td>8.9</td>
<td>7%</td>
<td>0.100%</td>
<td>0.910%</td>
</tr>
<tr>
<td></td>
<td>Vanguard Energy Index Fund</td>
<td>VENAX</td>
<td>2.5</td>
<td>2%</td>
<td>0.100%</td>
<td>1.030%</td>
</tr>
<tr>
<td></td>
<td>Vanguard Materials Index Fund</td>
<td>VMAX</td>
<td>2.5</td>
<td>2%</td>
<td>0.100%</td>
<td>1.040%</td>
</tr>
<tr>
<td></td>
<td>First State Global Listed Infrastructure Fund</td>
<td>FLIX</td>
<td>5.0</td>
<td>4%</td>
<td>0.950%</td>
<td>1.000%</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td>0.0</td>
<td>0%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>126.0</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Surplus Money Investment Fund (SMIF)

The Surplus Money Investment Fund (SMIF) is managed by the State Treasurer to invest State funds, or funds held by the State on behalf of State agencies, in a short-term pool. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

Apportionment Annual Yield

- FYE 06/30/18: 1.30%
- Average (FYE 06/30/07 – FYE 06/30/18): 1.03%

---

8 Annual Yield calculated by CSU Treasury Operations based on the quarterly apportionment yield rates published by the State Controller’s Office.
Master Investment Policy
For The California State University

Approved on November 8, 2017
By The Board of Trustees of The California State University
### Contents

I. Scope and Purpose .......................................................................................................................... 3

II. Compliance with Law and Adherence to Policy ......................................................................... 3

III. Background and Investment Objectives .................................................................................... 3

IV. Investment Portfolios .................................................................................................................. 4

V. Roles and Responsibilities ........................................................................................................... 5
   - Board of Trustees ..................................................................................................................... 5
   - Chancellor’s Office Staff ......................................................................................................... 6
   - Investment Advisory Committee ............................................................................................ 7
   - Prudence, Ethics and Conflict of Interest ............................................................................... 8
   - Document and Acceptance of the Investment Policy Statement ..................................... 8

VI. Environmental, Social and Governance (ESG) Framework ...................................................... 9

VII. Adoption of the Investment Policy Statement ......................................................................... 9
I. Scope and Purpose

This California State University Master Investment Policy ("MIP") governs the investment of California State University ("CSU") funds. CSU investments are centrally managed on behalf of the CSU System and its campuses.

The purpose of the MIP, together with investment policies that govern individual Portfolios (as defined in Section IV) and are created pursuant to delegated authority contained herein, is to provide a framework for the investment of CSU funds consistent with the goals of the CSU Board of Trustees (the "Board") and the educational mission of the CSU.

The MIP sets forth objectives, guidelines, and responsibilities that the Board deems to be appropriate and prudent in consideration of the needs of, and the legal requirements applicable to, the CSU’s investment program. The MIP is also intended to ensure that the Board, and any parties to whom the Board delegates authority, are fulfilling their fiduciary responsibilities in the oversight of CSU investments.

The MIP is a dynamic document and will be reviewed from time to time. The MIP will be modified, if necessary, to reflect the changing nature of the CSU’s assets and investment program, organizational objectives, and economic conditions.

II. Compliance with Law and Adherence to Policy

CSU investments are to be managed in full compliance with all applicable laws, rules, and regulations from various local, state, federal, and international political entities that may impact the CSU’s assets, including but not limited to the provisions of the California Education Code and California Government Code applicable to the investment of CSU funds, and in accordance with the policy objectives, guidelines, and responsibilities expressed herein.

III. Background and Investment Objectives

The investment objectives for the investment of CSU funds have been established in conjunction with a comprehensive review of current and projected financial requirements. The Board desires to provide the Chancellor, the Chancellor’s Staff, and the IAC (as defined in Section V) with the greatest possible flexibility to maximize investment opportunities. However, as agents of the Board, the Chancellor, the Chancellor’s Staff, and the IAC must recognize the fiduciary responsibility of the Board to conserve and protect the assets of the CSU investment program, and, by prudent management, prevent exposure to undue and unnecessary risk.

The following objectives shall govern the investment of CSU funds:
1. Safeguard the principal.

2. Meet the liquidity needs of the CSU.

3. Obtain the best possible return commensurate with the degree of risk the CSU is willing to assume in obtaining such return.

The Board acknowledges that these objectives may be weighted or prioritized differently for individual Portfolios depending upon the purpose of the Portfolio.

IV. Investment Portfolios

Consistent with its investment objectives, the Board has determined that CSU funds may be invested in three investment portfolios (individually, a “Portfolio” and together, the “Portfolios”) created by the CSU, with oversight by the Chancellor, the Chancellor’s Staff, and the IAC, and each with its own investment policy.

The three Portfolios and general purpose of each Portfolio are as follows:

**Liquidity Portfolio (Systemwide Investment Fund—Trust or “SWIFT”)**

The purpose of this Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives for this Portfolio shall be safety of principal and liquidity. The existing CSU Systemwide Investment Fund—Trust (SWIFT) shall serve as the Liquidity Portfolio and shall be comprised of investments authorized pursuant to California Government Code Sections 16330 or 16430.

**Intermediate Duration Portfolio (IDP)**

The purpose of this Portfolio is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives for this Portfolio shall be safety of principal, liquidity and return. The Intermediate Duration Portfolio shall be comprised of investments authorized pursuant to California Government Code Sections 16330 or 16430.

**Total Return Portfolio (TRP)**

The purpose of this Portfolio is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objectives for this Portfolio shall be to achieve a prudent total return within a moderate risk level. The Total Return Portfolio shall be comprised of investments authorized pursuant to
California Government Code Sections 16330, or 16430 or California Education Code Sections 89724 or 89725.

The acceptable allocations for the Portfolios are as follows:

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Min – Target – Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity – Systemwide Investment Fund Trust (“SWIFT”)</td>
<td>5% - 20% - 100%</td>
</tr>
<tr>
<td>Intermediate Duration Portfolio (“IDP”)</td>
<td>0% - 52% - 95%</td>
</tr>
<tr>
<td>Total Return Portfolio (“TRP”)</td>
<td>0% - 28% - 30%1</td>
</tr>
</tbody>
</table>

In addition, the CSU may invest any amount (from 0% to 100%), in any California State Treasury investment option, available now, or in the future, that the IAC and the Staff deem prudent, including, but not limited to:

- Surplus Money Investment Fund (SMIF)
- Local Agency Investment Fund (LAIF)

V. Roles and Responsibilities

Board of Trustees

The Board assumes fiduciary responsibility to conserve and protect the investment assets of the CSU, and by prudent management, to prevent exposure to undue and unnecessary risk. However, the Board also acknowledges investments are inherently risky with risk of loss and, as such, are viewed with a long-term time horizon.

As a fiduciary, the primary responsibilities of the Board are to:

1. Maintain and approve the MIP.

---

1 Percentage allocations to the TRP are subject to annual phase-in restrictions through June 30, 2020 per state law.
2. Ensure that CSU investments are prudently diversified in order to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume.

3. Report annually to the California state legislature and the California Department of Finance regarding the investment of CSU funds.

The Board shall have oversight responsibility for investment of the assets and has delegated investment authority to the Chancellor, the Chancellor’s Staff, and the IAC.

**Chancellor and Chancellor’s Staff**

As agents of the Board, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor responsible for CSU investments, and their designees (the “Chancellor’s Staff”), recognize the fiduciary responsibility of the Board to conserve and protect the investment assets of the CSU and, by prudent management, to prevent exposure to undue and unnecessary risk.

The Chancellor and the Chancellor’s Staff are hereby authorized to establish policies and procedures to implement the provisions of this MIP, including, but not limited to, the following activities:

1. Overseeing and implementing general administrative and investment operations for the Portfolios.

2. Informing the IAC on the overall investments of the CSU and each of the Portfolios to assist the IAC in fulfilling its duties.

3. Developing and implementing policies that are suitable for achieving the strategic objectives for each Portfolio, including coordination with the IAC in developing and implementing policies for the TRP.

4. Selecting, contracting with, and monitoring third party service providers, including, but not limited to, investment advisors, investment managers, and custodians. For the TRP, such actions will be based on the recommendations of the IAC.

5. Directing the investment of funds, including the ordering of purchase and sale transactions to, from and between the Portfolios to meet investment objectives and strategic asset allocations.
6. Monitoring and reviewing the performance of the Portfolios to their stated objectives.

7. Reporting to the Board regarding the investment of CSU funds as requested, but no less than quarterly.

8. Controlling and accounting for all investment, record keeping, and administrative expenses associated with the Portfolios.

9. Identifying the need for updates, monitoring the Portfolios for legal and policy compliance, and acting on the recommendations of the IAC, as appropriate.

10. All other duties designated or delegated by the Board or the IAC.

Investment Advisory Committee

As required by state law, the CSU has created an Investment Advisory Committee (the “IAC”), to provide investment advice and expertise to the Board, particularly with respect to the management of the TRP.

The IAC shall be an advisory body and shall make recommendations, as appropriate, to the Board for approval or to the Chancellor and the Chancellor’s Staff for implementation. The IAC shall be responsible for overseeing all aspects of the TRP and is hereby authorized to recommend policies and procedures for the creation and implementation of the TRP, including, but not limited to, the following activities:

1. Understanding the overall investments of the CSU and each of the Portfolios as informed by the Chancellor’s Staff, investment advisors and/or investment managers.

2. Developing and approving an IAC charter to establish guidelines for operations of the IAC.

3. Developing, approving, and overseeing the implementation of an investment policy statement for the TRP.

4. Reviewing and approving target asset allocations and ranges for the TRP.

5. Monitoring and reviewing the performance of the TRP to its stated objectives.

6. Prudently reviewing, selecting, monitoring, and replacing investment management firms engaged to manage the TRP’s assets.

7. Monitoring and supervising all service vendors and fees for the TRP.
8. Any other investment or administrative duties deemed necessary to prudently oversee the investment program for the TRP.

**Prudence, Ethics and Conflict of Interest**

All participants in the investment process shall act responsibly. The standard of prudence applied by the Board, the Chancellor, the Chancellor’s Staff, and the IAC, as well as any external service providers, shall be the “prudent investor” rule. The “prudent investor” rule in part, states, “A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution. A trustee’s investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the trust.”

Furthermore, all participants in the investment process shall use the same care, skill, prudence, and due diligence under the circumstances then prevailing that a prudent person acting in a like capacity and fully familiar with such matters would use in the conduct of an enterprise of like activities for like portfolios with like aims and in accordance and compliance and all other applicable laws, rules and regulations.

