

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
September 10-13, 2023**

| Time** | Committee | Location¹ |
|--|--|-----------------------------|
| <i>SUNDAY, SEPTEMBER 10, 2023</i> | | |
| 9:00 a.m. | <u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126 | Long Beach Marriott |
| <i>MONDAY, SEPTEMBER 11, 2023</i> | | |
| 1:00 p.m. | <u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126 Pending Litigation Krug v. CSU (PAGA) Kumar, et al v. Koester, et al Hernandez, et al v. The Fraternity of Phi Gamma Delta, et al. Kyeyune v. CSU | Munitz |
| 3:00 p.m. | <u>Committee on Collective Bargaining—Closed Session</u> Government Code §3596(d) | Munitz |

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

***In compliance with the Bagley-Keene Act, this meeting will also be held via teleconference at the locations listed in Attachment A of this notice.**

**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.

Agendas, notices, and information on addressing the Board of Trustees may be found on Board of Trustees website: <https://www.calstate.edu/csusystem/board-of-trustees/Pages/default.aspx>.

TUESDAY, SEPTEMBER 12, 2023

9:00 a.m. Board of Trustees

Call to Order

Roll Call

Public Comment

Chair’s Report

California State University Alumni Council Report: *President—John Poli*

Academic Senate CSU Report: *Chair—Beth Steffel*

California State Student Association Report: *President—Dominic Treseler*

Chancellor’s Report

11:30 a.m. Break

11:45 a.m. Committee on Committees

Consent

Action

1. Approval of Minutes

Action

2. Amendments to Board of Trustees’ Standing Committee Assignments for 2023-2024

11:50 a.m. Committee on Audit

Consent

Action

1. Approval of Minutes

Information

2. Status Report on Audit and Advisory Services Activities

11:55 a.m. Committee on Governmental Relations

Consent

Action

1. Approval of Minutes

Discussion

Information

2. State Legislative Update

12:30 p.m. Luncheon

1:30 p.m. Committee on Campus Planning, Buildings and Grounds

Consent

Action

1. Approval of Minutes

Discussion

Action

2. Update and Approval of the Five-Year Capital Outlay Plan

Action

3. California State University, Long Beach Hillside North Student Housing Schematic Design Approval

Action

4. California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building Schematic Design Approval

TUESDAY, SEPTEMBER 12, 2023 (cont.)

- 2:30 p.m. Committee on Educational Policy**
Consent
Action 1. Approval of Minutes
Discussion
Information 2. Chancellor’s Strategic Workgroup on Black Student Success
Action 3. Academic Planning

3:45 p.m. Break

- 4:00 p.m. Committee on Institutional Advancement**
Consent
Action 1. Approval of Minutes
Discussion
Information 2. 2023-2024 California State University Trustees’ Award for Outstanding Achievement

WEDNESDAY, SEPTEMBER 13, 2023

- 8:00 a.m. Committee on University and Faculty Personnel**
Consent
Action 1. Approval of Minutes
Action 2. Amendment of California State University Conflict of Interest Code
Action 3. Executive Compensation Update: Presidential Housing - California State University, Chico
Discussion
Action 4. Executive Compensation: President - California State University, Los Angeles
Action 5. Executive Compensation: Interim President – California State University, Bakersfield
Information 6. Update on Civil Rights (Title IX and other Nondiscrimination) Programs and Services

- 8:30 a.m. Joint Committee on Educational Policy and Finance**
Consent
Action 1. Approval of Minutes
Discussion
Information 2. Chancellor’s Strategic Workgroup on Financial Aid

WEDNESDAY, SEPTEMBER 13, 2023 (cont.)

9:00 a.m. Committee on Finance

Consent

Action 1. Approval of Minutes

Information 2. Appointment of the California State University Investment Advisory Committee Chair

Information 3. California State University Quarterly Investment Report

Discussion

Action 4. Tuition Policy

Action 5. Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal

12:00 p.m. Luncheon

12:45 p.m. Board of Trustees

Call to Order

Roll Call

Consent

Action 1. Approval of the Minutes of the Board of Trustees Meeting of July 11, 2023 and July 12, 2023

Action 2. Approval of Committee Resolutions as follows:

Committee on Committees

2. Amendment to Board of Trustees' Standing Committee Assignments for 2023-2024

Committee on Campus Planning, Buildings and Grounds

2. Update and Approval of the Five-Year Capital Outlay Plan

3. California State University, Long Beach Hillside North Student Housing Schematic Design Approval

4. California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building Schematic Design Approval

Committee on Educational Policy

3. Academic Planning

Committee on University and Faculty Personnel

2. Amendment of California State University Conflict of Interest Code

3. Executive Compensation Update: Presidential Housing – California State University, Chico

4. Executive Compensation: President - California State University, Los Angeles

5. Executive Compensation: Interim President – California State University, Bakersfield

Discussion

Action 3. Approval of Committee Resolutions as follows:

Committee on Finance

4. Tuition Policy
5. Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal

Action 4. Conferral of Commendation – Sylvia A. Alva

Action 5. Conferral of the Title of Faculty Trustee Emeritus – Romey Sabalius

Action 6. Conferral of the Title of Chancellor Emerita – Jolene Koester

ADDRESSING THE BOARD OF TRUSTEES

Members of the public have the opportunity to observe the meeting in-person or online and to offer public comment as follows:

- The meeting is broadcast via the [livestream](#) through the Board of Trustees website.
- **For in-person attendance:** The Chancellor's Office requires that all visitors comply with Cal/OSHA and local health department safety measures that may be in effect at the time of the meeting. Depending on circumstances, masks may be required, and the Dumke Auditorium may have limited seating to ensure proper physical distancing. Visitors who do not comply with the safety measures, or if the Dumke Auditorium has reached capacity, will be asked to watch the meeting via the [livestream](#) on the Board of Trustees website through their phone or computer. Because of possible physical distancing measures and the uncertainty of our seating capacity, members of the public are encouraged to observe the meeting via the livestream and offer any public comments through the available remote option.
- All public comment (for all committee and plenary sessions) will take place on **Tuesday, September 12**, at the start of the Board of Trustees' open session (**scheduled to begin at approximately 9:00 a.m.**)
- **Written comments** may be emailed in advance of the meeting by **12:00 p.m. on Monday, September 11** to trusteesecretariat@calstate.edu. To the extent possible, all written comments will be distributed to members of the board, or its appropriate committee, prior to the beginning of the board or committee meeting.
- Members of the public who wish to offer public comment *during the meeting* may do so **in-person or virtually/telephonically** by providing a written request **by 12:00 p.m. on Monday, September 11** to trusteesecretariat@calstate.edu. The request should also identify the agenda item the speaker wishes to address or the subject of the intended presentation if it is unrelated to an agenda item. Efforts will be made to accommodate each individual who has requested to speak.

The purpose of public comment is to provide information to the board and not evoke an exchange with board members. Questions that board members may have resulting from public comment will be referred to appropriate staff for response.

In fairness to all speakers, and to allow the committees and board members to hear from as many speakers as possible while at the same time conducting the public business of their meetings within the time available, **public comment will be limited to 1 minute per speaker** (or less depending on the number of speakers wishing to address the board.) Ceding, pooling, or yielding remaining time to other speakers is not permitted. Speakers are requested to make the best use of their public comment opportunity and follow the established rules.

Requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act, shall be made as follows:

- By email: trusteesecretariat@calstate.edu, or
- By telephone: (562) 951-4020

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

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

Tuesday, September 12, 2023

Presiding: Wenda Fong, Chair

| | | |
|------------------|---|-------------------------|
| 9:00 am.* | <u>Board of Trustees</u> | Dumke Auditorium |
| | Call to Order | |
| | Roll Call | |
| | Public Comment | |
| | Chair's Report | |
| | California State University Alumni Council Report: <i>President—John Poli</i> | |
| | Academic Senate CSU Report: <i>Chair—Beth Steffel</i> | |
| | California State Student Association Report: <i>President—Dominic Treseler</i> | |
| | Chancellor's Report | |

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AGENDA

COMMITTEE ON COMMITTEES

Meeting: 11:45 a.m., Tuesday, September 12, 2023
Glenn S. Dumke Auditorium

Jean Picker Firstenberg, Chair
Lillian Kimbell, Vice Chair
Jack Clarke, Jr.
Julia Lopez
Christopher Steinhauser

Consent

1. Approval of Minutes of the Meeting of May 1, 2023, *Action*
2. Amendments to Board of Trustees' Standing Committee Assignments for 2023-2024, *Action*

**MINUTES OF MEETING OF
COMMITTEE ON COMMITTEES**

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

May 1, 2023

Members Present

Jean Picker Firstenberg, Chair
Lillian Kimbell, Vice Chair
Jack Clarke, Jr.
Julia Lopez
Christopher Steinhauser

Wenda Fong, Chair of the Board

Call to Order

Trustee Firstenberg called the Zoom teleconference meeting to order and requested that a roll call be taken. Ms. Corell called the roll. There were no requests for public comment.

Approval of Minutes

The minutes of September 13, 2022 were approved as submitted.

Discussion

Trustee Firstenberg introduced Trustee Emerita Roberta Achtenberg, special consultant and senior advisor on board governance, to provide a brief background on the board assessment work related to improving board processes. The board consultants' assessment noted in their broad discussions with trustees that there was a need for greater clarification and transparency for the process of board committee leadership and committee selection. The consultants conducted a review of current board practices and policies regarding committee selection across 25 systems noting the current CSU policy and practices included a broader, more inclusive process with the Committee on Committees providing the recommendations to the full board for committee leadership and assignments. The board unanimously adopted further criteria for board committee leadership selection at the March 2023 board meeting (ROR 03-23-02).

CoC

Agenda Item 1

September 10-13, 2023

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Chair Fong offered brief remarks noting the importance of the strengthened process that was developed as part of the board's self-assessment, with each board member's input, deliberation, and approval. She further noted the proposed slate of committee assignments was developed with consideration of the trustees' preferences and most importantly in adherence to the approved selection criteria.

Trustees Kimbell, Steinhauser and Lopez thanked Trustee Emerita Achtenberg for the work on the board assessment and commented on the importance of the strengthened selection criteria adopted by the board.

Trustee Firstenberg presented the proposed 2023-2024 standing committee assignments, including committee chairs and vice chairs. There was a motion and second. Trustee Firstenberg called for a roll call vote. The motion was unanimously approved.

Trustee Firstenberg then nominated Wenda Fong to continue to serve as board chair and Jack Clarke, Jr. to continue to serve as board vice chair for 2023-2024, and thanked them for their steady leadership and committed service to the work of the board on behalf of the CSU. There was a motion and a second. Trustee Firstenberg called for a roll call vote. The motion was unanimously approved.

The resolutions approved by the committee were presented to the full board for approval at the May 21-24, 2023 meeting.

Trustee Firstenberg adjourned the Committee on Committees.

COMMITTEE ON COMMITTEES

Amendments to Board of Trustees' Standing Committee Assignments for 2023-2024

Presentation By

Jean Picker Firstenberg
Chair, Committee on Committees

Summary

Due to the appointment of Student Trustee Jonathan Molina Mancio and Faculty Trustee Darlene Yee-Melichar on June 29, 2023, the Committee on Committees recommends amendments to the standing committees for 2023-2024 as noted below.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of The California State University, on recommendation by the Committee on Committees that the following amendments be made to the Standing Committees for 2023-2024:

AUDIT

Yammilette Rodriguez, Chair
Jean Picker Firstenberg, Vice Chair
Leslie Gilbert-Lurie
Lillian Kimbell
Jonathan Molina Mancio
~~Romey Sabalius~~
Lateefah Simon
Christopher Steinhauser
Darlene Yee-Melichar

CAMPUS PLANNING, BUILDINGS AND GROUNDS

Jack McGrory, Chair
Diana Aguilar-Cruz, Vice Chair
Larry L. Adamson
Raji Kaur Brar
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
~~Romey Sabalius~~
Darlene Yee-Melichar

COLLECTIVE BARGAINING

Christopher Steinhauser, Chair
Jack Clarke, Jr., Vice Chair
Larry L. Adamson
Julia I. Lopez
Lateefah Simon

EDUCATIONAL POLICY

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie
Jonathan Molina Mancio
~~Romey Sabalius~~
Jose Antonio Vargas
Darlene Yee-Melichar

FINANCE

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
~~Romey Sabaluis~~
Jose Antonio Vargas
Darlene Yee-Melichar

GOVERNMENTAL RELATIONS

Jack Clarke, Jr., Chair
Yammilette Rodriguez, Vice Chair
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Lillian Kimbell
Julia Lopez
Jack McGrory
Jose Antonio Vargas

INSTITUTIONAL ADVANCEMENT

Anna Ortiz-Morfit, Chair
Douglas Faigin, Vice Chair
Diego Arambula
Raji Kaur Brar
Jean Picker Firstenberg
Mark Ghilarducci
Jonathan Molina Mancio
Yammilette Rodriguez
Jose Antonio Vargas

ORGANIZATION AND RULES

Lillian Kimbell, Chair
Julia I. Lopez, Vice Chair
Diego Arambula
Jack Clarke, Jr.
Douglas Faigin
Jean Picker Firstenberg
Jonathan Molina Mancio
Anna Ortiz-Morfit
Lateefah Simon

UNIVERSITY AND FACULTY PERSONNEL

Larry L. Adamson, Chair
Jean Picker Firstenberg, Vice Chair
Diana Aguilar-Cruz
Douglas Faigin
Lillian Kimbell
Jack McGrory
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser

AGENDA

COMMITTEE ON AUDIT

Meeting: 11:50 a.m., Tuesday, September 12, 2023
Glenn S. Dumke Auditorium

Yammilette Rodriguez, Chair
Jean Picker Firstenberg, Vice Chair
Leslie Gilbert-Lurie
Lillian Kimbell
Lateefah Simon
Christopher Steinhauser

Consent

1. Approval of Minutes of the Meeting of July 11, 2023, *Action*
2. Status Report on Audit and Advisory Services Activities, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON AUDIT**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

July 11, 2023

Members Present

Yammilette Rodriguez, Chair
Jean Picker Firstenberg, Vice Chair
Leslie Gilbert-Lurie
Lillian Kimbell
Lateefah Simon
Wenda Fong, Chair of the Board

Trustee Yammilette Rodriguez called the meeting to order.

Approval of the Consent Agenda

The minutes of the May 24, 2023, meeting of the Committee on Audit were approved as submitted.

Item two, Status Report on Audit and Advisory Services Activities, was an information item.

Trustee Rodriguez adjourned the Committee on Audit.

COMMITTEE ON AUDIT

Status Report on Audit and Advisory Services Activities

Presentation By

Vlad Marinescu
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Summary

This item provides an update on internal audit activities and initiatives. It also includes a status report on the 2022-23 and 2023-24 audit plans. The fieldwork for all 2022-23 audits has been completed and a presentation on the completed audit plan will be provided at the November Board of Trustees meeting.

Follow-up on current and past assignments is being conducted on approximately 32 completed campus reviews. Attachment A summarizes the status of audit assignments by campus. Additionally, Attachment B illustrates key activities and milestones.

For the current year audit plan, assignments were made to execute individual campus audit plans and conduct financial, operational, compliance, and information technology audits; use continuous auditing techniques and data analytics tools; provide advisory services; support intergovernmental audits; and perform investigation reviews, as needed.

ASSURANCE AUDITS AND DATA ANALYTICS

Status of In-Process and Completed Audits

Audit and Advisory Services has completed the fieldwork for all 52 audits of the 2022-23 audit plan. Nine audits are currently in process as part of the 2023-24 audit plan. Completed audit reports are posted on the California State University website at <https://www2.calstate.edu/csu-system/transparency-accountability/audit-reports>.

The status of campus progress toward implementing recommendations for completed audits is included in Attachment A. Prior year audits that have open recommendations are also included in Attachment A and are removed from the report once all recommendations are completed.

Both campus management and audit management are responsible for tracking the implementation/completion status of audit recommendations contained in campus audit reports. During the audit process, campus management identifies a target completion date for addressing

each audit recommendation. Target completion dates are subject to approval by audit management prior to the audit report being finalized. Implementation timelines are reviewed for appropriateness, reasonableness, and timeliness, which also includes evaluating the nature and level of risk and whether any mitigating controls can or should be put in place on an interim basis while audit recommendations are being implemented.

If there are difficulties or unexpected delays in addressing/completing audit recommendations within the agreed upon timeframes, escalation processes for resolution are followed by audit management. Audit management first contacts the campus senior leadership team (president and/or VP/CFO) to resolve any delays. In rare instances in which delays cannot be resolved during discussions between campus and audit management, the chancellor and audit committee chair and/or vice chair may help resolve delays, as needed.

Data Analytics

The data analytics team recently completed development on several new credit card dashboards, including a dashboard to evaluate merchant and employee spending. Risk indicator dashboards were also completed, and the data is being evaluated for possible follow up. For Concur travel expenditures, the data analytics team recently uploaded current data and is preparing for the next periodic review.

Additionally, work continues on expenditure dashboards. The team created new dashboards that can be used to explore expenditure data at multiple levels, such as by year, month, department, category, and fund.

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 AND INTERGOVERNMENTAL AUDITS

Audit and Advisory Services is periodically called upon to provide investigative reviews of alleged fiscal improprieties. Investigations are performed both at the request of an individual campus or the chancellor's office and by referral from the state auditor. Additionally, Audit and Advisory Services assists with tracking external audits being conducted by state and federal agencies, offers

assistance to campuses undergoing such audits, and acts as a liaison for the California State University system throughout the audit process when appropriate.

The California State Auditor (CSA) began its audit of community college transfers. The audit will review California's higher education systems' efforts to improve the rate of community college transfers to the California State University and University of California. The audit is currently in the planning phase. The scope and objectives of the audit are available on the State Auditor's website (<https://www.auditor.ca.gov/pdfs/analyses/2023-123.pdf>).

The Title IX audit report was issued on July 18, 2023. A copy of the full report can be found on the State Auditor's website (<https://www.auditor.ca.gov/pdfs/reports/2022-109.pdf>). The audit directed 16 recommendations to the Chancellor's Office. The CSA requires detailed follow-up responses on the implementation of the report's recommendations at 60 days, six months, and one year after the report's release, and annually thereafter if recommendations are still open. Audit and Advisory Services is responsible for coordinating the CSU's follow-up responses to the audit. The CSU's first follow-up response is due to the CSA on September 15, 2023.

In addition to the JLAC approved audits described previously, the CSA prepares biennial reports on high-risk issues that "the CSA identifies as high risk for their potential of waste, fraud, abuse or mismanagement, or that have major challenges associated with their economy, efficiency, or effectiveness." In 2013, the CSA identified affordability in higher education as a high-risk issue for both the California State University and University of California systems. Since then, the CSA has continued to assess affordability as a high-risk issue every two years. However, in its most recent high-risk report, issued on August 24, 2023, the CSA removed the affordability of higher education from its high-risk list.

OUTREACH AND ENGAGEMENT

Audit and Advisory Services continues to partner and work with our campus and system stakeholders beyond what would be the usual course of business for an audit or advisory review in order to find opportunities to add value to the organization when possible. This includes partnering activities such as participating and leading affinity groups, providing support to campus and chancellor's office management, sharing information and common themes across campuses, and acknowledging feedback and insights provided by management.

Each year Audit and Advisory Services hosts a systemwide roundtable meeting designed to facilitate communication and collaboration between Audit and Advisory Services and CSU campus audit representatives. This year's event will be held September 19-20 and will include a variety of informational sessions and discussion on topics such as campus safety, information security, Title IX, and notable observations from recent audits.

INTERNAL AUDIT FRAMEWORK AND STANDARDS

Education Code Section 89045, enacted by Chapter 1406 of the Statutes of 1969, provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University. Audit and Advisory Services assists university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Additionally, Audit and Advisory Services serves the university in a manner that is consistent with the International Professional Practices Framework and the Code of Ethics as promulgated by the Institute of Internal Auditors, including organizational independence, as outlined in the Audit and Advisory Services Charter

Audit and Advisory Services is organizationally independent and free from interference in determining the scope of internal audits, performing work, and communicating results. To ensure organizational independence, Audit and Advisory Services reports functionally to the Trustees of the California State University, and administratively to the Chancellor.

STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

| Campus | Category | Audit Topic | Audit Plan Year | Total # of Recommendations | *Status |
|---------------------|-------------------------------|---|-----------------|----------------------------|---|
| Chancellor's Office | Audits Currently in Progress | Payroll and Benefits Reporting | 2022 | | |
| | | Emergency Management | 2023 | | |
| Chico | Status of Recommendations | Information Security | 2022 | 14 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 14 |
| | No Reportable Recommendations | Associated Students, Inc. | 2022 | n/a | |
| Dominguez Hills | Audits Currently in Progress | Property and Equipment Management | 2023 | | |
| | Status of Recommendations | Associated Students, Inc. | 2022 | 8 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 8 |
| | | Information Security | 2022 | 8 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 8 |
| East Bay | Audits Currently in Progress | Information Security Follow Up | 2022 | | |
| | Status of Recommendations | Executive Travel and Hospitality | 2022 | 1 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 1 |
| | | Student Health Services | 2022 | 5 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 5 |
| Fresno | Status of Recommendations | Association | 2022 | 1 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 1 |
| | | Human Resources and Training Compliance | 2022 | 5 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 3 <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 2 |
| | No Reportable Recommendations | IT Disaster Recovery Follow Up | 2022 | n/a | |
| Fullerton | Status of Recommendations | Construction Management | 2022 | 4 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 3 <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 1 |
| | | Executive Travel and Hospitality | 2022 | 1 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 1 |
| Humboldt | Audits Currently in Progress | International Programs | 2023 | | |
| | Status of Recommendations | Executive Travel and Hospitality | 2022 | 2 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 2 |
| | | Human Resources and Training Compliance | 2022 | 14 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 5 <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 9 |
| Long Beach | Audits Currently in Progress | Youth Programs | 2023 | | |
| | Status of Recommendations | Athletics Fiscal Administration | 2022 | 5 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 2 <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 3 |
| Los Angeles | Audits Currently in Progress | Accessible Technology Initiative | 2023 | | |
| | Status of Recommendations | Computer Security Incident Response | 2022 | 5 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 5 |
| | | University Auxiliary Services | 2022 | 8 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 6 <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 2 |
| Maritime Academy | Status of Recommendations | Information Security | 2021 | 10 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 9 <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 1 |
| Monterey Bay | Status of Recommendations | Accessible Technology Initiative | 2022 | 6 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 6 |
| Northridge | Audits Currently in Progress | Athletics Fiscal Administration | 2022 | | |
| | Status of Recommendations | The University Corporation | 2022 | 7 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 7 |
| Pomona | Status of Recommendations | Foundation | 2022 | 3 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 3 |
| | | Information Security | 2022 | 6 | <div style="width: 100%; background-color: #0056b3; height: 10px;"></div> 6 |
| Sacramento | Audits Currently in Progress | Capital Public Radio | 2022 | | |
| | Status of Recommendations | Athletics Fiscal Administration | 2022 | 5 | <div style="width: 100%; background-color: #008000; height: 10px;"></div> 5 |
| | No Reportable Recommendations | Computer Security Incident Response | 2022 | n/a | |

***Status**

Closed (green) - Recommendations have been satisfactorily implemented

Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe

Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe

STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

| Campus | Category | Audit Topic | Audit Plan Year | Total # of Recommendations | *Status |
|-----------------|------------------------------|--|-----------------|----------------------------|---------|
| San Bernardino | Status of Recommendations | Information Security | 2022 | 6 | 6 |
| | | Police Services | 2022 | 2 | 2 |
| San Diego | Audits Currently in Progress | Academic Department Fiscal Review | 2023 | | |
| | Status of Recommendations | Aztec Shops | 2022 | 5 | 5 |
| | | Student Organizations | 2022 | 2 | 1 1 |
| San Francisco | Status of Recommendations | Training Compliance | 2022 | 3 | 3 |
| San Jose | Audits Currently in Progress | Information Security | 2022 | | |
| | Status of Recommendations | Decentralized Computing | 2021 | 9 | 8 1 |
| | | Athletics Fiscal Administration | 2022 | 6 | 6 |
| San Luis Obispo | Status of Recommendations | Athletics Fiscal Administration | 2022 | 7 | 7 |
| | | IT Disaster Recovery | 2022 | 3 | 1 2 |
| San Marcos | Audits Currently in Progress | Accessible Technology Initiative | 2022 | | |
| | | Counseling and Psychological Services | 2023 | | |
| | Status of Recommendations | Human Resources and Training Compliance | 2022 | 5 | 5 |
| Sonoma | Audits Currently in Progress | Business Continuity and IT Disaster Recovery | 2023 | | |
| | Status of Recommendations | Philanthropic Foundation | 2022 | 1 | 1 |
| Stanislaus | Audits Currently in Progress | Information Security | 2023 | | |
| | Status of Recommendations | Student Health Services | 2022 | 3 | 1 2 |

*Status
 Closed (green) - Recommendations have been satisfactorily implemented
 Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe
 Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe



AUDIT HIGHLIGHTS

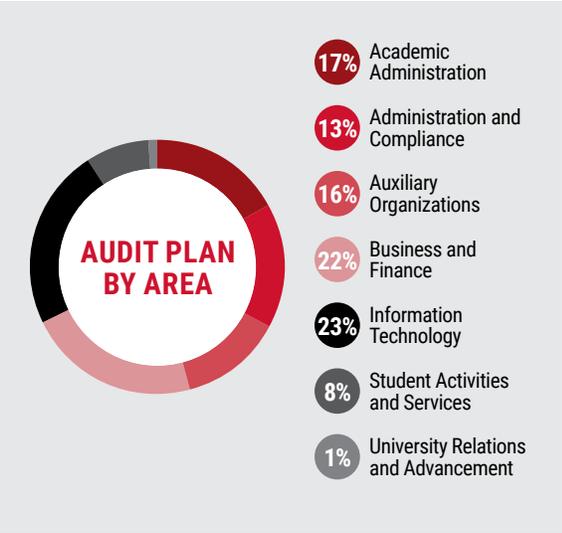
2022-23 ASSURANCE AUDITS



COMPLETED



IN-PROGRESS



2023-24 ASSURANCE AUDITS



IN-PROGRESS



PLANNED



2022-23 RECOMMENDATIONS

52
AUDITS

214
TOTAL RECS

88
CLOSED

CALIFORNIA STATE AUDITOR (CSA)



THE CSA BEGAN ITS AUDIT OF EFFORTS TO IMPROVE TRANSFER RATES TO THE CSU AND UC

KEY MILESTONES



SEPT. 2023

COMPLETED ALL FIELDWORK FOR 2022-23 AUDIT PLAN



WRAPPING UP FIRST SET OF 2023-24 AUDITS



HOSTING 7TH ANNUAL AUDIT LIAISON ROUNDTABLE

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 11:55 a.m., Tuesday, September 12, 2023
Glenn S. Dumke Auditorium

Jack Clarke, Jr., Chair
Yammilette Rodriguez, Vice Chair
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Lillian Kimbell
Julia Lopez
Jack McGrory
José Antonio Vargas

Consent 1. Approval of Minutes of the Meeting of May 24, 2023, *Action*
Discussion 2. State Legislative Update, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON GOVERNMENTAL RELATIONS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

May 24, 2023

Members Present

Douglas Faigin, Chair
Maria Linares, Vice Chair
Yammilette Rodriguez
Romey Sabalius

Jolene Koester, Interim Chancellor
Wenda Fong, Chair of the Board

Trustee Faigin called the meeting to order.

Approval of Minutes

The minutes of the March 22, 2023, meeting were approved as submitted.

State Legislative Update

Steve Relyea, executive vice chancellor and chief financial officer, reported that the Advocacy and State Relations (ASR) team has been very busy as they continue to support measures that benefit students, prepare for policy and fiscal committee hearings, and engage with legislative offices seeking amendments to problematic bills. They have also continued to execute the budget advocacy strategy for the year, which will be vital to the CSU's overall success.

Nathan Dietrich, assistant vice chancellor for advocacy and state relations, provided an update on the board's sponsored legislation, highlighted bills that impact the CSU and shared details about recent advocacy efforts in Sacramento.

AB 656 gives the CSU broader authority to establish practical doctoral programs, provided that they do not duplicate the University of California's doctoral degrees and meet the workforce

demands in the state. On April 25, it was heard in the Assembly Higher Education Committee and passed unanimously. He thanked San Diego State President Adela de la Torre and Executive Vice Chancellor Sylvia Alva for offering clear and convincing testimony at the hearing.

He also thanked the campuses for securing a number of co-authors and more than 20 letters of support, all of which demonstrated why the bill is needed to address the state's workforce demands and assist in the CSU's accreditation needs.

AB 840, the alcohol sponsorship exemption proposal, was heard in committee in April and passed unanimously. He thanked Dru Zachmeyer from Cal Poly San Luis Obispo for testifying in support of the bill and explaining why it is important to all its universities.

Both bills are now in the Assembly Appropriations Committee.

Highlighted bills included those that address a facilities bond (SB 28, AB 247), the travel ban (SB 447), mental health services (SB 11), a post-secondary education coordinating commission (AB 1142), service learning (AB 1390), college athletics (AB 252, SB 661), employment policies (AB 1123, SB 640), and Title IX (SB 808).

Assistant Vice Chancellor Dietrich acknowledged President Teniente-Matson and San José State for hosting a virtual briefing of more than 30 local, state and federal offices in April in which they shared the successes of the university while also highlighting the additional state support needed to advance the CSU goals and support its employees.

On June 2, ASR will be partnering with the CSU Alumni Council to host a Sacramento alumni networking event. CSU alumni who live or work near the Capitol are invited for coffee and donuts on National Donut Day.

Trustee Faigin thanked the ASR team for their hard work. He congratulated Trustee Linares on her graduation day and acknowledged her work as committee vice chair.

Trustee Faigin adjourned the meeting.

COMMITTEE ON GOVERNMENTAL RELATIONS

State Legislative Update

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Nathan Dietrich
Assistant Vice Chancellor
Advocacy and State Relations

Summary

The Legislature returned from summer recess on August 14 and quickly resumed committee hearings to wrap up the legislative year. Fiscal committees met during the final weeks of August, which was followed by floor session in both houses. Bills must be passed by September 14 in order to be considered by the Governor. For those bills that advance, the Governor will have until October 14 to take action. Upon adjournment, the Legislature will remain in recess until January 2024.

This report is organized as follows:

- Board of Trustees sponsored legislation
- Active bills
 - Senate Bills
 - Assembly Bills
- Bills no longer advancing
 - Senate Bills
 - Assembly Bills
- Governor's Actions
 - Assembly Bills

All bill summaries and positions are accurate as of August 29, 2023.

SPONSORED LEGISLATION

AB 656 (McCarty) – California State University: Doctoral Programs

This bill would authorize the California State University (CSU) broad authority to establish expanded doctoral offerings that do not duplicate the University of California’s (UC) doctoral programs and address workforce needs in California.

- **CSU Position:** Sponsor
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 840 (Addis) – Tied-House Exemptions: Advertising

This bill creates an exception to tied-house laws that will allow several venues on CSU campuses to enter into sponsorship agreements with alcohol beverage suppliers.

- **CSU Position:** Sponsor
- **Status:** This bill is awaiting a Senate floor vote.

ACTIVE BILLS

Senate Bills

SB 11 (Menjivar) – CSU: Mental Health Services: Contracting Out

This bill requires the CSU to maintain a ratio of one mental health counselor per 1,500 students at each campus and establishes the CSU Mental Health Professionals Act to provide incentives for CSU students to become mental health counselors.

- **CSU Position:** Oppose unless amended
- **Status:** This bill is awaiting hearing in the Assembly Appropriations Committee.

SB 28 (Glazer) – Education Finance: School Facilities: Public Preschool, K–12, and College Health and Safety Bond Act of 2024

This bill would place a \$15.5 billion facilities bond on the March 2024 ballot for K-16, that if approved by the voters, would allocate \$2 billion for the CSU.

- **CSU Position:** Support
- **Status:** This bill is on the Assembly Appropriations Suspense File.

SB 234 (Portantino) – Opioid Antagonists: Schools, College Campuses, Stadiums, Concert Venues, and Amusement Parks

This bill requires the CSU and other higher education segments, as well as concert venues and stadiums, to maintain unexpired doses of naloxone hydrochloride or any other opioid antagonist onsite.

- **CSU Position:** Tracking
- **Status:** This bill is on the Assembly Appropriations Suspense File.

SB 447 (Atkins) – GO-Biz

This bill would repeal the state’s travel ban, which currently prohibits state funded travel to certain states that have enacted anti-LGBTQ policies. It would instead authorize GO-Biz to promote social equity, civil rights and antidiscrimination via a non-partisan, nationwide advertising campaign known as the Building and Reinforcing Inclusive, Diverse, Gender-Supportive Equity Project (BRIDGE Project)

- **CSU Position:** Support
- **Status:** This bill is on the Assembly Appropriations Suspense File.

SB 633 (Gonzalez) – California DREAM Loan Program: DREAM Grants

This bill authorizes institutions participating in the DREAM Loan Program to offer unawarded funds from their revolving fund as DREAM Grants to eligible students.

- **CSU Position:** Support
- **Status:** This bill is on the Assembly Appropriations Suspense File.

SB 640 (Portantino) – CSU: Food Service Contracts and Hotel Development Projects

This bill requires the CSU or CSU auxiliaries to include a labor peace agreement as part of any food service or hotel development contract.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

SB 661 (Bradford) – Student Athlete Bill of Rights

This bill expands upon the Student Athlete Bill of Rights to require all athletic programs, not just those with more than ten million dollars annually in media rights revenue, to provide an equivalent scholarship for up to five years for a student who suffers an injury and provide a scholarship for up to one year for a student that has exhausted their athletic eligibility under specified conditions.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

SB 791 (McGuire) – Postsecondary Education: Academic and Administrative Employees: Disclosure of Sexual Harassment

This bill requires the CSU and California Community Colleges (CCC), and requests the UC, to require as part of the hiring process for an appointment to an academic or administrative position that the applicant disclose any final judicial or administrative decision determining that the applicant committed sexual harassment.

- **CSU Position:** Tracking
- **Status:** This bill is on the Assembly Appropriations Suspense File.

SB 808 (Dodd) – CSU: Annual Report: Sexual Harassment Reports: Formal Sexual Harassment Complaints

This bill requires the CSU Board of Trustees to include additional oversight for approving sexual harassment settlements; to report annually on the number of sexual harassment complaints and the disposition of those cases to the Legislature; and to prohibit retreat rights for senior administrators who have violated Title IX policy.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting a concurrence vote on the Senate floor.

SB 856 (Glazer) – CSU Students: California Promise: Finish in Four and Through in Two

This bill requires the California Promise program to be renamed the ‘Finish in Four and Through in Two’ program. It also requires incoming students to opt out of participating rather than opting into the program, with each campus required to have at least five percent of each incoming class participating in the program.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

Assembly Bills

AB 25 (McCarty) – Student Financial Aid: Middle Class Scholarship Program

This bill amends the rules of the Middle Class Scholarship Program to remove basic needs emergency aid from consideration in the awarding or adjusting of scholarship amounts. It also requires the Department of Finance to fully fund the program over five years, provided general fund revenues increase for two consecutive years.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 255 (Alanis) – Public Postsecondary Education: Priority Registration for First Responders

This bill requires the CSU and CCC, and requests the UC, to grant priority for registration to first responders.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 299 (Holden) – Hazing: Educational Institutions: Civil Liability: Resources

This bill establishes civil liability for an education institution, which includes the CSU, if the institution had direct involvement in or knew of, dangerous hazing practices of the student organization involved in hazing.

- **CSU Position:** Oppose unless amended
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 322 (Mathis) – Veteran and California National Guard Supplemental Orientation Act of 2023

This bill would require the CSU and the CCC, and requests the UC, to develop and include within first-year student orientation a supplemental module of services and resources available for students who are veterans of the Armed Forces of the United States and members of the California National Guard.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 389 (Ramos) – Native American repatriation: California Native American Graves Protection and Repatriation Act of 2001: CSU

This bill establishes annual reporting to the Legislature by the CSU pertaining to requirements under the Native American Grave Protection and Repatriation Act and establishes accountability provisions to ensure compliance with those requirements.

- **CSU Position:** Pending
- **Status:** This bill is awaiting a hearing in the Senate Judiciary Committee.

AB 447 (Arambula) – Public Postsecondary Education: Students with Disabilities: Inclusive College Pilot Programs

This bill requests the CSU, and the UC, to develop inclusive college programs for students with intellectual and developmental disabilities to pursue an educational credential, upon appropriation from the Legislature.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 461 (Ramos) – Student Safety: Fentanyl Test Strips

This bill requires the CSU to include information about the use and location of fentanyl test strips at new student orientations and requires that each campus health center stock and distribute fentanyl test strips.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 504 (Reyes) – State and Local Public Employees: Labor Relations: Strikes

This bill would establish a statutory right for all public employees to take part in a sympathy strike.

- **CSU Position:** Oppose
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 506 (Fong, Mike) – CSU: Graduation Requirement: Ethnic Studies

This bill suspends the process for approving GE ethnic studies courses for one year during 2024 so that a new process can be developed in collaboration with the ASCSU, the ASCCC, the CCC Ethnic Studies Faculty Council, and the CSU Council on Ethnic Studies. It specifies that ethnic studies courses approved through 2023 will no longer satisfy the CSU ethnic studies GE requirement (area f) until they are re-reviewed under the new process.

- **CSU Position:** Oppose
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 603 (Cervantes) – Public Postsecondary Education: Diversity: Report

This bill requires the CSU and CCC, and requests the UC, to annually report to the Legislature on the diversity of their student body and of their governing board.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting a Senate floor vote.

AB 607 (Kalra) – Public Postsecondary Education: Course Materials

This bill would require the CSU, CCC, and request the UC, to display the estimated costs for each digital course of all required course materials and fees directly related to those materials. This requirement would be phased in over a five-year period to require up to 75% of the total number of courses on the online campus course schedule for which a faculty member has been assigned.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 624 (Grayson) – Postsecondary Education: Disabled Student Services: Assessments

This bill requires public and private postsecondary educational institutions to provide and cover the costs of diagnostic assessments needed by students for academic accommodations. State funds will be provided to reimburse institutions on an actual-cost basis.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 659 (Aguiar-Curry) – Cancer Prevention Act

This bill declares the public policy of the state that students who are 26 years of age or younger are recommended to be fully immunized against HPV before first-time enrollment at an institution of the CSU, UC or CCC.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 746 (Sanchez) – Learning-Aligned Employment Program: Eligibility

This bill changes the requirements of the Learning-Aligned Employment Program to make it available to more students while still prioritizing those from underrepresented backgrounds.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 760 (Wilson) – CSU and UC: Records: Affirmed Name and Gender Identification

This bill requires CSU, and requests UC, by the 2024-25 academic year, to implement a system by which current students, faculty and staff can declare an affirmed name and/or gender be used in their records where a legal name is not required. The bill also requires the CSU to update specified records, including transcripts upon request of the individual.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting a Senate floor vote.

AB 789 (Berman) – Student Financial Aid: Cal Grants: Satisfactory Academic Progress

This bill requires postsecondary institutions to align their satisfactory academic progress standards to the minimum federal standards to qualify for participation in the Cal Grant program, among other changes.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 1082 (Kalra) – Authority to Remove Vehicles

This bill would prohibit towing or immobilizing a vehicle due to unpaid parking tickets, increase the number of unpaid tickets from one to three before the Department of Motor Vehicles can place a registration hold and implement new requirements for parking payment plans established by processing agencies.

- **CSU Position:** Tracking
- **Status:** This bill is set for hearing in the Senate Appropriations Committee on August 28.
 - *Note:* *This bill was recently amended and no longer applies to higher education institutions.*

AB 1123 (Addis) CSU: Employees: Paid Parental Leave of Absence

This bill requires the CSU to grant paid parental leave to an employee for one semester of an academic year.

- **CSU Position:** Oppose
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 1138 (Weber) – Postsecondary Education: Sexual Assault and Sexual Violence Prevention: Transportation Services

This bill requires the CSU and UC to provide students free transportation to and from a rape crisis center to administer Sexual Assault Forensic Examination (SAFE) Kits if such kits are not already administered on campus.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 1524 (Lowenthal) Postsecondary Education: On-Campus Access to Drug Testing Devices and Antitampering Devices

This bill requires the CSU and CCC, and requests the UC, to stock devices that detect the presence of drugs such in a central and accessible location on campus and offer them free of charge.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

AB 1540 (Fong, Mike) – Postsecondary Education: Nonresident Tuition: Exemption

This bill would simplify the financial aid application process for undocumented students by authorizing institutions to accept an affidavit provided to the Student Aid Commission rather than requiring multiple affidavits.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

BILLS NO LONGER ADVANCING

Senate Bills

SB 59 (Skinner) – Menstrual Product Accessibility Act

This bill increases the number of bathrooms in state-owned buildings that must be stocked with menstrual products, which are to be provided to members of the public free of charge.

- **CSU Position:** Pending

SB 574 (Wahab) – Public Agencies: Project Labor Agreements

This bill prohibits a state agency from entering into a public works project in excess of \$35 million dollars, unless that project is governed by a project labor agreement (PLA). This would apply to the CSU if state bond funds are used in the construction of the public works project.

- **CSU Position:** Pending

Assembly Bills

AB 252 (Holden) – The College Athlete Protection Act

This bill establishes the College Athlete Protection (CAP) Act, for the purpose of providing various rights, benefits and protections to college athletes. The bill creates a 21-member panel to promulgate various regulations and requires National Collegiate Athletic Association Division I schools to provide degree completion fund payments to student athletes that receive athletic grants.

- **CSU Position:** Oppose

AB 266 (Boerner) – Legislative Internship Program

The bill would establish the Legislative Internship Program under the administration of the CSU's Center for California Studies.

- **CSU Position:** Pending

SB 307 (Ashby) – Middle Class Scholarship Program: Community Colleges: Current and Former Foster Youth

This bill expands access to the Middle Class Scholarship program for community college students who are current or former foster youth.

- **CSU Position:** Tracking
 - *Note: Components of this measure were incorporated into the Budget Act of 2023.*

AB 456 (Maienschein) – Public Postsecondary Education: Campus Mental Health Hotlines

This bill requires each campus of the CSU and CCC, and requests the UC, to establish a campus mental health hotline for students to access mental health services remotely during working hours and to include this phone number on the back of all student ID cards.

- **CSU Position:** Tracking

AB 644 (Jones-Sawyer) – Public Postsecondary Education: Campus Safety: Hate Crimes: Surveys

This bill requires the CSU and CCC, and requests the UC, to work with students to develop questions related to hate crimes, campus climate and safety to be added to the biennial online campus climate survey conducted by the U.S. Department of Education and to report the campus-level results to the Legislature.

- **CSU Position:** Tracking

AB 680 (Rubio, Blanca) – Public Postsecondary Education: Nonresident Tuition: Exemption

This bill expands the provisions of AB 540 and exempts certain students from paying nonresident tuition at the CSU, UC and CCC.

- **CSU Position:** Pending

AB 810 (Friedman) – Athletics Department: Misconduct Database

This bill requires a postsecondary education institution to contact a potential employee's past employer to verify they did not violate any employment policies of the former employer.

- **CSU Position:** Pending

AB 1062 (Santiago) – Public Postsecondary Education: California State University: Tuition

This bill requires, upon appropriation, that the CSU not charge tuition or mandatory systemwide fees to any community college transfer student with financial need and an ADT for up to two years. Additionally, such students who receive financial aid to cover their tuition and fees must receive an institutional grant in the commensurate amount of what otherwise would have been waived by the CSU to help cover their nontuition costs.

- **CSU Position:** Oppose

AB 1142 (Fong, Mike) – Postsecondary Education: Coordinating Commission for Postsecondary Education in California

This bill would establish the Coordinating Commission for Postsecondary Education in California as the statewide postsecondary education oversight, coordination, and planning entity. Among many duties and responsibilities, the Commission would be required to develop and publish an independent annual report on the condition of higher education in California.

- **CSU Position:** Pending

AB 1390 (McCarty) – CSU: UC: Graduation Requirements: Service Learning

This bill specifies that the CSU and UC institute a service-learning requirement for students graduating by the 2032-33 academic year. The CSU and UC is prohibited from increasing the number of units needed to graduate because of this requirement.

- **CSU Position:** Oppose unless amended

AB 1558 (Gallagher) – Postsecondary Education: Safety: Credible Threats

The bill would require each campus after receiving a threat to student, faculty or staff safety to determine, through a third-party risk assessment, whether the threat is credible. If the campus determines the threat is credible, to determine whether the individual poses an immediate threat and impose interim measures to ensure school and student safety.

- **CSU Position:** Pending

AB 1575 (Irwin) – Postsecondary Education: Designated Advocates: Notification

This bill requires the segments of postsecondary education to notify students of their ability to opt into selecting a designated advocate, who will receive notifications about specified administrative, academic, health and disciplinary notices.

- **CSU Position:** Pending

GOVERNOR’S ACTIONS

Assembly Bills

AB 569 (Garcia) – CSU: Veterans: Cybersecurity Regional Alliances and Multistakeholder Partnerships Pilot Program

This bill would require the CSU Chancellor’s Office to submit a report to the Legislature on the Cybersecurity pilot program funded in the 2022 budget by July 1, 2028.

- **CSU Position:** Tracking
- **Status:** Chaptered by Secretary of State - Chapter 117, Statutes of 2023.

AB 1311 (Soria) – Public Postsecondary Education: Allied Health Programs: Assessment

This bill requires the Legislative Analyst’s Office (LAO) to assess the effectiveness of existing programs in allied health jointly offered between the CSU, CCC and UC.

- **CSU Position:** Tracking
- **Status:** Chaptered by Secretary of State - Chapter 126, Statutes of 2023.

AGENDA

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 1:30 p.m., Tuesday, September 12, 2023
Glenn S. Dumke Auditorium

Jack McGrory, Chair
Diana Aguilar-Cruz, Vice Chair
Larry L. Adamson
Raji Kaur Brar
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit

- Consent** 1. Approval of Minutes of the Meeting of July 12, 2023, *Action*
- Discussion** 2. Update and Approval of the Five-Year Capital Outlay Plan, *Action*
3. California State University, Long Beach Hillside North Student Housing Schematic Design Approval, *Action*
4. California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building Schematic Design Approval, *Action*

**MINUTES OF THE MEETING OF THE
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

July 12, 2023

Members Present

Jack McGrory, Chair
Diana Aguilar-Cruz, Vice Chair
Larry L. Adamson
Raji Kaur Brar
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Jack McGrory called the meeting to order.

Public Comment

Public comment occurred at the beginning of the meeting's open session prior to all committees. No public comments were made pertaining to committee agenda items.

Consent Agenda

The minutes of the May 2023 meeting of the Committee on Campus Planning, Buildings and Grounds were approved as submitted.

Following approval of the consent agenda, Executive Vice Chancellor Steve Relyea announced the upcoming retirement of Vi San Juan, Assistant Vice Chancellor Campus Planning Design and Construction. Assistant Vice Chancellor San Juan's extraordinary service to the CSU was acknowledged and commended by the trustees, presidents, and others in attendance.

Preliminary Five-Year Capital Outlay Plan

This item provided information on the California State University capital and facilities infrastructure program and planning in support of the Board of Trustees Operating Budget Request for 2024-2025.

Following the presentation, additional gratitude was expressed for Assistant Vice Chancellor San Juan's service to the CSU.

A question was asked about how prioritized projects will be financed, and it was explained the CSU is selling bonds to finance projects, although yields are lower due to higher interest rates. It was also asked how much of the capital plan the CSU currently has funding, and it was explained that the CSU effectively has no funding for the projects except for the Maritime pier project which is being funded from previously approved bonds. It was strongly recommended that the CSU ensure a general obligation bond initiative is on the ballot in 2024.

A request was made for additional details about how projects are prioritized, and it was suggested that categories of project urgency would be helpful for newer committee members. It was noted that a presentation about prioritization made to the committee two years ago would be helpful to new members. Additionally, it was explained that the universities submit their highest priority projects each year, and key factors that drive projects to the top of the list are infrastructure improvements relating to critical life safety, such as fire protection and seismic strengthening projects. The Maritime pier project is also a priority due to the future delivery of a new ship. Donor-funded projects are also considered in the prioritization process. It was asked if a list exists of all university requests including those not prioritized, and it was explained that the highest priorities alone total \$31 billion so lower priority projects are not submitted. It was noted that universities can move projects up the priority list by raising money for critical projects.

California State University, Long Beach Peterson Hall 1 Replacement, Schematic Design Approval

This item requested the California State University Board of Trustees approve schematic plans for the California State University, Long Beach Peterson Hall 1 Replacement Building (Seismic) project.

Following the presentation, it was noted that the cost of \$897 per square foot is relatively high, and it was explained that main drivers of the cost are medical equipment and laboratory components as well as remediation of soil and extension of fire water flow to this area of the campus.

A comment was made in support of the project and investment in higher education, noting that future doctors graduating from this program will save lives.

The committee recommended approval of the proposed resolution (RCPBG 07-23-04).

Trustee McGrory adjourned the Committee on Campus Planning, Buildings and Grounds.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Update and Approval of the Five-Year Capital Outlay Plan

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This item requests approval by the California State University Board of Trustees of the Five-Year Capital Outlay Plan covering the period from 2024-2025 through 2028-2029. The Five-Year Capital Plan totals over \$30.9 billion and is comprised of academic and self-support projects. The five-year total includes \$7.8 billion in Critical Facilities Renewal projects. The electronic version of the Five-Year Capital Plan can be found at the following link:

[Five-Year Capital Plan - 2024-2025 through 2028-2029.](#)

The plan contains university-specific sections with descriptions of each improvement project as well as a five-year summary of requested projects and previously funded projects. The list of priority projects requested for 2024-2025 funding is provided in Attachment A. Funding for the academic and infrastructure projects is reliant upon approval of additional base operating funds or passage of a General Obligation bond that includes higher education.

The Five-Year Capital Plan also identifies campus requests for Critical Facilities Renewal funding. The CSU is requesting \$1.3 billion from the state in 2024-2025 one-time funding to address priority needs. These projects will address building systems and campus infrastructure that have been maintained either to the end of their useful life or past their useful life and are now in need of replacement or major repairs.

The preliminary Five-Year Capital Plan was presented as an information item at the July 2023 Board of Trustees meeting to seek input and provide an update on the use of capital and facilities renewal funding. This item reflects minor changes to the budget and scope of the projects in the list presented in July as a result of additional information and further project planning.

Background of the Five-Year Capital Plan

The primary objective of the capital plan is to support the academic mission by providing facilities appropriate to the CSU's educational programs, to create environments that are conducive to learning allowing students to thrive, and to ensure that the quality and quantity of facilities at each of the 23 universities serve all students, faculty, and staff appropriately.

As buildings age and become more difficult to maintain and given the limited budgets available for critical facilities renewal and ongoing maintenance, universities face challenges in providing built environments in which effective teaching and learning can take place. With increasing global temperatures, resiliency and adaptation in the built environment have become imperative. The Five-Year Plan reflects the campus priority projects to address these critical challenges.

In March 2019, the Board of Trustees approved the Categories and Criteria for Priority Setting for the capital plan with the following categories:

- I. Existing Facilities/Infrastructure
 - A. Critical Facilities Renewal
 - B. Modernization/Renovation
- II. Growth/New Facilities

Projects in the 2024-2025 through 2028-2029 Five-Year Capital Plan align with these Categories and Criteria and focus on addressing critical infrastructure deficiencies, renovation or replacement of obsolete or deficient buildings, and propose a limited number of growth projects particularly in the areas of allied health and science, technology, engineering, and math (STEM) programs.

Process for the Development of the Five-Year Capital Plan

The process to develop the CSU Five-Year Plan is an iterative one, beginning with a call letter to the universities in which the Chancellor's Office begins to engage with each individual university on the development of their plan. Each university's assigned planner and associate planner provide support through this process. Planning begins well in advance of the funding cycle, for example the call letter that will go out in January 2024 will begin the planning process for the 2025-26 fiscal year.

The call letter outlines the overall process and includes the Board of Trustees' established categories and criteria as an overarching framework for the development of the Five-Year Plan. University presidents are requested to submit a response in two phases; the first phase includes large academic program projects such as new buildings and major renovations. The second phase includes smaller infrastructure improvement and deferred maintenance projects. Examples of these projects include replacement of utility systems, energy efficiency projects, and projects affecting campus resiliency.

Each university submits supporting documents describing the nature of each project and the associated project budget along with proposed funding sources. The universities also communicate their highest priority projects over the five-year planning period and a proposed order of initiating each priority project.

In preparing the Five-Year Capital Plan, universities rely not only on identified facility needs but projects are developed and recommended to the Board of Trustees using the following planning tools and resources:

- Seismic Priority List – This list identifies facilities that need either structural repair or evaluation. The list is maintained by the CSU Seismic Review Board that advises the Chancellor’s Office. The list is updated as part of an ongoing review process.
- Facility Condition Assessments – Facility condition assessments, updated annually, provide a comprehensive list of critical facility renewal needs and their estimated budgets. This information is used as part of the project prioritization, with priority given to projects that address renewal needs. The assessments are used to determine the estimated university backlog of renewal needs.
- Summary of Campus Capacity – This planning tool compares projected full-time equivalent student (FTE) enrollment to seat capacity to quantify surpluses or deficits in lecture/classroom space, laboratory space, and faculty offices across the university academic disciplines. Projects that address significant space deficits are prioritized over other projects.
- Laboratory Enrollment versus Laboratory Capacity – This tool evaluates access to lab teaching space by discipline based on current space and forecast enrollment growth. Projects are evaluated and prioritized based on addressing a deficit in an existing program or adding space needed to grow a specific program.
- Utilization Report – This report provides classroom and laboratory use by facility and room occupancy. The data from the Utilization Report allows universities to focus on developing space types that are shown to be in the highest demand.

Using a combination of these tools, and information received from each university, the five-year plan ensures that the most critical projects at each university are addressed.

2023-2024 Facilities Funding Update

CSU Systemwide Revenue Bond Funded - Academic Program Funding

The 2023-2024 Five-Year Plan was approved by the Board of Trustees in November 2022. In July 2023 the Department of Finance approved the projects included in the chart below for funding from the remaining funds from the Board of Trustees prior approval of academic debt financing. At this time, based on remaining funding from prior board financing authorizations, it is anticipated that only the California Maritime Academy Pier Extension project will be funded.

| 2023-2024 Academic Capital Plan – DOF Approval | | | |
|---|-------------------------------|--------------|----------------------------|
| Campus | Project Title | Phase | Project Budget |
| Systemwide | Infrastructure Improvements | PWC | \$ 50,000,000 |
| California Maritime Academy | Boat Basin and Pier Extension | C | \$ 82,196,000 ¹ |
| | | Total | \$132,196,000 |

Recommendation

The following resolution is presented for approval:

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

1. The 2024-2025 Capital Plan Priority List is approved.
2. The chancellor is authorized to proceed with design and construction to fast-track projects in the 2024-2025 through 2028-2029 Five-Year Capital Plan subject to available funds.
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 adjust the scope, phase, project cost, total budget, priority sequence, and funding source for the capital plan and report budget adjustments in the subsequent Five-Year Capital Plan.
5. The chancellor is authorized to adjust the scope and budget of 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.

¹ Includes Federal Funds request.

2024/2025 Capital Outlay Program Project List

Cost Estimates are at Engineering News Record California Construction Cost Index 10461 and Equipment Price Index 5000

ACADEMIC PROJECTS LIST (Dollars in 000s)

| Priority Order | Cate-gory | Campus | Project Title | FTE | Phase | Campus Reserves/ | | Total Budget | Cumulative Total Budget | Cumulative SRB-AP Budget |
|--------------------------------|-----------|-----------------|--|--------------|-------|-------------------|---------------------|---------------------|-------------------------|--------------------------|
| | | | | | | Other | SRB-AP ¹ | | | |
| 1 | IA/IB | Statewide | Infrastructure Improvements ² | N/A | PWC | 8,484 | 589,400 | 597,884 | 597,884 | 589,400 |
| 2 | IA | Chico | Utilities Infrastructure ³ | N/A | PWC | 6,401 | 113,900 | 120,301 | 718,185 | 703,300 |
| 3 | IA | Sonoma | Utilities Infrastructure (Water) ⁴ | N/A | WC | 0 | 44,646 | 44,646 | 762,831 | 747,946 |
| 4 | IA | East Bay | Library Seismic (West Wing Relocations) | 0 | PWCE | 3,429 | 30,858 | 34,287 | 797,118 | 778,804 |
| 5 | IB | Long Beach | Peterson Hall 1 Replacement Bldg (Seismic) | -2,221 | CE | 15,000 | 159,788 | 174,788 | 971,906 | 938,592 |
| 6 | II | San Marcos | Integrated Sciences & Engineering | 555 | CE | 5,488 | 65,493 | 70,981 | 1,042,887 | 1,004,085 |
| 7 | IB | Dominguez Hills | Natural Science & Math Bldg Renovation (Seismic) | 198 | WCE | 0 | 90,634 | 90,634 | 1,133,521 | 1,094,719 |
| 8 | II | Fullerton | Science Laboratory Replacement (Seismic) | 205 | PWCE | 12,819 | 115,371 | 128,190 | 1,261,711 | 1,210,090 |
| 9 | IB | Sacramento | Engineering Replacement Building | 83 | PWCE | 9,635 | 151,428 | 161,063 | 1,422,774 | 1,361,518 |
| 10 | IB | Northridge | Sierra Hall Renovation | 0 | PWCE | 16,284 | 151,024 | 167,308 | 1,590,082 | 1,512,542 |
| 11 | II | Fresno | Concert Hall | 0 | WCE | 36,637 | 44,373 | 81,010 | 1,671,092 | 1,556,915 |
| 12 | IB | San Diego | Life Sciences Building, Ph. 1 | 0 | PWCE | 70,000 | 80,208 | 150,208 | 1,821,300 | 1,637,123 |
| 13 | II | Channel Islands | Early Childhood Care and Education Center | 75 | PWCE | 19,650 | 23,189 | 42,839 | 1,864,139 | 1,660,312 |
| 14 | IB | San Francisco | Thornton Hall Renewal | -580 | PWCE | 0 | 172,621 | 172,621 | 2,036,760 | 1,832,933 |
| 15 | II | Stanislaus | Classroom II | 1,917 | PWCE | 10,446 | 123,547 | 133,993 | 2,170,753 | 1,956,480 |
| 16 | II | Monterey Bay | Taylor Science & Engineering Bldg - Academic IV | 96 | PWCE | 23,950 | 56,178 | 80,128 | 2,250,881 | 2,012,658 |
| 17 | IA | Pomona | Library Building Renovation (Seismic) | N/A | PWCE | 2,000 | 76,659 | 78,659 | 2,329,540 | 2,089,317 |
| 18 | IB | San Luis Obispo | Space Recapture | 3,165 | PWCE | 5,000 | 33,055 | 38,055 | 2,367,595 | 2,122,372 |
| Total Academic Projects | | | | 3,493 | | \$ 245,223 | \$ 2,122,372 | \$ 2,367,595 | \$ 2,367,595 | \$ 2,122,372 |

SELF-SUPPORT / OTHER PROJECTS LIST (Dollars in 000s)

| Alpha Order | Cate-gory | Campus | Project Title | Spaces | Phase | Campus Reserves/ | | Total Budget | Cumulative Total Budget | Cumulative SRB-SS Budget |
|---|-----------|---------------|---|--------------|-------|-------------------|---------------------|---------------------|-------------------------|--------------------------|
| | | | | | | Other Budget | SRB-SS ⁵ | | | |
| 1 | IB | Fresno | Valley Children Stadium Mod - N Endzone Upgrades | N/A | PWC | 7,660 | 0 | 7,660 | 7,660 | 0 |
| 2 | IB | Los Angeles | Ctr for Academic Success/Ctr for Faculty Excellence | 0 | PWC | 15,000 | 0 | 15,000 | 22,660 | 0 |
| 3 | IB | San Francisco | Mary Park Hall Renovation | 200 | PWCE | 0 | 44,202 | 44,202 | 66,862 | 44,202 |
| 4 | IB | San Francisco | Mary Ward Hall Renovation | 200 | PWCE | 0 | 44,202 | 44,202 | 111,064 | 88,404 |
| Total Self-Support / Other Projects | | | | 400 | | \$ 22,660 | \$ 88,404 | \$ 111,064 | \$ 111,064 | \$ 88,404 |
| Grand Total Academic and Self-Support Projects | | | | 3,893 | | \$ 267,883 | \$ 2,210,776 | \$ 2,478,659 | \$ 2,478,659 | \$ 2,210,776 |

P = Preliminary Plans / W = Working Drawings / C = Construction / E = Equipment

Categories:

- I Existing Facilities/Infrastructure
 - A. Critical Infrastructure Deficiencies
 - B. Modernization/Renovation
- II Growth/New Facilities

Notes:

- ¹ SRB-AP: Systemwide Revenue Bonds - Academic Program
- ² The Infrastructure Improvements Program addresses smaller scale utility, building systems renewal, ADA, seismic strengthening, and minor upgrades. Projects are listed separately on the following page. [The list does not include State Deferred Maintenance or Cap & Trade funding requests.]
- ³ Projects in *red italics* have previously received approval by the Board of Trustees and Department of Finance, and are included only relative to the project funding total.
- ⁴ Projects in *italics* have been approved by the Board of Trustees and are included only relative to the project funding total.
- ⁵ SRB-SS: Systemwide Revenue Bonds - Self-Support Program

2024/2025 Infrastructure Improvements Program Project List

Cost Estimates are at Engineering News Record California Construction Cost Index 10461 and Equipment Price Index 5000

ACADEMIC PROJECTS¹

| Campus | Project Title | Phase | Campus Reserves/ Other Budget | SRB-AP Budget | Total Project Budget | Cumulative Total Project Budget |
|-------------------------|---|-------|----------------------------------|------------------|----------------------------|---------------------------------------|
| Bakersfield | Lecture Building Renovation | PWC | 0 | 1,870,000 | 1,870,000 | 1,870,000 |
| Bakersfield | Building #23 Remodel, Ph. 2 | PWC | 0 | 1,780,000 | 1,780,000 | 3,650,000 |
| Bakersfield | Classroom Building Renovation | PWC | 0 | 3,780,000 | 3,780,000 | 7,430,000 |
| Bakersfield | Administration Renovation | PWC | 0 | 1,640,000 | 1,640,000 | 9,070,000 |
| Channel Islands | Nursing Simulation Lab Expansion | PWCE | 0 | 5,659,000 | 5,659,000 | 14,729,000 |
| Channel Islands | Napa Hall HVAC Upgrades | PWC | 0 | 1,655,000 | 1,655,000 | 16,384,000 |
| Channel Islands | EI Dorado Hall HVAC Upgrades | PWC | 0 | 1,539,000 | 1,539,000 | 17,923,000 |
| Chico | Title IX Facility Improvements | PWCE | 0 | 1,515,000 | 1,515,000 | 19,438,000 |
| Chico | Tribal Relations Relocation | PWC | 0 | 1,010,000 | 1,010,000 | 20,448,000 |
| Chico | Deen House Renovation | PWCE | 0 | 505,000 | 505,000 | 20,953,000 |
| Chico | Plumas Engr Lab Improvements | PWCE | 0 | 3,030,000 | 3,030,000 | 23,983,000 |
| Chico | Plumas Digital Media Lab Improvements | PWCE | 0 | 505,000 | 505,000 | 24,488,000 |
| Chico | 388 Orange Street Renovation | PWCE | 0 | 10,989,000 | 10,989,000 | 35,477,000 |
| Dominguez Hills | Pool Infrastructure & Equipment Upgrade | PWC | 0 | 2,016,000 | 2,016,000 | 37,493,000 |
| Dominguez Hills | Satellite Central Plant | PWC | 0 | 8,144,000 | 8,144,000 | 45,637,000 |
| East Bay | Resilient Microgrid | PWC | 330,000 | 3,038,000 | 3,368,000 | 49,005,000 |
| East Bay | Accessibility Upgrades | PWC | 278,000 | 2,534,000 | 2,812,000 | 51,817,000 |
| East Bay | Lighting Upgrades | PWC | 330,000 | 3,038,000 | 3,368,000 | 55,185,000 |
| East Bay | Storm Drain Improvement | PWC | 220,000 | 2,025,000 | 2,245,000 | 57,430,000 |
| East Bay | Sanitary Sewer System Improvement | PWC | 275,000 | 2,531,000 | 2,806,000 | 60,236,000 |
| East Bay | Fire Hydrant Pressure Improvement | PWC | 200,000 | 1,823,000 | 2,023,000 | 62,259,000 |
| Fresno | ADA Upgrades | PWC | 0 | 11,312,000 | 11,312,000 | 73,571,000 |
| Fresno | Secured Access (Rekey) | C | 0 | 1,234,000 | 1,234,000 | 74,805,000 |
| Fresno | Exterior Building Systems Replacement | PWC | 0 | 3,533,000 | 3,533,000 | 78,338,000 |
| Fresno | Telecommunications | PWC | 0 | 2,929,000 | 2,929,000 | 81,267,000 |
| Fullerton | Nutwood Pedestrian Bridge | PWC | 809,000 | 8,087,000 | 8,896,000 | 90,163,000 |
| Fullerton | Secondary MDF (Backbone Cabling Dist. Point) | PWC | 202,000 | 2,020,000 | 2,222,000 | 92,385,000 |
| Fullerton | Campuswide Confined Space Upgrades | PWC | 66,000 | 662,000 | 728,000 | 93,113,000 |
| Fullerton | Campuswide Fire/Life Safety & ADA Remediation | PWC | 151,000 | 1,510,000 | 1,661,000 | 94,774,000 |
| Fullerton | Secondary Data Center | PWC | 453,000 | 4,525,000 | 4,978,000 | 99,752,000 |
| Fullerton | Campuswide HazMat Survey | PWC | 90,000 | 900,000 | 990,000 | 100,742,000 |
| Humboldt | Accessibility Improvements | PWC | 0 | 9,345,000 | 9,345,000 | 110,087,000 |
| Humboldt | Gist Hall Renewal | PWC | 2,307,000 | 2,000,000 | 4,307,000 | 114,394,000 |
| Long Beach | LIB Sunken Courtyard ADA Compliance | PWC | 0 | 1,515,000 | 1,515,000 | 115,909,000 |
| Long Beach | Corp Yard Replacement Facility | PWC | 0 | 1,515,000 | 1,515,000 | 117,424,000 |
| Long Beach | MSX HVAC Merv Filter Upgrades | PWC | 0 | 1,515,000 | 1,515,000 | 118,939,000 |
| Long Beach | Friendship Walk ADA, Ph. 1 - CP/USU Stair | PWC | 0 | 2,280,000 | 2,280,000 | 121,219,000 |
| Long Beach | Friendship Walk ADA, Ph. 2 - West Turn Stair | PWC | 0 | 736,000 | 736,000 | 121,955,000 |
| Long Beach | MSX Pneumatic Control Conversion to DDC | PWC | 0 | 2,020,000 | 2,020,000 | 123,975,000 |
| Long Beach | Microbiology Exhaust System Upgrades | PWC | 0 | 12,120,000 | 12,120,000 | 136,095,000 |
| Long Beach | FO3 AHU Replacement & DDC Upgrades for VAVs | PWC | 0 | 1,161,000 | 1,161,000 | 137,256,000 |
| Los Angeles | Administration Building Demolition | PWC | 0 | 12,258,000 | 12,258,000 | 149,514,000 |
| Los Angeles | Critical Structural Repair Water Intrusion | PWC | 0 | 15,150,000 | 15,150,000 | 164,664,000 |
| Maritime Academy | Facilities Grounds Replacement Building | PWC | 0 | 2,752,000 | 2,752,000 | 167,416,000 |
| Maritime Academy | Lower Campus ADA Improvements | PWC | 23,000 | 705,000 | 728,000 | 168,144,000 |
| Maritime Academy | Power Metering & Demand Response Capability | PWC | 0 | 914,000 | 914,000 | 169,058,000 |
| Maritime Academy | Classroom Building & Electrical Repairs | PWC | 0 | 1,450,000 | 1,450,000 | 170,508,000 |

2024/2025 Infrastructure Improvements Program Project List

Cost Estimates are at Engineering News Record California Construction Cost Index 10461 and Equipment Price Index 5000