All investment personnel shall refrain from personal business activity which could create a conflict with proper execution of the investment program, or which could impair the ability to execute impartial investment decisions. All investment personnel shall disclose to the Chancellor’s Staff or the IAC any material financial interests in financial institutions which conduct business within the jurisdiction and shall disclose any material financial investment positions which could be related in a conflicting manner to the performance of the Portfolios. All investment personnel shall report any potential conflicts of interest consistent with Government Code Section 87200. Further, the Chancellor shall report to the Board in writing any issues that could reflect any conflict in the performance of the Portfolios.

**Document Acceptance of the Investment Policy Statement**

The Chancellor’s Staff shall provide a copy of this MIP, and the relevant Portfolio investment policy, to each firm retained to provide investment services to the CSU and each such firm shall acknowledge in writing receipt of the document and accept its content.

**VI. Environmental, Social and Governance Framework**
The Board acknowledges the importance of understanding the potential risks and value that environmental, social, and governance ("ESG") factors may have on CSU investments. Therefore, the Board expects that the consideration of ESG factors shall be integrated into the investment decision processes of the CSU.

Approved:

The California State University Board of Trustees
November 8, 2017
COMMITTEE ON FINANCE

Approval of the 2019-2020 Operating Budget Request

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

This item seeks approval by the California State University Board of Trustees of the 2019-2020 CSU Operating Budget Request. Accompanying this agenda item as Attachment A is the proposed 2019-2020 CSU Operating Budget Request, which contains historical detail as well as prospective information, for the Board of Trustees’ consideration.

The California State Constitution requires the submittal of the governor’s budget proposal each year by January 10. To meet consequent deadlines of the Department of Finance, it is necessary to adopt the proposed 2019-2020 CSU Operating Budget Request at the November CSU Board of Trustees meeting.

At its September 2018 meeting, the Board of Trustees reviewed a preliminary plan for purposes of crafting the CSU’s operating budget request to the state. That preliminary plan included consideration of past and forecasted information regarding the state’s economy and tax revenue as well as past and planned funding of the CSU. Additionally, comments from the Board of Trustees on the preliminary plan have been considered and incorporated into the proposed request. With that history and context, the focus of this item will be the details of the proposed 2019-2020 CSU Operating Budget Request.

The executive summary in Attachment A is the official presentation of the operating budget request and, if approved, will be distributed to the governor, legislators, and other policy makers in the capitol. It can be accessed, along with additional supplemental detail, at www.calstate.edu/budget
Proposed 2019-2020 CSU Operating Budget Priorities and Request

The proposed operating budget request prioritizes certain areas of recurring expenditures to continue the CSU’s commitment to Graduation Initiative 2025, increases access to the university, increases compensation for faculty and staff, attends to the highest priority academic infrastructure and deferred maintenance needs, and funds mandatory cost obligations.

A five percent enrollment growth for 2019-2020 is one of many critical elements included in this request. Over the next 15 years, the Public Policy Institute of California (PPIC) estimates that the state’s public and private institutions of higher education will produce 3.1 million bachelor’s degrees, while the projected need is closer to 4.2 million, leaving a gap of 1.1 million degrees. Of the 1.1 million degrees, the PPIC calculates that the CSU will need to graduate an additional 481,000 students to fulfill its role to meet workplace demand. The CSU will partially meet workplace demand by increasing access and completion outcomes through Graduation Initiative 2025. However, growing enrollment by three to five percent per year over the next decade, combined with predictable state funding, is also necessary to meet increasing student demand for a CSU education and to meet California’s future workforce needs.

The baseline CSU operating budget totals $6.8 billion. As shown in the below table and in Attachment A, the 2019-2020 Operating Budget Request proposes a base increase of an additional $554.3 million. The CSU’s highest priority is to advocate for $456.0 million in new general fund from the state. An additional $98.3 million in new tuition revenue would also be available from a five percent increase in full-time equivalent students (FTES) of approximately 18,207. With such an investment, the state will be in a better position to meet the overall economic and workforce needs of the future.

**Proposed Incremental Expenditures:**
- Graduation Initiative 2025 $75.0 million
- Employee Salaries 147.8 million
- Full-Time Equivalent Student Growth: 18,207 FTES 206.1 million
- Facilities and Infrastructure Needs 80.0 million
- Mandatory Costs 45.4 million

**Total Incremental Expenditures** $554.3 million

**Anticipated Revenue**
- Tuition from Enrollment Growth $98.3 million
- **Board of Trustees Additional Request** 456.0 million

**Total Anticipated Revenue** $554.3 million
The proposed operating budget request also includes two one-time funding requests. The CSU seeks an additional $250 million of one-time funding to further address the growing maintenance backlog of building and utility infrastructure systems that have passed their useful life. Also, the CSU requests $15 million in one-time state funds to continue looking for sustainable solutions for students and pilot a variety of emergency housing programs systemwide. There is also a need to increase prevention, interventions and destigmatizing campaigns for basic needs, including outreach regarding mental health.

**Potential Opportunities to Address Operating Budget Revenue Needs**

The CSU’s highest priority is to continue to advocate for and pursue increased state funding to cover the full operating budget request. The CSU will work collaboratively with stakeholders and partners across the system including trustees, students, faculty, staff, union leaders, alumni, business partners and friends to make the case in Sacramento for the level of new funding that supports our stated priorities, all leading to greater student success. With the historic gains made in four-year and six-year graduation rates, the aggressive targets set out in Graduation Initiative 2025, and the state focused on these same goals, arguments for increased state funding are strong. While additional state funding is the highest priority and the best option for the university, the state allocation will not be known until a final budget agreement is reached in June 2019.

At this stage, it is not known if the CSU will ultimately be successful in this effort regarding the state appropriation. Consequently, all options must remain open for as long as appropriate. As a regular and routine business matter, the CSU will follow state statute and prepare for, and discuss with, California State Student Association leadership a written tuition proposal that will align with the rate of inflation.

At this point, the CSU does not anticipate a need to raise tuition rates next year, but the CSU must reserve the right to keep the option open for any unforeseen state budget or economic circumstances. Also, the CSU must ensure that the university has the resources it needs to maintain the quality of educational and supportive services as well as students’ authentic access to the university.

If funding is not secured for the operating budget request through these other options, priority areas of the operating budget would be reduced or eliminated, and campuses would have to redirect funding from existing programs, services and priorities like the Graduation Initiative to fund mandatory cost obligations and finalized employee salary commitments. Fewer course sections would be available to students, average unit load would go down, not up, and ultimately it could take longer for students to graduate.
Each year, inflation and other price increases affect each campus’ bottom line. For the most part, annual operating budget requests address these types of increases on salaries and benefits through the mandatory costs category described above. However, in recent years, campuses have not received annual funding increases to cover inflationary costs in areas such as communication, information technology, contractual services, library subscriptions and instructional equipment. It is anticipated that these costs will increase for 2019-2020. Campus leadership regularly unearth and create ways of covering inflationary costs without additional resources and they deserve credit for being both efficient with their resources and effective in their outcomes.

Above and beyond efforts to address regular inflationary pressures, the CSU will continue to pursue cost avoidance strategies and administrative efficiencies to be good stewards of state and tuition resources as well as address as many unfunded cost increases as possible. Campuses and the Chancellor’s Office make decisions annually to redistribute budgets to cover increased costs, pursue and implement efficiencies across the system, and reallocate from under-utilized programs to the most pressing needs of the campus and system.

Conclusion

The budget cycle is just beginning. As a result, there are no funding assumptions from the state and it is not known if the state will partially, fully, or not provide the necessary resources to properly invest in operating budget priorities. The CSU will work throughout the spring with its partners to advocate for full funding by the state of the trustees’ budget priorities.

This is an action item presenting final recommendations for the CSU 2019-2020 Operating Budget Request to the governor and legislature. It is the CSU’s goal that the state fully fund the budget plan so that the CSU can focus on the transformational goals of Graduation Initiative 2025 while continuing to invest in enrollment growth, faculty and staff salary increases, and important infrastructure needs.

Recommendation

The following resolution is presented for approval:

**RESOLVED**, that the Board of Trustees of the California State University acknowledges and expresses its appreciation to the governor and legislature for their increased budget support; and be it further

**RESOLVED**, that the Board of Trustees understands there are numerous competing interests for budgetary support given the fiscal constraints and competing policy priorities under which California continues to operate; and be it further
RESOLVED, that the future of California rests on CSU’s ability to provide a high-quality, affordable, and accessible education to hundreds of thousands of students; and be it further

RESOLVED, by the Board of Trustees that the proposed CSU 2019-2020 Operating Budget Request is approved as submitted by the chancellor; and be it further

RESOLVED, that the chancellor is authorized to adjust and amend this budget to reflect changes in the assumptions upon which this budget is based, and that any changes made by the chancellor be communicated promptly to the trustees; and be it further

RESOLVED, that copies of this resolution be transmitted to the governor, to the director of the Department of Finance, and to the legislature.
CSU TUITION AND FEES VS. COMPARISON INSTITUTIONS
(Based on Average Resident Undergrad)

2018-19 Comparison:
CSU Average = $7,303
Comparison Institutions Average = $11,569
CSU is $4,266 less than our Comparison Institutions.

FACTS AND FIGURES

CSU'S OWN STATE UNIVERSITY GRANT PROGRAM AWARDED OVER $700 MILLION TO OVER 138,000 STUDENTS WITH SIGNIFICANT FINANCIAL NEED.

- 80% of all CSU students received financial aid.
- 63% of all CSU undergraduates paid $0 tuition.
- 49% of all CSU undergraduates received a federal Pell grant.