ACADEMIC PROJECTS¹ continued

| Campus | Project Title | Phase | Campus Reserves/ Other Budget | SRB-AP Budget | Total Project Budget | Cumulative Total Project Budget |
|-----------------------|--|-------|----------------------------------|---------------|----------------------|---------------------------------|
| Monterey Bay | Mechatronics Laboratory Space | PWC | 0 | 3,030,000 | 3,030,000 | 173,538,000 |
| Monterey Bay | Infrastructure Improvements | WC | 0 | 1,400,000 | 1,400,000 | 174,938,000 |
| Monterey Bay | Greenhouses | PWC | 0 | 2,255,000 | 2,255,000 | 177,193,000 |
| Monterey Bay | ADA Projects | WC | 0 | 404,000 | 404,000 | 177,597,000 |
| Monterey Bay | Energy Efficiency Projects | PWC | 0 | 606,000 | 606,000 | 178,203,000 |
| Monterey Bay | Seismic Projects | C | 0 | 808,000 | 808,000 | 179,011,000 |
| Monterey Bay | Telecom Infrastructure Modernization | PWC | 0 | 404,000 | 404,000 | 179,415,000 |
| Northridge | Perimeter Building Security Controls Upgrade | PWC | 0 | 1,005,000 | 1,005,000 | 180,420,000 |
| Northridge | N. Field Substation Replace & Baseball Lighting Imp. | PWC | 0 | 3,715,000 | 3,715,000 | 184,135,000 |
| Northridge | University Library Life Safety & Exiting | PWC | 0 | 4,848,000 | 4,848,000 | 188,983,000 |
| Northridge | Gunshot Detection System & Security Cameras Upgrade | PWC | 0 | 1,262,000 | 1,262,000 | 190,245,000 |
| Northridge | Sanitary & Storm Mains Improvements | PWC | 0 | 3,535,000 | 3,535,000 | 193,780,000 |
| Northridge | Plummer Street Renewal & ADA Improvements | PWC | 0 | 3,795,000 | 3,795,000 | 197,575,000 |
| Northridge | Live Oak Hall Elevator & ADA Improvement | PWC | 0 | 3,200,000 | 3,200,000 | 200,775,000 |
| Pomona | Kellogg Drive & E Campus Drive Roadway Reconfiguration | PWC | 1,500,000 | 18,098,000 | 19,598,000 | 220,373,000 |
| Sacramento | ADA Upgrades | PWC | 0 | 3,467,000 | 3,467,000 | 223,840,000 |
| Sacramento | All-Gender Restrooms/Mothers Room | PWC | 0 | 1,010,000 | 1,010,000 | 224,850,000 |
| Sacramento | Domestic Water Upgrades, Ph. 1 | PWC | 0 | 3,205,000 | 3,205,000 | 228,055,000 |
| Sacramento | Shelter in Place/Electronic Locks | PWC | 0 | 1,939,000 | 1,939,000 | 229,994,000 |
| Sacramento | ADA Restrooms | PWC | 0 | 3,393,000 | 3,393,000 | 233,387,000 |
| Sacramento | Occupational Health Therapy Remodel | PWC | 0 | 4,321,000 | 4,321,000 | 237,708,000 |
| San Bernardino | Storm Water Flood Prevention Infrastructure | PWC | 0 | 1,008,000 | 1,008,000 | 238,716,000 |
| San Bernardino | Access Barrier Removal | PWC | 0 | 1,009,000 | 1,009,000 | 239,725,000 |
| San Bernardino | All-Gender Restrooms | PWC | 0 | 1,714,000 | 1,714,000 | 241,439,000 |
| San Bernardino | Tennis Courts Resurfacing | PWC | 0 | 1,208,000 | 1,208,000 | 242,647,000 |
| San Bernardino | Drought Tolerant Landscaping | PWC | 0 | 1,050,000 | 1,050,000 | 243,697,000 |
| San Bernardino | Visual Arts / RAFFMA Humidity Control | PWC | 0 | 1,918,000 | 1,918,000 | 245,615,000 |
| San Bernardino | Building 23 Renewal | PWC | 0 | 525,000 | 525,000 | 246,140,000 |
| San Bernardino | Handball/Racquetball Courts Demolition | PWC | 0 | 3,022,000 | 3,022,000 | 249,162,000 |
| San Bernardino | Old Physical Education Pool Demolition | PWC | 0 | 3,534,000 | 3,534,000 | 252,696,000 |
| San Diego | Campuswide Utilities Upgrade 2 | PWC | 0 | 23,446,000 | 23,446,000 | 276,142,000 |
| San Diego | Chemistry & Life Sciences Instructional Space Upgrade | PWCE | 0 | 3,030,000 | 3,030,000 | 279,172,000 |
| San Francisco | Hensill Hall Sprinkler & Fire Alarm Improvements | PW | 0 | 6,391,000 | 6,391,000 | 285,563,000 |
| San Francisco | Advising (Old Admin) Building Seismic Upgrade | PWC | 0 | 10,340,000 | 10,340,000 | 295,903,000 |
| San Francisco | Hensill Hall Elevator Renewal | PW | 0 | 2,984,000 | 2,984,000 | 298,887,000 |
| San Francisco | Cox Stadium ADA Upgrades | PWC | 0 | 2,323,000 | 2,323,000 | 301,210,000 |
| San José | Main Campus Exterior Lighting Upgrades | PWC | 0 | 2,982,000 | 2,982,000 | 304,192,000 |
| San José | Moss Landing Sea Water Pump Upgrades | PWC | 0 | 1,212,000 | 1,212,000 | 305,404,000 |
| San José | Sanitary Sewer Infrastructure Improvements | PWC | 0 | 1,516,000 | 1,516,000 | 306,920,000 |
| San José | Utility Infrastructure Improvement, Areas 3, 4, & 5 | PWC | 0 | 7,514,000 | 7,514,000 | 314,434,000 |
| San José | South Campus Domestic Water Improvement | PWC | 0 | 2,797,000 | 2,797,000 | 317,231,000 |
| San José | Central Plant Auxiliary Boiler NOX Installation | PWC | 0 | 2,424,000 | 2,424,000 | 319,655,000 |
| San José | Central Plant Controls Upgrades | PWC | 0 | 1,454,000 | 1,454,000 | 321,109,000 |
| San José | Turbine Speed Controller Upgrades | PWC | 0 | 663,000 | 663,000 | 321,772,000 |
| San José | Campus Security Camera Network Improvements | PWC | 0 | 3,959,000 | 3,959,000 | 325,731,000 |

2024/2025 Infrastructure Improvements Program Project List

Cost Estimates are at Engineering News Record California Construction Cost Index 10461 and Equipment Price Index 5000

ACADEMIC PROJECTS¹ continued

| Campus | Project Title | Phase | Campus Reserves/ Other Budget | SRB-AP Budget | Total Project Budget | Cumulative Total Project Budget |
|---|---|-------|----------------------------------|-----------------------|----------------------------|---------------------------------------|
| San Luis Obispo | Water Reclamation Facility | C | 0 | 20,873,000 | 20,873,000 | 346,604,000 |
| San Luis Obispo | Higher Capacity Boiler Expansion Tanks | PWC | 0 | 859,000 | 859,000 | 347,463,000 |
| San Luis Obispo | Storm Drain Upsize | PWC | 0 | 525,000 | 525,000 | 347,988,000 |
| San Luis Obispo | Water Purchase & Conveyance | A | 1,250,000 | 0 | 1,250,000 | 349,238,000 |
| San Marcos | Centralized Solar & Energy Storage | PWCE | 0 | 5,026,000 | 5,026,000 | 354,264,000 |
| San Marcos | Maker Space | PW | 0 | 1,333,000 | 1,333,000 | 355,597,000 |
| San Marcos | DSX Locking Systems | PWCE | 0 | 1,205,000 | 1,205,000 | 356,802,000 |
| Sonoma | Accessibility ADA Upgrades | PWC | 0 | 9,083,000 | 9,083,000 | 365,885,000 |
| Sonoma | Schulz Info Ctr & Darwin Hall ER Power Upgrades | PWC | 0 | 2,020,000 | 2,020,000 | 367,905,000 |
| Stanislaus | ADA Barrier Removal | PWC | 0 | 1,335,000 | 1,335,000 | 369,240,000 |
| Stanislaus | Art Sculpture Studio & ADA Restrooms | PWCE | 0 | 6,805,000 | 6,805,000 | 376,045,000 |
| Stanislaus | Naraghi Hall Ventilation Reduction | PWC | 0 | 1,603,000 | 1,603,000 | 377,648,000 |
| Stanislaus | Naraghi Chiller Pumps | PWC | 0 | 906,000 | 906,000 | 378,554,000 |
| Stanislaus | Campus Wayfinding | PWC | 0 | 654,000 | 654,000 | 379,208,000 |
| Stanislaus | Stockton-Acacia Hall DM & Selective Demolition | PWC | 0 | 38,676,000 | 38,676,000 | 417,884,000 |
| Systemwide | HVAC & Electrical Upgrades | PWC | 0 | 60,000,000 | 60,000,000 | 477,884,000 |
| Systemwide | Resiliency/Energy/Water Projects | PWC | 0 | 60,000,000 | 60,000,000 | 537,884,000 |
| Systemwide | Critical Infrastructure/Seismic | PWC | 0 | 60,000,000 | 60,000,000 | 597,884,000 |
| Total ACADEMIC Infrastructure Improvements Program | | | \$ 8,484,000 | \$ 589,400,000 | \$ 597,884,000 | \$ 597,884,000 |

A = Acquisition / P = Preliminary Plans / W = Working Drawings / C = Construction / E = Equipment

Notes:

¹ The Infrastructure Improvements Program addresses smaller scale utility, building systems renewal, ADA, seismic strengthening, & minor upgrades.
 [The list does not include State Deferred Maintenance or Cap & Trade funding requests.]

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State University, Long Beach Hillside North Student Housing Schematic Design Approval

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Dr. Jane Close Conoley
President
California State University, Long Beach

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This agenda item requests approval of schematic plans for the California State University, Long Beach Hillside North Student Housing project.

Hillside North Student Housing

Project Architect: Perkins & Will

Construction Manager at Risk Contractor: Swinerton Builders

Background and Scope

California State University, Long Beach (CSULB) proposes to design and construct a new residence hall complex (#103A-C¹) which consists of three five-story buildings. The new residence halls will provide a total of 71,330 assignable square feet (ASF)/108,760 gross square feet (GSF) and 424 beds. The project will be located northeast of the existing Hillside Village student housing complex (#62A-F), north of the existing Los Alamitos Hall (#60), and east of the parking lot G4. This project was approved for funding in 2022-2023 from the State's Higher Education Student Housing Grant Program (HESHGP) to provide affordable student housing. As part of the 2023-24 state budget, the state one-time HESHGP funding will be replaced with CSU Systemwide Revenue Bonds supported by an on-going state appropriation. The Board of Trustees approved this funding swap in the July 2023 meeting. CSULB will seek future Board of Trustees

¹ The facility number is shown on the master plan map and recorded in the Space and Facilities Database.

approval of Systemwide Revenue Bond financing for the self-support portion of the project funding. The grant program allows affordable beds to be located across the university inventory of new beds and the existing student housing inventory.

California State University, Long Beach is a vibrant, diverse university community of more than 38,000 students located in Los Angeles County. Sixty-four percent of CSULB students are low-income students and thirty-eight percent of CSULB student housing residents are eligible for Cal Grants. As one of the largest CSU universities, CSULB's existing housing capacity of 2,895 beds can accommodate 8% of the student population; more than 2,000 students are on this year's housing waitlist. In a city and region where the cost of living is at an all-time high and continuing to increase, providing affordable housing to CSULB students is critical for student retention and success.

This proposed student housing project will provide much needed affordable housing to designated low-income students, reducing the total cost of attendance, bolstering direct access to affordable student housing for those students in the most need, and improving student retention and graduation rates. In addition, this project will expand the partnership with Long Beach Community College (LBCC) through the Long Beach College Promise initiative, which allows for a seamless transition for LBCC students into CSU residential life.

The new student housing buildings will provide 412 affordable student beds which consist of a mixture of single and double occupancy dormitory rooms and 12 resident advisor (RA) beds. The proposed project aims to foster a greater sense of community. Each residence floor will form a living community with resident-to-RA ratio of 35:1. A typical residence floor includes dormitory rooms, restrooms, showers, lounges, and study rooms. The ground floor provides shared kitchens, a multipurpose room, community laundry room, and small music practice rooms. The new student residence buildings will also house a Counseling and Psychological Services satellite office, student housing administrative offices, and three housing staff apartments. The green open space and main path through new housing buildings will create an inviting entrance and connections between student housing and the rest of campus, and provide outdoor space for studying, relaxing, and activities.

The new student housing buildings are five-story concrete framed non-combustible structures connected by elevated walkways. The proposed project will meet the requirements of the CSU Sustainability Policy. It is currently designed to achieve Leadership in Energy and Environmental Design (LEED) Silver equivalent or greater and will be a net zero energy building. Net zero energy design for new buildings on campus is required to meet the 2030 and 2040 decarbonization goals established systemwide. Notable sustainability features include low flow water fixtures, reclaimed water usage for water closets and irrigation, energy efficient heat pump water heater, drought-tolerant landscaping, LED lighting with occupancy sensors and daylight controls, energy efficient HVAC and control system interfacing with operable windows, and solar panel power generation.

Timing (Estimated)

| | |
|------------------------------------|--------------|
| Completion of Preliminary Drawings | October 2023 |
| Completion of Working Drawings | January 2024 |
| Start of Construction | June 2024 |
| Occupancy | June 2026 |

Basic Statistics

| | |
|--|---------------------|
| Gross Building Area | 108,760 square feet |
| Assignable Building Area (CSU ²) | 71,330 square feet |
| Net Useable Building Area (FICM ³) | 94,620 square feet |
| Efficiency (CSU) | 66 percent |
| Efficiency (FICM) | 87 percent |

Cost Estimate – California Construction Cost Index (CCCI) 8287⁴

| | |
|-------------------------------|--------------|
| Building Cost (\$685 per GSF) | \$74,516,000 |
|-------------------------------|--------------|

| <i>Systems Breakdown</i> | <i>(\$ per GSF)</i> |
|--|---------------------|
| a. Substructure (Foundation) | \$ 18.83 |
| b. Shell (Structure and Enclosure) | \$ 184.90 |
| c. Interiors (Partitions and Finishes) | \$ 98.62 |
| d. Services (HVAC, Plumbing, Electrical, Fire) | \$ 229.69 |
| e. Built-in Equipment and Furnishings | \$ 8.66 |
| f. Special Construction and Demolition | \$ 13.18 |
| g. General Requirements/Conditions and Insurance | \$ 131.24 |

| | |
|------------------|---------------------|
| Site Development | <u>\$12,088,000</u> |
|------------------|---------------------|

| | |
|-------------------|--------------|
| Construction Cost | \$86,604,000 |
|-------------------|--------------|

| | |
|-----------------------------|---------------------|
| Fees, Contingency, Services | <u>\$25,339,000</u> |
|-----------------------------|---------------------|

² Assignable building area is based on CSU policy.

³ Net useable building area is greater than assignable building area by including corridors, restrooms, mechanical rooms, etc., based on the definitions of the Postsecondary Education Facilities Inventory & Classification Manual (FICM).

⁴ The July 2022 Engineering News-Record California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

| | |
|---|----------------------|
| Total Project Cost (\$1,029 per GSF) | \$111,943,000 |
| Fixtures, Furniture & Movable Equipment | <u>\$3,879,000</u> |
| Grand Total | <u>\$115,822,000</u> |

Cost Comparison

The student housing building's cost of \$685 per GSF is lower than the \$760 per GSF for the West Campus Green Student Housing and Health Center at San Francisco State University approved in January 2023, the \$689 per GSF for the Affordable Student Housing Buildings #22 and #23 at CSU Northridge approved in July 2022, and higher than the \$551 per GSF for the Student Housing project at Cal Poly Humboldt approved in January 2023, and the \$580 per GSF for the University Village Housing and Dining project at CSU San Marcos approved in May 2023, all adjusted to CCCI 8287.

The Cal Poly Humboldt project is a much larger scale consisting of 964 beds and 303,000 GSF as the key factor in the lower cost per square foot compared to the proposed project. The CSU San Marcos project is also larger (137,000 GSF) than the proposed project. The Long Beach project includes a reclaimed water system that has a higher first cost, but lower operating cost.

Funding Data

This project was approved for funding (\$53,300,000) in 2022-2023 from the State's Higher Education Student Housing Grant Program (HESHGP). As part of the 2023-24 state budget, the one-time state grant funds will be replaced with CSU Systemwide Revenue Bonds debt supported by an ongoing state appropriation. This project will also be co-funded with CSU Systemwide Revenue Bonds (\$47,522,000) for self-support programs and CSU Long Beach Housing and Residential Life Auxiliary reserves (\$15,000,000). The board will be asked at a future meeting to consider the approval of the CSU Systemwide Revenue Bond financing for the self-support portion of the project funding.

California Environmental Quality Act (CEQA) Action

The proposed project is exempt under the Categorical Exemption guidelines for California Environmental Quality Act (CEQA). This exemption applies to infill development projects that are consistent with applicable land use plans; on sites of no more than five acres, with no habitat value for sensitive species, that are substantially surrounded by urban uses and can be adequately served by public utilities and services; and that would not result in significant traffic, noise, air quality, or water quality impacts.

Supporting documentation for the categorical exemption is available for review at: <https://www.csulb.edu/beach-building-services/california-environmental-quality-act-ceqa-compliance>

Recommendation

The following resolution is recommended for approval:

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

1. The California State University, Long Beach Hillside North Student Housing project will benefit the California State University.
2. The California State University, Long Beach Hillside North Student Housing project qualifies for a categorical exemption from CEQA and a Notice of Exemption shall be filed following project approval (Guidelines § 15062(a)).
3. Applicable mitigation measures adopted in conjunction with the Campus Master Plan approval and Final EIR certification in 2008 shall be implemented, monitored, and reported in accordance with the requirements of CEQA (Cal. Pub. Res. Code § 21081.6).
4. The schematic plans for the California State University, Long Beach Hillside North Student Housing project are approved at a project cost of \$115,822,000 at CCCI 8287.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building Schematic Design Approval

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Tomás D. Morales
President
California State University, San Bernardino

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This agenda item requests the California State University Board of Trustees approve schematic plans for the Student Services Building project at the California State University, San Bernardino Palm Desert Off-Campus Center (Palm Desert Campus).

Project Background and Scope

Architect: LPA, Inc.
Construction Manager at Risk Contractor: C.W. Driver

California State University, San Bernardino (CSUSB) proposes to design and construct a new 26,042 assignable square feet (ASF)/43,305 gross square feet (GSF) Student Services Building (#10¹) at the Palm Desert Campus (PDC) to address existing space deficiencies and accommodate modest expansion of this off-campus center. The most recent Master Plan was approved by the Board of Trustees in 2018 to guide the future growth and development of the university. This project is the first step in implementing the vision of the revised Master Plan.

The Palm Desert Campus is centrally located in the heart of Coachella Valley and serves a diverse community that is geographically isolated from public higher education. Thirty-eight percent of the population in Coachella Valley are historically underrepresented minorities with only 17% of

¹ The facility number is shown on the master plan map and recorded in the Space and Facilities Database.

the population having a bachelor’s degree. Expanding the Palm Desert Campus is crucial to support the higher education needs in the Coachella Valley.

Over the last two decades, the Palm Desert Campus has seen consistent growth in its student population. The campus now serves over 2,200 students (1,887 FTE in Fall 2022) driving a need for dedicated space for student support programs, health and wellness, student gathering space and food/dining options on campus. This proposed project will provide equitable student support services and student amenities at the Palm Desert Campus compared to those available for students at the San Bernardino main campus. The first floor of the new Student Services Building will house the library, campus bookstore, student health center, multi-purpose room, food service, and campus safety office. The second floor will include the Academic Support Center, administrative offices for student support programs, meeting and student club spaces.

The two-story facility will be a steel moment framed structure with ultra high-performance concrete panels for durability. The building is intentionally oriented to the north with an attached 40-foot-high shade canopy to provide solar protection for the building and extend outdoor learning and social space for students in milder months. The roof covering will utilize a single-ply membrane system. The new building is currently designed to achieve Leadership in Energy and Environmental Design (LEED) Silver Certification. Sustainable design features include LED lighting, low-flow plumbing fixtures, drought-tolerant landscaping, and rooftop solar photovoltaic panels.

In addition to the new Student Services Building, approximately 10,200 square feet of vacated space in three existing buildings, (Mary Stuart Rogers Gateway (#2), Indian Wells Center for Educational Excellence (#2A), and Health Sciences (#2B)), will be renovated and repurposed for classrooms, faculty offices, instructional support, and administrative support space to accommodate programs that are currently located in leased space off-campus.

Timing (Estimated)

| | |
|-----------------------------|---------------|
| Preliminary Plans Completed | January 2024 |
| Working Drawings Completed | February 2025 |
| Construction Start | May 2025 |
| Occupancy (New Building) | January 2027 |
| Occupancy (Renovation) | January 2028 |

Basic Statistics

| | |
|--------------------------------------|--------------------|
| <u>New Student Services Building</u> | |
| Gross Building Area | 43,305 square feet |

| | |
|--|--------------------|
| Assignable Building Area (CSU ²) | 26,042 square feet |
| Net Useable Building Area (FICM ³) | 42,120 square feet |
| Efficiency (CSU) | 60 percent |
| Efficiency (FICM) | 97 percent |

Renovation

| | |
|----------------------------------|--------------------|
| Gross Building Area | 10,254 square feet |
| Assignable Building Area (CSU) | 10,254 square feet |
| Net Useable Building Area (FICM) | 10,254 square feet |
| Efficiency (CSU) | 100 percent |
| Efficiency (FICM) | 100 percent |

Cost Estimate – California Construction Cost Index (CCCI) 8287⁴

New Student Services Building Cost (\$840 per GSF) \$36,358,000

| | | |
|--|---------------------|--|
| <i>Systems Breakdown</i> | <i>(\$ per GSF)</i> | |
| a. Substructure (Foundation) | \$ 26.63 | |
| b. Shell (Structure and Enclosure) | \$ 246.51 | |
| c. Interiors (Partitions and Finishes) | \$ 129.06 | |
| d. Services (HVAC, Plumbing, Electrical, Fire) | \$ 277.73 | |
| e. Built-in Equipment and Furnishings | \$ 10.65 | |
| f. Special Construction and Demolition | \$ 0.00 | |
| g. General Requirements/General Conditions and Insurance | \$ 149.00 | |

Renovation Building Cost (\$160 per GSF) \$1,637,000

| | | |
|--|---------------------|--|
| <i>Systems Breakdown</i> | <i>(\$ per GSF)</i> | |
| a. Interiors (Partitions and Finishes) | \$ 37.94 | |
| b. Services (HVAC, Plumbing, Electrical, Fire) | \$ 78.21 | |
| c. Special Construction and Demolition | \$ 9.75 | |
| d. General Requirements/General Conditions and Insurance | \$ 33.70 | |

Site Development 12,654,000

Construction Cost \$50,649,000
 Fees, Contingency, Services 22,931,000

² Assignable building area is based on CSU policy.

³ Net useable building area is greater than assignable building area by including corridors, restrooms, mechanical rooms, etc., based on the definitions of the Postsecondary Education Facilities Inventory & Classification Manual (FICM).

⁴ The July 2022 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

| | |
|---|---------------------|
| Total Project Cost (\$1374 per GSF) | \$73,580,000 |
| Fixtures, Furniture and Movable Equipment | <u>5,420,000</u> |
| Grand Total | <u>\$79,000,000</u> |

Cost Comparison

This project's new construction building cost of \$840 per GSF is higher than the \$665 per GSF for the California State University, Monterey Bay Student Union Building project approved in November 2016, the \$609 per GSF new construction building cost for the California State University, San Bernardino Student Union Renovation and Expansion project approved in November 2017, and the \$628 per GSF for the California State University, Fresno New Student Union project approved in September 2019, all adjusted to CCCI 8287.

The higher building cost for the new construction is primarily due to the relatively small building size which significantly increases the building cost per square foot. The higher cost also reflects the nature of the building systems which require a new local chiller plant to support the building and robust HVAC and electrical systems in repose to the extreme weather and hotter climate in Palm Desert, in addition to inflation and construction escalation.

This project's renovation cost of \$160 per GSF is lower than the \$289 per GSF in the CSU Cost Guide at CCCI 8287 for the renovation of administrative buildings due to the minimal renovation required to re-purpose vacated spaces in existing buildings.

Funding Data

The project was initially provided with one-time funding (\$79,000,000) in the 2022-23 State Budget Act. As part of the 2023-24 state budget, the one-time state appropriation (\$79,000,000) will be replaced with CSU Systemwide Revenue Bonds supported by an increase to CSU's on-going state appropriation. The Board of Trustees approved this funding swap in the July 2023 meeting.

California Environmental Quality Act (CEQA) Action

This project was included in the Final Environmental Impact Report (EIR) prepared for the California State University, San Bernardino Palm Desert Off-Campus Center Campus Master Plan and certified by the Board of Trustees in January 2018. The University prepared a Finding of Consistency in June 2023 that concluded the project would have no new or greater significant environmental impacts beyond those already identified in the 2018 Master Plan Final EIR, and all potentially significant impacts resulting from the project have been eliminated or substantially

lessened through mitigation measures already adopted in conjunction with the 2018 Master Plan Final EIR. The Finding of Consistency is available for review at:
<https://www.csusb.edu/facilities-planning-management/current-projects>

Recommendation

The following resolution is presented for approval:

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

1. The California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building project is within the scope of activities anticipated in the physical Campus Master Plan and analyzed in the Final EIR approved by the Board of Trustees in January 2018.
2. Applicable mitigation measures adopted in conjunction with Campus Master Plan approval and Final EIR certification in January 2018 shall be implemented, monitored, and reported in accordance with the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code § 21081.6).
3. The California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building project will benefit the California State University.
4. The schematic plans for the California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building project are approved at a project cost of \$79,000,000 at CCCI 8287.

AGENDA

COMMITTEE ON EDUCATIONAL POLICY

Meeting: 2:30 p.m., Tuesday, September 12, 2023
Glenn S. Dumke Auditorium

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie
José Antonio Vargas

Consent 1. Approval of Minutes of the Meeting of May 23, 2023, *Action*
Discussion 2. Chancellor's Strategic Workgroup on Black Student Success, *Information*
3. Academic Planning, *Action*

**MINUTES OF MEETING OF
COMMITTEE ON EDUCATIONAL POLICY**

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

May 23, 2023

Members Present

Romey Sabalius, Chair
Diego Arambula, Vice Chair
Douglas Faigin
Jean Picker Firstenberg
Leslie Gilbert-Lurie
Maria Linares
Julia I. Lopez
Yammilette Rodriguez
Christopher Steinhauer

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Sabalius called the meeting to order.

Approval of the Consent Agenda

A motion to approve the consent agenda without discussion passed. The minutes from the meeting on March 21, 2023 were approved as submitted.

Professional and Continuing Education (PaCE)

Executive Vice Chancellor of Academic and Student Affairs Sylvia A. Alva introduced how PaCE programs have succeeded in expanding access and opportunity to adult learners. Dr. Alva invited California State University, Long Beach President Jane Conoley and California State University, Northridge President Erika Beck to highlight the opportunities for PaCE programs to grow enrollment and expand access to the CSU. President Conoley serves as chair and President Beck serves as vice chair of the CSU's Commission on Professional and Continuing Education.

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President Conoley gave an overview of how PaCE programs meet current workforce needs through industry partnerships, flexible course schedules and a variety of learning modalities including face-to-face, hybrid and online formats. Several university-specific programs were highlighted to demonstrate the application of these offerings and other ways PaCE supports life-long learners.

President Beck continued the presentation by outlining how California's competitive landscape and current trends in workforce gaps are key factors in shaping PaCE's strategic plans. She recommended several strategies to help the CSU extend, expand and elevate its vision of providing greater access to a broader market of higher education learners, including leveraging the unique strengths of PaCE into a broadened "all enrollment" strategy for the CSU, removing barriers that prevent PaCE's ability to meet the growing needs of adult learners and creating additional educational pathways and opportunities.

Trustees posed questions regarding opportunities to scale PaCE programs to generate increased profit and how participating in the National Council for State Authorization Reciprocity Agreements (NC-SARA) can help make PaCE and the CSU more competitive nationally. Several trustees applauded the strategies for advocacy shared in the presentation and voiced their support for implementing those strategies in the future.

Trustee Sabalius adjourned the Committee on Educational Policy.

COMMITTEE ON EDUCATIONAL POLICY

Chancellor’s Strategic Workgroup on Black Student Success

Presentation By

Dilcie D. Perez
Deputy Vice Chancellor, Academic and Student Affairs
Chief Student Affairs Officer

Thomas A. Parham
President
California State University Dominguez Hills
Co-chair, Chancellor’s Strategic Workgroup on Black Student Success

Summary

Graduation Initiative 2025 has contributed to increasing graduation rates systemwide, yet equity gaps still persist. Specifically, Black student enrollment and persistence continues to decline precipitously in the CSU. A strategic workgroup was formed by Interim Chancellor Jolene Koester last fall to address supporting and advancing Black student success. Members met regularly as a full workgroup as well as in smaller teams centered around such key topics such as attracting more Black students to the CSU, supporting student retention and persistence for Black students, examining campus culture and belonging, and exploring the role of faculty and staff in Black student success. The culmination of the workgroup’s efforts was a report published in June 2023 – one year following the CSU’s inaugural Juneteenth Symposium – articulating a set of 13 recommendations. The report urged the CSU and its 23 universities to think broadly and act boldly in a collective manner to lead institutional change. Download a copy of the report at [Advancing Black Student Success and Elevating Black Excellence | CSU \(calstate.edu\)](https://www.calstate.edu/advancing-black-student-success).

Background

In October 2022, Interim Chancellor Jolene Koester urged CSU leadership to redouble efforts in supporting and advancing Black student success and to answer the call of the inaugural Juneteenth Symposium hosted by the system in 2022. A workgroup was convened that encompassed representatives selected intentionally for both their expertise and knowledge in the areas of student success, and specifically Black student success, and who worked at a wide range of universities throughout the system. The Black Student Success Workgroup’s charge was to draft recommendations to advance a strategic plan to position the CSU as a nationwide leader in Black student outreach, recruitment, enrollment, persistence, success and graduation. Following their

work to establish the strategic direction and action steps to advance Black student success, the implementation of the workgroup's recommendations is to involve collaboration with a broad and inclusive cross-section of institutional stakeholders from across the system.

Specifically, the workgroup's recommendations were to focus on strategies to:

- Establish a definition of and framework for Black student success in the CSU. The framework should identify how we will operationalize and measure Black student success at the system and university levels.
- Examine and revise policies and practices that inhibit rather than facilitate progress in supporting Black student success in the CSU, while exploring opportunities to expand those found to be effective.
- Disaggregate underrepresented minority (URM) data to reveal and address disparities in educational outcomes and the Black student experience.
- Identify, disrupt and address the macro and micro aggressions, biases and assumptions that are brought into academic and co-curricular spaces.
- Increase faculty and employee development for equity-minded pedagogy, engagement with and support of Black students.

Approach

The workgroup determined it could not offer recommendations without first consulting the stakeholders these strategies were designed to serve. As a result, three virtual listening forums were hosted in February 2023. Each session focused on a specific stakeholder group: CSU Black students, CSU Black faculty and CSU Black staff. More than 250 stakeholders were engaged, with each listening forum averaging 80 or more participants from all 23 universities. Each forum included smaller break-out discussions hosted by a facilitator. In addition, the workgroup participated in an off-site retreat in March 2023, which included guest speakers providing additional perspectives from their lived experiences. They included a Project Rebound student, community college Umoja Success Program representatives and an executive from a nonprofit focused on Black student success.

As part of the overall charge to consider the framework for Black student success in the CSU, the workgroup chose to organize into smaller groups focused on specific levers that support Black excellence. Each group was encouraged to be bold in their aspirations and recommendations to reimagine Black excellence in the CSU and potentially for higher education as a whole.

These four groups included:

The Recruitment Cycle (Recruitment/ Application/Admission/Yield)

This group explored trends and opportunities for Black students beginning in K-12 that could lead to a greater percentage of eligibility, application, admittance and, ultimately, enrollment in a CSU. Specific attention was placed on technology enhancements, early interventions in academicpreparation and enrollment supports. There was ongoing discussion of marketing the CSU from the lens of Black excellence and what would make a Black student say "yes" to the CSU.

Student Retention, Persistence and Academic Success

This group evaluated strategies targeted specifically at Black students to increase retention after the first year and promote a higher percentage at the four-year and six-year graduation mark. Building on existing Graduation Initiative 2025 equity priority work, members explored what activities could bring back students who had left and what institutional supports are needed to ensure a student's academic success.

Campus Culture, Community and Belonging

This group considered what conditions create a campus culture where Black students feel like they matter and belong. Conversely, the group also considered what conditions within campus cultures are hindering student success. What obstacles (macro- and microaggressions, biases and assumptions) are brought into the academic and cocurricular spaces that the CSU needs to dismantle? Are there programs and services that should be implemented systemwide?

The Role of Faculty and Staff on Black Student Success

This group focused on strategies to support the recruitment and retention of Black faculty and staff, including helping to foster a community of care with access to peers with shared cultural values. From this framework, the group also discussed professional development opportunities for faculty and staff to engage in culturally specific activities; strategies to increase the development for equity-minded pedagogy; and practices that strengthen faculty and staff engagement with, and in support

13 Recommendations

The following 13 recommendations shift priorities and resources from an institutional perspective to one that centers Black excellence in Black students realizing their own potential and success.

1. Create and implement a CSU early outreach plan.

To advance a college-going culture across all regions of California, all 23 universities must establish a comprehensive early outreach plan for students, including Black students, to promote academic preparation and the pathway to a college degree, in partnership with K-12 schools and communities.

2. Develop a comprehensive enrollment strategy for Black students.

The percentage of Black students enrolled in the CSU is significantly less than the percentage of Black students in the system's prospective student pool. To address this gap, every university will develop an enrollment plan that specifies recruitment goals for Black students and strategies to achieve these goals.

3. Develop a comprehensive retention and persistence strategy for Black students.

Data show there remains a growing gap between Black student retention and persistence and their peers. To address this, each university will create a plan for personalized student support, enhanced advising, reenrollment and reengagement, and other practices and services that support retention.

4. Create welcoming and affirming spaces.

The ability for students to feel a sense of safety, belonging and affirmation is fundamental to their success. The CSU will invest in creating Black-designed and inspired campus spaces, living-and-learning residences in CSU housing, Black Resource Centers and culturally competent support on every campus.

5. Develop and implement inclusive and culturally relevant curriculum.

The CSU will provide professional development and support instructional faculty from all racial and ethnic backgrounds in developing inclusive, culturally relevant curriculum, evidence-based pedagogical methods and exemplary classroom management practices designed to support Black student success.

6. Standardize and increase Black faculty and staff recruitment and support.

The CSU will develop and implement a systemwide search criteria and process for hiring to ensure that selected candidates have a demonstrated knowledge, commitment and record of success in teaching, service and research with students who mirror the profile of the CSU's diverse students.

7. Invest in Black faculty and staff support.

To create a sense of belonging and community, all 23 universities will be expected to develop more opportunities for Black faculty and staff to gather and collaborate, including dedicated spaces, funded affinity groups and resources devoted to scholarly work and professional development.

8. Incorporate Black student success in faculty and staff evaluations.

Each university will partner with faculty and Academic Senate leaders to deeply embed student success and equity measures into the recruitment, tenure and promotion (RTP) process for faculty and the evaluation process for staff and administrators in both academic and student affairs divisions.

9. Implement a comprehensive enrollment marketing campaign.

As the CSU engages in its first comprehensive enrollment marketing campaign in more than a decade, the workgroup has identified that a necessary phase should be an enrollment campaign focused on prospective Black students and their families, by an agency that specializes in diverse communities.

10. Develop a structure and process for systemwide data-driven practices.

In alignment with Graduation Initiative 2025 and informed by existing institutional data, the CSU will create a comprehensive and cohesive infrastructure for CSU presidents and other university leaders to regularly consult disaggregated data and campus climate data to improve academic outcomes.

11. Create systemwide policies on addressing unprofessional conduct.

The CSU will articulate consistent policies and interventions that address student, staff and faculty conduct that diminishes Black student success but which falls short of the Title IX or discrimination, harassment and retaliation (DHR) thresholds, including macro- and micro-aggressions.

12. Launch the CSU Statewide Office for the Advancement of Black Excellence.

Supporting the recommendations in this report, the statewide office can serve as an organizational catalyst for all 23 universities by identifying promising practices, investing in their growth through CSU Black Community Grants and amplifying their impact within the system and potentially nationwide.

13. Create structures for systemwide accountability.

The system will have all CSU faculty, staff and administrators participate in an in-person professional development training on addressing anti-Blackness in higher education; undertake an audit to evaluate Black faculty and staff representation; and publish an annual progress report.