2019-20 REQUEST
$554M

- Graduation Initiative 2025 $75M
- Compensation Increases $148M
- Five Percent Increase in Enrollment $206M
- Academic Facilities and Infrastructure $80M
- Mandatory Cost Increases $45M

2019-20 PROPOSED OPERATING BUDGET
$7.32B

- Tuition and Fees $3.12B
- General Fund $3.65B
- 2019-20 Proposed Increase $554M

2019-20 REQUEST
$554M

2019-20 PROPOSED OPERATING BUDGET
$7.32B

- Tuition and Fees $3.12B
- General Fund $3.65B
- 2019-20 Proposed Increase $554M
### GRADUATION INITIATIVE 2025

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2018</th>
<th>2025 (GOAL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-year</td>
<td>19%</td>
<td>25%</td>
<td>40%</td>
</tr>
<tr>
<td>6-year</td>
<td>57%</td>
<td>61%</td>
<td>70%</td>
</tr>
<tr>
<td>2-year</td>
<td>31%</td>
<td>38%</td>
<td>45%</td>
</tr>
<tr>
<td>4-year</td>
<td>73%</td>
<td>77%</td>
<td>85%</td>
</tr>
</tbody>
</table>

#### Achieve Equity
Eliminate all equity gaps for underserved students of color and Pell Grant recipients.

---

### CSU IS AWARDING MORE BACHELOR’S DEGREES THAN EVER

<table>
<thead>
<tr>
<th>Year</th>
<th>Degrees Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>80,000</td>
</tr>
<tr>
<td>2017-18</td>
<td>109,431</td>
</tr>
</tbody>
</table>

### THE CSU SERVES A DIVERSE STUDENT POPULATION

- **484,297 Students** Fall 2017

<table>
<thead>
<tr>
<th>Race</th>
<th>Students</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>19,810</td>
<td>4.1%</td>
</tr>
<tr>
<td>American Indian</td>
<td>1,188</td>
<td>0.2%</td>
</tr>
<tr>
<td>Asian American</td>
<td>76,363</td>
<td>15.8%</td>
</tr>
<tr>
<td>Latino</td>
<td>194,237</td>
<td>40.1%</td>
</tr>
<tr>
<td>White</td>
<td>114,029</td>
<td>23.5%</td>
</tr>
<tr>
<td>Pacific Islander</td>
<td>1,283</td>
<td>0.3%</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>22,524</td>
<td>4.7%</td>
</tr>
<tr>
<td>Unknown</td>
<td>22,954</td>
<td>4.7%</td>
</tr>
<tr>
<td>Non Resident Alien</td>
<td>31,909</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

---

### WHO DO WE SERVE?

- **94%** of all enrolled students are from California.
- **32%** of undergraduates are the first in their families to attend college.
- **44%** of undergraduates are traditionally underserved students of color.
- **93%** of new undergraduate transfers are from California community colleges.
CHANCELLOR’S MESSAGE

California has always been a state of possibilities and potential, fueled by people whose faith in the future remains remarkably resilient.

Indeed, people have always been California’s greatest resource. We are a society of inquirers, of innovators and idealists, who collectively recognized decades ago that a college degree was the key to a brighter future. Our state’s investment in the master plan for higher education transformed California because it transformed the lives of millions of Californians; gratefully, I am one of them.

The result of that vision is an economy among the mightiest in the world. Technology and business flourish because of our educated workforce. Agriculture, construction, health care, financial services, manufacturing, hospitality and so much more — all benefit from the extraordinary educational opportunities made available to Californians from all walks of life.

That key to California’s bright future is equally valid today — but only if it remains affordable. The California State University remains firmly committed to opening the doors of opportunity to all qualified Californians. Such a mission, however, requires a connected commitment from the state to provide necessary financial support. Indeed, the best way to keep California moving forward is through a robust investment in the CSU.

With that investment, the CSU will:

• Elevate student success via Graduation Initiative 2025, removing barriers to achievement and implementing innovative approaches to learning and teaching;
• Compensate our employees fairly, ensuring the best and brightest academic minds and crucial staff members remain in California, educating our next generation of achievers;
• Focus on maintaining affordability while enhancing our offerings and outreach;
• Expand access through enrollment growth, ensuring that more Californians are able to enroll in the CSU and earn a degree; and
• Renew and repair our aging facilities and infrastructure to provide the best and safest environment for students, faculty and staff.

Increasingly, California has become a beacon to the world. With the state’s steadfast financial support of the CSU, we can continue to keep that ideal alive and thriving. We stand ready to welcome the inquisitive, the innovative, the creative, the hopeful and the dreamers who have made California a truly golden state. We ask you to join us in making that future possible.

Timothy P. White
Chancellor
The California State University
The California State University system begins 2018-19 better positioned to help students succeed. The CSU received an increase of $323.9 million from the state, which includes $197.3 million in permanent base funding and $126.6 million in one-time funding. Our $6.77 billion operating fund budget for the current year includes $3.65 billion in state general fund and $3.12 billion in tuition and fee revenue, as shown in Table 1.

### TABLE 1: OPERATING BUDGET & INFRASTRUCTURE

<table>
<thead>
<tr>
<th></th>
<th>2017-18 Past Year</th>
<th>2018-19 Current Year</th>
<th>2019-20 Budget Year</th>
<th>2019-20 Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund, Operations</td>
<td>$3,109,314,000</td>
<td>$3,309,085,000</td>
<td>$3,685,120,000</td>
<td>$376,035,000</td>
</tr>
<tr>
<td>General Fund, Academic Facilities and Infrastructure</td>
<td>340,560,000</td>
<td>340,560,000</td>
<td>420,560,000</td>
<td>80,000,000</td>
</tr>
<tr>
<td>Tuition and Other Fee Revenue</td>
<td>3,275,294,000</td>
<td>3,118,104,000</td>
<td>3,216,413,000</td>
<td>98,309,000</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING BUDGET AND INFRASTRUCTURE</strong></td>
<td><strong>$6,725,168,000</strong></td>
<td><strong>$6,767,749,000</strong></td>
<td><strong>$7,322,093,000</strong></td>
<td><strong>$554,344,000</strong></td>
</tr>
</tbody>
</table>

The operating fund budget is focused on fulfilling CSU’s core mission: to serve students with a high-quality, affordable and accessible education. As shown in Table 2, the CSU spends over 75 percent of its budget, $5.1 billion, on instruction, academic support, student services and financial aid. All of these activities promote student success, enrich the academic experience and ensure that each graduate is ready to succeed in the workforce.

### TABLE 2: EXPENDITURES BY PROGRAM AREA

<table>
<thead>
<tr>
<th></th>
<th>2017-18 Past Year</th>
<th>2018-19 Current Year</th>
<th>2019-20 Budget Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$2,657,499,000</td>
<td>$2,773,224,000</td>
<td>$2,773,224,000</td>
</tr>
<tr>
<td>Research</td>
<td>21,093,000</td>
<td>17,749,000</td>
<td>17,749,000</td>
</tr>
<tr>
<td>Public Service</td>
<td>20,558,000</td>
<td>15,414,000</td>
<td>15,414,000</td>
</tr>
<tr>
<td>Academic Support</td>
<td>702,709,000</td>
<td>688,150,000</td>
<td>688,150,000</td>
</tr>
<tr>
<td>Student Services</td>
<td>728,972,000</td>
<td>718,429,000</td>
<td>718,429,000</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>838,450,000</td>
<td>870,888,000</td>
<td>870,888,000</td>
</tr>
<tr>
<td>Operation and Maintenance of Plant</td>
<td>1,012,719,000</td>
<td>943,668,000</td>
<td>943,668,000</td>
</tr>
<tr>
<td>Student Grants and Scholarships</td>
<td>743,168,000</td>
<td>740,227,000</td>
<td>740,227,000</td>
</tr>
<tr>
<td>New Expenditures</td>
<td>--</td>
<td>--</td>
<td>554,344,000</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>$6,725,168,000</strong></td>
<td><strong>$6,767,749,000</strong></td>
<td><strong>$7,322,093,000</strong></td>
</tr>
</tbody>
</table>
With increased state support, the CSU continues to be one of the best investments for the state of California:

- Graduated 125,920 students in 2017-18, 6,646 more than 2016-17;
- 484,297 students enrolled in Fall 2017;
- Increased average salaries by 3.6 percent per year for faculty and 3.2 percent per year for staff from 2014-15 through 2018-19;
- Increased average unit load by offering an additional 3,200 course sections or 90,000 new seats in classrooms across the system, allowing students to reduce their time to degree;
- Reduced the equity gap for underserved students of color by 2.5 percentage points since 2016;
- Opened or expanded food pantries or food distribution systems on every campus, while continuing to raise awareness about student well-being, housing and food insecurity;
- Added more than 1,000 online course sections over the past three years; and
- Plans to hire at least 180 net new tenure-track faculty systemwide in 2018-19.

The CSU also continues to be efficient with its resources and prides itself on being a good fiscal steward:

- Partnered with the University of California on CalUsource, a single procurement system for both universities. The CSU will save $5 million per year just from its first purchase through CalUsource.
- Implemented strategies to reduce electricity and water usage while also reducing costs.
  - At San Marcos, electricity consumption was reduced by more than five percent by sealing air conditioning ducts.
  - A public-private partnership for battery energy storage at Long Beach allowed the campus to save at least $51,400 annually.
  - An innovative project at Stanislaus uses reclaimed rainwater to help cool campus facilities before being reused for irrigation, saving an average of one million gallons of water per year.
- Partnered with the University of California and investor-owned utilities to leverage more than $30 million in incentive funding to complete over $128 million worth of energy efficiency projects. This has reduced systemwide energy use intensity by 16 percent since 2005-06.

As the CSU continues to grow, we remain focused on improving our academic and student services, our campus facilities and the overall experience of our nearly half a million students.

The following pages outline the CSU Operating Budget Request for 2019-20.
The CSU proposes a $7.3 billion operating budget for 2019-20, with $4.1 billion from the state general fund and $3.2 billion from tuition and fee revenue. As shown in Table 1 on page 2, this budget plan is an increase of $554.3 million over the 2018-19 operating budget. This budget plan includes significant investments to the CSU so we can continue to serve as the key to California’s prosperous economy, now ranked as the fifth largest in the world.

Table 3 outlines the sources and uses of funds that make up the $554.3 million increase.
## TABLE 3: SOURCES AND USES OF FUNDS

### SOURCES OF FUNDS

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Increase</td>
<td>$456,035,000</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>$376,035,000</td>
</tr>
<tr>
<td>Academic Facilities and Infrastructure</td>
<td>$80,000,000</td>
</tr>
<tr>
<td>Tuition from 5% Enrollment Growth</td>
<td>$98,309,000</td>
</tr>
<tr>
<td>(18,207 Full-Time Equivalent Students’ Revenue)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NEW SOURCES</strong></td>
<td><strong>$554,344,000</strong></td>
</tr>
</tbody>
</table>

### USES OF FUNDS

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduation Initiative 2025</td>
<td>$75,000,000</td>
</tr>
<tr>
<td>Compensation Increases</td>
<td>$147,785,000</td>
</tr>
<tr>
<td>Five Percent Increase in Resident Enrollment</td>
<td>$206,140,000</td>
</tr>
<tr>
<td>Academic Facilities and Infrastructure</td>
<td>$80,000,000</td>
</tr>
<tr>
<td>Mandatory Cost Increases</td>
<td>$45,419,000</td>
</tr>
<tr>
<td>Health Benefits</td>
<td>$7,304,000</td>
</tr>
<tr>
<td>Retirement</td>
<td>$26,536,000</td>
</tr>
<tr>
<td>Maintenance of New Facilities</td>
<td>$4,748,000</td>
</tr>
<tr>
<td>Minimum Wage Increase</td>
<td>$6,831,000</td>
</tr>
<tr>
<td><strong>TOTAL NEW USES</strong></td>
<td><strong>$554,344,000</strong></td>
</tr>
</tbody>
</table>
Graduation Initiative 2025: $75 million

As Graduation Initiative 2025 enters its third year, the CSU expects to use $75 million of the 2019-20 operating budget request to meet the ambitious goals adopted by each campus. Launched in 2016, this initiative aims to raise the graduation rates for first-time and transfer students and eliminate equity gaps for underserved students of color and Pell grant recipients.