Next Steps

Following the publication of the report in June, workgroup co-chairs President Parham and Jiménez-Sandoval with Deputy Vice Chancellor Dilcie Perez have begun to meet with key stakeholders regarding the report recommendations. In addition, efforts have begun to advance a number of recommendations listed under systemwide commitments. For example, to support the implementation of a comprehensive enrollment marketing campaign cited in Recommendation 9, a Request for Proposal will seek out a marketing agency that specializes, and has a proven record, in communicating with culturally diverse communities. An additional Request for Proposal will be issued to universities inviting them to submit proposals for their respective campus to serve as the home for the new CSU Statewide Central Office for the Advancement of Black Excellence as directed in Recommendation 12.

The Chancellor's Office has also issued a self-assessment/inventory tool for universities to evaluate themselves based on the report's recommendations. This evaluation is designed to help inform actionable steps for all 23 campuses over the next 18 months with the support of one-time funding provided by the Chancellor's Office.

Conclusion

Advancing Black student success in the CSU requires that the system re-evaluate and, when necessary, reimagine long-held assumptions around student success. Stated simply and clearly, a one-size-fits-all approach to student success does not work. The CSU community must disrupt policies and procedures that inhibit rather than support the progress of Black students in the CSU. These recommendations are designed to be actionable and presume sufficient resources to provide for sound and sustainable programmatic implementation that will affect systemwide cultural change. The workgroup calls upon the 23 universities, faculty, staff, the Chancellor's Office and the Board of Trustees to actively engage in the implementation of the report.

COMMITTEE ON EDUCATIONAL POLICY

Academic Planning

Presentation By

Nathan S. Evans
Deputy Vice Chancellor, Academic and Student Affairs
Chief Academic Officer

Laura J. Massa
Interim Associate Vice Chancellor
Academic & Faculty Programs

Summary

In accordance with California State University (CSU) Board of Trustees policy established in 1963, this item summarizes academic program planning activity that has taken place since March 2023 and reflects a new summer review to help expedite campuses' ability to project new degree programs. The proposed resolution approves projections for academic degree programs and their addition to the Ten-Year Overview of Planned Programs as part of the CSU Academic Master Plan. Additionally, this item reaffirms the importance of the CSU Office of the Chancellor's work with campuses to support strategic degree program review and efforts to "assess periodically both the quantitative and qualitative viability of each undergraduate and graduate program in the total context of [their] offerings" and strengthen the role that performance review of all existing programs plays in the academic planning process to bolster innovation and reduce proliferation of degrees. This role was originally articulated in a foundational CSU policy document, AP 71-32 (**Attachment A**).

Background

Core to the mission of the CSU, the academic planning process ensures quality academic programs that advance diverse learners and serve regional and statewide skilled workforce needs. The CSU now must navigate through substantive enrollment and fiscal declines by setting its compass on long-term strategic innovation and appropriate growth of academic programs. Such long-range academic planning begins with well-informed ideas for new degree programs and is sustained by robust, periodic review of approved programs.

The objectives of this item are twofold: (1) to highlight a new summer projection cycle, in which 13 projections for new degree programs await Board of Trustees approval, and (2) to request that the Board re-affirm the role of the Chancellor's Office to work closely with campuses to support strategic program review and their efforts to assess the viability of all undergraduate and graduate programs, particularly those with sustained low enrollment and/or degrees awarded.

Degree Program Projections for Summer 2023

To further support the academic planning process and expand the opportunity for campuses to move their ideas forward for new academic degree programs, the CSU Office of the Chancellor added a summer submission cycle for new degree program projections. A new degree program proposal may be developed only after the Board of Trustees approves the degree program projection, which is a long-range plan to develop a degree program.

By June 30, 2023, campuses submitted their degree program projections and Ten-Year Overview of Planned Programs updated to reflect the addition of new projections (provided in **Attachment B**). The Ten-Year Overview details the campus' intention to develop the specified degree programs within the coming decade. New degree programs are planned in response to student demand, workforce need, faculty interest and licensure and accreditation requirements. Hence, degree program projection proposals are reviewed based on the explanations/evidence campuses provide in support of the following:

- A compelling rationale explaining how the projected subject areas constitute a coherent, integrated degree program that has potential value to students and meets CSU requirements for an academic program at the undergraduate or graduate level;
- The projected program's fit with the campus mission and strategic plan;
- Anticipated student demand;
- Workforce and societal needs;
- Employment opportunities for graduates; and
- Assessment of the required resources and campus commitment to allocating those resources at the start, after three years, and after five years from program implementation.

Projected Academic Degree Programs for Summer 2023

This summer, the Office of the Chancellor received 13 new proposals for degree program projections (eight bachelor's, four master's and one doctoral level) from six campuses, as summarized in the following table.

| CAMPUS | DEGREE DESIGNATION | PROJECTED PROGRAM TITLE | SUPPORT MODE | DELIVERY MODE | PROJECTED IMPLEMENTATION |
|------------------------|--------------------|---|--------------|----------------------|--------------------------|
| Channel Islands | BA | Asian American Studies | State | Face-face | 2027 |
| | BA | Emerging Media and Social Change | State | Hybrid | 2025 |
| | BS | Sustainable Agriculture | State | Face-face, Hybrid | 2027 |
| | MA | Early Childhood Studies | State | Online | 2025 |
| | DNP | Nursing Practice | State | Hybrid | 2026 |
| Chico | BA | Interdisciplinary Studies | State | Face-face | 2024 |
| | BS | Interdisciplinary Studies | State | Face-face | 2024 |
| | MS | Mathematics | State | Face-face | 2024 |
| East Bay | BA | Emergent Inclusive Performance | State | Face-face | 2024 |
| Sacramento | MA | Ethnic Studies | State | Face-face | 2025 |
| San José | BA | Music Technology | State | Face-face | 2024 |
| San Luis Obispo | BA | Women's, Gender and Queer Studies | State | Face-face | 2026 |
| | MS | Computer Engineering | State | Face-face | 2026 |

As was documented most recently in the March 2023 Board of Trustees item, the current degree program projections map to similar priorities:

- Workforce Needs (particularly in STEM, education and health disciplines)
 - Channel Islands | BS Sustainable Agriculture, MA Early Childhood Studies, DNP Nursing Practice
 - Chico | MS Mathematics
 - San José | BA Music Technology
 - San Luis Obispo | MS Computer Engineering
- Multidisciplinary Perspectives, Equity and Social Justice
 - Channel Islands | BA Asian American Studies, BA Emerging Media and Social Change
 - Chico | BA, BS Interdisciplinary Studies
 - East Bay | BA Emergent Inclusive Performance
 - Sacramento | MA Ethnic Studies
 - San Luis Obispo | BA Women's, Gender and Queer Studies

When new degree programs are projected, campuses must revise their Ten-Year Overviews of Projected Programs to include the new projections. The updated Ten-Year Overviews for each of the six campuses proposing new degree program projections are found in **Attachment B**.

After the Board of Trustees approves a degree program projection, the campus may begin developing a full degree implementation proposal, which is submitted to the Office of the Chancellor for review and final approval by the Chancellor as a program. A flowchart of the full degree program and approval process is shown in **Attachment C**.

Performance Review of Existing Major Programs

In light of challenging enrollment trends and the need for greater financial sustainability, we request that the Board of Trustees re-affirm the tenets of a foundational policy document entitled, the “Performance Review of Existing Major Programs” which is found in **Attachment A**. This memo requires that:

- All existing degree programs are reviewed periodically every 5-10 years to maintain and improve quality, and
- All low-enrolled and low-graduating programs are closely reviewed by the offering university--these are bachelor's programs conferring less than 10 degrees and master's programs conferring less than 5 degrees annually.

With the re-affirmation of this systemwide role, the Chancellor’s Office will emphasize the function program performance review plays in the academic planning process, and this will be reflected in the next regular submission of the CSU Academic Master Plan to be presented to the Board in March 2024. Universities will use data provided by the Chancellor’s Office on programs with low enrollment and degrees awarded to conduct additional analyses. We recognize that a number of programs conferring limited numbers of degrees may predominantly provide courses in service to general education or other university requirements. We will pre-identify some programs which may fall into these categories for the purpose of assisting universities in expediting the process. In line with these efforts, universities will also be asked to revisit their institutional policies on suspension and discontinuation of degree programs as part of their strategic academic planning.

Future Planning

The presentation of the summer projections to the Board of Trustees at this time advances the opportunity to explore how program development in the CSU can continue to meet workforce needs and student interest while being responsive to the pressing demands for increased enrollment and financial sustainability.

In the coming 2024 Academic Master Plan cycle, in addition to the traditional Campus Academic Plan components, the Office of the Chancellor will request and review two additional items:

- Credit-bearing credential programs
- All suspended and discontinued programs which will include full degrees and subprograms (e.g., concentrations, options, emphases)

Further, the Office of the Chancellor will reaffirm the value and importance of ongoing, periodic program review with attention to strategic enrollment planning and management, fiscal sustainability and workforce needs to minimize proliferation while optimizing growth of degree programs. Furthermore, the use of program review to facilitate strategic academic planning in the CSU is congruent with WSCUC standards of accreditation, which ensure the meaning and quality of degree programs through evidence-based continuous improvement.

Action Requested

The following resolutions are recommended for adoption and refer to a change in the CSU Academic Master Plan pertaining to new degree program projections and to the re-affirmation of the Chancellor's Office memo on performance reviews of existing degree programs, as described in this agenda item.

RESOLVED, by the Board of Trustees of the California State University, that the academic degree program projections proposed to be included in the Ten-Year Overview of Planned Programs as part of the Campus Academic Plans (as identified in Agenda Item 3 of the September 10-13, 2023 meeting of the Committee on Educational Policy) be approved and accepted for addition to the CSU Academic Master Plan and as the basis for necessary facility planning; and be it further

RESOLVED, that the 1971 California State University document, "Performance Review of Existing Major Programs" (AP 71-32) be re-affirmed to reinforce and strengthen the role program performance review plays in the strategic academic planning process, appropriate resource allocation and realistic goals for growth and innovation.

THE CALIFORNIA STATE COLLEGES
Office of the Chancellor
5670 Wilshire Boulevard
Los Angeles, California 90036

March 30, 1971

AP 71-32

TO: Vice Presidents for Academic Affairs
Deans of Academic Planning

FROM: Gerhard Friedrich *GR.*
State College Dean, Academic Planning

SUBJECT: Performance Review of Existing Degree Major Programs

In his memo of July 24, 1970, to the State College Presidents, on the "Impact of Budget Allocations on Existing and Proposed Curricular Programs," the Chancellor requested "that each college undertake to review its complement of existing degree programs and courses to determine which of these are not performing at viable levels and should thus be phased out, in line with previous mandates from the Board of Trustees and the Coordinating Council for Higher Education. The Division of Academic Planning will consult with and assist you in this matter." The Trustees, in approving the revised Academic Master Plans on November 23-24, 1970, also resolved "that the Colleges review their existing and projected programs in line with the declared policy of the Board to encourage broadly based degrees of high academic quality and to avoid unnecessary proliferation of degrees and terminologies."

Further, the Coordinating Council for Higher Education, by resolution adopted on March 2, 1971, advised the California State Colleges as follows: "Each current program leading to a graduate degree or a credential should be reviewed periodically at intervals of from five to ten years in order to ascertain what is needed both to maintain and improve quality, and whether or not the program has sufficient priority of demand upon resources to warrant its continuance." The Coordinating Council also recommended that the California State Colleges consider delaying the implementation of any new graduate programs until the performance of existing graduate programs has been appraised.

While considerable progress has been made in reassessing the structure and productivity of degree major programs, current and prospective support conditions make imperative a systematic and stringent review of all existing degree major programs which show low degree production and are thus likely to be high cost. I am therefore sending you attached a list of those bachelor's degree major programs currently existing at your college which were approved for implementation prior to the 1967-68 academic year but produced fewer than 10 degrees in 1969-70, and also those master's degree major programs approved for implementation prior to the 1967-68 academic year but producing less than 5 degrees in 1969-70. The list does not include programs which the colleges are already phasing out, although most of those do fall into the categories identified above. This is to request that you undertake immediately a performance review of each program so identified in the attached chart and submit with your proposed revision of the Academic Master Plan a detailed explanation as to why the respective low-degree-production program should not be phased out on your campus, or consolidated with other existing programs, or on what grounds it should be retained.

Specifically, any undergraduate or graduate degree programs which are currently producing less than the minimal number of degrees per year indicated above may qualify for retention if:

1. There is evidence in terms of increasing numbers of students enrolled in the major that the production of degrees is soon to increase considerably;
2. There is evidence that low degree production in 1969-70 represents a temporary fluctuation rather than a downward trend;
3. The program requires no courses for the major which are not also required for some other viable major or for fulfillment of General Education requirements; or
4. The program is a unique one not available to students at other State Colleges and is essential for the State Colleges to offer.

Also, following up on the preliminary discussion at the most recent meetings of the Deans of Academic Planning and the Vice Presidents for Academic Affairs, this is to request that you establish a formal performance review procedure for all existing

degree programs on your campus, in order to assess periodically both the quantitative and qualitative viability of each undergraduate and graduate program in the total context of your offerings. Please inform this office of any policies, procedures, and criteria developed on your campus for this purpose.

Review of existing degrees and degree terminologies has of course long been part of the annual Academic Master Planning process. We must now recognize the performance review of all ongoing programs as a major planning function at the campus and system levels.

GF:pz

Copies to: State College Presidents
Deans of Undergraduate Studies
Deans of Graduate Studies
Chancellor's Staff

**CSU Academic Master Plan
Ten-Year Overview of Planned Programs**

Projections Proposed to the CSU Board of Trustees
Planned for Implementation between 2023-24 and 2032-33

Planned degree programs (“program projections”) appear in bold red font and are proposed for board approval at the September 2023 meeting. Existing, previously approved program projections appear in black font. Projected degree programs may remain on the CSU Academic Master Plan for five years after the year approved by the Board of Trustees, which appears in the second column from the left. Within that five-year window, planned launch years may be adjusted in response to societal need or campus schedules and resources. Current planned implementation years appear in the column to the left of the degree designation. Subsequent to approval of a projection, the campus may develop a full degree implementation proposal, which requires the chancellor’s approval in order for a program to enroll students.

| Campus | Year Approved By BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|--------------------|-----------------------------|--|--|---------------------------|---------------------------------------|
| Bakersfield | 2018 | 2019 | 2024 | BA | Latina/o Latin American Studies |
| | 2018 | 2019 | 2024 | MS | Applied Economics and Analytics |
| | 2018 | 2020 | 2023 | MS | Accounting |
| | 2018 | 2020 | 2024 | MS | Finance |
| | 2018 | 2021 | 2024 | MS | Technology Management |
| | 2018 | 2022 | 2024 | MS | Logistics and Supply Chain Management |
| | 2020 | 2021 | 2024 | BS | Environmental Sciences |
| | 2020 | 2022 | 2024 | BM | Music |
| | 2020 | 2022 | 2024 | MS | Behavioral Neuroscience |
| | 2021 | 2023 | 2024 | DNP | Nursing |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|-----------------|----------------------|---|---------------------------------------|--------------------|--|
| Channel Islands | 2014 | 2014 | 2025 | BA | Philosophy |
| | 2023 | 2023 | 2024 | BA | Black Studies and Africana Studies |
| | 2023 | 2023 | 2024 | MS | Business Analytics |
| | 2023 | 2023 | 2024 | MA | Psychology |
| | 2023 | 2023 | 2024 | MPA | Public Administration |
| | 2023 | 2023 | 2024 | MS | Counseling |
| | 2023 | 2023 | 2024 | EdD | Educational Leadership |
| | 2023 | 2023 | 2025 | MS | Biology |
| | 2023 | 2023 | 2025 | BA | Cinema and Creative Media Arts |
| | 2023 | 2023 | 2025 | BA | Spanish/English Translation and Interpretation |
| | 2023 | 2023 | 2025 | BS | Data Science |
| | 2023 | 2023 | 2025 | MS | Digital Marketing |
| | 2023 | 2023 | 2025 | MA | English |
| | 2023 | 2023 | 2025 | MHA | Health Administration |
| | 2023 | 2023 | 2026 | BS | Cybersecurity |
| | 2023 | 2023 | 2026 | BS | Forensic Science |
| | 2023 | 2023 | 2027 | BS | Statistics |
| | 2023 | 2023 | 2027 | BA | Native American Indigenous Studies |
| | 2023 | 2023 | 2027 | MPH | Public Health |
| | | 2023 | 2027 | 2027 | BA |
| | 2023 | 2025 | 2025 | BA | Emerging Media and Social Change |
| | 2023 | 2027 | 2027 | BS | Sustainable Agriculture |
| | 2023 | 2025 | 2025 | MA | Early Childhood Studies |
| | 2023 | 2026 | 2026 | DNP | Nursing Practice |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|--------|----------------------|---|---------------------------------------|--------------------|---|
| Chico | 2018 | 2020 | 2024 | BS | Geography |
| | 2020 | 2021 | 2024 | MS | Business Analytics |
| | 2022 | 2023 | 2024 | MS | Data Science and Analytics |
| | 2022 | 2023 | 2024 | Ed.S. | Education Specialist in School Psychology |
| | 2023 | 2024 | 2024 | MS | Mathematics |
| | 2023 | 2024 | 2024 | BA | Interdisciplinary Studies |
| | 2023 | 2024 | 2024 | BS | Interdisciplinary Studies |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|-----------------|----------------------|---|---------------------------------------|---------------------------|--|
| Dominguez Hills | 2018 | 2019 | 2023 | MS | Accounting |
| | 2018 | 2019 | 2024 | MS | Business Analytics |
| | 2019 | 2020 | 2024 | BM | Music |
| | 2019 | 2020 | 2027 | BS | Orthotics and Prosthetics |
| | 2019 | 2020 | 2026 | MA | Teaching of the Spanish Language |
| | 2020 | 2024 | 2025 | MS | Bioanalytical Chemistry |
| | 2020 | 2021 | 2024 | MPH | Public Health |
| | 2020 | 2023 | 2023 | OTD | Occupational Therapy |
| | 2021 | 2022 | 2024 | BS | Biophysics |
| | 2021 | 2022 | 2027 | BS | Public Health |
| | 2021 | 2022 | 2025 | MS | Financial Economics |
| | 2021 | 2022 | 2025 | MS | Management of Information Systems and Technology |
| | 2022 | 2023 | 2024 | EDD | Leadership for Justice in Education |
| | 2022 | 2024 | 2024 | BS | Environmental Science |
| 2022 | 2024 | 2025 | DNP | Family Nurse Practitioner | |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|----------|----------------------|---|---------------------------------------|--------------------|---------------------------------------|
| East Bay | 2022 | 2023 | 2024 | BA | History-Social Science Studies |
| | 2022 | 2023 | 2023 | BS | Civil Engineering |
| | 2023 | 2024 | 2024 | BS | Business Analytics |
| | 2023 | 2024 | 2024 | MS | Marketing Analytics |
| | 2023 | 2024 | 2024 | BA | Emergent Inclusive Performance |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|--------|----------------------|---|---------------------------------------|--------------------|----------------------------------|
| Fresno | 2020 | 2021 | 2023 | BS | Biomedical Engineering |
| | 2020 | 2022 | 2023 | BFA | Studio Art |
| | 2022 | 2022 | 2023 | BA | Asian American and Asian Studies |
| | 2023 | 2023 | 2023 | MS | Environmental Sciences |
| | 2023 | 2023 | 2023 | BS | Neuroscience |
| | 2023 | 2023 | 2023 | BA | Native American Studies |
| | 2023 | 2024 | 2024 | BS | Wine Business |
| | 2023 | 2023 | 2023 | BA | Sports Administration |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|-----------|----------------------|---|---------------------------------------|--------------------|---------------------------------------|
| Fullerton | 2019 | 2020 | 2024 | MS | Applied Computer Science |
| | 2019 | 2020 | 2024 | MS | Construction Engineering & Management |
| | 2022 | 2023 | 2023 | BFA | Theatre Arts-Design and Production |
| | 2022 | 2024 | 2024 | BA | Urban Learning |
| | 2023 | 2025 | 2025 | DrPH | Doctor of Public Health |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|----------|----------------------|---|---------------------------------------|----------------------|--|
| Humboldt | 2021 | 2022 | 2023 | BA | Cannabis Studies |
| | 2021 | 2023 | 2023 | BS | Data Science |
| | 2022 | 2026 | 2026 | BA | Digital Arts and Media |
| | 2022 | 2026 | 2026 | BA | Health Advocacy |
| | 2022 | 2023 | 2023 | BS | Applied Fire Science and Management |
| | 2022 | 2026 | 2026 | BS | Biotechnology |
| | 2022 | 2026 | 2026 | BS | Computer and Information Technology |
| | 2022 | 2023 | 2023 | BS | Energy Systems Engineering |
| | 2022 | 2023 | 2023 | BS | Geospatial Science and Technology |
| | 2022 | 2026 | 2026 | BS | Indigenous Science and the Environment |
| | 2022 | 2023 | 2023 | BS | Mechanical Engineering |
| | 2022 | 2023 | 2023 | BS | Software Engineering |
| | 2022 | 2023 | 2023 | MS | Engineering and Community Practice |
| | 2022 | 2026 | 2026 | MS | Nursing |
| 2023 | 2024 | 2024 | MA | Applied Anthropology | |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|------------|----------------------|---|---------------------------------------|--------------------|----------------------------|
| Long Beach | 2018 | 2017 | 2024 | BS | Geography |
| | 2020 | 2022 | 2024 | BA | Multi-Disciplinary Science |
| | 2020 | 2022 | 2026 | MAT | Special Education |
| | 2021 | 2022 | 2024 | MS | Biomedical Engineering |
| | 2022 | 2023 | 2023 | BS | Dance Science |

| | | | | | |
|--|------|------|------|------|---------------------------------------|
| | 2023 | 2024 | 2024 | BS | Applied Data Science |
| | 2023 | 2024 | 2024 | DrPH | Doctor of Public Health |
| | 2023 | 2024 | 2024 | MS | Applied Nutrition and Dietetics |
| | 2023 | 2024 | 2024 | MA | Comparative Racial and Ethnic Studies |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|-------------|----------------------|---|---------------------------------------|--------------------|--|
| Los Angeles | 2017 | 2018 | 2024 | MS | Business Analytics |
| | 2019 | 2019 | 2024 | MS | Marketing |
| | 2022 | 2024 | 2024 | BA | American Indian and Indigenous Studies |
| | 2023 | 2024 | 2024 | BS | Environmental Science |
| | 2023 | 2024 | 2024 | BA | Environmental Studies |
| | 2023 | 2025 | 2025 | EdS | School Psychology |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|------------------|----------------------|---|---------------------------------------|--------------------|-------|
| Maritime Academy | | | | | |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|--------------|----------------------|---|---------------------------------------|--------------------|---------------------------|
| Monterey Bay | 2015 | 2015 | 2024 | MS | Accounting |
| | 2016 | 2016 | 2024 | BS | Mechatronics Engineering |
| | 2017 | 2018 | 2023 | MPH | Public Health |
| | 2021 | 2025 | 2025 | MS | Applied Behavior Analysis |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|------------|----------------------|---|---------------------------------------|--------------------|--|
| Northridge | 2020 | 2025 | 2025 | MS | Accounting Analytics |
| | 2021 | 2022 | 2024 | MA | Entertainment Media Management |
| | 2021 | 2023 | 2024 | MS | Data Science |
| | 2022 | 2023 | 2024 | MS | Construction Management |
| | 2023 | 2024 | 2024 | BA | Dance |
| | 2023 | 2025 | 2025 | MA | Design and Innovation |
| | 2023 | 2026 | 2026 | MS | Autonomous Technologies and Systems Design and Development |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|--------|----------------------|---|---------------------------------------|--------------------|---------------------------------------|
| Pomona | 2017 | 2017 | 2023 | BS | Regenerative and Sustainable Studies |
| | 2017 | 2017 | 2023 | MS | Mechatronic and Robotics Engineering |
| | 2018 | 2020 | 2023 | BS | Materials Engineering |
| | 2018 | 2020 | 2023 | MS | Bioengineering |
| | 2018 | 2020 | 2023 | MUD | Urban Design |
| | 2020 | 2022 | 2024 | MS | Financial Analysis |
| | 2021 | 2022 | 2023 | MS | Digital Marketing |
| | 2021 | 2022 | 2024 | MS | Management of Architectural Practices |
| | 2022 | 2023 | 2023 | MS | Statistics and Applied Mathematics |
| | 2023 | 2024 | 2024 | MS | Human Resources Leadership |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|------------|----------------------|---|---------------------------------------|--------------------|--------------------------------------|
| Sacramento | 2019 | 2020 | 2022 | MS | Power Engineering |
| | 2020 | 2022 | 2022 | BA | Public Policy and Administration |
| | 2020 | 2022 | 2024 | MS | Environmental Studies |
| | 2022 | 2024 | 2024 | BA | Japanese |
| | 2022 | 2024 | 2024 | MS | Physics |
| | 2023 | 2024 | 2024 | BFA | Architectural Studies |
| | 2023 | 2024 | 2024 | BS | Statistics |
| | 2023 | 2024 | 2024 | MA | Education, Equity and Social Justice |
| | 2023 | 2024 | 2024 | MS | Human Resources |
| | | 2023 | 2025 | 2025 | MA |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|----------------|----------------------|---|---------------------------------------|--------------------|-----------------------------|
| San Bernardino | 2018 | 2019 | 2024 | DNP | Nursing Practice |
| | 2020 | 2021 | 2026 | MA | Speech-Language Pathology |
| | 2020 | 2022 | 2024 | MS | Material Science |
| | 2022 | 2022 | 2024 | BS | BioHealth Science |
| | 2022 | 2022 | 2023 | BS | Natural Science |
| | 2022 | 2023 | 2024 | BS | Design |
| | 2022 | 2023 | 2023 | MS | Applied Data Science |
| | 2022 | 2022 | 2023 | MS | Business and Data Analytics |
| | 2022 | 2024 | 2025 | MS | Physician Assistant |
| | 2023 | 2024 | 2024 | MS | Human Resources Management |
| 2023 | 2024 | 2024 | DrPH | Public Health | |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|-----------|----------------------|---|---------------------------------------|--------------------|---|
| San Diego | 2020 | 2021 | 2023 | MA | Critical Studies in Music |
| | 2021 | 2022 | 2023 | BA | Brazilian Studies |
| | 2021 | 2022 | 2023 | MS | Finance |
| | 2021 | 2022 | 2024 | MS | Quality Management |
| | 2022 | 2023 | 2023 | BS | Civil Engineering (Georgia) |
| | 2022 | 2023 | 2023 | BS | Computer Engineering (Georgia) |
| | 2022 | 2023 | 2023 | BS | Computer Science (Georgia) |
| | 2022 | 2023 | 2023 | BS | Electrical Engineering (Georgia) |
| | 2022 | 2023 | 2024 | MS | Health Informatics |
| | 2022 | 2023 | 2023 | MS | Supply Chain Innovation |
| | 2022 | 2024 | 2025 | DNP | Nursing |
| | 2023 | 2023 | 2023 | BS | Child and Family Development, Child Observation and Early Childhood Development |
| | 2023 | 2023 | 2023 | MS | Food Science |
| | 2023 | 2023 | 2023 | BS | Leadership Studies |
| | 2023 | 2024 | 2024 | MM | Music Education, Elementary or Secondary Emphasis |
| | 2023 | 2023 | 2023 | BA | Musical Theatre |
| | 2023 | 2023 | 2023 | DrPH | Public Health |
| 2023 | 2023 | 2023 | MS | Toxicology | |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|---------------|----------------------|---|---------------------------------------|--------------------|---|
| San Francisco | 2019 | 2020 | 2024 | BA | Human Services |
| | 2020 | 2021 | 2024 | MS | Environmental Science |
| | 2020 | 2021 | 2024 | AuD | Audiology |
| | 2022 | 2022 | 2022 | MS | Applied Nutrition |
| | 2023 | 2023 | 2023 | BA | Child Development-PK to 3 rd Grade |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|----------|----------------------|---|---------------------------------------|--------------------|---|
| San José | 2018 | 2019 | 2023 | MS | Finance |
| | 2021 | 2022 | 2023 | MDes | Design |
| | 2022 | 2023 | 2023 | BS | Geographic Information Science |
| | 2022 | 2023 | 2023 | MA | Multilingual and Multicultural Literacy Education |
| | 2022 | 2023 | 2023 | MS | Quantum Technology |
| | 2023 | 2024 | 2024 | BA | Asian American Studies |
| | 2023 | 2023 | 2023 | BS | Computer Science and Linguistics |
| | 2023 | 2024 | 2024 | BA | Mass Communications |
| | 2023 | 2025 | 2025 | MS | Applied Behavior Analysis |
| | 2023 | 2024 | 2024 | MS | Geographic Information Science |
| | 2023 | 2025 | 2025 | MS | Instructional Design and Technology |
| | 2023 | 2024 | 2024 | PhD | Engineering Sciences |
| | 2023 | 2024 | 2024 | PhD | Marine Science |
| | 2023 | 2024 | 2024 | BA | Music Technology |

| | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|-----------------|----------------------|---|---------------------------------------|--------------------|--|
| San Luis Obispo | 2023 | 2026 | 2026 | BA | Women's, Gender and Queer Studies |
| | 2023 | 2026 | 2026 | MS | Computer Engineering |

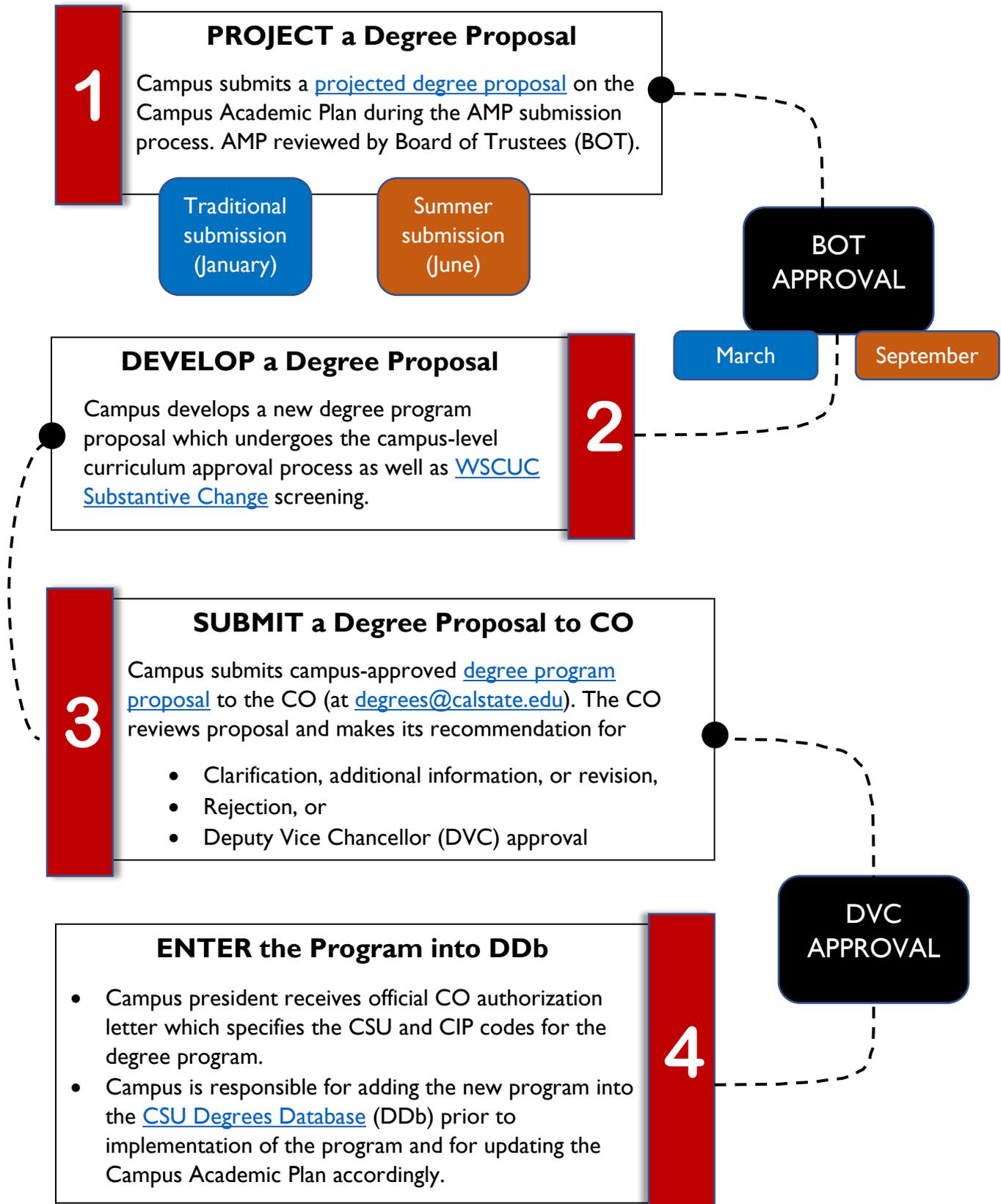
| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|------------|----------------------|---|---------------------------------------|--------------------|----------------------------|
| San Marcos | 2008 | 2016 | 2025 | BA | Philosophy |
| | 2016 | 2016 | 2025 | BA | Chicano/a Studies |
| | 2016 | 2019 | 2024 | BS | Computer Engineering |
| | 2018 | 2019 | 2025 | MS | Applied Behavior Analysis |
| | 2018 | 2019 | 2023 | MS | Clinical Counseling |
| | 2019 | 2020 | 2024 | BS | Cybersecurity |
| | 2023 | 2024 | 2024 | DNP | Doctor of Nursing Practice |

| Campus | Year Approved by BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|--------|----------------------|---|---------------------------------------|--------------------|--|
| Sonoma | 2022 | 2023 | 2023 | BA | Cinematic Arts and Technology |
| | 2022 | 2023 | 2024 | BA | Native American Studies |
| | 2022 | 2023 | 2024 | BS | Health Sciences |
| | 2023 | 2024 | 2024 | MS | Cultural Heritage and Resources Management |

| Campus | Year Approved By BOT | Year Originally Approved for Implementation | Currently Planned Implementation Year | Degree Designation | Title |
|------------|----------------------|---|---------------------------------------|--------------------|------------------------|
| Stanislaus | 2022 | 2024 | 2024 | BS | Quantitative Economics |
| | 2022 | 2023 | 2024 | MA | Mathematics |
| | 2023 | 2024 | 2024 | BA | Musical Theatre |

CSU DEGREE PROGRAM PROPOSAL AND APPROVAL FLOWCHART

Bachelor's and Master's Degrees | State Support and Self Support | Excludes Pilot Programs*



*Pilot Programs are experimental degree programs that may be offered without prior review and approval by the board. For more information, guidance, and templates for developing academic programs: [Program Development](#).

AGENDA

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Meeting: 4:00 p.m., Tuesday, September 12, 2023
Glenn S. Dumke Auditorium

Anna Ortiz-Morfit, Chair
Douglas Faigin, Vice Chair
Diego Arambula
Raji Kaur Brar
Jean Picker Firstenberg
Mark Ghilarducci
Yammilette Rodriguez
José Antonio Vargas

- Consent** 1. Approval of Minutes of the Meeting of May 23, 2023, *Action*
Discussion 2. 2023-2024 California State University Trustees' Award for Outstanding Achievement, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

May 23, 2023

Members Present

Lillian Kimbell, Chair
Jean Picker Firstenberg, Vice Chair
Diego Arambula
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
Yammilette Rodriguez

Jolene Koester, Interim Chancellor
Wenda Fong, Chair of the Board

Trustee Kimbell called the meeting to order.

Approval of Minutes

The minutes of March 21, 2023, were approved as submitted.

Naming of Landmark Hall – California State University, Fullerton

Steve Relyea, executive vice chancellor and chief financial officer, reported that the proposed naming recognizes the cumulative \$9.1 million gift from Mr. Terry Giles, Landmark Worldwide and their licensees to support the construction of the Center for Leadership building. This new three-story, state-of-the-art building will house the Business Leadership Library and serve as the premier home for leadership development in Orange County.

Mr. Giles shared remarks remotely, and Cal State Fullerton President Fram Virjee and Interim Chancellor Koester thanked Landmark Worldwide, Mr. Giles and his wife Ms. Kalli O'Malley for their transformative generosity.

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The committee approved the proposed resolution (RIA 05-23-05) that the planned Center for Leadership Building at California State University, Fullerton be named as Landmark Hall for a term of 25 years.

Naming of the Philip and Christina Bailey College of Science and Mathematics – California Polytechnic State University, San Luis Obispo

Executive Vice Chancellor Relyea reported that the proposed naming honors Drs. Philip and Christina Bailey – longtime, dedicated faculty, volunteers and supporters of Cal Poly. Dr. Philip Bailey’s vision for the College of Science and Mathematics inspired historic philanthropic investment, including the largest gift in CSU history received from the Frosts in May 2017. It is the desire of William and Linda Frost that their gift recognizes the legacy of Drs. Philip and Christina Bailey.

Dr. Philip Bailey shared remarks, and Cal Poly San Luis Obispo President Jeff Armstrong and Interim Chancellor Koester thanked Dr. Philip Bailey and the late Dr. Christina Bailey for their decades of services to Cal Poly San Luis Obispo and recognized the tremendous impact of their collective work.

The committee recommended approval by the board of the proposed resolution (RIA 05-23-06) that the College of Science and Mathematics at California Polytechnic State University, San Luis Obispo be named the Philip and Christina Bailey College of Science and Mathematics.

Trustee Kimbell adjourned the meeting.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

2023-2024 California State University Trustees' Award for Outstanding Achievement

Presentation By

Wenda Fong
Chair of the Board

Summary

The California State University (CSU) Board of Trustees provides scholarships to high-achieving students with superior academic records who are also providing extraordinary service to their communities. Many have overcome profound challenges in their journey toward pursuing their academic goals.

Background

Since its inception, over 500 students have received the CSU Trustees' Awards for Outstanding Achievement. Thanks to donor generosity, 23 students will receive an award this year. The most outstanding recipient is designated the Trustee Emeritus Ali C. Razi Scholar.

These distinguished awards are funded by contributions from the CSU trustees, employees and friends of the university. In 2022, the CSU Board of Trustees funded—through individual contributions—a 2022 and 2023 named scholarship honoring Debra Farar's service as trustee.

Scholarships range from \$7,000 to \$18,000. The recipients of the 2023-2024 CSU Trustees' Award for Outstanding Achievement are:

Felisa Patiño-Longoria

California State University, Bakersfield
SchoolsFirst Federal Credit Union Scholar

Krystal Lopez

California State University, Dominguez Hills
TELACU Scholar

Serena Palaroan

California State University Channel Islands
Trustee Emerita Debra S. Farar Scholar

Monica Chicas

California State University, East Bay
William Randolph Hearst Scholar

Gerardo Langarica Martinez

California State University, Chico
Chancellor Emeritus Timothy P. White Scholar

Ali Fakhrudin Dadawalla

California State University, Fresno
Chancellor Emeritus Charles B. and Catherine Reed Scholar

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Anthony Kyle Olson
California State University, Fullerton
William Randolph Hearst Scholar

Andres Felix Romero
California State Polytechnic University,
Humboldt
*CSU Trustee Leslie and Cliff Gilbert-Lurie
Scholar*

Erish Mae E. Araneta
California State University, Long Beach
Ron and Mitzi Barhorst Scholar

Patrick Emmanuel Sangalang
California State University, Los Angeles
Michael A. and Debe Lucki Scholar

Maxima Alexandra
California State University Maritime Academy
Trustee Jack McGrory Scholar

Melanie Mena
California State University, Monterey Bay
*Trustee Chair Wenda Fong and Daniel Fetterly
Scholar*

Tania Parker
California State University, Northridge
Trustee Emeritus Ali C. Razi Scholar

Philip Nicoll
California State Polytechnic University, Pomona
Edison International Scholar

Shamona Thompson Ross
California State University, Sacramento
Trustee Emerita Claudia H. Hampton Scholar

Sahmae S. Jackson
California State University, San Bernardino
*Trustee Emeritus Murray L. Galinson
Scholar*

Jahaziel Sanchez
San Diego State University
John and Beverly Stauffer Foundation Scholar

Elizabeth Strong
San Francisco State University
William Randolph Hearst Scholar

Estefania Montiel
San José State University
*Trustee Emeritus William Hauck and
Padget Kaiser Scholar*

Christina Benitez Ruiz
California Polytechnic State University,
San Luis Obispo
William Randolph Hearst Scholar

Yesenia Aurora Mora
California State University San Marcos
Sycuan Band of the Kumeyaay Nation Scholar

Angelo Incitti
Sonoma State University
Trustee Emeritus Kenneth Fong Scholar

Colin Christian Bethishou
California State University, Stanislaus
Steve Relyea Scholar

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 8:00 a.m., Wednesday, September 13, 2023
Glenn S. Dumke Auditorium

Larry L. Adamson, Chair
Jean Picker Firstenberg, Vice Chair
Diana Aguilar-Cruz
Douglas Faigin
Lillian Kimbell
Jack McGrory
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser

- Consent**
1. Approval of Minutes of the Meeting of July 12, 2023, *Action*
 2. Amendment of California State University Conflict of Interest Code, *Action*
 3. Executive Compensation Update: Presidential Housing – California State University Chico, *Action*
- Discussion**
4. Executive Compensation: President – California State University, Los Angeles, *Action*
 5. Executive Compensation: Interim President – California State University, Bakersfield, *Action*
 6. Update on Civil Rights (Title IX and other Nondiscrimination) Programs and Services, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

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

July 12, 2023

Members Present

Larry L. Adamson, Chair
Jean Picker Firstenberg, Vice Chair
Diana Aguilar-Cruz
Douglas Faigin
Lillian Kimbell
Jack McGrory
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Public Comment

All public comments took place at the beginning of the meeting's open session, prior to all committees.

Trustee Larry L. Adamson called the meeting to order.

Approval of the Consent Agenda

A motion to approve the consent agenda without discussion passed. The minutes from the meeting of May 24, 2023 were approved as submitted.

Executive Compensation: Chancellor-select, California State University

Interim Chancellor Jolene Koester presented compensation for Dr. Mildred Garcia as chancellor of the California State University effective October 1, 2023. An annual salary of \$795,000 and

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annual deferred compensation of \$80,000 were recommended. Dr. Garcia will receive a monthly auto allowance of \$1,000 and because the university does not provide housing for the chancellor, a monthly housing allowance of \$8,000 is also provided. Dr. Koester concluded by recommending the committee and full board approve the proposed compensation.

Overall, while concern was raised regarding the proposed compensation following recent board meetings surrounding tuition and financial concerns – as well as faculty and staff pay equity considerations – trustee comments fully supported Dr. Garcia as the chancellor-select.

Using a roll call vote, the committee recommended approval of the proposed action as published in agenda item 2. The motion passed with nine in favor (Trustees Adamson, Firstenberg, Kimbell, McGrory, Rodriguez, Simon, and Steinhauser; Chair Fong; and Interim Chancellor Koester), two opposed (Trustees Aguilar-Cruz and Faigin) and no abstentions (RUF 07-23-10).

Executive Compensation: President – Sonoma State University

Interim Chancellor Jolene Koester recommended an annual salary of \$381,409 for Dr. Ming-Tung “Mike” Lee as president of Sonoma State University, effective May 23, 2023. Dr. Lee has served as interim president since August 2022 and there is no change to his salary. A monthly housing allowance of \$5,000 and monthly auto allowance of \$1,000 were also recommended. A motion to approve the resolution passed (RUF 07-23-11).

Executive Compensation

Interim Chancellor Jolene Koester presented compensation adjustments for four campus presidents and one system executive. The chancellor explained that in November 2019 the board adopted a policy to evaluate presidential pay concurrently with triennial performance reviews and in September 2021, the board adopted a salary review process to incrementally align CSU presidential salaries with the median salary of presidents at comparable institutions. Dr. Koester noted that while progress has been made during the salary adjustment period, salaries for Presidents Lynn Mahoney, Ellen Neufeldt, Thomas Parham, and Tomás Morales continue to fall below the target median and equity adjustments (from two to four percent) were proposed as listed in the agenda item.

Dr. Koester also proposed an equity adjustment for Vice Chancellor and Chief Audit Officer Vlad Marinescu. She explained that following consultation with the audit committee chair, Trustee Yami Rodriguez, a ten percent increase was recommended.

Dr. Koester recommended approval of the final salaries as published in agenda item 4. The recommended salaries: \$463,585 for President Mahoney; \$445,519 for President Neufeldt;

\$453,971 for President Parham; \$455,201 for President Morales; and \$314,900 for Vice Chancellor Marinescu. A motion to approve the resolution passed (RUFPP 07-23-12).

Executive Transition Assignments

Interim Chancellor Jolene Koester presented transition assignments for Framroze Virjee, president of Cal State Fullerton, and Thomas Cropper, president of Cal State Maritime, who are stepping down from their presidencies at the end of the academic year. She explained the two executive transition programs offered by the CSU and transition assignments. Dr. Koester reported that after consulting with the committee chair (UFP), she approved President Virjee and President Cropper to participate in the Transition II Program for one year. While in the transition program, they will be appointed into the Management Personnel Plan and annual compensation will be \$333,300 for President Virjee and \$270,060 for President Cropper. This is the mid-point between their final salary as president and the maximum salary for a full professor, and consistent with CSU practice for executives participating in this transition program.

Proposed Amendment of California State University Conflict of Interest Code

Vice Chancellor of Human Resources Leora D. Freedman presented information about a proposed amendment to CSU's Conflict of Interest Code. She explained that employees in designated positions are required to file a Statement of Interest (Form 700) every year. Designated positions are those that make – or participate in making – decisions for the CSU that could have a material effect on their personal financial interests. The California Fair Political Practices Commission (FPPC) last approved CSU's Conflict of Interest Code in 2017 and recently requested revisions to the list of designated positions. The amended code would eliminate Category 5 which the FPPC deemed unnecessary. Disclosure Category 5 encompasses sources in which CSU invests funds. Because only six positions at the CSU are involved in the investment of state funds and all six are subject to different and heightened reporting requirements, the FPPC recommended this category be removed from the CSU Conflict of Interest Code. Vice Chair Freedman reported that the CSU accepted the recommendation, and the amended code will be presented for action at the September 2023 board meeting.

Trustee Adamson adjourned the meeting of the Committee on University and Faculty Personnel.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Amendment of California State University Conflict of Interest Code

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

An information item was presented to the Board of Trustees at the July 9-12, 2023 meeting which proposed changes to the California State University Conflict of Interest Code. The final documents are presented for action as Attachment A, Incorporation Page, and Attachment B, Disclosure Categories. Additionally, the Designated Positions List which identifies proposed designated positions, can be accessed on the CSU Conflict of Interest web page at: <https://www.calstate.edu/csu-system/faculty-staff/systemwide-human-resources/conflict-of-interest>.

This item was noticed for public hearing as required by law, and written comments were received regarding corrections to the list of designated positions.

Upon approval by the Board of Trustees, the amendment will be submitted to the Fair Political Practices Commission (FPPC) for final approval.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the Amendment of the California State University Conflict of Interest Code, as cited in Item 2 of the Committee on University and Faculty Personnel at the September 10-13, 2023 meeting of the Board of Trustees, is approved.

**The California State University
Conflict of Interest Code**

The Political Reform Act (Government Code Sections 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 California Code of Regulations Section 18730) that contains the term of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices designating positions and establishing disclosure categories shall constitute the conflict of interest code of the California State University.

Individuals holding designated positions in the Office of the Chancellor, Trustees, and any officials who are determined to manage public investments within the meaning of Government Code Section 87200 shall file their statements of economic interests with the FPPC Conflict of Interest filing officer at the Office of the Chancellor. Individuals holding designated positions at any campus shall file their statements of economic interests with the FPPC Conflict of Interest filing officer at the respective campus. The filing officer will make the statements available for inspection and reproduction. (Government Code Section 81008.) Upon receipt of the Statements (Form 700) filed by Trustees, except ex-officio members who serve as such due to their elected state offices and are excluded by Government Code Section 87302(b), and upon receipt of the Statements (Form 700) for any officials who are determined to manage public investments within the meaning of Government Code Section 87200, the Office of the Chancellor shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.

NOTE: Authority cited: Sections 81008, 87300, and 87306, Government Code. Reference: Section 87302, Government Code.

CSU CONFLICT OF INTEREST DISCLOSURE CATEGORIES

INTRODUCTION

For designated employees of a campus of the California State University, “the campus” shall mean the campus of the employee’s service.

For designated employees in the headquarters office, “the campus” shall mean each campus of the California State University including the headquarters office or any or all of these.

Each designated employee is assigned to one or more of the following disclosure categories and must disclose reportable financial interests in each category assigned.

Designated employees need not report any investment in a business entity or real property worth less than \$2,000, or any source of income, including gifts, loans and travel payments, which aggregated less than \$590 (if a gift, less than \$50) during the calendar year prior to filing, beginning January 1, 2023. An interest in real property used as the designated employee’s principal residence need not be reported.

CATEGORY "1"

Interests in real property located within two miles of the campus at which the designated employee works, or within two miles of land owned or used, or proposed for acquisition or use by the campus.

CATEGORY "2"

Investments and business positions in business entities and income, including gifts, loans, and travel payments, from sources of the type which, within the last two calendar years, have contracted with the California State University to either (a) supply goods or services, and/or (b) perform construction work. This disclosure is limited to the types of contracts over which the designated employee has authority or influence.

CATEGORY "3"

Interests in real property located within the State of California.

CATEGORY "4"

All investments and positions in business entities, and income, including gifts, loans and travel payments, from any business or nonprofit entities (other than an entity deemed by the FPPC as exempt under FPPC regulation 18755) which will be providing funds, or support for the research project for which the filer is the principal investigator. (The required disclosure shall be made on FPPC Form 700-U).

CATEGORY "5"

Investments and business positions in any business entity or income, including gifts, loans, and travel payments, from sources of the type which, within the last two calendar years, have contracted with the California State University to purchase goods or services, including agricultural commodities or other products, which are sold by the campus.

CATEGORY "6"

Consultants and new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Chancellor or President as appropriate may determine in writing that a particular consultant/new position, although serving in a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this category "6". Such written determination shall include a description of the consultant/new position's duties and based upon that description, a statement of the extent of disclosure requirements. The Chancellor or President's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code Sec. 81008)

New positions shall be recorded and maintained on an Interim Disclosure until the conflict of interest code is updated to formally include the new positions on the official list of designated positions.

CATEGORY "7"

All interests in real property, all investments, all income, including gifts, loans and travel payments, and business positions.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation Update: Presidential Housing – California State University, Chico

Presentation By

Jolene Koester
Interim Chancellor

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

This action item seeks approval to amend the housing provision for the president of California State University, Chico.

Background

California State University campus presidents are provided with an official university residence where available. If an official residence is not available, a housing allowance is provided to assist in securing a residence.

The compensation for Dr. Stephen J. Perez as president of California State University, Chico was presented and approved at the May 2023 Board of Trustees meeting (RUF 05-23-07). Based on existing campus practice, trustees approved a \$50,000 annual housing allowance effective July 1, 2023, the date of his appointment as president of Chico State. Since assuming the presidency, the official university house has become available for use as the president's residence.

Recommendation

It is recommended that Dr. Stephen J. Perez be required to reside in the official university house located on the campus at 341 Mansion Avenue as a condition of employment as president of California State University, Chico. Additionally, the housing allowance previously approved will end when the president moves into the campus residence on August 5, 2023.

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Stephen J. Perez shall occupy the official presidential residence as a condition of employment; and be it further

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RESOLVED, that Dr. Perez's housing allowance shall end as cited in Agenda Item 3 of the Committee on University and Faculty Personnel at the September 10-13, 2023 meeting of the Board of Trustees.

AMENDED

Action Item

Agenda Item 4

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COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: President – California State University, Los Angeles

Presentation By

Jolene Koester
Interim Chancellor

Summary

This action item establishes the compensation for Dr. Berenecea Johnson Eanes as president of California State University, Los Angeles.

Executive Compensation

This item recommends that Dr. Berenecea Johnson Eanes receive an annual salary of \$496,213 effective January 8, 2024, the date of her appointment as president of California State University, Los Angeles. Additionally, Dr. Eanes will receive an annual housing allowance of \$60,000. (This is the same salary as the incumbent and the same housing allowance received by the former president.)

In accordance with existing policy of the California State University, Dr. Eanes will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees; and
- Reimbursement for reasonable actual and necessary travel and relocation expenses.

Subject to faculty consultation and approval in accordance with systemwide, board and applicable university policy, Dr. Eanes will hold an appointment with the academic rank of full professor with tenure; the respective department and campus to be named.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Berenecea Johnson Eanes shall receive a salary set at the annual rate of \$496,213

AMENDED

U&FP

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September 10-13, 2023

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effective January 8, 2024, the date of her appointment as president of California State University, Los Angeles; and be it further

RESOLVED, that Dr. Berenecea Johnson Eanes shall receive an annual housing allowance of \$60,000; and be it further

RESOLVED, that Dr. Berenecea Johnson Eanes shall receive additional benefits as cited in Agenda Item 4 of the Committee on University and Faculty Personnel at the September 10-13, 2023 meeting of the Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Interim President – California State University, Bakersfield

Presentation By

Jolene Koester
Interim Chancellor

Summary

This action item establishes the compensation for Dr. Vernon B. Harper, Jr. as interim president of California State University, Bakersfield.

Executive Compensation

This item recommends that Dr. Vernon B. Harper, Jr. receive an annual salary of \$390,892 effective December 31, 2023, the date of his appointment as interim president of California State University, Bakersfield. Additionally, Dr. Harper will receive an annual housing allowance of \$50,000 (\$4,166.67 per month) while serving as interim president. (This is the same salary and housing allowance as the incumbent.)

In accordance with existing policy of the California State University, Dr. Harper will receive the following benefits:

- An auto allowance of \$1,000 per month; and
- Standard benefit provisions afforded CSU Executive classification employees.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Vernon B. Harper, Jr. shall receive a salary set at the annual rate of \$390,892 effective December 31, 2023, the date of his appointment as interim president of California State University, Bakersfield; and be it further

RESOLVED, that Dr. Vernon B. Harper, Jr. shall receive an annual housing allowance of \$50,000; and be it further

AMENDED

U&FP

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RESOLVED, that Dr. Vernon B. Harper, Jr. shall receive additional benefits as cited in Agenda Item 5 of the Committee on University and Faculty Personnel at the September 10-13, 2023 meeting of the Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Update on Civil Rights (Title IX and other Nondiscrimination) Programs and Services

Presentation By

Leora D. Freedman
Vice Chancellor
Human Resources

Summary

The Board of Trustees will be presented with a report on the university's Civil Rights (Title IX and other nondiscrimination) programs and services.

AGENDA

JOINT COMMITTEE ON EDUCATIONAL POLICY AND FINANCE

Meeting: 8:30 a.m., Wednesday, September 13, 2023
Glenn S. Dumke Auditorium

Committee on Educational Policy

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie
José Antonio Vargas

Committee on Finance

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
José Antonio Vargas

- Consent** 1. Approval of Minutes of the Meeting of July 11, 2023, *Action*
Discussion 2. Chancellor's Strategic Workgroup on Financial Aid, *Information*

**MINUTES OF THE JOINT MEETING OF
THE COMMITTEES ON EDUCATIONAL POLICY AND FINANCE**

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

July 11, 2023

Members Present

Committee on Educational Policy

Diego Arambula, Chair
Christopher Steinhauser, Vice Chair
Diana Aguilar-Cruz
Raji Kaur Brar
Jack Clarke, Jr.
Mark Ghilarducci
Leslie Gilbert-Lurie

Committee on Finance

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Arambula called the meeting to order.

Approval of the Consent Agenda

A motion to approve the consent agenda without discussion passed. The minutes from the meeting on January 24, 2023 were approved as submitted.

Chancellor's Strategic Workgroup on Financial Aid

Dr. Dilcie D. Perez, deputy vice chancellor for Academic and Student Affairs, provided a brief introduction of the origins of the Chancellor's Strategic Workgroup on Financial Aid which was an outcome of the Chancellor's Sustainable Financial Model Workgroup that had been convened the previous year. The Sustainable Financial Model Workgroup presented its recommendations to

the Board of Trustees in May 2023 of which one included the need for a tuition policy that clearly states the CSU's commitment to affordability; ensures that tuition increases are gradual and predictable; and stipulates that a portion of any increase should be dedicated to financial aid.

Dr. Nathan S. Evans, deputy vice chancellor of Academic and Student Affairs and co-chair of the Chancellor's Strategic Workgroup on Financial Aid, continued the presentation by acknowledging the workgroup's members and outlining their charge: to recommend a broad financial aid strategy and policy for the CSU that considers federal, state and institutional aid resources; to develop a complementary implementation plan to ensure that our universities are equipped with the infrastructure and capacity needed to enact the policy; and link the new policy with a clear message to Californians about the affordability, access and value of a CSU degree. He highlighted that 60 percent of all CSU undergraduates currently have the full cost of tuition covered by grants, scholarships or waivers, an intentional effort by the system to prioritize non-loan aid. Dr. Evans also outlined the various factors that contribute to cost of attending a CSU and how financial aid is determined.

Trustee Julia I. Lopez, co-chair of the Chancellor's Strategic Workgroup on Financial Aid, then summarized the group's guiding principles and the items currently under discussion. She shared that the workgroup is reviewing data at the campus level in order to better understand differences in fees and other costs such as housing. Trustee Lopez discussed the workgroup's next steps including finalizing a comprehensive policy framework that guides CSU's financial aid; developing a plan for implementation with increased consistency across campuses; and communicating a strong message that CSU is not just affordable, but a great value.

Trustees posed questions regarding pending Cal Grant reform and its impact on financial aid, how to more effectively communicate financial aid opportunities to prospective students, how to simplify the aid process and evaluating the process of dropping students for nonpayment. A trustee posed a concern about scholarships displacing financial aid packages. Another trustee highlighted the need to reach out to parents and families regarding financial aid. Interim Chancellor Koester concluded the discussion by reminding board members that the workgroup will come back in September with an update, however, that update may not yet include a policy recommendation.

Trustee Arambula adjourned the meeting of the Joint Committees on Educational Policy and Finance.

JOINT COMMITTEE ON EDUCATIONAL POLICY AND FINANCE

Chancellor's Strategic Workgroup on Financial Aid

Presentation By

Nathan D. Evans
Deputy Vice Chancellor, Academic and Student Affairs
Chief Academic Officer

Julia I. Lopez
Trustee

Workgroup Background and Charge

In June 2023, the Interim Chancellor appointed the Chancellor's Strategic Workgroup on Financial Aid, charged with: (1) recommending a comprehensive financial aid strategy and policy for the CSU; (2) developing an implementation plan to ensure that universities are equipped with the procedural requirements, infrastructure and flexibility to make student-by-student adjustments (within a set of consistent parameters); and (3) linking the policy to a clear message to Californians about CSU affordability.

This item provides a report on the progress of the workgroup and its discussions to date about options to maximize available federal, state and university financial aid so that the CSU remains affordable to students. Separately, the Finance Committee will consider a tuition policy aimed at making any tuition increases gradual, modest and predictable. Importantly for the Financial Aid Workgroup, the proposed tuition policy articulates that the affordability of a CSU education must be measured based on the total cost of attendance and student financial need. The proposed policy also stipulates that the CSU shall increase funding for need-based institutional aid by an amount not less than one-third of incremental systemwide tuition revenue. The tuition policy is an action item on the agenda at this meeting.

Conversations and Considerations

The Financial Aid Workgroup had met on five occasions, with additional sessions scheduled this fall. The group's preliminary focus has been to collect, review and digest pertinent data, supplied by the Chancellor's Office, the California Student Aid Commission and other public sources. This data has provided the group with a comprehensive overview of how financial aid is currently distributed and for what purposes.

Specifically, the group centered its discussions on the following questions, with the intent of creating the framework for development of a financial aid policy:

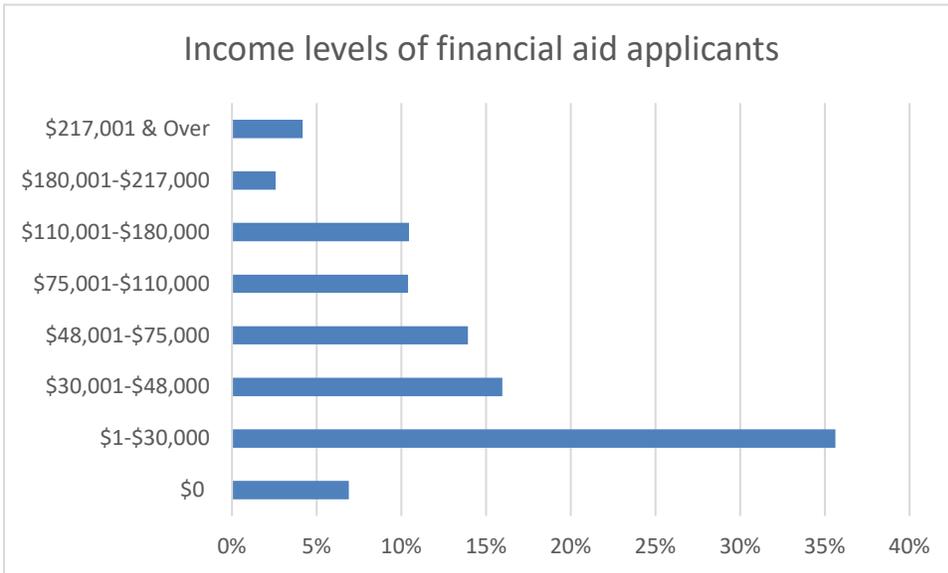
1. How is the student body distributed across income brackets?
2. What portion of students in each category receive grant aid, and specifically for tuition?

The following charts document the large proportion of CSU students who come from households with income levels at or below \$75,000. They also show that the majority of available non-loan financial aid is distributed to these students and, for almost all, financial aid fully covers their tuition.

Chart A breaks out the CSU's financial aid applicants by income levels. In 2021-22, this included 402,000 California resident students. This chart reveals two considerations:

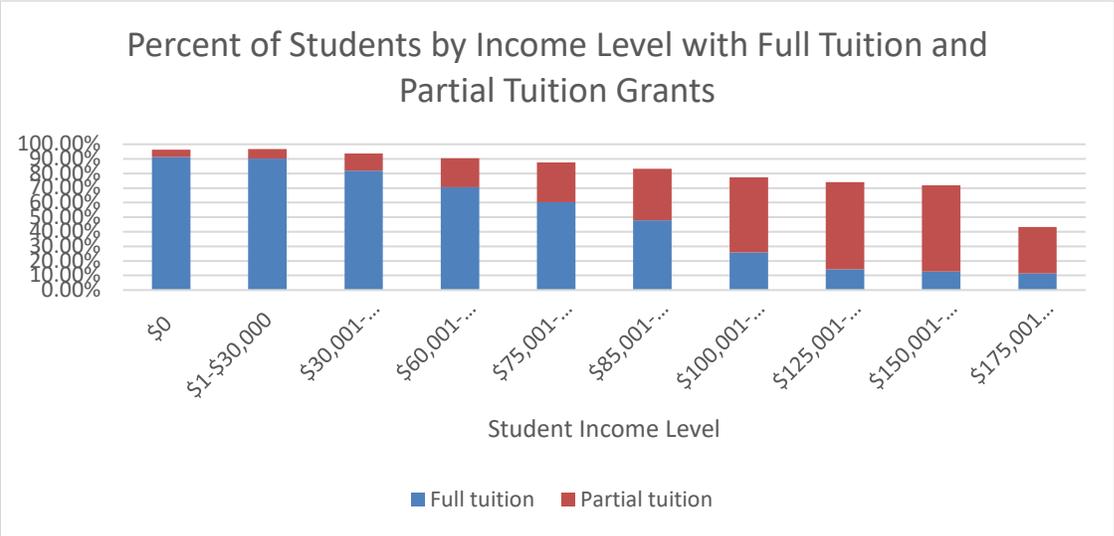
1. During this time period, 86% of the CSU's student body applied for financial aid by submitting a Free Application for Federal Student Aid (FAFSA) or California Dream Act Application (CADAA). FAFSA and CADAA are used not only for determination of eligibility and disbursement of federal and state aid, but also for the CSU's State University Grant (SUG), scholarships and other support. The reasons why the remaining 14% did not submit one of these forms vary. Some potential reasons are that they did not require financial aid to cover college costs, they were unwilling to complete the forms, they did not know they needed to fill out a FAFSA to receive financial aid, or they were international students. California high school students are now required to complete a FAFSA or CADAA as a high school graduation requirement, so we expect to see higher percentages of applicants applying for and qualifying for financial aid into the future.
2. Almost three fourths (72%) of students who applied for financial aid were from households with incomes under \$75,000.

Chart A: Income Levels of Financial Aid Applicants



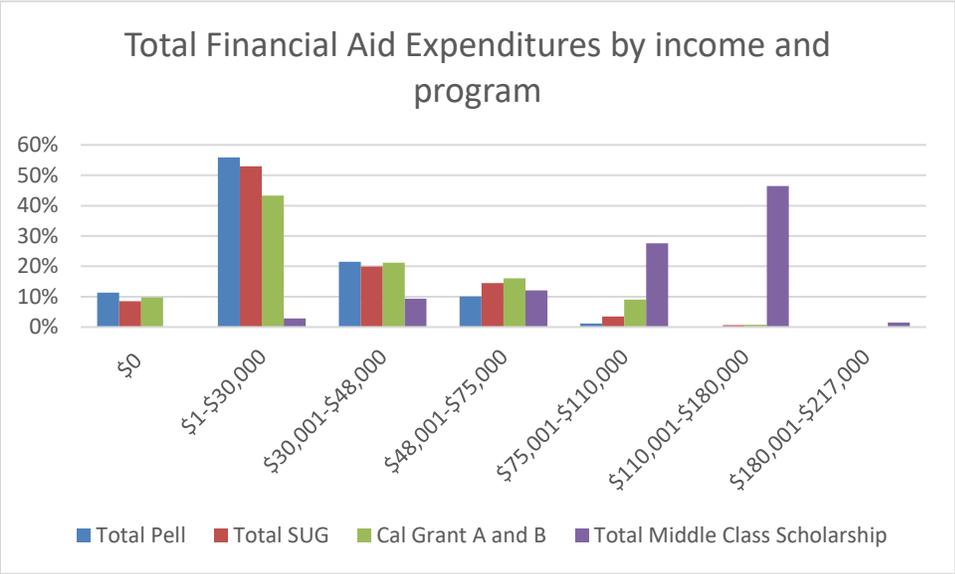
The next chart shows the percentage of students whose tuition is paid by financial aid. Grant aid, including waivers and scholarships, is widely available and disbursed to students, but the odds of receiving non-loan financial aid to pay for tuition is highest among students from households earning under \$75,000. More than 90% of students in households with income under \$30,000 have their tuition fully covered by financial aid, and an additional 5% receive partial aid. Eighty six percent of students from household incomes below \$75,000 have their tuition fully covered by non-loan aid and an additional 9% receive some grant aid for tuition.

Chart B: Tuition Grants by Income Levels



The final chart documents how current federal, state and SUG funds are allocated among income groups. The chart shows that, with the exception of the Middle Class Scholarship that is designed to help households with higher incomes, the great proportion of each program is awarded to students from households under \$75,000.

Chart C: Total Financial Aid Expenditures by Income and Program



With this information as background, the workgroup has now turned its attention to the following questions:

1. How many students in each income category who have unmet need *did not* receive grant aid sufficient to pay tuition – and why not?
2. How can the SUG be used to complement Pell and Cal Grants?
3. What portion of the total cost of attendance does grant aid cover for students in each income bracket?
4. Should the CSU clearly document students' individual contributions to a portion of the cost of their education, beyond expected family contribution?
5. Finally, and most fundamentally, as affordability of a CSU education is the ultimate goal, how do we allocate current and future financial aid resources to 1) ensure that every student can pay their tuition and 2) provide additional aid to reduce the total cost of attendance, including housing, beginning with those who can least afford it.

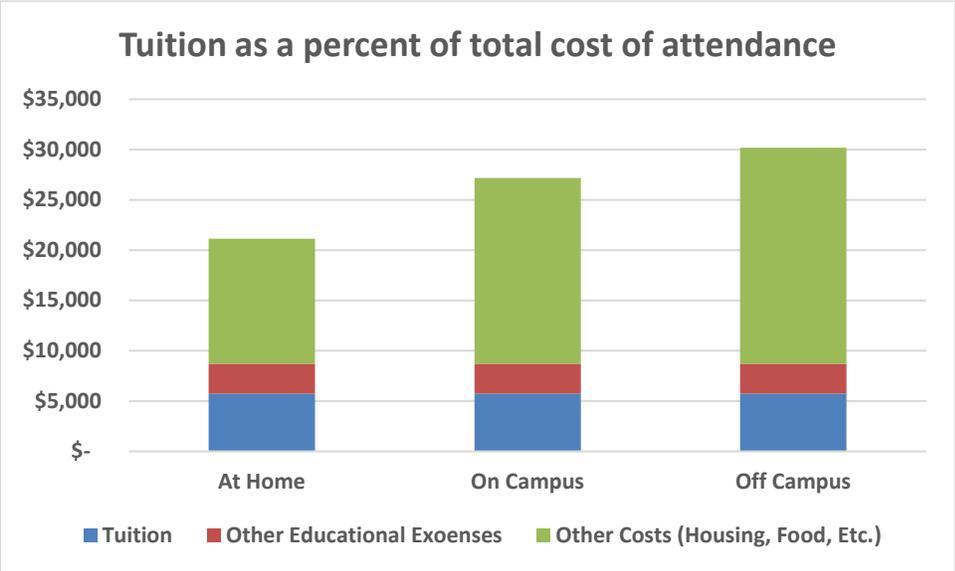
Affordability as the North Star

An affordable education is central to the CSU's mission, and a core value we hold dear. In support of the tuition policy proposed on today's agenda, the financial aid workgroup fully endorses the CSU's continued practice of designating at least a third of any tuition revenue for student financial aid, in the form of SUG. All of the workgroup discussions to date have assumed this investment. In addition, through ongoing discussions, the group has zeroed in on a preliminary consensus that the CSU should continue to fully cover tuition with non-loan financial aid for a consistent portion of the undergraduate population similar to current practice.