Four-Year Rates:
Systemwide, the four-year graduation rates for first-time students improved by two percentage points compared to last year and by six percentage points over the last three years. Since 2015, nearly all campuses have increased their four-year graduation rate:
- 2,939 additional students completed their degrees in four years.
- San Diego and Long Beach both improved their four-year graduation rate by double-digits.
- Pomona, San Bernardino, East Bay, Humboldt and Sacramento saw above average increases in their four-year rate.
- The CSU is on track to meet its systemwide goal of 40 percent in 2025.

Equity:
For the first time, equity gaps are beginning to close. Students’ ability to earn a degree should not be determined by their background or family income but by their willingness to put in the work required to accomplish their educational goals. Equity gaps are shrinking while enrolling a greater percentage of underserved students of color and Pell grant recipients. These enrollment trends underscore the need to explicitly focus on closing equity gaps at every level of the university.

The increases in graduation rates shown in Table 4 represent all-time highs in each category. Additionally, the number of bachelor’s degrees awarded reached an all-time high with 105,431 in 2018, 6,660 more than 2017 and 13,387 more compared to 2016. They also represent the dedication of CSU faculty, intentional action by campus leaders and a systemwide focus on student success. Continuous state funding for Graduation Initiative 2025 is critical to maintain momentum. Campuses will continue to use these funds to offer more courses, hire additional faculty and to advance innovative student success practices.

An investment by the state in Graduation Initiative 2025 in 2019-20 will immediately benefit our students. Students who earn their degree one term earlier save approximately $14,000 in tuition, fees, housing and other costs of attendance, and reduce the need for additional student loan debt. Reducing time to degree means that graduates enter the workforce or graduate school sooner, furthering their potential to earn more over their lifetimes to improve their lives and the lives of their families.

Predictable, sufficient investment in Graduation Initiative 2025 means that the CSU can continue to fund innovative strategies to address student success with focus on these six areas:
- Academic Preparation
- Enrollment Management
- Student Engagement and Well-Being
- Financial Aid
- Data-Driven Decision Making
- Administrative Barriers

These efforts ensure that all students have the opportunity to earn a degree, empowering current and future generations of Californians. More information about specific systemwide and campus priorities can be found at calstate.edu/graduationinitiative

### TABLE 4: CSU SYSTEMWIDE GRADUATION INITIATIVE PROGRESS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2025 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRADUATION RATES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First-time Students</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-Year</td>
<td>21%</td>
<td>23%</td>
<td>25%</td>
<td>40%</td>
</tr>
<tr>
<td>6-Year</td>
<td>59%</td>
<td>59%</td>
<td>61%</td>
<td>70%</td>
</tr>
<tr>
<td>Transfer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-Year</td>
<td>33%</td>
<td>35%</td>
<td>38%</td>
<td>45%</td>
</tr>
<tr>
<td>4-Year</td>
<td>74%</td>
<td>75%</td>
<td>77%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>EQUITY GAPS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underserved Students of Color</td>
<td>12</td>
<td>12.2</td>
<td>10.5</td>
<td>0</td>
</tr>
<tr>
<td>Pell Grant Recipients</td>
<td>10</td>
<td>10.6</td>
<td>9.5</td>
<td>0</td>
</tr>
</tbody>
</table>
Compensation Increases: $147.8 million
The CSU Board of Trustees recognizes compensation for faculty, staff and management as a key element of the university’s success. Continued investment in competitive salaries is critical for the CSU to fulfill its primary mission of access to an affordable and high-quality education. A competitive compensation package is essential to the CSU’s ability to recruit and retain the best and brightest faculty, staff and management employees.

This budget plan calls for $147.8 million to fund a 2019-20 compensation pool based on current and pending employee contracts and commitments.

Five Percent Increase in Resident Enrollment: $206.1 million
The CSU aims for bold increases in enrollment to meet student demand for a CSU education and the needs of California’s future workforce. The CSU plans to increase resident enrollment by 18,207 full-time equivalent students (FTES). Using the marginal cost rate, which is the cost of education per FTES, the funding required to support 18,207 new FTES in 2019-20 is $206.1 million.

<table>
<thead>
<tr>
<th>2018-19 Resident FTES Base</th>
<th>364,131</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Growth (5%)</td>
<td>18,207</td>
</tr>
<tr>
<td>2019-20 Total Resident FTES</td>
<td>382,338</td>
</tr>
</tbody>
</table>

Marginal Cost Rate per FTES | 11,322 |
Total Cost of Enrollment Growth | $206,140,000 |

Increased funding for enrollment means increased capacity to educate students without sacrificing quality. Through Graduation Initiative 2025, we have hired hundreds more faculty, offered thousands more course sections, increased the average unit load per student and awarded more bachelor’s degrees annually. Accommodating increased enrollment happens through face-to-face instruction and through a growing number of sections offered in fully on-line and hybrid courses. CSU’s Fully Online Courses project added more than 1,000 course sections over the past three years as the number of undergraduate students participating in fully online or hybrid programs at the CSU has increased by 25 percent. Additionally, Cal State Online Complete will be launched to meet the needs of students who started college but never obtained a degree – this online option will help them complete their education at the CSU.

The CSU is implementing a redirection policy beginning with the fall 2019 application cycle to ensure that all first-time and transfer applicants who meet minimum CSU eligibility requirements are offered admission to at least one CSU campus. While the 1965 Master Plan recommends the CSU accept the top 33 percent of high school graduates, the number of CSU-eligible high school students is actually 41 percent, according to a study commissioned by the Governor’s Office of Planning and Research. The new redirection policy provides CSU-eligible undergraduate applicants, who are waitlisted or denied admission due to either campus or program impaction, an opportunity to be redirected to and offered admission by a non-impacted campus. This aligns with the admissions guarantee in place for transfer applicants who have an Associate Degree for Transfer (ADT). This policy change, coupled with additional enrollment funding, could result in significantly more first-time and transfer students enrolled at the CSU in the 2019-20 academic year.

The Public Policy Institute of California (PPIC) estimates that over the next 15 years, the state’s public and private institutions of higher education will produce 3.1 million bachelor’s degrees, while the projected need is closer to 4.2 million, leaving a gap of 1.1 million degrees. Of the 1.1 million degree gap, the PPIC calculates the CSU will need to graduate an additional 481,000 students to meet its share of the gap. The CSU will partially meet workforce demand by increasing access and completion outcomes through Graduation Initiative 2025. A funded enrollment increase of three to five percent per year over the next decade is necessary to meet increasing student demand for a CSU education and to meet California’s future workforce needs.
Academic Facilities and Infrastructure: $80 million
The CSU proposes using $80 million of the $554.3 million request to fund academic facilities and infrastructure projects. Ten years after the Great Recession, the CSU has made progress to recondition, refurbish and revitalize its critical utility infrastructure. However, the enormity of the facilities and infrastructure needs demands a greater response to ensure the CSU can appropriately serve its students. In support of the request for permanent base funding, the CSU Five-Year Capital Plan identifies the priority needs of each of the 23 campuses and their off-campus centers.

The plan identifies renewal/replacement needs of existing buildings and new facilities to accommodate growth and improve student access.

The Board of Trustees annually approves categories and criteria for capital outlay priority setting. The priorities are consistent with the state’s priorities of critical infrastructure, life safety projects, renovation/modernization of existing facilities and new facilities to increase capacity to serve the existing and projected enrollment. The Five-Year Plan requires over $10 billion to address our academic infrastructure and facilities needs. The $80 million in the 2019-20 budget request will help fund or finance approximately $1.2 billion of the $10 billion in priority projects identified by the campuses. For more information on specific projects and priorities, see the CSU Five-Year Capital Plan.

Mandatory Cost Increases: $45.4 million
Mandatory costs are expenditures the university must pay regardless of the level of funding allocated by the state, and they often increase independent of the state budget condition. These costs include increases for employee health and retirement benefits, state minimum wage cost increases, and the operations and maintenance of newly constructed facilities. The 2019-20 operating budget request includes $45.4 million for increases in mandatory cost obligations.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Benefits</td>
<td>$7,304,000</td>
</tr>
<tr>
<td>Retirement Benefits</td>
<td>26,536,000</td>
</tr>
<tr>
<td>Maintenance of New Facilities</td>
<td>4,748,000</td>
</tr>
<tr>
<td>Minimum Wage Increase</td>
<td>6,831,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$45,419,000</strong></td>
</tr>
</tbody>
</table>

Health Benefits
Permanent base budget costs associated with January 2019 employer-paid health care premium increases are over $7.3 million. Health care premiums are shared between the CSU and its employees, with the CSU funding a significant portion of the costs. The CSU is governed by California Government Code section 22871 that defines the employer-paid contribution rates.

Retirement Benefits (above state-funded)
Beginning with the 2014-15 fiscal year, a limit was placed on the state’s obligation to adjust CSU retirement funding due to annual changes in CalPERS rates. While the state’s obligation to adjust retirement funding continues (Government Code section 20814), the salary base applied to the incremental rate change is set to the CSU 2013-14 pensionable payroll level as reported by the State Controller’s Office. The $26.5 million included here represents the 2017-18, 2018-19 and projected 2019-20 unfunded retirement cost for annual CalPERS employer-paid rate adjustments that must be funded by the CSU.

Maintenance of New Facilities
The CSU is scheduled to open 404,052 square feet of new facilities in 2019-20. The cost to fund regular maintenance of these facilities is $11.75 per square foot, for a total of $4.7 million in 2019-20. Regular maintenance of new facilities includes the cost of utilities, building maintenance, custodial, landscape and administrative support.