Tuition has been the main topic of conversation about affordability, for good reason – it is the price of admission to a CSU education. California is unique among states in having an entitlement program – Cal Grant – which pays the full cost of tuition for CSU undergraduate students who meet eligibility criteria. SUG complements and supplements state and federal aid for students who need additional assistance. In addition, federal Pell grants will cover other educational expenses, but housing, transportation and other living expenses fall on the students or their families.

As reported to the Board in July and as shown on the chart below, on average at the CSU, tuition is less than 27% of the total cost of attendance, depending on housing arrangements.

Chart D: Tuition as a Percent of Total Cost of Attendance



This discussion brought into stark relief the range of policy choices before the workgroup:

1. Should SUG continue to be used to cover solely tuition for those who are not currently receiving aid, including students up the income scales? Or,
2. Should SUG be used to reduce the total cost of attendance; that is, provide grants to help pay for housing, transportation and other expenses associated with attending school for students in the lower income brackets?

The workgroup has begun to consider these questions more deeply, a necessary exercise to subsequently develop a policy framework for board consideration. The questions here are framed as either/or, but the group has suggested that we consider a both/and approach. The emergent option would maintain tuition coverage for a consistent share of undergraduates and use additional SUG resources to address a portion of the total cost for the lowest-income students. This will require looking at different options to allocate existing funds and as well as modeling how additional SUG funds, should the tuition policy and proposal before the board be adopted, can best and most effectively be deployed. The next step is to develop different financing scenarios to inform subsequent discussions.

The Changing Landscape

As the workgroup performs its complex, detailed and systemwide analysis of available data and strives to anticipate the implications and impact of any policy recommendations on the CSU's current and future students – and on the institution itself – its work is further complicated by the shifting landscape of financial aid at the state and federal level. As first presented at the Board of Trustees meeting in January 2023, several changes loom on the horizon. The workgroup is contemplating developing two financial aid policies – one based on current data and circumstances and the second to accommodate the following confirmed and potential changes, which will alter the financial aid picture for our students.

FAFSA Simplification Act

The FAFSA Simplification Act and the follow-up legislation, the FAFSA Simplification Act Technical Corrections Act, were passed in 2021 and 2022 respectively. Both bills were part of the Consolidated Appropriations Acts. These acts make important amendments to the Higher Education Act of 1965. The majority of changes will go into effect for the 2024-25 financial aid award year. Changes were originally enacted with a general effective date of July 1, 2023. In 2022, the FAFSA Simplification Act Technical Corrections Act pushed the general effective date back one year to July 1, 2024. Although the effective date was pushed back, some changes will go into effect for the 2023-24 financial aid award year.

This overhaul updates the FAFSA form, need analysis and many policies and procedures for schools to participate in the federal student aid programs.

Major highlights of the legislation include:

- 2023-24 Award Year Changes
 - Reinstates Pell Grant eligibility for students in federal and state penal facilities starting in the 2023-24 award year.
 - Restores Lifetime Eligibility Used (LEU) regarding loan discharges associated with closed schools, false certifications, identity theft and successful borrower defense claims.
 - Changes some components of cost of attendance (COA).
 - Updates determination process for unaccompanied homeless youth.
 - Implements additional flexibilities for assisting students with unusual circumstances and who cannot provide parental information.
 - Updates professional judgement provisions.

- 2024-25 Award Year Changes
 - Replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI).
 - Decreases the number of questions on the FAFSA and allows for a higher number of fields to be imported from a federal income tax form.
 - Ties federal Pell Grant eligibility to federal poverty guidelines based on adjusted gross income (AGI). The AGI threshold is either 175% or 225% depending on student's dependency status and marital status.
 - Removes consideration of the number of children in college at the same time from eligibility for need-based financial aid.
 - Provides Education Department authority to regulate all COA components except tuition and fees.

The FAFSA Simplification Act requires changes to most aspects of the policies, procedures, processes and systems used to award federal student aid.

Cal Grant Reform

The 2022 state budget committed to prioritize the Cal Grant Reform Act that makes major changes to the state's largest financial aid program. The current Cal Grant program will be replaced with a new version that provides a Cal Grant 2 for California Community College students and a Cal Grant 4 for students attending eligible four-year public or private universities. *The program will begin in 2024-25 if a determination is made in the spring of 2024 that California General Funds are available to support the program over a multi-year forecast.* Highlights of the changes include:

- Collapsing the current eight types of Cal Grants to Cal Grant 2 and Cal Grant 4.
- Aligning eligibility for Cal Grant with the new federal Student Aid Index (SAI).
- Removing age limitations, time since graduation and Grade Point Average requirements.
- Eliminating Cal Grant B access awards that CSU students currently receive as a living allowance.

The changes to the Cal Grant program could significantly impact the awards provided to CSU students. The Chancellor's Office and the California Student Aid Commission are currently undertaking data analysis and modeling to better understand the impact to students. If the decision is not made until the spring of 2024 to enact this reform, for the 2024-25 aid year, significant delays in awarding and packaging state aid will most likely occur. In addition, the changes to the Cal Grant program may necessitate SUG policy and awarding changes, so these awards could also be delayed. The CSU aims to award newly admitted students in the February/March time frame so

students and families can make informed decisions regarding enrolling and paying for college. The timing of these changes could negatively impact students starting college in 2024-25. Continuing students, receiving Cal Grant, will continue to be funded under the current program.

Next Steps

The workgroup has concentrated its work on understanding how financial aid is currently deployed as well as alternative ways to do so. The CSU takes tremendous pride in providing access to a high-quality education to students across the economic spectrum. This fall the workgroup will continue its work to develop a recommended financial aid policy that serves as a central component of the CSU's student success agenda. Once a policy framework is finalized, the workgroup's next focus will be to develop an implementation plan that provides for the flexibility, tools, resources, administrative capacity and infrastructure required by our campuses to meet the unique financial needs of their students. The workgroup will also delineate a communication strategy to highlight to potential students and their families the affordability and value of a CSU education, as well as clear, timely and easy-to-understand information on available financial support. The workgroup will once again report its progress to the Board of Trustees in November.

AGENDA

COMMITTEE ON FINANCE

Meeting: 9:00 a.m., Wednesday, September 13, 2023
Glenn S. Dumke Auditorium

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit
José Antonio Vargas

- Consent**
1. Approval of Minutes of the Meeting of July 11, 2023, *Action*
 2. Appointment of the California State University Investment Advisory Committee Chair, *Information*
 3. California State University Quarterly Investment Report, *Information*
- Discussion**
4. Tuition Policy, *Action*
 5. Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON FINANCE**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

July 11, 2023

Members Present

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Anna Ortiz-Morfit

Wenda Fong, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Julia Lopez called the meeting to order.

Public Comment

Public comment occurred at the beginning of the meeting's open session before all committees.

Approval of the Consent Agenda

The minutes of the May 24, 2023, meeting of the Committee on Finance were approved as submitted.

Item 2, Approval to Issue Debt for Affordable Housing at California State University, Northridge, was approved as submitted (RFIN 07-23-07).

Item 3, Approval to Issue Debt in Support of the 2023-2024 Budget, was approved as submitted (RFIN 07-23-08).

Discussion Agenda

The committee had four items on the discussion agenda.

Item 4, 2023-2024 Final Budget, *Information*

This information item summarized final budget-related decisions made by the State of California for the 2023-2024 fiscal year and their effect on the California State University (CSU) operating budget.

Trustee McGrory raised a question about the trade-off in terms of capital dollars and debt bonds. He questioned whether the commitment of \$100 million would remain in place over several years despite potential administrative changes. Steve Relyea responded, explaining that the money wouldn't be kept in a separate fund but would be integrated into the operating budget. The \$100 million would be used in the operating budget and shown as a debt service payment to the system revenue bond program.

Trustee McGrory further inquired if the \$100 million would be represented as a distinct line item in the budget. Steve Relyea clarified that while the money would be displayed as a capital expenditure, it wouldn't be explicitly earmarked for that sole purpose. Trustee McGrory mentioned the need to advocate for more funding beyond the compact.

The conversation shifted to addressing concerns about budget shortfalls, the potential impact on reserves, and the need for a plan to manage worst-case scenarios. Trustee Lopez echoed these concerns, the uncertainties tied to labor negotiations, and the difficulty of maintaining a balance between revenue and expenses. Trustee Lopez concluded the discussion by focusing on the need for a long-term plan to align revenues and costs.

Item 5, Planning for the 2024-2025 Operating Budget, *Information*

This information item provided the CSU Board of Trustees with preliminary assumptions and an initial framework in preparation for the 2024-2025 Operating Budget Plan for the governor's and legislature's consideration.

Trustee Lopez emphasized the significance of establishing priorities and suggested that staff assess these priorities, factoring in associated costs. The assessed priorities would then be compiled into a comprehensive budget plan, to be submitted for consideration in September 2023. Presidents were encouraged to think innovatively when developing strategies for their respective universities. Trustee Lopez encouraged the submission of innovative ideas, policies, and practices that could aid in cost savings and enhance revenue.

Lieutenant Governor Kounalakis raised concerns regarding the proposed tuition increase. She questioned the process and timing, cautioning against significant tuition hikes without sufficient student involvement or the new chancellor's evaluation. She expressed concern with automatic and perpetual tuition increases without regular board review, proposing an annual review instead. Lieutenant Governor Kounalakis stressed the potential burden on students, particularly those facing financial challenges, urging thorough analysis and research on the proposal's impact to precede any decision.

Trustee Yee-Melichar supported the idea of a three-year budget plan to ensure predictability and sustainability. She suggested a new category for revenue sources in the budget, specifically the new state revenue generated by the oil gas price gouging penalty bill (SB X1-2). She suggested that the CSU request a share of these innovative revenues.

Trustee Clarke requested detailed information on how the proposed tuition increase and budget plan would address specific campus needs, such as Title IX/DHR. He emphasized the importance of substantive budget discussions to help trustees communicate the CSU's efforts to their communities effectively.

Trustee Gilbert-Lurie suggested allocating a specific budget for mental health, as it has been a reoccurring issue raised during public comment. She suggested conducting a study or forming a group to address mental health at universities effectively. She also inquired about the role of philanthropy and development in the budget, seeking clarity on their revenue contributions.

Steve Relyea clarified that the presented budget request is a proposal from the CSU to the governor, outlining the institution's needs based on its mission and compact. Presidents are actively engaged in philanthropic initiatives, aligning with academic priorities and donor interests. Philanthropy is crucial for the presidents' budgets, along with self-funded enterprises managed at their universities.

President Armstrong highlighted key points about philanthropy and CSU funding. He emphasized that donors expect CSU involvement and funding in supported projects. Donors often prefer funding specific projects or naming rights rather than maintenance or salaries. Building a substantial endowment is challenging due to the significant amount required for sustainable annual income (for example, a \$500 million endowment will generate \$20 million a year).

Trustee Aguilar-Cruz inquired about the categorization of basic needs in the expenditure table presented. Ryan Storm clarified that basic needs have been included in various ways historically, often as part of the Graduation Initiative.

Trustee Aguilar-Cruz referred to the previous year's budget proposal, highlighting a separate line item for basic needs that was supported by Superintendent Tony Thurman. She emphasized the importance of maintaining basic needs as a distinct line item rather than including it under the Graduation Initiative.

Trustee McGrory supported the idea of separate line items for specific requests and asked about the cost breakdown of Title IX implementation. Leora Freedman explained that a fully developed Title IX proposal might not be ready by September 2023. However, a clearer estimate is anticipated. Trustee McGrory suggested showing Title IX implementation as a separate line item in the system and campus costs.

Trustee Arambula is in favor of the three-year budgeting process and appreciated the president's sharing their expenditure breakdown. He stressed the importance of addressing budget challenges creatively rather than burdening universities with shifting financial responsibilities.

Trustee Lopez called for a comprehensive presentation of budget priorities, suggesting more detailed information about spending and proposed funds for initiatives.

Interim Chancellor Koester acknowledged the challenges in providing specific numbers for board review but agreed with the request for more information. She assured the board that staff would make efforts to provide the requested details, even if they are preliminary estimates.

The discussion concluded with an agreement to work towards providing the requested information and ensuring a comprehensive understanding of budget priorities and initiatives.

Item 6, Tuition Policy, *Information*

This information item included a draft tuition policy. Based on the outcome of the discussion by the trustees at this meeting, a final policy will be presented to the board at the September 2023 meeting.

Trustee Aguilar-Cruz recommended involving student input in the review process to consider their perspectives. She also sought clarification on the term "review" and its actions. Steve Relyea explained that the Board will have staff conduct a review prior to every five years. The review will assess metrics like student impact, financial aid, and institutional revenue, considering alignment with Cal Grant and financial aid policy changes. Trustee Aguilar-Cruz proposed changing "review" to "reconsideration."

Ryan Storm emphasized the focus was on establishing high-level policy statements, acknowledging future refinement. Trustee Faigin sought clarity on the term "predictable". Steve Relyea clarified by presenting the Multi-Year Tuition increase history, highlighting the need for stability to eliminate sudden spikes.

Chair Fong asked about the rationale for a five-year review. Steve Relyea explained that understanding cost drivers is crucial. A five-year review would ensure stable revenue, aiding long-term planning. Trustee Yee-Melichar stressed knowing both tuition and net financial aid details. Nathan Evans explained the commitment to set aside one-third of new tuition, enhancing predictability.

Trustee Rodriguez emphasized involving student input. Trustee Lopez supported a five-year review and addressed policy schedules and the misconception of permanent increases. It was suggested to clarify that approved increases would be reconsidered. Several trustees echoed the need for clarity.

Item 7, Multi-Year Tuition Proposal, *Information*

This information item presented a multi-year tuition proposal for certain systemwide tuition and fees: systemwide tuition, nonresident tuition, and the graduate business professional program fee. The proposal would benefit current and prospective students in three important ways: 1) provide the necessary resources for each university to further the CSU's core values of equitable excellence and access; 2) provide tuition stability and predictability for students and parents; and 3) enhance financial aid and affordability for those students with the greatest financial need.

Trustee Faigin expressed willingness to consider supporting a 6% tuition increase for one, possibly two, or three years. He sought clarification that the proposal would involve a 6% increase each year. After five years, the board would review the situation and make decisions accordingly. If no action or vote were taken, the 6% annual increases would continue. Steve Relyea proposed adjusting the wording to clarify the board's role at the five-year mark, specifying that at the moment the annual increase would continue if no action were taken.

Trustee Faigin raised concerns about the proposal's ambiguity, particularly the implication of indefinite tuition increases. To address this, he proposed removing the automatic continuation of tuition increases after three years.

Trustee McGrory expressed concerns about freezing a substantial portion of the general fund budget for 11 years, emphasizing the need to address revenue issues causing the financial shortfall. A sunset provision after five years was suggested.

Trustee Gilbert-Lurie highlighted the importance of clarity, measurable impact, and a clear plan for assessing future tuition increases.

Ryan Storm explained the consideration of a cohort model and its limitations in generating revenue compared to the proposed 6% increase. The board's commitment to addressing the revenue gap over five years was emphasized.

Trustee Aguilar-Cruz requested the report include nonresident tuition for perspective and questioned the 6% increase considering the average higher education price index. Ryan Storm clarified the decision-making process for the 6% increase, considering affordability and revenue needs.

Trustee Aguilar-Cruz raised concerns about the allocation of revenue in various areas, including student support services and faculty/staff compensation. A request was made for a visual representation of fund distribution. Ryan Storm discussed the approach taken in the previous year's budget request, emphasizing challenges due to uncertainty in collective bargaining, state funding fluctuations, and tuition increase approval. He highlighted the importance of stating values and priorities upfront while adapting to financial changes.

Trustee Aguilar-Cruz stressed CSSA's desire for transparent revenue allocation, with a focus on dedicating a majority to student resources. Concerns were shared about an indefinite tuition increase, and CSSA's unanimous vote against the increase was mentioned.

Trustee Rodriguez expressed concern about the lack of clarity on the proposal's duration and opposed an indefinite increase. Questions were raised about the 6% annual increase, the absence of the cohort model, and suggested waiting until November 2023 to ensure student involvement. Trustee Kimbell suggested clarifying the proposal's language to include termination or a sunset provision. Trustee Yee-Melichar noted the faculty's inability to give input during the summer.

Interim Chancellor Koester emphasized the need to implement the proposal in September 2023 to provide ample notice to students for the 2024-2025 academic year and requested the board's commitment to addressing the revenue gap over a five-year period, allowing presidents to implement necessary changes for sustainable funding models. She suggested proceeding with a proposal and exploring alternative approaches in the future.

Chair Fong directed the Chancellor's Office team to amend the proposal, specifying a five-year duration. After the five-year period, a thorough review, evaluation, and subsequent vote would be conducted.

Trustee McGrory requested a comparison between cohort and across-the-board models. Steve Relyea agreed to provide the analysis (Information was sent to Trustees on July 18, 2023). Trustee Gilbert-Lurie suggested assessing student impact during the five years. Trustee Lopez mentioned the financial aid workgroup's role in tracking impacts.

Trustee Lopez adjourned the meeting of the Committee on Finance.

COMMITTEE ON FINANCE

Appointment of the California State University Investment Advisory Committee Chair

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 California State University Board of Trustees with information concerning the appointment of the CSU Investment Advisory Committee Chair for the 2023-2024 fiscal year.

Background

At its September 2017 meeting, the CSU Board of Trustees established the CSU Investment Advisory Committee (IAC). In establishing the membership of the IAC, the board determined that three of the members would be ex officio: (1) the Chair of the Committee on Finance of the CSU Board of Trustees; (2) the Executive Vice Chancellor and Chief Financial Officer of the California State University; and (3) the Assistant Vice Chancellor, Financing, Treasury, and Risk Management for the California State University. In addition, the Chair of the Committee on Finance would serve as Chair of the IAC, and the Executive Vice Chancellor and Chief Financial Officer would serve as Vice Chair of the IAC.

Information Regarding the Appointment of the Investment Advisory Committee Chair

The California State University Investment Advisory Committee Charter approved by the IAC in January 2018 contains provisions that allow a member of the Board of Trustees, other than the Chair of the Committee on Finance, to be appointed and serve as Chair of the IAC. Specifically, Chapter 3 of the Charter, under "Operation, IAC Composition", contains the following paragraph:

"At his or her discretion, the Chair of the Committee on Finance for the Board may elect to designate another Board member to serve on the IAC in place of the Chair of the Committee on Finance for the Board, but in no event shall such service of another Board member on the IAC exceed the term of Chair of the Committee on Finance for the Board."

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Appointment of Jack McGrory to Continue as Chair of the Investment Advisory Committee

For the fiscal year 2023-2024, Trustee Julia I. Lopez has been appointed Chair of the Committee on Finance for the Board of Trustees. With this appointment, Trustee Lopez would now become the Chair of the IAC, however, Trustee Lopez has determined that it is in the best interests of the CSU for Trustee Jack McGrory to continue serving as the Chair of the IAC. To that end and pursuant to the provisions of the IAC Charter, Trustee Lopez has designated Trustee McGrory, and Trustee McGrory has agreed, to continue serving as the Chair of the IAC for the 2023-2024 fiscal year.

COMMITTEE ON FINANCE

California State University Quarterly Investment Report

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

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

Summary

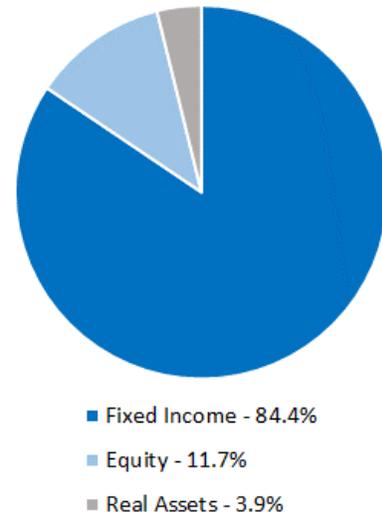
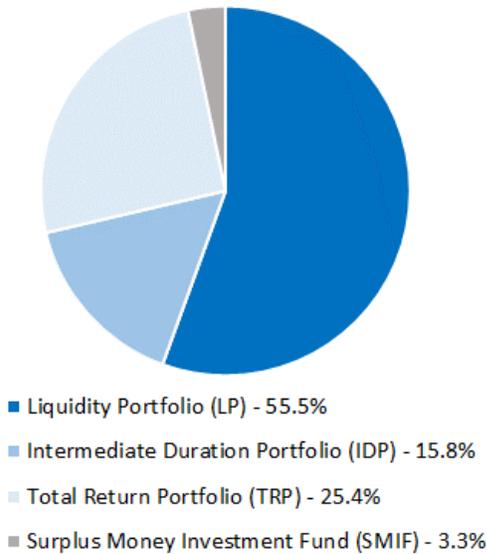
This item provides the quarterly investment report to the California State University Board of Trustees for the quarter ended March 31, 2023. The information in Attachment A provides the entire quarterly investment report regarding CSU investments as required by Education Code § 89726.

Background

The California State University Master Investment Policy is posted publicly to: <https://calstate.policystat.com/policy/11691689/latest>. Pursuant to the CSU Master Investment Policy, CSU investments as of March 31, 2023 consisted of investments in the Liquidity Portfolio, the Intermediate Duration Portfolio (IDP), 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 \$1.07 billion in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

**CSU Investments – Balances, Allocations, and Returns
 March 31, 2023**

| | Balance | % of CSU Investments | Twelve Month Returns |
|---------------------------------------|-----------------------|---------------------------------|---------------------------------|
| Liquidity Portfolio (LP) | \$4.430 billion | 55.5% | 1.30% |
| Intermediate Duration Portfolio (IDP) | \$1.260 billion | 15.8% | -2.57% |
| Total Return Portfolio (TRP) | \$2.023 billion | 25.4% | -6.92% |
| Surplus Money Investment Fund (SMIF) | \$0.262 billion | 3.3% | 1.09% |
| CSU Investments | \$7.98 billion | 100% | |



CSU Investment Portfolios

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

CSU Liquidity Portfolio

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

The Liquidity Portfolio is managed through contracts with two investment management firms, BlackRock Financial Management and Payden & Rygel, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in the Liquidity Portfolio, for investment management purposes additions to the 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.

CSU Intermediate Duration Portfolio (IDP)

The Intermediate Duration Portfolio launched on October 1, 2021, with an initial investment of \$675 million. The purpose of the IDP is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives are safety of principal, liquidity, and return. The IDP is managed through contracts with three investment management firms, Western Asset Management Company, PGIM Fixed Income, and Income Research & Management, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in the IDP, for investment management purposes additions to the portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the State and the IDP investment policy. Consistent with state law, the IDP is restricted to high quality, fixed income securities.

CSU Total Return Portfolio (TRP)

Legislation effective January 1, 2017 expanded the CSU investment authority 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 authority.

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 may not be more than sixty-five percent of eligible CSU investments. 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
Spending Policy
Time and Investment Horizon
Risk Tolerance
Expected Return
Asset Allocation
Benchmarks

Investment Manager Selection
Roles & Responsibilities
Environmental, Social and Governance
Framework
Risk Management
Monitoring and Control Procedures

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, and additional investments allowed the TRP to reach the fiscal year 2018-2019 statutory limit of \$600 million in the first half of 2019. After June 30, 2019, a new investment schedule was adopted by the IAC and staff, with the goal of funding the TRP to as much as thirty percent of CSU investments by mid-2020. However, in April of 2020, the IAC approved a reduced investment schedule in the amount of \$20 million total between April and July of 2020, and in August of 2020, the IAC suspended further contributions to the TRP for the time being. Both actions were taken in order to preserve liquidity in the CSU Liquidity Portfolio in response to the COVID-19 pandemic. In January of 2022, the IAC approved an additional \$900 million investment into the TRP scheduled over the next eighteen months. The investment schedule may also be adjusted by the IAC at any time depending on market conditions and staff will ensure the TRP does not exceed its statutory limit as a percent of CSU Investments.

Since the TRP Inception date¹ through March 31, 2023, the TRP investment earnings were approximately \$230.2 million. During this period, the TRP total return exceeded the Liquidity Portfolio total return by 4.06% annualized (net of fees) or a cumulative \$189.3 million, which was about 5.6 times higher than Liquidity Portfolio investment earnings.

In October 2022, the IAC approved the fourth annual TRP distribution to the system of approximately \$48.8 million, bringing total TRP distributions to the system since inception to \$161.8 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with state law, 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. To facilitate certain expenditures, the CSU maintains small amounts of funds with the State. The portfolio includes

¹ The TRP Inception Date was April 1, 2018.

Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

Reporting Requirements

California 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.

Recent Actions/Next Steps

With the passage of AB 2422, effective January 1, 2023, up to sixty-five percent of CSU investments may be invested in the TRP and the TRP may additionally invest in commingled funds and exchange-traded funds. Considering these legislative changes, in January of 2023 the IAC took two actions and in March of 2023 the Board of Trustees took one action. First, the IAC approved a recommendation to the Board of Trustees to revise the California State University Master Investment Policy. These recommended revisions were presented to and approved by the Board of Trustees at the March 2023 meeting in Agenda Item 4 for the Committee on Finance. The IAC also approved a revised funding schedule for the TRP calling for an additional \$1.25 billion to be invested in the TRP over a twelve-month period.

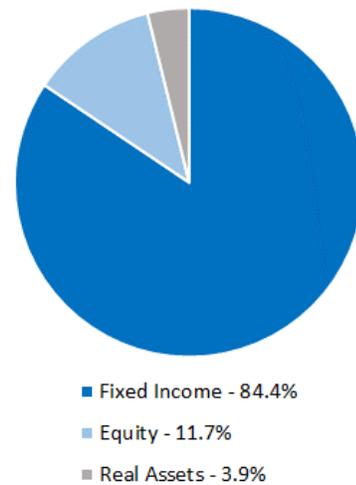
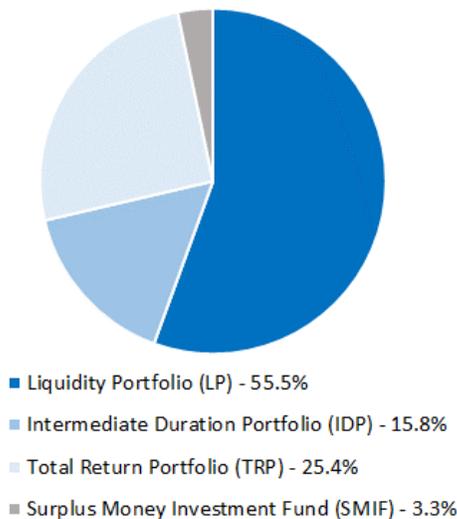
The next investment report to the board is scheduled for the November 2023 meeting and will provide information on the CSU Annual Investment Report for the fiscal year ending June 30, 2023.

CSU Quarterly Investment Report For the Fiscal Quarter Ended March 31, 2023

CSU investments as of March 31, 2023, consisted of investments in the CSU Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), 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 \$1.07 billion 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 March 31, 2023

| | <u>Balance</u> | <u>% of CSU Investments</u> |
|---------------------------------------|-----------------------|-----------------------------|
| Liquidity Portfolio (LP) | \$4.430 billion | 55.5% |
| Intermediate Duration Portfolio (IDP) | \$1.260 billion | 15.8% |
| Total Return Portfolio (TRP) | \$2.023 billion | 25.4% |
| Surplus Money Investment Fund (SMIF) | \$0.262 billion | 3.3% |
| CSU Investments | \$7.98 billion | 100% |



For the nine months ending March 31, 2023, direct investment management fees¹, advisory, and custodial fees totaled just under \$3.1 million, or about 0.045 percent (about 0.06 percent annualized) on CSU investments' average balance for the nine months ending March 31, 2023.

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 6.

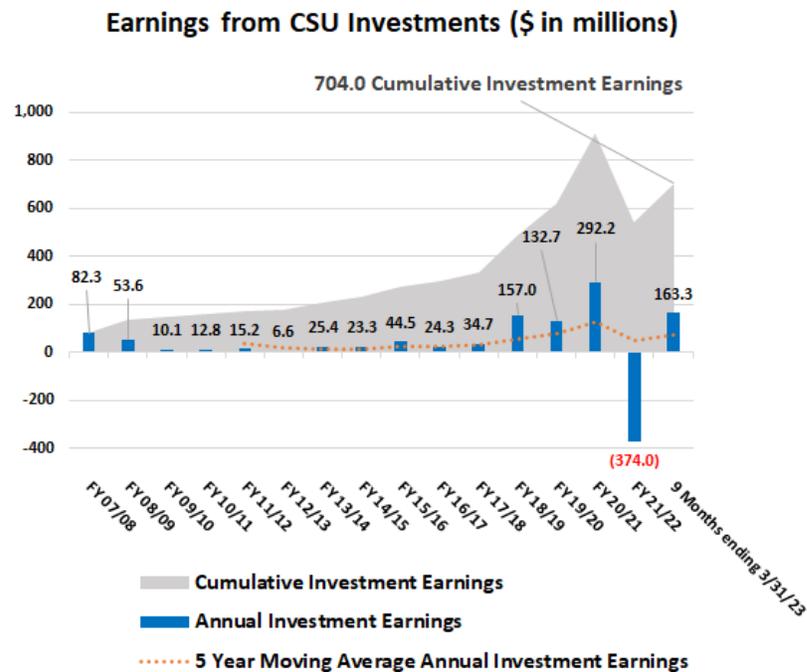
CSU Consolidated Investment Portfolio

The following table displays performance returns for the CSU Consolidated Investment Portfolio which includes the Liquidity Portfolio, IDP, and TRP.²

| | CSU Consolidated Investment Portfolio | CSU Total Return Portfolio (TRP) | CSU Intermediate Duration Portfolio (IDP) | CSU Liquidity Portfolio (LP) |
|-------------------------------------|---------------------------------------|----------------------------------|---|------------------------------|
| 1 Year Return | -0.81% | -6.92% | -2.57% | 1.30% |
| 3 Year Annualized Return | 2.24% | 9.53% | N/A | 0.20% |
| 5 Year Annualized Return | 2.08% | 5.33% | N/A | 1.31% |
| 10 Year Annualized Return | 1.39% | N/A | N/A | 1.01% |
| Since Inception Return ³ | 1.49% | 5.33% | -5.56% | 1.25% |

As of March 31, 2023, the TRP since inception investment earnings were approximately \$230.2 million. During this period, the TRP total return exceeded the Liquidity Portfolio total return by 4.06 percent annualized (net of fees) or a cumulative \$189.3 million, which was about 5.6 times higher than Liquidity Portfolio investment earnings.

Investment Earnings from CSU Investments Support Campus Operations and Student Experience



² CSU Consolidated Investment Portfolio returns exclude SMIF.

³ Inception Dates for the CSU portfolios were: Consolidated Investment Portfolio, July 1, 2007; Liquidity Portfolio, July 1, 2007; IDP, October 1, 2021; and TRP, April 1, 2018. CSU Consolidated Investment Portfolio, Liquidity Portfolio, and IDP returns reported gross of fees and as total return, including income and gains (realized and unrealized).

CSU Liquidity Portfolio (LP)

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

| | <u>CSU Liquidity Portfolio</u> | <u>Benchmark⁴</u> |
|--|--------------------------------|------------------------------|
| 1 Year Return ⁵ | 1.30% | 0.82% |
| 3 Year Annualized Return | 0.20% | -0.35% |
| 5 Year Annualized Return | 1.31% | 1.22% |
| 10 Year Annualized Return | 1.01% | 0.85% |
| Annualized Since Inception Return ⁶ | 1.25% | 1.41% |
| Yield | 4.34% | 4.36% |
| Duration (Years) | 1.04 | 1.36 |
| Average Credit Rating | AA- | Aaa/AA+ |

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

| | | | |
|--------------------------|-------|--------------------------|------|
| Treasuries | 44.5% | Commercial Paper | 5.2% |
| U.S. Corporate Bonds | 22.9% | Cash Equivalents | 2.6% |
| U.S. Government Agencies | 15.1% | Agency MBS | 2.0% |
| Certificates of Deposit | 7.5% | CA Municipal Obligations | 0.2% |

⁴ Benchmark for the Liquidity Portfolio is the Bank of America Merrill Lynch 0-3 Year Treasury Index.

⁵ Liquidity Portfolio Returns reported gross of fees and as total return, including income and gains (realized and unrealized).

⁶ Inception Date for the Liquidity Portfolio was July 1, 2007.

CSU Intermediate Duration Portfolio (IDP)

The purpose of the Intermediate Duration Portfolio is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives are safety of principal, liquidity, and return. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

| | CSU Intermediate Duration Portfolio | Benchmark⁷ |
|-----------------------------------|--|------------------------------|
| 3 Months Return ⁸ | 2.40% | 2.50% |
| 1 Year Return | -2.57% | -2.73% |
| Annualized Since Inception Return | -5.56% | -5.35% |
| Yield | 4.71% | 4.50% |
| Duration (Years) | 4.82 | 4.61 |
| Average Credit Rating | A+ | AA- |

Holdings by Asset Type (% of CSU Intermediate Duration Portfolio):

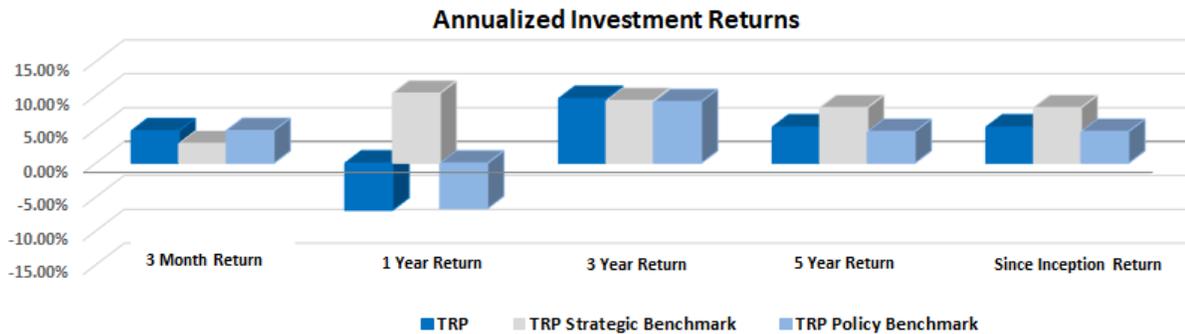
| | | | |
|-------------------------|-------|--------------------------|------|
| U.S. Corporate Bonds | 57.4% | U.S. Government Agencies | 1.7% |
| Agency MBS | 25.9% | Cash Equivalents | 1.5% |
| Treasuries | 10.2% | CA Municipal Obligations | 1.3% |
| Asset-Backed Securities | 1.9% | Supranationals | 0.1% |

⁷ Benchmark for the IDP is 50% Bloomberg Barclays US Corporate 1-10 Year A or Better Ex-Yankee / 30% Bloomberg Barclays US MBS / 20% Bloomberg Barclays US Intermediate Treasury Index.