Minimum Wage Increase
In January 2019, the California minimum wage will increase from $11/hour to $12/hour. The estimated annualized cost of the increase on CSU campuses is over $6.8 million. Further, the California minimum wage will increase in each subsequent year until January 2022 when it reaches $15/hour.
The CSU seeks $265 million in one-time funding from the state, in addition to the permanent funding increases included in the 2019-20 Operating Budget request.
Basic Needs Partnerships: $15 million

The CSU requests $15 million in one-time state funds for Basic Needs Partnerships. The CSU began a systemwide initiative in 2015 to provide a framework for the CSU’s 23 campuses to take a more coordinated approach to developing programs and strategies that support students experiencing food and housing insecurity and overall student health and safety challenges. CSU leaders across the system have committed to enhancing and developing resources for students experiencing challenges meeting their basic needs. These strategies include increasing CalFresh outreach and application assistance, on-campus food distribution programs, and new and renewed partnerships with non-profit and governmental entities that provide direct services to students. Every student who attends CSU should be afforded the opportunity to focus on their studies and not find themselves otherwise preoccupied with hunger or homelessness.

The CSU received a $2.5 million one-time state appropriation in 2017-18 and $1.5 million in 2018-19 to address student hunger. Awards were distributed to campuses to expand existing efforts to fight student hunger, raise awareness of services currently offered on campus, and develop practices and procedures to provide additional assistance to students in need. The CSU continues to work to destigmatize the topic of basic needs so more students in crisis can comfortably turn to a campuswide support system for help. Through ongoing training and engagement, faculty and staff will be better positioned to support on-campus efforts and refer students to appropriate resources on- and off-campus.

The CSU will continue to identify sustainable solutions for students and pilot a variety of emergency housing programs systemwide. There is also a need to increase prevention, interventions and destigmatizing campaigns for basic needs, including outreach regarding mental health.

Deferred Maintenance Backlog: $250 million

The CSU seeks an additional $250 million of one-time funding to further address the growing maintenance backlog of building and utility infrastructure systems that have passed their useful life. Over 56 percent of the academic buildings (in gross square feet) are at least 40 years old. Maintenance costs are increasing each year as heating and air conditioning systems become less efficient, equipment is outdated, and custom replacement parts are needed to keep equipment operational. Increased funding is a key element in our plan to address our aging facilities. The previous support from the state for deferred maintenance was used to cofund projects across the system to stretch our limited resources.

As an example, over the last year, the CSU cofunded the reassessment of facility renewal needs with the campuses to confirm the accuracy of the renewal backlog and improve the level of detail in the building deficiencies. The reassessment determined that the renewal backlog was $3.7 billion. The requested funds will address critical deficiencies throughout the 23 campuses to continue essential operations, reduce the likelihood of catastrophic failures and meet current code requirements to operate safe facilities. Major building systems that have exceeded the expected service life will be modernized to enable campuses to operate utilities more effectively, improve heating and air conditioning systems efficiency, reduce energy and lighting costs, reduce water consumption and greenhouse gas emissions, and extend the useful life of existing facilities. Utility and infrastructure systems such as centralized heating and cooling, electrical distribution and domestic water production are examples of maintained infrastructure between campus buildings that have been added to the renewal backlog.

The one-time funding will be spent on projects on a pay-as-you-go basis.
Students attending the CSU should be focused squarely on their college education and experience, not whether they can pay tuition and fees or afford to attend the next semester. That’s why the CSU strives to keep costs to a minimum by offering institutional aid programs in addition to federal and state grant and loan programs.

In 2016-17, 80 percent of the CSU’s total student population received some form of financial aid and 63 percent of all undergraduate students paid $0 in systemwide tuition. CSU systemwide tuition is one of the lowest in the nation, at $5,742 per year for a resident undergraduate student. These programs help mitigate the cost of attendance for our lowest income students and keep student debt as low as possible. In fact, CSU bachelor’s degree recipients have lower average debt ($16,625) than California ($22,744) and national ($28,350) averages.
State University Grant Program
To further the CSU’s mission to provide an affordable, high-quality education to all students, the CSU created the State University Grant (SUG) program in 1982-83 to assist students with the greatest financial need. Each year, the CSU awards need-based grants to eligible California residents and DREAM applicants who enroll at CSU campuses in undergraduate, post-baccalaureate, credential and graduate programs. Financial need is determined by the expected family contribution (EFC) based on the FAFSA application.

The SUG program has grown considerably since its inception, from $4.0 million in 1982-83 to $701.2 million in 2017-18. Over 138,000 students received a SUG award in 2017-18.

As tuition and enrollment increased while state investment in the CSU decreased, the CSU expanded the SUG program to help keep student costs to a minimum. Currently, about 11 percent of the total CSU operating budget is dedicated to financial aid for students with the greatest need. The SUG program remains one of the largest commitments in the CSU operating budget.

Tuition Waivers
State law mandates five systemwide tuition waiver programs, with the newest program created in September 2018 for foster youth:

- California Veterans Waiver for children of disabled/deceased veterans (Education Code section 66025.3);
- Alan Pattee Waiver for dependents of deceased law enforcement or fire suppression personnel (Education Code section 68120);
- Current or former foster youth (Education Code section 66025.3);
- California residents who were dependents of victims killed in the September 11, 2001 terrorist attacks (Education Code section 68121); and
- Student trustees (Education Code section 66602).

The CSU also offers systemwide tuition waivers for employees and their dependents pursuant to collective bargaining agreements, executive orders and CSU policy. Other discretionary tuition and fee waiver programs have been established by the CSU Board of Trustees and California statute for programs such as high school students participating in special programs, California residents age 60 or older, or certain study abroad students.

In 2017-18, 15,383 tuition waivers were granted to CSU students, totaling approximately $76.2 million in waived tuition. The state has not provided any General Fund support for any CSU tuition waiver program since 1992-93.

2017-18 SYSTEMWIDE TUITION WAIVERS

- California Veteran: 8,979
- Alan Pattee: 3,409
- Employees and Dependents: 25
- Other Discretionary: 844
- HS Students in Special Programs: 2,126
AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 8:30 a.m., Wednesday, November 14, 2018
Glenn S. Dumke Auditorium

J. Lawrence Norton, Chair
Emily Hinton, Vice Chair
Silas H. Abrego
Douglas Faigin
Debra S. Farar
Jean P. Firstenberg
Wenda Fong
Lillian Kimbell
Jack McGrory
Thelma Meléndez de Santa Ana
Romey Sabalius

Consent
1. Approval of Minutes of the Meeting of July 24, 2018, Action

Discussion
2. State Legislative Update, Information
Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California

July 24, 2018

Members Present

J. Lawrence Norton, Chair
Emily Hinton, Vice Chair
Douglas Faigin
Debra S. Farar
Jean P. Firstenberg
Wenda Fong
Lillian Kimbell
Jack McGrory
Thelma Meléndez de Santa Ana
Romey Sabalius
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Norton called the meeting to order.

Approval of Minutes

The minutes of May 15, 2018, were approved as submitted.

Legislative Update

Ms. Kathleen Chavira, assistant vice chancellor for advocacy and state relations, provided a review of budget advocacy activities, including the #chooseCSU social media event on May 30 and the informational briefing on research in the CSU on June 28. She also gave an update on legislation that impacts the CSU.
Mr. Garrett Ashley, vice chancellor for university relations and advancement, recognized the collective success in the final state budget outcome. He thanked the Office of Advocacy and State Relations, presidents, students, faculty and staff, the board, alumni, community and business leaders, and the chancellor for their efforts. The budget advocacy strategy emphasized relationships and had a concise message that focused on goals shared between the CSU and lawmakers.

Trustee Norton adjourned the meeting.
COMMITTEE ON GOVERNMENTAL RELATIONS

State Legislative Update

Presented By

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Kathleen Chavira  
Assistant Vice Chancellor  
Advocacy and State Relations

Summary

August 31 marked the final day for each house to pass legislation for the governor’s consideration for the 2017-2018 legislative session. The 2019-2020 legislative session will convene on December 3.

The governor had until September 30 to sign or veto legislation sent to him for his consideration. Bills signed into law by the governor go into effect January 1, 2019, unless the bill 1) includes an urgency statute, in which case it goes into effect immediately; or 2) includes language that explicitly delays implementation until a specified date. This report provides the final disposition of legislation of interest to the CSU.

At the end of the report, there is a copy of the board-adopted Legislative Principles, which guide the review of legislation and assists in determining whether a position will be adopted.

The report is organized as follows:

- Enacted Legislation
- Vetoed Legislation
- Inactive Bills
- Statement of Legislative Principles
Enacted Legislation

SB 183 (Lara) – Educational Equity: Immigration Status
This bill adds “immigration status” to the list of characteristics for which equal rights and opportunities are provided at postsecondary educational institutions in California.
- CSU Position: Neutral
- Status: Chaptered by Secretary of State - Chapter 779, Statutes of 2018

SB 237 (Hertzberg) – Electricity: Direct Transactions
This bill allows a greater number of nonresidential energy customers, including universities, to purchase energy at a better price through “Direct Access” agreements, which allow consumers to purchase energy directly from an electric service provider.
- CSU Position: Support
- Status: Chaptered by Secretary of State - Chapter 600, Statutes of 2018.

SB 244 (Lara) – Privacy: Personal Information
This bill previously restricted the manner in which any state entity, including the CSU, can utilize and keep personal information received from an applicant for public services or programs.
- CSU Position: This bill was amended and removed the CSU from its provisions.
- Status: Chaptered by Secretary of State - Chapter 885, Statutes of 2018.

SB 577 (Dodd) – Public Postsecondary Education: California Community College Teacher Credentialing Partnership Pilot Program
This bill establishes a grant funded pilot program to encourage collaborative partnerships between community colleges and accredited institutions of higher education in California to create opportunities to earn teacher credential degrees in remote areas of the state through distance education.
- CSU Position: Neutral
- Status: Chaptered by Secretary of State - Chapter 603, Statutes of 2018.

SB 1004 (Wiener) – Mental Health Services Act: Prevention and Early Diagnosis
This bill requires, among other provisions, counties to spend Proposition 63 Mental Health Services Act funds on college mental health outreach, engagement and services.
- CSU Position: Support
- Status: Chaptered by Secretary of State - Chapter 843, Statutes of 2018.

SR 84 (De Leon) – Relative to the California Dream Act
This resolution urges Dreamer students to apply for college and financial aid under the CA Dream Act.
- CSU Position: Support
- Status: This bill was adopted by the Senate in February 2018.
AB 1062 (Levine) – Cross-enrollment: Online education at the CSU
This bill expands existing CSU reporting requirements related to key performance data on online courses.

- **CSU Position:** Neutral
- **Status:** Chaptered by Secretary of State - Chapter 524, Statutes of 2018.

AB 1887 (Medina) – Public Education Governance: Service on Boards and Commissions
This bill authorizes any AB 540 student attending a campus of the CCC, CSU or UC to serve on any board or commission established pursuant to the portion of the Education Code relating to higher education.

- **CSU Position:** Support
- **Status:** Chaptered by Secretary of State - Chapter 182, Statutes of 2018.

AB 1894 (Weber) – Postsecondary Education: Student Hunger
This bill authorizes the Department of Social Services to enter into a statewide memorandum of understanding with the chancellor so that campuses can participate in the California Restaurant Meals Program even if the county does not participate in the program.

- **CSU Position:** Support
- **Status:** Chaptered by Secretary of State - Chapter 746, Statutes of 2018

AB 1895 (Calderon) – California DREAM Loan Program: Repayment, Deferment, and Forbearance
This bill requires each CSU campus to create an income-based repayment option for student recipients of DREAM loans by January 1, 2020.

- **CSU Position:** Tracking
- **Status:** Chaptered by Secretary of State - Chapter 747, Statutes of 2018

AB 1896 (Cervantes) – Sexual Assault Counselors-Victim Privileges
This bill expands the definition of sexual assault counselor to include sexual assault counselors at public and private higher education institutions who meet specified criteria, thereby extending them the right of privilege regarding confidential disclosures.

- **CSU Position:** Support
- **Status:** Chaptered by Secretary of State - Chapter 123, Statutes of 2018.

AB 1961 (Choi) – Postsecondary Education: Student Housing and Meal Plans
This bill requires each institution of higher education to separately list the cost of university-operated housing and meal plans on all websites and documents it provides to students regarding student costs of university-operated housing.

- **CSU Position:** Neutral
- **Status:** Chaptered by Secretary of State - Chapter 314, Statutes of 2018.
AB 2248 (McCarty) – Student Financial Aid: Cal Grant Program
This bill requires the California Student Aid Commission to notify Cal Grant award recipients in writing that if they take less than 15 units per semester or less than 30 units per academic year, they will not graduate in four years. It also requires institutions to provide similar notice during new student orientation and annual registration.

- **CSU Position:** Support
- **Status:** Chaptered by Secretary of State - Chapter 758, Statutes of 2018

AB 2505 (Santiago) – California State University: Budget Oversight Policies
This bill requires the Chancellor’s Office to annually submit a report to the legislature and Department of Finance comparing the hiring practices of the UC and CCC.

- **CSU Position:** Oppose
- **Status:** Chaptered by Secretary of State - Chapter 542, Statutes of 2018.

**Vetoed Legislation**

SB 320 (Leyva) – Public Health: Postsecondary Education: On Campus Student Health Centers: Abortion by Medication Techniques
This bill requires the Commission on the Status of Women and Girls to collect private funds to distribute $200,000 grants to public university health centers for medication abortion readiness. CSU and UC campus health centers would be required to offer abortion by medication to their students by January 2022.

- **CSU Position:** Pending
- **Status:** Vetoed on September 30.

SB 774 (Leyva) – Research Program: Firefighting: Wildland and Wildland-Urban Interface
This bill appropriates $5 million to the CSU to oversee a competitive process to award funds to one or more campuses for wildfire research.

- **CSU Position:** Tracking
- **Status:** Vetoed on September 30.

SB 968 (Pan) – Mental Health Counselors
This bill requires the UC and CSU to have a ratio of one mental health counselor for every 1,500 students, contingent on an appropriation in the annual Budget Act.

- **CSU Position:** Neutral
- **Status:** Vetoed on September 23.

AB 1231 (Weber) – California State University: Support Staff Merit Salary Adjustment
This bill requires the CSU to provide all eligible support staff with an automatic merit salary adjustment of five percent annually using existing resources.

- **CSU Position:** Oppose
- **Status:** Vetoed on September 30.
AB 2477 (Rubio) – Student Support Services: Dream Resource Liaisons
This bill requires the CSU, and requests the UC, to designate a Dream Resource Liaison at each campus.

- **CSU Position:** Neutral
- **Status:** Vetoed on September 26.

Inactive Bills

SB 346 (Glazer) – The California Promise
This bill authorizes the trustees to provide specified grants or a tuition freeze to students who participate in the Promise program subject to the provisions of funding for this purpose. The bill also requires the CSU to waive systemwide tuition fees for a participating student unable to complete their degree within 4 years, due to limited space or no course offerings.

- **CSU Position:** Neutral
- **Status:** This bill was held on the Assembly Appropriations Committee Suspense File.

SB 573 (Lara) – Student Financial Aid: Student Service Programs
This bill authorizes the three segments of public higher education to provide student service programs for students in exchange for grants, fee waivers and reimbursements.

- **CSU Position:** Neutral
- **Status:** This bill died on the Assembly Floor.

SB 691 (Lara) – Educational Equity: Immigration Status
This bill adds “immigration status” to the list of characteristics for which equal rights and opportunities are provided at postsecondary educational institutions in California.

- **CSU Position:** Neutral
- **Status:** The contents of this bill were moved into SB 183, and this bill was moved to the Inactive File.

SB 1225 (Glazer) – Higher Education Facilities Bond Act of 2018
This bill places a bond on the November 2018 ballot, which if approved by the voters, would authorize $4 billion in bonds to be equally divided between the UC and CSU.

- **CSU Position:** Support
- **Status:** This bill was moved to the Inactive File.

AB 2220 (Bonta) – Student Athletes Bill of Rights
This bill expands existing law to require schools with annual athletic revenues over $10 million to offer scholarship replacements and other benefits to student athletes who suffer an incapacitating illness or injury as a result of participation in the athletic program. The measure also includes the right to civil action allowing for the recovery of attorney’s fees, court costs, and damages or equitable relief from the institution and its personnel.
AB 2479 (Voepel) – Public Postsecondary Education: Income Share Agreement: Pilot Program
Commencing with the 2020-2021 academic year, this bill requires the UC and the CSU to each select a university to establish a pilot program to waive tuition for participating students who enter into an income share agreement with the university. Implementation of the pilot program is contingent upon the appropriation of funds in the annual Budget Act.

- **CSU Position:** Neutral
- **Status:** This bill was held on the Senate Appropriations Committee Suspense File.

AB 2747 (Holden) – Bill of Rights: Student Athlete Liaisons: Collegiate Athlete Mandated Reporters
This bill allows an institution of higher education to establish a degree completion fund and requires the campuses to annually disclose certain information to its student athletes. The measure also prohibits a school from retaliating against a complainant.

- **CSU Position:** Support if Amended
- **Status:** This bill was held on the Senate Appropriations Committee Suspense File.

AB 2771 (Eggman) – Education Finance: Higher Education Bond Act of 2018
This bill places a bond on the November 2020 ballot, which if approved by the voters, would authorize $7 billion in bonds for construction, reconstruction and remodeling of existing or new facilities at the CSU and UC.

- **CSU Position:** Neutral
- **Status:** This bill was moved to the Inactive File.

AB 3153 (Levine) – Student Financial Aid: Cal Grants: Summer Term Students
This bill adds the equivalent of two summer sessions or terms of attendance to be included in the four years of full-time attendance in an undergraduate program for which a first-time freshman may receive a Cal Grant award, and adds the equivalent of one summer session or term of attendance to be included for which a transfer student may receive a Cal Grant award.

- **CSU Position:** Support
- **Status:** This bill was held on the Senate Appropriations Committee Suspense File.
Statement of Legislative Principles

As the state’s greatest producer of bachelor’s degrees, the California State University plays a critical role in arming future leaders with the skills and knowledge for them to thrive in the workforce, drive the economy and actively contribute to the quality of life in California. The CSU achieves these results by providing affordable, accessible and high-quality education, as outlined in the Master Plan for Higher Education. The system and its leaders, faculty and staff remain committed to this important work for the betterment of today and tomorrow.

The following constitute the core principles guiding recommendations on legislation:

1. Work with the legislature and governor to allow the California State University to continue its oversight of academic affairs and matters relating to the internal governance of the university.

2. Preserve the integrity of the collective bargaining process.

3. Remain neutral on matters in which the state seeks to legislate the general public health and safety while not singling out the California State University.

4. Preserve the integrity of the California State University’s budgetary process, and seek adequate funding to serve current and future students, support the work of faculty and staff, provide for ongoing operations, capital outlay and infrastructure needs, and to meet the workforce demands of the state.
   a. Provide that all funds must be appropriated to the Board of Trustees.
   b. Proposals for operational, student success and academic programs, and capital outlay needs, must be approved and prioritized by the Board of Trustees.
   c. Provide the operational authority and flexibility, as well as the necessary tools, for the university to respond to the needs of students and the state.

5. Seek to influence the outcome of issues which, while not affecting the California State University alone, would have a disproportionate impact on the university’s activities.

6. Seek to secure representation of the California State University on appropriate boards, commissions, task forces, study groups, etc., whose work may have a significant impact on the system. Representatives to such bodies shall be appointed by the Board of Trustees or the chancellor.

7. As both the chief administrative officer and a trustee, the chancellor is recognized and designated by the Board of Trustees as the spokesperson for the California State University regarding its positions on state and federal legislative proposals. When practical, the position to be taken on a legislative proposal should be discussed with the chair and vice chair of the Committee on Governmental Relations before that position is communicated.
to the Legislature. Unresolved positions on a legislative proposal will be decided by the chancellor in consultation with the chair of the board. When practical, changes in position on pending legislative proposals will be shared with the chair and vice chair of the Committee on Governmental Relations prior to communication of the change to the legislature. When this is not practical, changes in position will be shared with the chair and vice chair of the Committee on Governmental Relations immediately following communication of the change to the legislature.
AGENDA

COMMITTEE ON AUDIT

Meeting: 9:00 a.m., Wednesday, November 14, 2018
Glenn S. Dumke Auditorium

Douglas Faigin, Chair
Hugo N. Morales, Vice Chair
Jack McGrory
Lateefah Simon

Consent
1. Approval of Minutes of the Meeting of September 11, 2018, Action

Discussion
2. Status Report on Current and Follow-up Internal Audit Assignments, Information
Members Present

Hugo N. Morales, Vice Chair
Jack McGrory
Lateefah Simon
Adam Day, Chairman of the Board

Trustee Hugo Morales called the meeting to order.

Public Comments

Ejmin Hakobian addressed the committee regarding his concerns about various matters at California State University, Los Angeles.

Approval of Minutes

The minutes of July 24, 2018, were approved as submitted.

Status Report on Current and Follow-up Internal Audit Assignments

Mr. Larry Mandel, vice chancellor and chief audit officer, provided a status on the 2018 audit plan and follow-up on past audit assignments. Mr. Mandel explained that updates to the status report are displayed in green numerals and indicate progress toward or completion of recommendations since the distribution of the agenda. Audit assignments for 2018 for 22 areas are currently in process and include a variety of topics.