⁸ Inception Date for the IDP was October 1, 2021. IDP Returns reported gross of fees and as total return, including income and gains (realized and unrealized).

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.



| | CSU Total Return Portfolio | Strategic Benchmark⁹ | Policy Benchmark¹⁰ |
|---|---|--|--|
| 3 Months Return | 4.77% | 2.91% | 4.81% |
| 1 Year Return | -6.92% | 10.32% | -6.69% |
| 3 Year Annualized Return | 9.53% | 9.24% | 9.07% |
| 5 Year Annualized Return | 5.33% | 8.19% | 4.67% |
| Annualized Since Inception Return ¹¹ | 5.33% | 8.19% | 4.67% |

In October 2022, the CSU Investment Advisory Committee approved the fourth annual TRP distribution to the system of approximately \$48.8 million, bringing total TRP distributions to the system since inception to \$161.8 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with Education Code Section § 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.

⁹ The TRP Strategic Benchmark is Inflation (Core Consumer Price Index) plus 4.5% per annum. The long-term rate of inflation is assumed at 2.2% per annum.

¹⁰ The TRP Policy Benchmark is a blend of passive indices whose weights match the TRP target asset allocation.

¹¹ TRP Inception Date was April 1, 2018.

Holdings by Asset Type (% of CSU Total Return Portfolio):

| | | | |
|---------------------------|-------|-------------------------------|-------------------|
| Equity Mutual Funds | 46.2% | Passive Index Mutual Funds | 74% |
| Fixed Income Mutual Funds | 38.6% | Actively Managed Mutual Funds | 26% ¹² |
| Real Asset Mutual Funds | 15.2% | | |

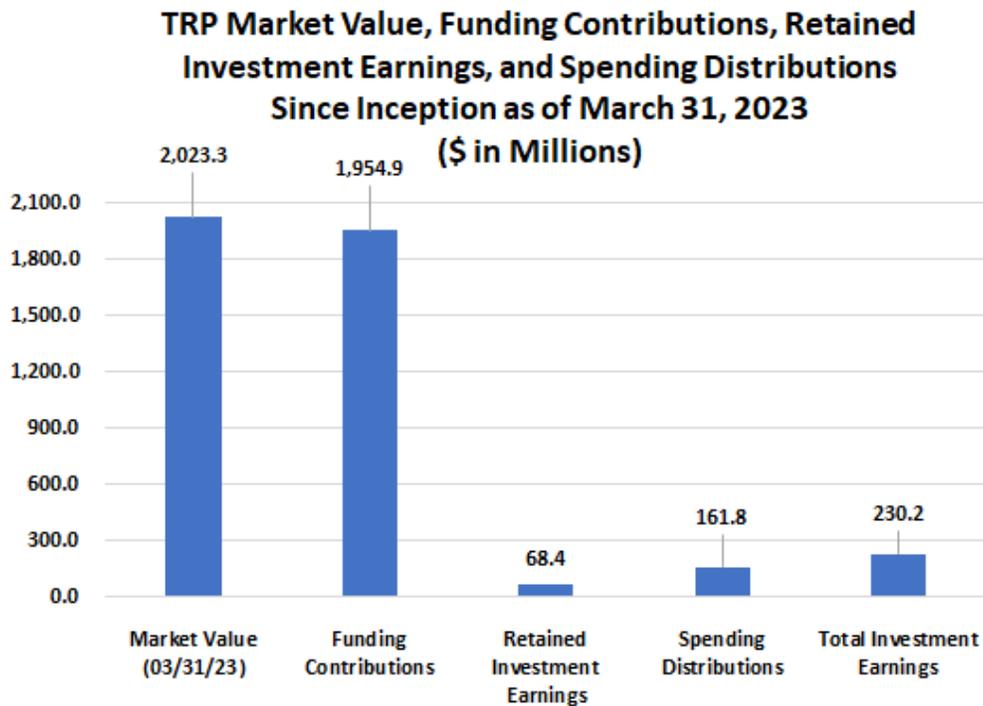
Values, Holdings & Fees (CSU Total Return Portfolio)

| Asset Class | Strategy Name | Ticker | Value (millions) | % of Total Return Portfolio | TRP Fund Expense Ratio (Fee) | Median Fee Per Asset Class ¹³ |
|---------------------|---|--------|------------------|-----------------------------|------------------------------|--|
| Fixed Income | | | | | | |
| | Vanguard Total Bond Market Index Fund | VBMPX | 440.4 | 21.76% | 0.03% | 0.44% |
| | Vanguard Inflation-Protected Securities Fd | VIPIX | 100.2 | 4.95% | 0.07% | 0.38% |
| | Lord Abbett High Yield Fund | LHYOX | 120.2 | 5.94% | 0.60% | 0.69% |
| | Pacific Funds Floating Rate Income Fund | PLFRX | 59.9 | 2.96% | 0.72% | 0.77% |
| | Payden Emerging Markets Bond Fund | PYEIX | 30.1 | 1.49% | 0.69% | 0.80% |
| | T. Rowe Emerging Markets Bond Fund | TREBX | 30.1 | 1.49% | 0.70% | 0.80% |
| Equity | | | | | | |
| | Vanguard Total Stock Market Index Fund | VSMPX | 489.3 | 24.18% | 0.02% | 0.75% |
| | Vanguard Developed Markets Index Fund | VDIPX | 243.5 | 12.03% | 0.04% | 0.88% |
| | Driehaus Emerging Markets Growth Fund | DIEMX | 121.2 | 5.99% | 1.08% | 1.03% |
| | DFA Emerging Markets Value Fund | DFEVX | 60.5 | 2.99% | 0.44% | 1.03% |
| | Redwheel Global Emerging Equity Fund | RWCEX | 20.5 | 1.01% | 1.20% | 1.03% |
| Real Assets | | | | | | |
| | Vanguard Real Estate Index Fund | VGSNX | 165.1 | 8.16% | 0.10% | 0.87% |
| | Vanguard Materials Index Fund | VMIAx | 51.1 | 2.52% | 0.10% | 0.93% |
| | First Sentier Global Listed Infrastructure Fd | FLIIX | 91.2 | 4.51% | 0.95% | 0.97% |
| Cash | | | 0.0 | 0.00% | NA | NA |
| Total | | | 2,023.3 | 100% | 0.24% | 0.73% |

¹² The percent of Actively Managed Mutual Funds is likely to increase in the future while the percent of Passive Index Mutual Funds would decrease consistent with the TRP implementation plan. The total TRP Fund Expense Ratio and total Median Fee Per Asset Class are weighted averages using the percent of the Total Return Portfolio shown in the table for each fund and their respective asset class.

TRP Annual Spending Distributions Assist Campuses to Meet Deferred Maintenance & Capital Outlay Needs

The following chart shows the TRP market value, total funded contributions, total retained investment earnings, total spending distributions, and total investment earnings since inception as of March 31, 2023. Total TRP investment earnings equal total TRP spending distributions plus total TRP retained investment earnings.



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 Yield¹⁴ | |
|--|-------|
| Trailing 12 month as of 03/31/23 | 1.57% |
| Average (FYE 06/30/07 – 03/31/23) | 1.09% |

¹⁴ Annual Yield calculated by CSU Treasury Operations based on the quarterly apportionment yield rates published by the State Controller’s Office.

COMMITTEE ON FINANCE

Tuition Policy

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

This is an action item to adopt a tuition policy for the California State University (CSU).

Background

The State of California, through the establishment of the CSU, recognized the importance of higher education collectively to the state and individually to its citizens.

It is reasonable, therefore, for both the state, through appropriations to the university, and for students (or their benefactors), through the payment of systemwide tuition and fees, to provide the financial support necessary for the university to offer high-quality academic programs and student support services. It is also reasonable that qualified students who could not otherwise afford to attend the CSU be provided with the financial support necessary for them to enroll.

It has been three decades since the Board of Trustees last formulated a tuition policy and guiding principles; this action would supersede the tuition policy formulated by the board in 1993.

As discussed in previous board meetings and upon the recommendation of the Sustainable Financial Model Workgroup, a tuition policy should be adopted prior to approving an increase in tuition rates. In addition, the recently formed Strategic Workgroup on Financial Aid will recommend a comprehensive financial aid strategy and policy that will inform the level of student financial need the CSU should meet with institutional aid and ways to measure achievement of the goal.

Recommendation

The following resolution is recommended for approval:

Tuition Policy

RESOLVED, that the Board of Trustees provides policy guidance for all matters pertaining to student fees and has authority for the establishment of Category I and VI fees, and oversight and adjustment of Category I fees, pursuant to the Working Families Student Fee Transparency and Accountability Act (commencing with Section 66028 of the Education Code).

RESOLVED, that the Board of Trustees will establish, adjust, and oversee systemwide tuition (e.g., systemwide tuition for all levels of education, undergraduate through doctorate; nonresident supplemental tuition; and Graduate Business Professional Program supplemental tuition) using the following guiding principles:

- The affordability of a CSU education must be measured based on the total cost of attendance and student financial need. A CSU education should be affordable to all students and their families and consider factors such as income, cost of living, enrollment status, and academic program of study.
- The CSU relies on revenue from tuition and state support to ensure the delivery of a high-quality education and robust student support services.
- A paramount responsibility of the Board of Trustees is to ensure sufficient revenues from state appropriations and tuition to meet the CSU mission and to provide the universities with the necessary funding for high-quality operations.

RESOLVED, it shall be the policy of the Board of Trustees that:

- The Board of Trustees shall review the tuition policy and approved tuition schedules at least every five years in consultation with the California State Student Association.
- Tuition rates shall be predictable and clearly communicated so that students and their families are able to plan for the cost of their education.
- Increases in tuition shall be predictable and for a duration of not more than five years.

- Concurrently with any increase in tuition or growth in enrollment, the CSU shall increase funding for need-based institutional aid (i.e., State University Grant program) by an amount not less than one-third of incremental systemwide tuition revenue.
- Eighteen months prior to the end of any scheduled tuition increase, or earlier at the request of the Board of Trustees, the Chancellor shall report to the Board with an assessment of the tuition rates and their impact on the tuition policy guiding principles established by the Board of Trustees.
- The assessment of approved tuition schedules shall be prepared by the Chancellor's Office in consultation with key stakeholders including students, faculty, and staff. The assessment shall include, at a minimum, the following:
 - CSU systemwide tuition rates compared to public four-year institutions of higher education in the United States as reported to the National Center for Education Statistics.
 - Student financial assistance provided from federal, state, and institutional aid programs disaggregated by student household income and other demographic measures.
 - Change in average student debt burden at graduation and amounts for comparable institutions.
 - Changes in Board of Trustees adopted measures of student outcomes and achievements, such as retention rates, graduation rates, and equity gaps.
 - Gross systemwide tuition revenue generated annually and per full-time equivalent student, compared to other operating revenue categories including federal and state appropriations, over the past five years.
 - Level of student financial need that is met with institutional aid, over the past five years.

COMMITTEE ON FINANCE

Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

This item recommends approval of the 2024-2025 CSU Operating Budget Plan by the Board of Trustees. The CSU's baseline operating budget totals \$8.1 billion. The 2024-2025 Operating Budget Plan would increase the budget by \$557 million. This represents a 6.9 percent increase.

Also, this item recommends approval of the Multi-Year Tuition Proposal recommended by the interim chancellor. The proposal would establish annual tuition rate increases of six percent for undergraduate students (\$342 for the 2024-2025 academic year). Similar increases would apply to all other levels of education. The increases would begin in fall 2024. The rate increases would span five academic years: 2024-2025 through 2028-2029. The Board of Trustees would need to determine any rate changes for 2029-2030 and beyond.

New revenue from the tuition increase and the state are necessary to balance the operating budget plan. Together, the operating budget plan and the tuition proposal would:

- Utilize all new revenue to ensure all students have the opportunity to earn lifelong, life-transforming benefits of a CSU degree.
- Keep tuition costs as low as possible for students.
- As identified by the CSU Sustainable Financial Model Workgroup, begin to narrow the funding gap between currently available revenue and needed investments.
- Provide the greatest level of revenue sustainability and predictability in the university's history.
- Express the budgetary values and priorities of the Board of Trustees to state lawmakers and the governor's administration.

This item includes additional information in two attachments. Attachment A is the proposed 2024-2025 Operating Budget Plan, which contains historical detail as well as prospective information for the Board of Trustees' consideration. Attachment B includes statutorily required information for the Multi-Year Tuition Proposal.

One Discussion, Two Resolutions

The Board of Trustees discussed at the July 2023 meeting the multi-year tuition proposal and, separately, the preliminary 2024-2025 Operating Budget Plan. However, after the board's discussion and further contemplation, it is logical to combine the discussion on operating budget expenditures and all revenue sources into one item. This is because these topics are inextricably linked and rarely can one be discussed without the other. For example, a discussion about a possible new expenditure inevitably leads to further discussion on how to pay for it. And vice versa—if new funding is provided to the CSU or the CSU generates new revenue, then a determination must be made on how the money is to be spent. It is anticipated that a comprehensive discussion of all revenue sources as well as all potential expenditures will improve decision-making and results.

The chancellor's office staff will present and the chair of the committee will facilitate conversation on the operating budget plan and tuition proposal as one discussion item. It is then recommended that the Board of Trustees take distinct actions on two separate resolutions: one resolution specific to the multi-year tuition proposal and the other resolution specific to the 2024-2025 Operating Budget Plan. Those draft resolutions are near the end of this written agenda item.

2024-2025 Operating Budget Plan

CSU Values and Priorities

The CSU has several value-driven priorities that are critical to the university and contribute to the mission and student achievement:

- Advance student success by expanding the work of the graduation initiative to support the CSU's broader mission of educational equity so that all students have the equal opportunity to earn the lifelong, life-transforming benefits of a CSU degree.
- Invest in faculty and staff who educate, inspire, and uplift our diverse and talented students.
- Ensure safe, modern, and sustainable facilities where teaching, learning and student well-being can thrive.
- Expand financial aid to support students with the greatest financial need.
- Grow enrollment to ensure a solid foundation for California's future economy with a degree-holding, well-educated citizenry.

2024-2025 Operating Budget Plan Summary

The CSU’s baseline operating budget totals \$8.1 billion. The 2024-2025 Operating Budget Plan would increase the baseline budget by \$557 million. This represents a 6.9 percent increase.

The Expenditure Priorities of the 2024-2025 Operating Budget Plan Reflect the CSU’s Values and Priorities

An organization’s budget reflects an organization’s values. This is the case at the CSU. As briefly shown in the below table and more exhaustively in Attachment A, the 2024-2025 Operating Budget Plan includes new, aspirational investments that complement the many values and priorities of the university. There is further evidence to support this claim as the expenditures have been placed in groups that stress the linkage between the budget, values, and priorities. Also, the plan contains necessary investments in required operational costs that are important for the long-term financial sustainability of the university. With these investments appropriately resourced, the CSU and the state will be in a better position to meet the overall economic and future workforce needs of California.

| Incremental Ongoing Plan In Millions | 2023-2024 Base | 2024-2025 Increase | Change |
|---|-------------------|-----------------------|-------------|
| Expenditures | | | |
| Student Access and Success | | | |
| Financial Aid: State University Grant | \$701 | \$58 | 8% |
| Student Access & Enrollment | | 55 | |
| Graduation Initiative | 380 | 30 | 8% |
| Student Basic Needs & Mental Health | 95 | 7 | 7% |
| Institutional Support | | | |
| Title IX and DHR Programs | 20 | 16 | 80% |
| State and Federal NAGPRA Compliance | | 4 | |
| Required Operational Costs | 400 | 63 | 16% |
| Debt Service on Facilities & Infrastructure | 440 | 25 | 6% |
| CSU Workforce Investments | | | |
| Faculty & Staff Compensation Pool | 5,374 | 221 | 4% |
| Health Premium | 699 | 78 | 11% |
| Total Ongoing Expenditures | \$8,109 | \$557 | 6.9% |

| One-Time Expenditures In Millions | | 2024-2025 Increase | Change |
|-------------------------------------|--|-----------------------|--------|
| Critical Capital Renewal | | \$1,300 | |

The Necessary Revenue to Support the Expenditure Priorities

State general fund and student tuition revenue are the two primary sources that support the university's annual operating budget plan and the educational endeavors of approximately 460,000 CSU students.

To support the expenditure priorities of the budget plan, it would require a significant infusion of new, ongoing revenue from the state general fund and from a tuition increase. But the amounts of new revenue forecasted (state general fund) and proposed (tuition), will not be sufficient to fully support the new expenditures included in this plan.

The governor agreed to propose annual, ongoing state general fund increases of five percent for the term of the compact (or approximately 3.0 percent of the CSU Operating Fund) beginning in fiscal year 2022 and continuing through 2026-2027. The CSU anticipates that the governor's administration will again propose an ongoing state general fund increase of five percent for 2024-2025 or approximately \$240 million.

The interim chancellor is recommending a multi-year tuition proposal that would increase tuition rates beginning in the 2024-2025 academic year. The additional revenue resulting from the recommended six percent rate increase is included in the operating budget plan. The additional tuition revenue estimated from the proposed increase would be \$148 million in 2024-2025 (or approximately 1.8 percent of the CSU Operating Fund).

Tuition from the one percent resident, undergraduate enrollment growth is estimated at \$24 million (or approximately 0.3 percent of the CSU Operating Fund).

In sum, forecasted revenues of \$412 million (or approximately 5.1 percent of the CSU Operating Fund) would be available to support the plan. The multi-year tuition proposal and the governor's multi-year compact funding commitment would provide the greatest level of revenue sustainability and predictability in the university's history.

These forecasted revenue sources would allow the university to advance several—but not all—of the expenditure priorities included in the operating budget plan. Consequently, to balance the plan, an additional request of \$145 million state general fund above the state compact is included in the operating budget plan (or approximately 1.8 percent of the CSU Operating Fund). The grand total of these four revenue sources—compact commitment, tuition increase, tuition from enrollment growth and state general fund above compact—is \$557 million ongoing (or approximately 6.9% of the CSU Operating Fund).

At this early point in time, both positive and negative economic signals make the future uncertain and it is unclear if there will be additional state revenue (beyond those already identified) to support more CSU priorities. If the CSU does not secure funding at or beyond compact and tuition levels for the operating budget plan, priority areas of the operating budget would not be funded, would be reduced or eliminated, and universities would have to redirect funding from designated balances and reserves (one-time) and existing programs (ongoing). Faced with budget reductions, it is possible that layoffs could occur, fewer course sections would be available to students, average unit loads would go down, and ultimately it could take longer for students to graduate, costing students more money and creating challenges for graduation initiative efforts.

| Incremental Ongoing Plan In Millions | 2023-2024 Base | 2024-2025 Increase | Change |
|--|-------------------|-----------------------|-------------|
| Revenue Sources | | | |
| Tuition | \$2,448 | \$148 | 6% |
| Tuition: Access & Enrollment | | 24 | 1% |
| Campus-based Mandatory Fees | 672 | | |
| General Fund | | | |
| Compact Commitment | 4,989 | 240 | 5% |
| Additional Request (Above Compact) | | 145 | 3% |
| Total Revenue Sources | \$8,109 | \$557 | 6.9% |

Again, please review Attachment A, the proposed 2024-2025 Operating Budget Plan, which contains historical and prospective information for the Board of Trustees' consideration.

Potential Opportunities to Address Additional Operating Budget Revenue Need

The CSU's highest priority is to advocate for increased state funding above the compact and proposed tuition increase to cover the full operating budget plan. The CSU will work collaboratively with stakeholders and partners across the system including trustees, campuses, alumni, students, and CSU champions to make the case in Sacramento for increased funding that supports our priorities.

Multi-Year Tuition Proposal

The process to increase tuition has many steps. It began on May 25, 2023, with a written proposal to the California State Student Association (CSSA) and continues with appropriate consultation with, and feedback from, CSSA and other CSU stakeholders. The consultation period includes the information item at the July 2023 Board of Trustees meeting and this action item at the September 2023 board meeting. The tuition increase would go into effect for the fall 2024 term and apply to the 2024-2025 academic year. There is an 11-month lead time between the September 2023 board meeting and the implementation of the tuition increase. This span of time provides students and their families adequate time to plan and ensures that the CSU is in alignment with the law.

As one of the long-term financial sustainability solutions, the multi-year tuition proposal would apply to the following systemwide tuition and fee categories: systemwide tuition, nonresident tuition, and the graduate business professional fee (for simplicity purposes, these will be referred to collectively as “tuition”).

Under this proposal:

- Annual tuition increases would apply to all students at every level of education.
- Tuition would increase by six percent each year for all students.
- Tuition increases would span five academic years. The increases would begin with the 2024-2025 academic year and sunset at the end of the 2028-2029 academic year. These would be permanent rate increases, not temporary rate increases.
- At the end of the 2028-2029 academic year, tuition rates will remain at that level until the Board of Trustees takes another action, if any, for 2029-2030 and beyond. In other words, tuition rates will not return to 2023-2024 levels in 2029-2030.
- The chancellor’s office would begin in July 2027 an assessment of the approved tuition schedules and would report findings to the Board of Trustees in January 2028. The assessment would use several data sets to evaluate whether tuition increases met the tuition policy guiding principles and policy elements established (for more details, see Committee on Finance Agenda Item #4).
- Upon review of the assessment’s findings, the Board of Trustees would determine any tuition rate changes for 2029-2030 and beyond.

The proposed tuition increase of \$342 per resident undergraduate student would take the annual tuition price from \$5,742 per student to \$6,084 reflecting a six percent rate increase in 2024-2025. Similar rate increases are proposed for nonresident tuition, as well as graduate, doctoral, and teacher credential programs.

The proposal would generate \$148 million of revenue in the first year (2024-2025) and would dedicate \$49 million in the operating budget plan to the State University Grant (SUG) program for financial aid support for students. Over the first five years of the tuition increase, the proposal would generate \$860 million with a commitment of \$280 million for financial aid.

Undergraduate, Credential and Graduate Programs

The following tables show the current and proposed tuition rates for full- and part-time undergraduate, credential, and graduate programs.

Summer rates would increase beginning with the summer 2025 term.

| | Academic Year | | | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023- 2024 | 2024- 2025 | 2025- 2026 | 2026- 2027 | 2027- 2028 | 2028- 2029 |
| Undergraduate (full-time) | \$ 5,742 | \$ 6,084 | \$ 6,450 | \$ 6,840 | \$ 7,248 | \$ 7,682 |
| Undergraduate (part-time) | \$ 3,330 | \$ 3,528 | \$ 3,738 | \$ 3,962 | \$ 4,200 | \$ 4,452 |
| Credential (full-time) | \$ 6,660 | \$ 7,062 | \$ 7,488 | \$ 7,938 | \$ 8,414 | \$ 8,918 |
| Credential (part-time) | \$ 3,864 | \$ 4,098 | \$ 4,344 | \$ 4,604 | \$ 4,880 | \$ 5,172 |
| Graduate (full-time) | \$ 7,176 | \$ 7,608 | \$ 8,064 | \$ 8,550 | \$ 9,066 | \$ 9,612 |
| Graduate (part-time) | \$ 4,164 | \$ 4,416 | \$ 4,680 | \$ 4,962 | \$ 5,262 | \$ 5,580 |

Doctoral Programs

The tables below show the current and proposed tuition rates for the six doctoral programs offered by the CSU. Noted are any limitations to future tuition increases. Because state law requires that four of the six rates must be coordinated with the University of California (UC) and future UC rates are not yet determined, rate increases for future years may not occur if the rate has reached the not-to-exceed threshold. Due to this potential administrative complexity over the next five years, it is recommended that the Board of Trustees establish the following tuition rate schedule for the doctoral programs and delegate to the chancellor the authority to hold or adjust individual doctoral program tuition rates, as necessary.

| | Academic Year | | | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023- 2024 | 2024- 2025 | 2025- 2026 | 2026- 2027 | 2027- 2028 | 2028- 2029 |
| Doctor of Audiology | \$ 14,742 | \$ 15,624 | \$ 16,560 | \$ 17,556 | \$ 18,612 | \$ 19,728 |
| Doctor of Education | \$ 11,838 | \$ 12,546 | \$ 13,296 | \$ 14,094 | \$ 14,940 | \$ 15,836 |
| Doctor of Nursing Practice | \$ 15,270 | \$ 16,188 | \$ 17,160 | \$ 18,192 | \$ 19,284 | \$ 20,442 |
| Doctor of Occupational Therapy | \$ 17,196 | \$ 18,228 | \$ 19,320 | \$ 20,480 | \$ 21,708 | \$ 23,010 |
| Doctor of Physical Therapy | \$ 17,196 | \$ 18,228 | \$ 19,320 | \$ 20,480 | \$ 21,708 | \$ 23,010 |
| Doctor of Public Health | \$ 18,900 | \$ 18,900 | \$ 20,034 | \$ 21,236 | \$ 22,510 | \$ 23,860 |

- Doctor of Audiology program tuition is mandated by state law (Education Code 66041.1) to be no higher than the rate at UC.
- Doctor of Education program tuition is mandated by state law (Education Code 66040.5) to be no higher than the rate at UC.
- State law does not limit the tuition that may be assessed for the CSU Doctor of Nursing Practice program.

- State law does not limit the tuition that may be assessed for the Doctor of Occupational Therapy program.
- Doctor of Physical Therapy program tuition is mandated by state law (Education Code 66042.1) to be no higher than the rate at UC.
- Doctor of Public Health program tuition is mandated by state law (Education Code 66044.1) to be no higher than the rate at UC. Because the 2023-2024 rate was just established in January 2023, the first increase will be effective with the 2025-2026 academic year.

Nonresident Students

Nonresident tuition is in addition to applicable systemwide tuition. The following table shows the per semester and per quarter unit tuition rates for nonresident students. Revenue from nonresident tuition varies widely by campus and is kept locally at each campus to educate nonresident students.

| | Academic Year | | | | | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023- 2024 | 2024- 2025 | 2025- 2026 | 2026- 2027 | 2027- 2028 | 2028- 2029 |
| Semester Rate (per unit) | \$ 396 | \$ 420 | \$ 444 | \$ 471 | \$ 498 | \$ 528 |
| Quarter Rate (per unit) | \$ 264 | \$ 280 | \$ 296 | \$ 314 | \$ 332 | \$ 352 |

Graduate Business Professional Program

The Graduate Business Professional Fee is in addition to applicable systemwide tuition. The board resolution authorizing this fee requires that whenever the board takes action to adjust tuition for graduate students, the same adjustment will be made to the Graduate Business Professional Fee. The following table shows the per semester and per quarter unit rates. Revenue from Graduate Business Professional Fees vary widely by campus and is kept locally at each campus to educate graduate students.

| | Academic Year | | | | | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023- 2024 | 2024- 2025 | 2025- 2026 | 2026- 2027 | 2027- 2028 | 2028- 2029 |
| Semester Rate (per unit) | \$ 270 | \$ 285 | \$ 303 | \$ 321 | \$ 339 | \$ 360 |
| Quarter Rate (per unit) | \$ 180 | \$ 190 | \$ 202 | \$ 214 | \$ 226 | \$ 240 |

Further Information and Summary of Public Comment

The process to increase tuition began on May 25, 2023, with a written proposal to the CSSA. The consultation period included a discussion of the information item at the July 2023 Board of Trustees meeting. The discussion continued with appropriate consultation with, and feedback from, other CSU stakeholders and includes this action item for the September 2023 Board of Trustees meeting.

To provide students and their families with as much information as possible for planning purposes, the <http://www.calstate.edu/tuition-increase> website includes information on the proposal. It provides information about the possible tuition increase, including proposed rate increases, general and specific campus financial aid resources, answers to frequently asked questions and other information.

The webpage also provides the opportunity for students, their families, and anyone else to comment on the proposal. Comments were collected from the webpage and from public comments provided during the July 9-12, 2023 Board of Trustees meeting. Most comments opposed the multi-year tuition increase. A few respondents indicated they understand the need for the increase, but they believe the state should be the primary funding source for the CSU. Additionally, a few commented on finding alternative funding in place of increasing tuition. Other respondents raised issues that were unrelated to the multi-year tuition proposal, and outside of the university's control.

Public feedback fell into three main categories: 1) overall affordability and increasing future student debt, specifically highlighting concern for those not receiving financial aid, 2) transparency in the use of all new revenue to support students, and 3) the state's responsibility to fund the CSU rather than charging students higher tuition.

Recommended Changes to the Proposal Since the July 2023 Board of Trustees Meeting

Based on feedback from the trustees and other stakeholders, the chancellor's office revised the tuition proposal in two ways.

Scheduled Sunset

The prior proposal would have begun tuition increases with the 2024-2025 academic year with no end—no scheduled sunset date. Several trustees were concerned that annual tuition increases would have continued in perpetuity. The revised proposal would establish a sunset of five years. Specifically, tuition rates would increase by six percent per year beginning with the 2024-2025 academic year and the last scheduled increase would occur for the 2028-2029 academic year. Any change for the 2029-2030 academic year or beyond would require affirmative action by the trustees at a later date.

Assessment

Several trustees stated an interest in a CSU assessment of the effect of tuition rate increases near the end or at the end of the approved tuition schedules. The revised proposal would have the chancellor's office begin an assessment of the tuition increases in July 2027 and a report to the Board of Trustees in January 2028 of that assessment. This timeline would provide the Board of Trustees with the opportunity to consider during the spring and summer of 2028 changes to rates for the 2029-2030 academic year or beyond.

The assessment would include, at a minimum, the following:

- Tuition rate comparisons,
- Student financial assistance by demographic,
- Student debt burden,
- Student achievement, such as retention rates, graduation rates, and equity gaps,
- Generated tuition revenue, and
- Student financial need met by institutional aid.

Agenda Item 4 of the Committee of Finance would incorporate this assessment into the tuition policy so that this proposed five-year tuition rate increase and all future rate increases would be similarly assessed. Additional detail is available in that item.

September 2023 Action by the Board is Important

Action by the Board of Trustees is necessary at the September 2023 meeting for several reasons. First, the timing of this vote is intended to provide students and families with clarity around tuition rates as early as possible as they consider applying for admission at CSU universities. With the fall 2024 application period scheduled from October 1 to November 30, 2023, a delay in the tuition vote would introduce uncertainty during the application and early admission process. Second, students also need to better understand their financial aid situation as early as possible to make informed decisions. The September approval would provide the universities adequate time to update communications and package financial aid for students. Third, campus leadership is in the process of making budget decisions for the upcoming year, and a September approval provides adequate time to make informed decisions.

Recommendation

The following resolutions are presented for approval. The members of the Committee on Finance and the full board will vote separately on each. The recommendation is to first vote on the tuition proposal because the operating budget plan assumptions are dependent on new tuition revenue from a rate increase.

The following resolution is recommended for approval:

Tuition Rates for the 2024-2025 through the 2028-2029 Academic Year

RESOLVED, By the Board of Trustees of the California State University that the following academic year 2024-2025 through 2028-2029 schedule of systemwide tuition and per-unit fees be approved, effective fall term 2024:

| Academic Year | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 |
|--|-----------|-----------|-----------|-----------|-----------|
| Undergraduate Programs | | | | | |
| Full-Time (6.1+ units) | \$ 6,084 | \$ 6,450 | \$ 6,838 | \$ 7,248 | \$ 7,682 |
| Part time (0-6.0 units) | \$ 3,528 | \$ 3,738 | \$ 3,962 | \$ 4,200 | \$ 4,452 |
| Credential Programs | | | | | |
| Full-Time (6.1+ units) | \$ 7,062 | \$ 7,488 | \$ 7,938 | \$ 8,414 | \$ 8,918 |
| Part time (0-6.0 units) | \$ 4,098 | \$ 4,344 | \$ 4,604 | \$ 4,880 | \$ 5,172 |
| Graduate & Post-Baccalaureate | | | | | |
| Full-Time (6.1+ units) | \$ 7,608 | \$ 8,064 | \$ 8,548 | \$ 9,060 | \$ 9,604 |
| Part time (0-6.0 units) | \$ 4,416 | \$ 4,680 | \$ 4,960 | \$ 5,258 | \$ 5,574 |
| Doctoral Programs | | | | | |
| Doctor of Audiology | \$ 15,624 | \$ 16,560 | \$ 17,554 | \$ 18,608 | \$ 19,724 |
| Doctor of Education | \$ 12,546 | \$ 13,296 | \$ 14,094 | \$ 14,940 | \$ 15,836 |
| Doctor of Nursing Practice | \$ 16,188 | \$ 17,160 | \$ 18,190 | \$ 19,282 | \$ 20,438 |
| Doctor of Occupational Therapy | \$ 18,228 | \$ 19,320 | \$ 20,480 | \$ 21,708 | \$ 23,010 |
| Doctor of Physical Therapy | \$ 18,228 | \$ 19,320 | \$ 20,480 | \$ 21,708 | \$ 23,010 |
| Doctor of Public Health | \$ 18,900 | \$ 20,034 | \$ 21,236 | \$ 22,510 | \$ 23,860 |
| Nonresident Fee | | | | | |
| Semester Rate (per unit) | \$ 420 | \$ 444 | \$ 471 | \$ 498 | \$ 528 |
| Quarter Rate (per unit) | \$ 280 | \$ 296 | \$ 314 | \$ 332 | \$ 352 |
| Graduate Business Professional | | | | | |
| Semester Rate (per unit) | \$ 285 | \$ 303 | \$ 321 | \$ 339 | \$ 360 |
| Quarter Rate (per unit) | \$ 190 | \$ 202 | \$ 214 | \$ 226 | \$ 240 |

The systemwide tuition and fees provided in the above table are for the academic year. The applicable per-term schedules, for universities based on a semester or quarter calendar for regular students (6.1 units or more per term) and part time students (up to 6.0 units per term), and for the academic year will be provided on the calstate.edu internet site; and be it further

RESOLVED, the chancellor will amend the systemwide tuition and fee rate increase(s) if such action is required by the state budget act approved for 2024-2025, 2025-2026, 2026-2027, 2027-2028, or 2028-2029 or if such action is limited by state law (e.g., doctoral programs). Any such changes made by the chancellor will be communicated promptly to the trustees; and be it further

RESOLVED, revenue from the tuition increase will be used for purposes of student achievement and success, as outlined in the board-approved operating budget plan each year; and be it further

RESOLVED, the chancellor will report to the board in January 2028, regarding an assessment of these tuition rates, using data to evaluate the tuition policy established by the Board; and be it further

RESOLVED, the scheduled tuition rate increases will sunset July 1, 2029, and require board review and action to change rates beyond the 2028-29 academic year rates approved by this resolution.

The following resolution is recommended for approval:

Approval of the 2024-2025 Operating Budget Plan

RESOLVED, that the future of California rests on the California State University's ability to provide a high-quality, affordable, and accessible education to 460,000 students each year; and be it further

RESOLVED, by the Board of Trustees of the California State University that the 2024-2025 Operating Budget Plan 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 the chancellor promptly communicate any changes to the trustees; and be it further

RESOLVED, that the chancellor transmit copies of this resolution and the 2024-2025 CSU Operating Budget Plan included as Attachment A to this agenda item to the governor, to the director of the Department of Finance, and to the legislature.