Mr. Mandel reported that the campuses and the Office of the Chancellor continue to complete recommendations on a timely basis. Consultative reviews continue to be offered through the advisory services function, the continuous audit initiative proceeds, and investigations are performed as needed.

Additionally, Mr. Mandel provided information on an upcoming external audit to be performed by the California State Auditor entitled California State University—Parking Program and Accounts
Outside the State Treasury. Included in the review are the Office of the Chancellor and four campuses—Channel Islands, Fullerton, Sacramento, and San Diego. Additional information on the audit scope and objectives is available on the state auditor’s website.

Trustee Morales inquired as to how campus audit plans are determined and how this process relates to perceived risk. Ms. Janice Mirza, assistant vice chancellor and deputy chief audit officer, provided information on the annual risk assessment process and the factors considered in the development of custom-tailored campus audit plans.

Trustee Morales adjourned the Committee on Audit.
Committee on Audit

Status Report on Current and Follow-up Internal Audit Assignments

Presentation By

Larry Mandel
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Summary

This item includes both a status report on the 2018 audit plan and follow-up on past assignments. For the 2018 year, assignments were made to develop and execute individual campus audit plans; conduct audits of Information Technology (IT), Sponsored Programs and Construction; implement continuous auditing techniques; and to provide advisory services and investigation reviews. Follow-up on current and past assignments was also being conducted on approximately 35 completed campus reviews. Attachment A summarizes the audit assignments in tabular form.

Audits

General Audits

The new organization structure provides for individual campus audit plans that are better aligned with campus and auxiliary organization risks. Risk assessments and initial audit plans have been completed for all campuses. Twenty-seven campus reports have been completed, fieldwork is being conducted at seven campuses, report writing is being completed for four campuses, and five reports are awaiting a campus response prior to finalization.

Information Technology Audits

The initial audit plan indicated that reviews of Information Security, IT Disaster Recovery, Cloud Computing, and Decentralized Computing would be performed at those campuses where a greater degree of risk was perceived for each topic. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues. Nine campus reports have been completed, fieldwork is being conducted at two campuses, report writing is being completed for two campuses, and two reports are awaiting a campus response prior to finalization.
Sponsored Programs

The initial audit plan indicated that reviews of both post-award and pre-award activities would be performed. Post-award areas to be reviewed include operational, administrative, and financial controls to determine adherence to both sponsor terms and conditions, and applicable policies, procedures, and regulations. Pre-award reviews emphasize compliance with conflict-of-interest and training requirements. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues relating to sponsored programs activities. Four campus reports have been completed, fieldwork is being conducted at one campus, and one report is awaiting a campus response prior to finalization.

Construction

The initial audit plan indicated that reviews of recently completed construction projects, including activities performed by the campus, general contractor, and selected subcontractors would be performed. Areas to be reviewed include approval of project design, budget and funding; administration of the bid and award process; the closeout process; and overall project accounting and reporting. Three campus reports have been completed, fieldwork is being conducted for one project, and report writing is being completed for one review.

ADVISORY SERVICES

Audit and Advisory Services partners with management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues. Advisory services are more consultative in nature than traditional audits and are performed in response to requests from campus management. The goal is to enhance awareness of risk, control and compliance issues and to provide a proactive independent review and appraisal of specifically identified concerns. Reviews are ongoing.

INVESTIGATIONS

Audit and Advisory Services is periodically called upon to provide investigative reviews, which are often the result of alleged misappropriations or conflicts of interest. Further, whistleblower investigations are being performed on an ongoing basis, both by referral from the state auditor and directly from the CSU Chancellor’s Office. In addition, the investigations unit tracks external audits being conducted by state and federal agencies and offers assistance to campuses undergoing such audits.
CONTINUOUS AUDITING TECHNIQUES

The initial audit plan indicated that continuous auditing techniques for more focused and higher quality audits would be implemented and used to review credit card data for twelve campuses. Continuous auditing uses data analytics tools and techniques to analyze large volumes of data, look for anomalies and trends, and complement the existing risk assessment process. Reviews are ongoing.

COMMITTEES/SPECIAL PROJECTS

Audit and Advisory Services is periodically called upon to provide consultation to the campuses and/or to participate on committees such as those related to information systems implementation and policy development, and to perform special projects.

AUDIT SUPPORT

Annual Risk Assessment

Audit and Advisory Services annually conducts a risk assessment to determine the areas of highest risk to the system, as well as campus-specific risks.

Administration

Day-to-day administration of the Audit and Advisory Services division includes such tasks as scheduling, personnel administration, maintenance of department standards and protocols, administration of the department’s automated workpaper system and SharePoint website, and department quality assurance and improvement.
<table>
<thead>
<tr>
<th>Campus</th>
<th>Audit Topic</th>
<th>Audit Plan Year</th>
<th>Audit Status</th>
<th>Follow-up on Current and Past Audit Assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Recs</strong></td>
<td><strong>Mo.</strong></td>
</tr>
<tr>
<td>Bakersfield</td>
<td>Athletics Fund-Raising</td>
<td>2017</td>
<td>AC</td>
<td>5/5</td>
</tr>
<tr>
<td></td>
<td>Cashiering</td>
<td>2018</td>
<td>AC</td>
<td>0/7</td>
</tr>
<tr>
<td></td>
<td>Sponsored Programs - Post Award</td>
<td>2018</td>
<td>FW</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Information Security</td>
<td>2018</td>
<td>FW</td>
<td>-</td>
</tr>
<tr>
<td>Channel Islands</td>
<td>Counseling &amp; Psychological Services</td>
<td>2018</td>
<td>AC</td>
<td>0/8</td>
</tr>
<tr>
<td></td>
<td>University Auxiliary Services</td>
<td>2018</td>
<td>FW</td>
<td>-</td>
</tr>
<tr>
<td>Chico</td>
<td>Academic Department Fiscal Review</td>
<td>2018</td>
<td>AC</td>
<td>5/10</td>
</tr>
<tr>
<td></td>
<td>Information Security</td>
<td>2018</td>
<td>AC</td>
<td>0/7</td>
</tr>
<tr>
<td></td>
<td>Student Health Services</td>
<td>2018</td>
<td>AC</td>
<td>0/6</td>
</tr>
<tr>
<td></td>
<td>Centers and Institutes</td>
<td>2018</td>
<td>FW</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Const. - Central Plt. Cooling Twr. &amp; Domestic and Fire Water Line Repl.</td>
<td>2018</td>
<td>AC</td>
<td>0/0</td>
</tr>
<tr>
<td></td>
<td>Centers and Institutes</td>
<td>2018</td>
<td>AC</td>
<td>0/6</td>
</tr>
<tr>
<td></td>
<td>International Activities</td>
<td>2018</td>
<td>AI</td>
<td>-</td>
</tr>
<tr>
<td>Dominguez Hills</td>
<td>Cloud Computing</td>
<td>2018</td>
<td>AC</td>
<td>-</td>
</tr>
<tr>
<td>Fresno</td>
<td>Student Organizations</td>
<td>2018</td>
<td>AC</td>
<td>4/4</td>
</tr>
<tr>
<td></td>
<td>Agricultural Foundation</td>
<td>2018</td>
<td>AC</td>
<td>2/3</td>
</tr>
<tr>
<td></td>
<td>Fresno Athletic Corporation</td>
<td>2018</td>
<td>AC</td>
<td>0/10</td>
</tr>
<tr>
<td></td>
<td>Cloud Computing</td>
<td>2018</td>
<td>RW</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Information Security</td>
<td>2018</td>
<td>AC</td>
<td>0/7</td>
</tr>
<tr>
<td></td>
<td>Student Health Services</td>
<td>2018</td>
<td>AC</td>
<td>2/5</td>
</tr>
<tr>
<td></td>
<td>Const. - One Banting</td>
<td>2018</td>
<td>AC</td>
<td>0/5</td>
</tr>
<tr>
<td></td>
<td>Cal State Fullerton Philanthropic Fdn.</td>
<td>2018</td>
<td>FW</td>
<td>-</td>
</tr>
<tr>
<td>Humboldt</td>
<td>Extended Education</td>
<td>2017</td>
<td>AC</td>
<td>5/5</td>
</tr>
<tr>
<td></td>
<td>Information Security</td>
<td>2018</td>
<td>AC</td>
<td>0/5</td>
</tr>
<tr>
<td></td>
<td>Cashiering</td>
<td>2018</td>
<td>AC</td>
<td>0/2</td>
</tr>
<tr>
<td></td>
<td>Special Investigation - Procurement Card Purchases</td>
<td>2018</td>
<td>AC</td>
<td>0/5</td>
</tr>
<tr>
<td>Long Beach</td>
<td>Student Organizations</td>
<td>2018</td>
<td>AC</td>
<td>7/7</td>
</tr>
<tr>
<td></td>
<td>Const. - Pkg. Lot 7 Expansion &amp; Psy. Brain Lab Renovation</td>
<td>2018</td>
<td>AC</td>
<td>1/1</td>
</tr>
<tr>
<td></td>
<td>Cashiering</td>
<td>2018</td>
<td>AC</td>
<td>0/3</td>
</tr>
<tr>
<td></td>
<td>The Forty-Niner Shops, Inc.</td>
<td>2018</td>
<td>FW</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Police Services</td>
<td>2018</td>
<td>AC</td>
<td>2/2</td>
</tr>
<tr>
<td></td>
<td>Decentralized Computing</td>
<td>2018</td>
<td>RW</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Facilities Management</td>
<td>2018</td>
<td>RW</td>
<td>-</td>
</tr>
<tr>
<td>Maritime Academy</td>
<td>Hazardous Materials Management</td>
<td>2018</td>
<td>AC</td>
<td>9/9</td>
</tr>
<tr>
<td></td>
<td>Associated Students</td>
<td>2018</td>
<td>AI</td>
<td>-</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>Hazardous Materials Management</td>
<td>2018</td>
<td>AC</td>
<td>10/10</td>
</tr>
<tr>
<td></td>
<td>IT Disaster Recovery</td>
<td>2018</td>
<td>AC</td>
<td>0/3</td>
</tr>
<tr>
<td></td>
<td>Foundation of CSU Monterey Bay</td>
<td>2018</td>
<td>RW</td>
<td>-</td>
</tr>
<tr>
<td>Northridge</td>
<td>Student Organizations and Sport Clubs</td>
<td>2017</td>
<td>AC</td>
<td>5/5</td>
</tr>
<tr>
<td></td>
<td>Northridge Foundation</td>
<td>2018</td>
<td>AC</td>
<td>1/8</td>
</tr>
<tr>
<td></td>
<td>Sponsored Programs - Post Award</td>
<td>2018</td>
<td>AI</td>
<td>-</td>
</tr>
</tbody>
</table>
## Status Report on Current and Past Audit Assignments
(as of 11/8/2018)

<table>
<thead>
<tr>
<th>Campus</th>
<th>Audit Topic</th>
<th>Audit Plan Year</th>
<th>Audit Status</th>
<th>*Recs</th>
<th>**Mo.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pomona</td>
<td>Cashiering</td>
<td>2018</td>
<td>AC</td>
<td>4/4</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Information Security</td>
<td>2018</td>
<td>AC</td>
<td>3/12</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Special Investigation - Reimb. Claims, Time</td>
<td>2017</td>
<td>AC / &amp; Add'l Employment</td>
<td>6/8</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Associated Students Incorporated</td>
<td>2018</td>
<td>RW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sacramento</td>
<td>Sponsored Programs - Post Award</td>
<td>2018</td>
<td>AC</td>
<td>2/3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>IT Disaster Recovery</td>
<td>2018</td>
<td>AC</td>
<td>0/4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Associated Students of CSU, Sacramento</td>
<td>2018</td>
<td>FW</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Const. - Student Housing, Phase II</td>
<td>2018</td>
<td>FW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Bernardino</td>
<td>Emergency Management</td>
<td>2018</td>
<td>AC</td>
<td>0/5</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Const. - Std. Housing &amp; Dining Commons</td>
<td>2018</td>
<td>RW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>Student Disability Support</td>
<td>2018</td>
<td>AC</td>
<td>7/7</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Academic Department Fiscal Review</td>
<td>2018</td>
<td>AC</td>
<td>2/2</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Decentralized Computing</td>
<td>2018</td>
<td>AI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>Decentralized Computing</td>
<td>2017</td>
<td>AC</td>
<td>18/18</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Centers and Institutes</td>
<td>2018</td>
<td>AC</td>
<td>0/4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Sponsored Programs - Pre Award</td>
<td>2018</td>
<td>AC</td>
<td>0/2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Accounts Receivable</td>
<td>2018</td>
<td>AI</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Student Organizations</td>
<td>2018</td>
<td>FW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Jose</td>
<td>Decentralized Computing</td>
<td>2018</td>
<td>AC</td>
<td>11/13</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Housing and Residential Services</td>
<td>2018</td>
<td>AC</td>
<td>0/9</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>The Student Union of San Jose State Univ.</td>
<td>2018</td>
<td>FW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>IT Disaster Recovery</td>
<td>2018</td>
<td>AC</td>
<td>1/4</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Student Health Services</td>
<td>2018</td>
<td>AC</td>
<td>3/4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Cal Poly Corporation</td>
<td>2018</td>
<td>AI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Marcos</td>
<td>Student Health Services</td>
<td>2018</td>
<td>AC</td>
<td>7/7</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Sponsored Programs - Pre Award</td>
<td>2018</td>
<td>AC</td>
<td>0/3</td>
<td>3</td>
</tr>
<tr>
<td>Sonoma</td>
<td>Student Organizations</td>
<td>2018</td>
<td>AC</td>
<td>2/6</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>IT Disaster Recovery</td>
<td>2018</td>
<td>AC</td>
<td>0/10</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Sonoma State Enterprises</td>
<td>2018</td>
<td>RW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stanislaus</td>
<td>Instructionally Related Activity Fees</td>
<td>2018</td>
<td>AI</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information Security</td>
<td>2018</td>
<td>FW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chancellor's Office</td>
<td>Information Security</td>
<td>2017</td>
<td>AC</td>
<td>7/9</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Sponsored Programs - Post Award</td>
<td>2018</td>
<td>AC</td>
<td>0/0</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>FRE - Const. - Jordan Research Building</td>
<td>2017</td>
<td>AC</td>
<td>1/1</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Emergency Management</td>
<td>2018</td>
<td>AC</td>
<td>0/4</td>
<td>1</td>
</tr>
<tr>
<td>Systemwide</td>
<td>Student Organizations</td>
<td>2017</td>
<td>AC</td>
<td>0/1</td>
<td>7 †</td>
</tr>
</tbody>
</table>

### Status
- **FW** - Field Work In Progress
- **RW** - Report Writing in Progress
- **AI** - Audit Incomplete (awaiting formal exit conference and/or campus response)
- **AC** - Audit Complete

### Follow-Up

* The number of recommendations satisfactorily addressed followed by the number of recommendations in the original report.

** The number of months recommendations have been outstanding from date of report.

† Approved extended completion date of 12/31/18.

Numbers/letters in green are updates since the agenda mailout.
AGENDA

COMMITTEE ON COLLECTIVE BARGAINING

Meeting: 9:15 a.m., Tuesday, November 13, 2018
Munitz Conference Room—Closed Session
Government Code §3596(d)

9:15 a.m., Wednesday, November 14, 2018
Glenn S. Dumke Auditorium —Open Session

Lateefah Simon, Chair
John Nilon, Vice Chair
Silas H. Abrego
Emily Hinton
Thelma Meléndez de Santa Ana
J. Lawrence Norton
Peter J. Taylor

Open Session— Glenn S. Dumke Auditorium

Consent 1. Approval of Minutes of the Meeting of May 16, 2018, Action

Discussion 2. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 11, the United Auto Workers, Local 4123 (UAW)), Action
Chair Day called the Committee on Collective Bargaining to order.

Approval of Minutes

The minutes of the March 21, 2018 meeting were approved as submitted.

Presentation of Action Item

Vice Chancellor Melissa Bard presented the ratification of the extension of the collective bargaining agreement with Bargaining Unit 6, Teamsters 2010 (Agenda Item 2) and the adoption of initial proposals for a successor collective bargaining agreement with Bargaining Unit 11, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) (Agenda 3).

Trustee Taylor posed a question to Executive Vice Chancellor Relyea asking if the proposal for the 3.1% wage increase for Bargaining Unit 6, Teamsters 2010 would add to any deficit with the University. Mr. Relyea confirmed that the proposals would not add to any deficit that had already been projected.
Public Speakers

The committee heard from 5 public speakers who spoke on various topics.

Action Item

The committee then unanimously approved the following action items:

1. Approval of Minutes of the Meeting of March 21, 2018.

Chair Day then adjourned the committee meeting.
Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 11, the United Auto Workers, Local 4123 (UAW)

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The successor collective bargaining agreement between the California State University and Bargaining Unit 11, the United Auto Workers, Local 4123 (UAW), will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for ratification:

RESOLVED, by the Board of Trustees of the California State University, that the successor collective bargaining agreement between the California State University and Bargaining Unit 11, the United Auto Workers, Local 4123 (UAW), is hereby ratified.
10:00 a.m. Board of Trustees
Dumke Auditorium

Call to Order

Roll Call

Public Speakers

Chair’s Report

Chancellor’s Report

Report of the Academic Senate CSU: Chair—Catherine Nelson

Report of the California State Student Association: President—Mia Kagianas

Report of the California State University Alumni Council: President—Manolo P. Morales

Consent

1. Approval of Minutes of the Meeting of September 12, 2018

2. Approval of Committee Resolutions as follows:

Committee on University and Faculty Personnel
2. Annual Report on Outside Employment for Senior Management Employees
4. Executive Compensation: Vice Chancellor of Human Resources – California State University
5. Chancellor’s Housing Allowance

Joint Committees on Finance and Campus Planning, Buildings and Grounds
3. Approval Approval to Issue Board of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Amend the 2018-2019 Capital Outlay Program for the Acquisition of Real Property for Sonoma State University

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.
Committee on Institutional Advancement
2. Naming of the Don Miller and Ron Simons Rose Float Laboratory – California State Polytechnic University, Pomona
3. Naming of the JUSTIN and J. LOHR Center for Wine and Viticulture – California Polytechnic State University, San Luis Obispo

Committee on Finance
5. Approval of the 2019-2020 Operating Budget Request

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.
Chairman Day called the meeting of the Board of Trustees to order.

**Public Comment**

The board heard from the following individuals during the public comment period:

William Blishke, President, CSU Emeritus and Retired Faculty and Staff Association (CSU-ERFSA); Rocky Sanchez, VP for Representation (CSUEU); Carolyn Duckett, Chair Bargaining Unit 7 (CSUEU); Michael Chavez, Chair Bargaining Unit 5 (CSUEU); Rich McGee, Chair Bargaining Unit 9 (CSUEU); Tessy Reese, Chair Bargaining Unit 2 (CSUEU); Martin Brenner,
BoT
Agenda Item 1
November 13-14, 2018

Vice Chair Bargaining Unit 9 (CSUEU); Hector Fernandez, SETC United; Joshua Borjas, President and CEO, Associated Students Inc. (CSU Fullerton); Sharon Elise, CFA Associate Vice President, Affirmative Action, South (San Marcos); Renée Byrd, Faculty (CFA-Humboldt); Antoinette Sadler, student (SQE); James Thomas, Faculty, Los Angeles – Pastor (CFA); Charmaine Michelle Lawson, campus safety (Humboldt State parent); Benjamin Deutsch, UAW Local 4123; Brian Huang, UAW Local 4123.

Chair’s Report

Chairman Day’s complete report can be viewed online at the following URL:
https://www2.calstate.edu/csucsystem/board-of-trustees/reports-of-the-chair/Pages/september-2018.aspx

Chancellor’s Report

Chancellor Timothy P. White’s complete report can be viewed online at the following link:
https://www2.calstate.edu/csucsystem/board-of-trustees/chancellor-reports/Pages/september-12-18.aspx

Report of the Academic Senate CSU

CSU Academic Senate Chair Catherine Nelson’s complete report can be viewed online at the following link:

Report from the California State Student Association

CSSA President Mia Kagianas’s complete report can be viewed online at the following link:
https://www.calstatestudents.org/public-documents/#president

Report of the California State University Alumni Council

Alumni Council President, Manolo P. Morales’ complete report can be viewed online at the following link: http://www.calstate.edu/alumni/council/bot/index.shtml

Board of Trustees

The minutes of the meeting of July 24, 2018 were approved as submitted. The Board of Trustees approved the following resolutions:

Committee on Campus Planning, Building and Grounds
RESOLVED, by the Board of Trustees of the California State University, that:

1. The Final Initial Study/Mitigated Negative Declaration has been prepared pursuant to the California Environmental Quality Act and State CEQA Guidelines.

2. The San José State University Interdisciplinary Science Building is consistent with the Final Mitigated Negative Declaration prepared and that the effects of the project were fully analyzed in the Final Mitigated Negative Declaration.

3. The schematic plans for San José State University Interdisciplinary Science Building are approved at a project cost of $181,126,000 at CCCI 6255.