OPERATING BUDGET PLAN

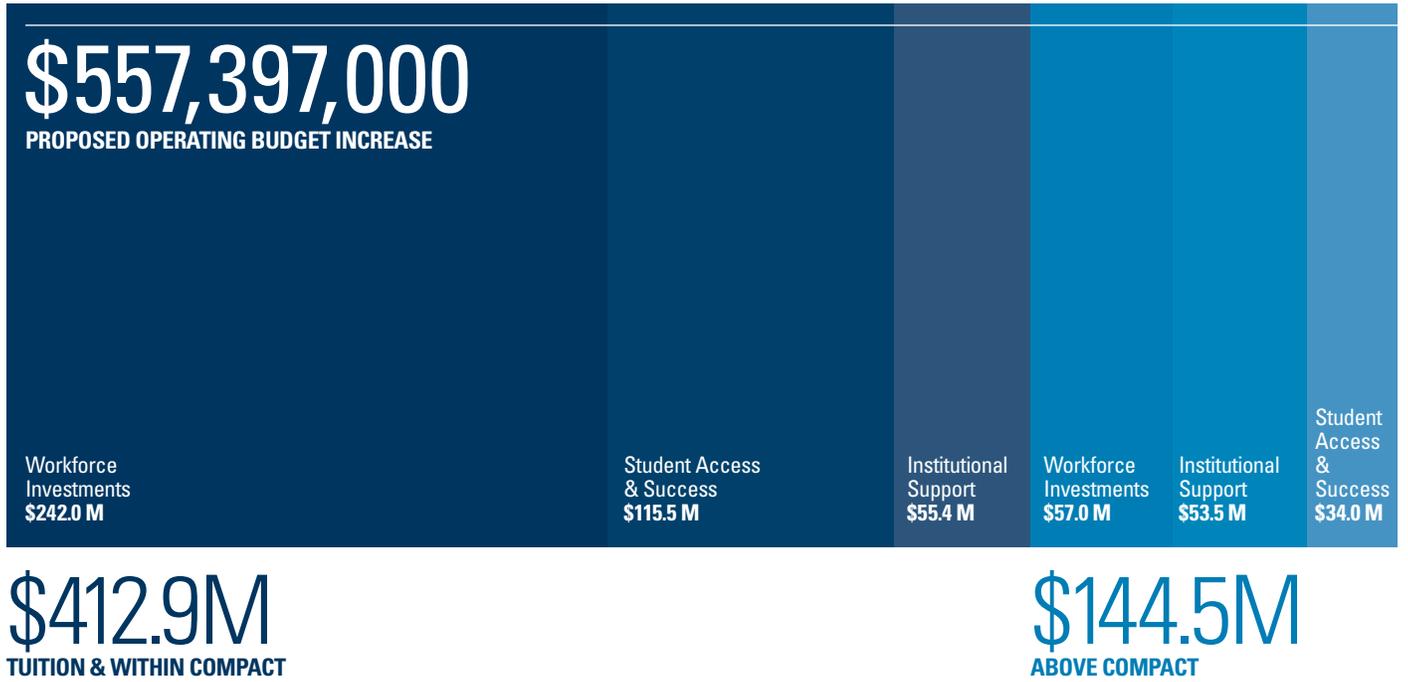
APPROVED BY THE CSU BOARD
OF TRUSTEES
SEPTEMBER 13, 2023

www.calstate.edu/budget

2024-25



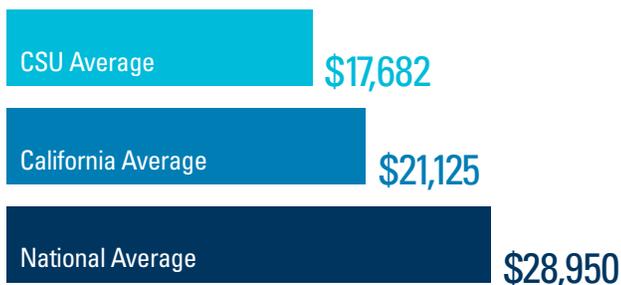
2024-25 PROPOSED INCREASE



95% OF CSU STUDENTS ARE FROM CALIFORNIA

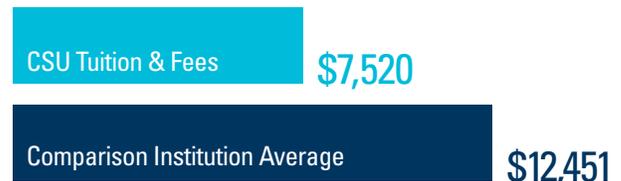


CSU STUDENTS HAVE LOWER AVERAGE DEBT

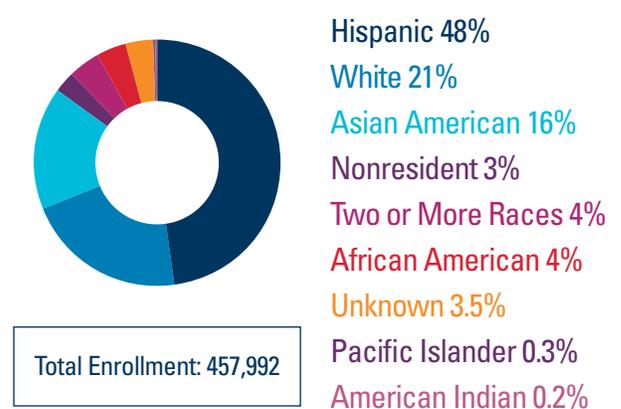


CSU TUITION & FEES REMAIN AFFORDABLE

(Based on average resident undergrad with recommended rate increase for 2024-25)

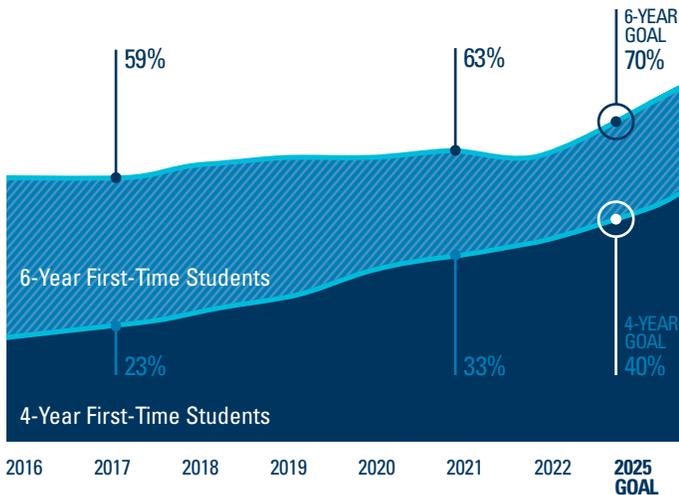


CSU SERVES A DIVERSE STUDENT POPULATION

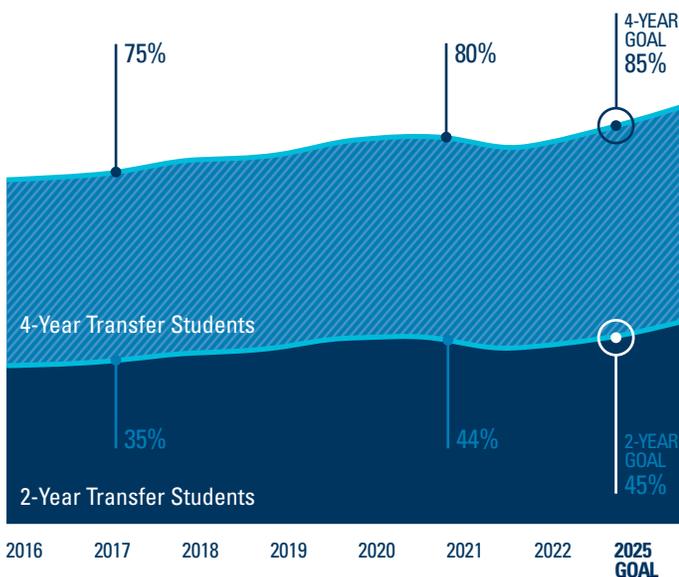


CSU IS MAKING PROGRESS ON GRADUATION RATE GOALS BY 2025

FIRST-TIME STUDENTS



TRANSFER STUDENTS



82%

OF ALL CSU STUDENTS RECEIVED FINANCIAL AID

60%

OF ALL CSU UNDERGRADUATES PAID \$0 TUITION

CSU EMPLOYS NEARLY

56,000

FACULTY & STAFF

53%

OF UNDERGRADUATES ARE FROM HISTORICALLY UNDERREPRESENTED MINORITIES

CSU AWARDS

125,400

ADDITIONAL BACHELOR'S DEGREES AS A RESULT OF GRAD INITIATIVE

THE CSU IS REDEFINING SUCCESS FOR CALIFORNIA



ACCESS

Opportunity for learners of all ages and stages



AFFORDABILITY

High-quality degrees within financial reach



SUPPORT

Commitment to belonging, well-being and care



EQUITY

A data-informed focus on inclusive excellence



IMPACT

Achievement and upward mobility for 4 million global alumni and counting



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CSU Budget & Funding Environment

Photo: Sacramento State



CURRENT BUDGET CONTEXT

The CSU's current budget situation provides important context for constructing the 2024-25 budget plan. We are entering the 2023-24 year with several unfunded costs that are creating significant cost pressures for our universities. Each CSU university is undertaking a critical assessment of priorities and how to balance available resources with rising costs, unfunded mandates and underfunded compensation increases.

Predictable multi-year tuition revenue is an important consideration in the budget plan. The additional revenue from the multi-year tuition plan will provide essential resources to complement the state's compact funding and will allow the university to substantially advance the most important budget priorities.

Along with existing cost pressures, the CSU is facing several emerging items that are creating new fiscal constraints. Significant resources will be required to implement the Title IX and discrimination, harassment and retaliation (DHR) program recommendations from the Cozen O'Connor report. In addition, several strategic workgroup recommendations call for new investments to support enrollment, Black student success, the graduation initiative and a sustainable financial model.

The multi-year compact between Governor Newsom's administration and the CSU continues to provide necessary financial support. Beginning in fiscal year 2022-23 and continuing through 2026-27, the governor has agreed to propose annual, ongoing state general fund increases of 5% for the term of the compact (equivalent to approximately 2.9% of the CSU Operating Fund). The governor's administration supported that commitment by ensuring that the 5% state General Fund increase (\$227.3 million) was provided in 2023-24. The CSU is grateful for the multi-year compact because it provides foundational, predictable and more sustainable funding for our shared commitments to access, equity and student success. Further, the CSU views the compact as a critical safety net to protect the university from economic fluctuations over the next several years.

Currently, both positive and negative economic signals make the future uncertain. It is unclear if there will be additional state revenue to support CSU priorities above that provided by the compact. Market volatility—specifically capital gains—delayed tax receipts, rising inflation and interest rates, and financial institution failures contribute to continued economic uncertainty.

The CSU Today

Photo: Cal Poly Pomona



In the 2023-24 final budget, the CSU received from the state a permanent base budget increase of \$330.5 million. The 2023-24 total CSU operating budget of \$8.1 billion is comprised of \$5.0 billion in state General Fund and \$3.1 billion in tuition and fees. New resources to fulfill the CSU’s budget plan for 2024-25 are \$557.4 million, as shown in Table 1.

TABLE 1: OPERATING BUDGET

| | 2022-23 Past Year | 2023-24 Current Year | 2024-25 Budget Year | 2024-25 Increase |
|--|------------------------|-------------------------|------------------------|----------------------|
| General Fund, Operations | \$4,594,526,000 | \$4,548,424,000 | \$4,908,213,000 | \$359,789,000 |
| General Fund, Debt Service on Academic Facilities & Infrastructure | 340,560,000 | 440,250,000 | 465,250,000 | 25,000,000 |
| Tuition & Other Fee Revenue | 3,207,859,000 | 3,120,257,000 | 3,292,865,000 | 172,608,000 |
| TOTAL OPERATING BUDGET & INFRASTRUCTURE | \$8,142,945,000 | \$8,108,931,000 | \$8,666,328,000 | \$557,397,000 |

TABLE 2: EXPENDITURES BY PROGRAM AREA

| | 2022-23 Past Year | 2023-24 Current Year | 2024-25 Budget Year |
|----------------------------------|------------------------|-------------------------|------------------------|
| Instruction | \$3,172,303,000 | \$3,266,070,000 | \$3,266,070,000 |
| Research | 49,992,000 | 28,249,000 | 28,249,000 |
| Public Service | 39,489,000 | 18,381,000 | 18,381,000 |
| Academic Support | 818,412,000 | 806,051,000 | 806,051,000 |
| Student Services | 973,488,000 | 882,297,000 | 882,297,000 |
| Institutional Support | 969,114,000 | 1,137,019,000 | 1,137,019,000 |
| Operation & Maintenance of Plant | 1,306,774,000 | 1,201,038,000 | 1,201,038,000 |
| Student Grants & Scholarships | 813,373,000 | 769,826,000 | 769,826,000 |
| New Expenditures | 0 | 0 | 557,397,000 |
| TOTAL EXPENDITURES | \$8,142,945,000 | \$8,108,931,000 | \$8,666,328,000 |

The operating budget supports the main functions of the university and the advancement of the CSU’s student-centered mission and core values. As shown in Table 2, the CSU spends 71%, \$5.8 billion, of its total operating budget on instruction, academic support, student services and financial aid. All of these activities promote student access and success, support the faculty and staff that enrich the academic experience and help provide for student basic needs and mental health to ensure that each CSU graduate is prepared to succeed.



The CSU's core values of inclusive excellence, equity, access and elevating lives through the transformative power of higher education are on exhibit every day across the 23 Cal State universities. At the onset of her appointment, Interim Chancellor Koester commissioned five Chancellor's Strategic Workgroups and charged them with addressing some of the CSU's most critical operational and strategic challenges, which included:

- Advancing innovative and effective systemwide and campus approaches to enrollment management.
- Developing a more sustainable financial model.
- Envisioning the next iteration of our Graduation Initiative, and our continuing, collective efforts to advance student success and eliminate equity gaps.
- Recruiting, hiring and retaining diverse and world-class human resources.
- Positioning the CSU as a nationwide leader in Black student outreach, recruitment, enrollment, persistence, success and graduation.

Workgroup reports and recommendations were provided to the Interim Chancellor in May 2023 and will establish a glidepath for Chancellor García to immediately begin meaningful engagement with faculty, staff, students, campus leaders, alumni and other stakeholders in advancing effective solutions. Several recommendations require immediate action and resource commitments that are included in this budget plan. Other recommendations require further evaluation and refinement and will inform future initiatives.

The sustainable financial model workgroup report provided recommendations for developing a multi-year strategy to achieve stable and predictable revenues to support the CSU mission, maintain affordability for its students, and recognize the differing needs of our 23 universities. After estimating costs to operate the CSU, comparing those costs to actual expenditures, projecting future year costs, and modeling various realistic scenarios for increasing the two core revenue sources – state General Fund and tuition – it was evident the gaps between revenues and costs cannot be closed with existing revenue trends. The workgroup developed several recommendations to create long-term financial sustainability that included new system policies and system practices, effective advocacy in Sacramento, and adopting a tuition policy that will govern future increases so those increases are modest, gradual, and predictable for both the CSU and for students and their families.

Financial sustainability and predictability are critically important for the CSU to accomplish its mission and to overcome its challenges. The State of California continues to be a vital partner. California is underwriting the CSU's efforts in two extremely important and foundational ways. The multi-year compact between the governor and the CSU provides predictable funding over five years for our shared commitments to access, equity and student success. Further, the compact is a critical safety net to protect the university from economic fluctuations. The CSU is grateful for both the past investments as well as the future financial commitments by state leaders.

The 2024-25 budget plan will allow the CSU to significantly improve accountability and compliance in programs such as Title IX and other antidiscrimination work, increase access by enrolling more California students, provide additional resources for the Graduation Initiative, increase student financial aid, improve compensation for all employee groups, cover required operational cost obligations, and make progress on facility and infrastructure needs and critical capital renewal. Funding commitments included in the multi-year compact and the tuition increase will support significant portions of the budget plan. State General Fund dollars *above* the compact are necessary to support other portions of the plan if the state's budget condition allows it and if state leaders choose to invest more in the CSU plan.

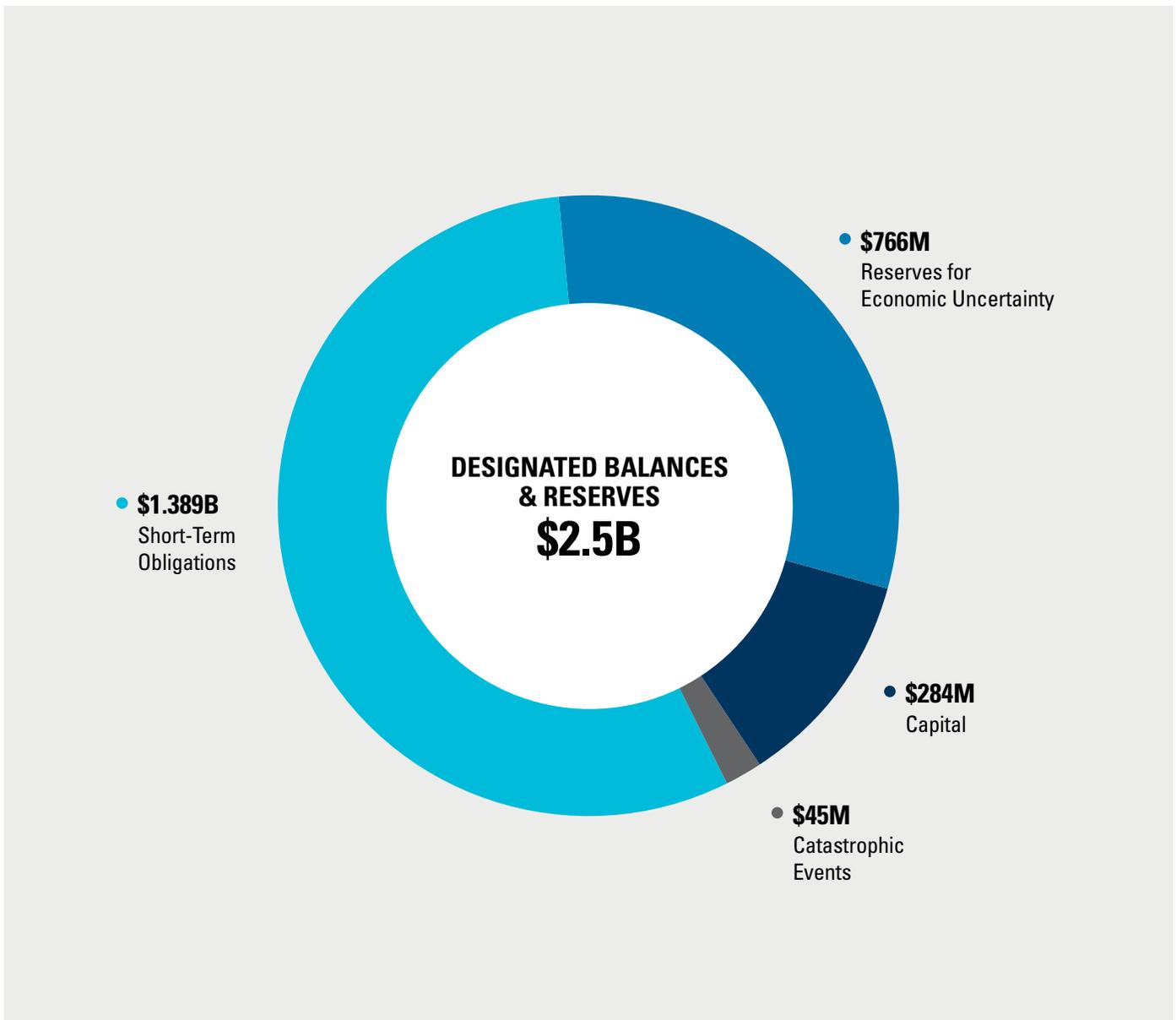
The budget priorities included in this plan are critical to the university, reflect our core values, promote student success and advance our mission. Understanding this, partners from across the CSU and throughout the state will continue to advocate with a powerful and unified voice for the needed resources for the CSU to continue to transform lives, families and communities as we help drive California to a brighter future.

DESIGNATED BALANCES & RESERVES: \$2.5 BILLION

Designated balances and reserves in the CSU operating fund represent equity balances that are held or designated for specific purposes. They are used to address non-recurring expenses by managing short-term obligations and commitments; provide funding for capital projects, infrastructure repairs, and facility maintenance; and help to ensure that operating costs can be paid during times of catastrophic events and economic and budgetary uncertainty. Designated balances and reserves are determined and reported annually by the campuses and the system office and are published on CSU's financial transparency portal (calstate.edu/transparency).

Designated balances and reserves are not used to fund recurring expenses, such as salary increases. The use of one-time monies to pay ongoing, permanent expenses can lead to significant structural deficits.

The CSU has prudently managed designated balances and reserves to meet certain strategic goals. As of June 30, 2023, designated balances and reserves in the operating fund totaled \$2.5 billion.





Cal State LA

Reserves for Economic Uncertainty

Reserves for economic uncertainty are part of the university's prudent fiscal strategy. Reserves are held for costs that may occur because of short-term recessionary cycles or state budget fluctuations. As of June 30, 2023, reserves for economic uncertainty totaled \$766 million and represent about 33 days of operation for all 23 universities and the Chancellor's Office. This is significantly below the recommended practice of maintaining three to six months of operating expenses.

Designated for Catastrophic Events

These designated balances are to be used in the event of a natural disaster or other catastrophic event. Typically, these balances are used to pay for costs not covered by insurance. Balances designated for catastrophic events totaled \$45 million, which is sufficient to cover expected needs.

Designated for Capital

Balances designated for capital are for new projects and to repair current buildings that include planning costs and

equipment acquisition associated with those buildings. Capital reserves fall well short of the expected need, which is at least 10% of the cost of academic projects approved in the most recent multi-year capital plan. The projected need for capital projects in 2024-25 is \$4.0 billion and the projected need through 2028-29 is \$31.1 billion. Balances designated for capital totaled \$284 million.

Designated for Short-Term Obligations

Amounts designated for short-term obligations are for open contracts and purchase orders, near-term debt service payments, financial aid obligations, and programs that are in development. Balances designated for short-term obligations totaled \$1.4 billion at the end of last year, which are sufficient to cover expected needs and are typically paid in the following fiscal year.

2024-25 Operating Budget Plan

Photo: Chico State

The CSU proposes an \$8.7 billion operating budget for 2024-25, with \$5.4 billion from the state General Fund and \$3.3 billion from tuition and fee revenue. As shown in Table 1, this budget plan is an increase of \$557.4 million over 2023-24. Table 3 summarizes the sources and uses of funds that make up the \$557.4 million increase. Because of the multi-year compact and tuition proposal, the 2024-25 budget plan indicates sources and uses of funds within and above the amount of funds provided by the multi-year compact. The 2024-25 budget plan reveals that within the compact, the CSU would prioritize student access and success, grow student enrollment and financial aid, provide workforce investments for all employee groups and cover institutional infrastructure costs. All budget priorities included in the plan could be supported by a combination of sources from within and above the compact and from new tuition revenue.



TABLE 3: SOURCES & USES OF FUNDS

| SOURCES OF FUNDS (Incremental New Revenue) | TUITION & WITHIN COMPACT | ABOVE COMPACT | BUDGET PLAN |
|---|---|--------------------------|------------------------|
| State General Fund | \$240,243,000 | \$144,546,000 | \$384,789,000 |
| Tuition from Rate Increase | 148,330,000 | | 148,330,000 |
| Tuition from Strategic Resident Enrollment Growth | 24,278,000 | | 24,278,000 |
| TOTAL NEW SOURCES | \$412,851,000 | \$144,546,000 | \$557,397,000 |

| USES OF FUNDS (Incremental New Expenditures) | TUITION & WITHIN COMPACT | ABOVE COMPACT | BUDGET PLAN |
|---|---|--------------------------|------------------------|
| Student Access & Success | | | |
| Financial Aid | | | |
| State University Grant — Tuition Rate Increase | \$49,443,000 | | \$49,443,000 |
| State University Grant — Enrollment Increase | 8,093,000 | | 8,093,000 |
| Student Access and Enrollment | 54,957,000 | | 54,957,000 |
| Graduation Initiative | | 30,000,000 | 30,000,000 |
| Student Basic Needs and Mental Health | 3,000,000 | 4,000,000 | 7,000,000 |
| Institutional Support | | | |
| Title IX and DHR Programs | 7,900,000 | 8,000,000 | 15,900,000 |
| State and Federal NAGPRA Compliance | 2,250,000 | 2,000,000 | 4,250,000 |
| Maintenance of New Facilities | 12,548,000 | | 12,548,000 |
| Liability and Property Insurance Premium Increases | 22,635,000 | | 22,635,000 |
| Inflation on Non-Personnel Costs | | 28,506,000 | 28,506,000 |
| Debt Service on Academic Facilities & Infrastructure | 10,000,000 | 15,000,000 | 25,000,000 |
| CSU Workforce Investments | | | |
| Faculty and Staff Compensation Pool | 163,664,000 | 57,040,000 | 220,704,000 |
| Health Premium Increases | 78,361,000 | | 78,361,000 |
| TOTAL NEW USES | \$412,851,000 | \$144,546,000 | \$557,397,000 |



Sources of Funds

Photo: Cal State East Bay



| REVENUE SOURCES (MILLIONS) | BASE | INCREASE | % |
|----------------------------------|----------------|--------------|-------------|
| Tuition: Increase | \$2,448 | \$148 | 6% |
| Tuition: Access & Enrollment | | 24 | 1% |
| Campus-based Mandatory Fees | 672 | | |
| General Fund: Compact Commitment | 4,989 | 240 | 5% |
| General Fund: Additional Request | | 145 | 3% |
| TOTAL | \$8,109 | \$557 | 6.9% |

ESTIMATED INCREMENTAL NEW REVENUE: \$413 MILLION TO \$557 MILLION

Forecasted revenues of \$412.9 million would be available to support the budget plan and include the 2024-25 compact commitment (\$240.2 million), the tuition rate increase (\$148.3 million), and tuition from the 1% resident, undergraduate enrollment growth (\$24.3 million). The estimated revenues are insufficient to support the expenditure plan, so an additional request for ongoing funds above the state compact (\$144.5 million) is included in the budget plan.

STATE GENERAL FUND: \$240 MILLION TO \$385 MILLION

The CSU anticipates that the governor's administration will again propose an ongoing state General Fund increase of 5% (\$240.2 million) for 2024-25. A foundational feature of the compact provides the CSU the opportunity to differentiate the revenue assumptions of the 2024-25 operating budget plan. The compact's 5% state General Fund commitment, along with the additional tuition revenue, will not fully cover the expenditure plan. As a result, the CSU requests an additional \$144.5 million in state funding above the compact commitment.

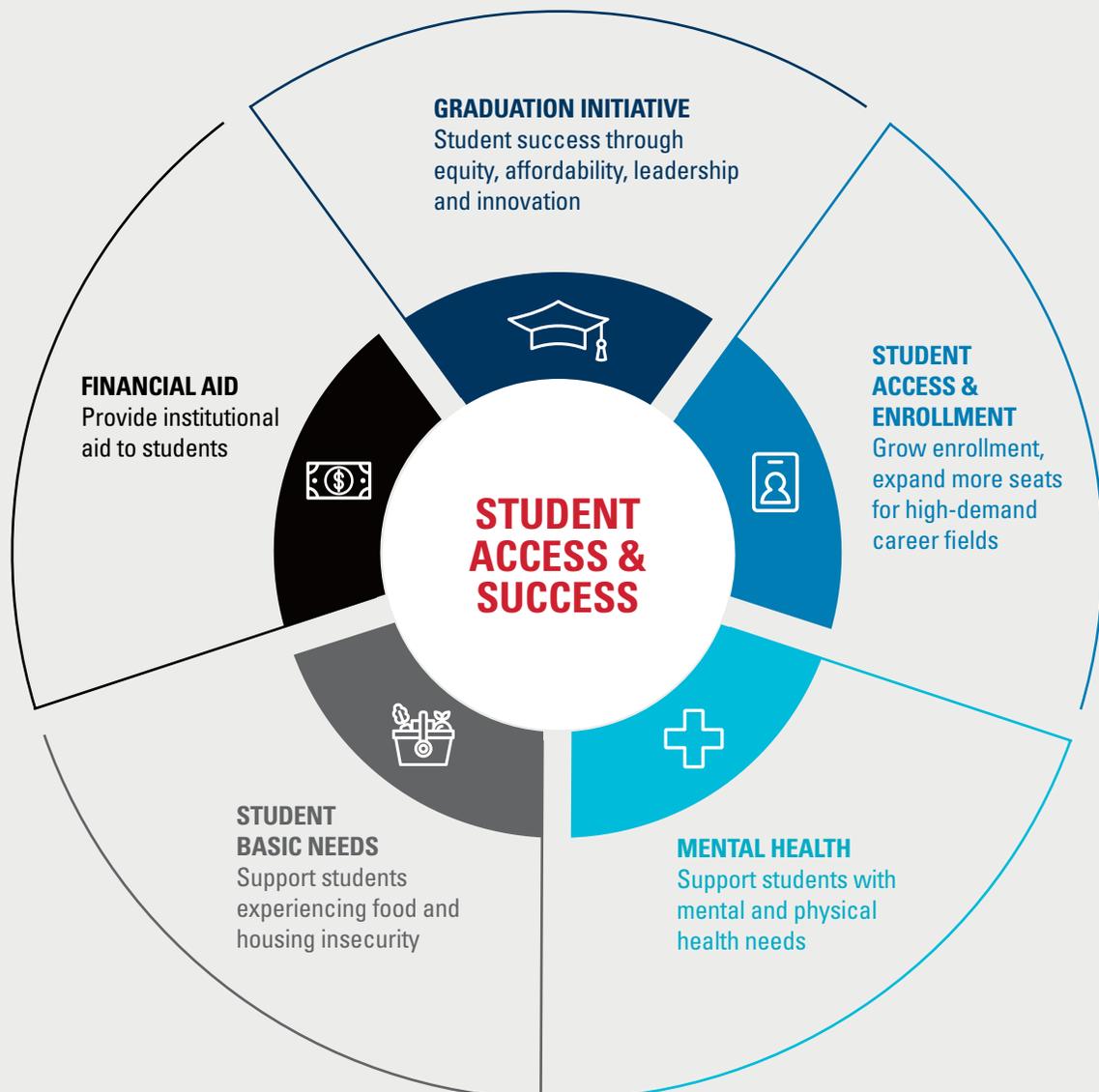
REVENUE FROM TUITION RATE INCREASE: \$148 MILLION

The multi-year tuition plan will increase rates beginning in the 2024-25 year. The additional revenue resulting from the 6% rate increase for all levels of education is included in the budget plan and will allow the CSU to invest more fully in the trustees' budget priorities and more adequately advance student success. The additional tuition revenue estimated from the increase is \$148.3 million in 2024-25.

REVENUE FROM STRATEGIC ENROLLMENT GROWTH: \$24 MILLION

As part of the compact, the CSU is committed to grow enrollment equivalent to a 1% increase, or approximately 3,484 resident, undergraduate, full-time equivalent students (FTES) in 2024-25. The additional tuition revenue from the enrollment growth is estimated to be \$24.3 million.

Uses of Funds



| EXPENDITURE PLAN (MILLIONS) | BASE | INCREASE | % |
|---|----------------|--------------|-------------|
| Student Access & Success | | | |
| Financial Aid: State University Grant | \$701 | \$58 | 8% |
| Student Access & Enrollment | | 55 | |
| Graduation Initiative | 380 | 30 | 8% |
| Student Basic Needs & Mental Health | 95 | 7 | 7% |
| Institutional Support | | | |
| Title IX & DHR Programs | 20 | 16 | 80% |
| State & Federal NAGPRA Compliance | | 4 | |
| Required Operational Costs | 400 | 63 | 16% |
| Debt Service on Facilities & Infrastructure | 440 | 25 | 6% |
| CSU Workforce Investments | | | |
| Faculty & Staff Compensation Pool | 5,374 | 221 | 4% |
| Health Premiums | 699 | 78 | 11% |
| TOTAL | \$8,109 | \$557 | 6.9% |



San José State

STUDENT ACCESS & SUCCESS: \$149 MILLION

| | |
|-------------------------------------|----------------------|
| Financial Aid | \$57,536,000 |
| Student Access & Enrollment | 54,957,000 |
| Graduation Initiative | 30,000,000 |
| Student Basic Needs & Mental Health | 7,000,000 |
| TOTAL | \$149,493,000 |

Financial Aid

The CSU understands the impact financial aid has on social mobility—a student’s ability to attend college, earn a baccalaureate degree, and enter the California workforce in a position to attain greater lifetime earnings. The CSU strives to keep costs to a minimum by offering institutional aid in addition to federal and state grant and loan programs. Financial aid allows CSU students to better focus on their academics by easing the pressure of educational and personal costs. Although CSU tuition is among the lowest in the nation for a resident undergraduate student, and will remain so even with the tuition increase, 82% of all CSU students receive financial aid and 60% of all undergraduate students receive non-loan aid to cover the full cost of tuition.

The State University Grant (SUG) program is the CSU’s institutional grant-aid program and provides need-based awards to eligible students. Aligned with the commitment to increase SUG by an amount equal to one-third of the additional tuition revenue, the plan dedicates an additional \$49 million due to the rate increase and \$8 million due to enrollment growth. The additional funding provides larger grant awards so that our students with the greatest financial need are not affected by the tuition increase. The SUG program has grown considerably since its inception, from \$4 million in 1982-83 to a projected \$759 million in 2024-25. Currently, 9% of the CSU’s total 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.

| | | |
|-----------------------|---------------|---|
| 2023-24 Base | \$701 million | Over 144,000 annual student awards |
| 2024-25 Increase (8%) | 58 million | Tuition increase & 1% enrollment growth |

2024-25 Base \$759 million

In 2021-22, the CSU provided nearly \$965 million in institutional aid, which includes \$701 million for SUG. An additional \$788 million from the state Cal Grant program, over \$73 million in the Middle Class Scholarship Program, and over \$1 billion from the federal Pell Grant program help CSU undergraduate students cover tuition, fees and some personal expenses. These CSU, state and federal financial aid programs help defray the cost of attendance for the lowest-income students and keep CSU student debt well below the national average. In 2021-22, CSU baccalaureate degree recipients have lower average debt (\$17,682) than the 2019-20 non-CSU California student average (\$21,125) and well below the 2019-20 national average (\$28,950).

Ensuring that every Californian has an equal opportunity to earn the life-long, life-transforming benefits of a CSU degree and meeting California’s growing need for a diverse, highly educated workforce.

Student Access and Enrollment

To accommodate more students at the CSU, the governor and the CSU committed in the compact to grow enrollment by approximately 3,484 resident, undergraduate, full-time equivalent students in 2024-25. Using the marginal cost rate, which is the cost of education per FTES, the funding required to support these new students is approximately \$55 million and would be equivalent to a 1% increase in resident undergraduate enrollment.

As it did in 2023-24, the CSU intends to strategically place new enrollment at campuses experiencing significant prospective student demand that can expand more seats in academic programs that support high-demand career fields in California.

| | |
|--|---------------------|
| 2023-24 Resident FTES Base | 387,114 |
| Proposed Growth | 3,484 |
| 2024-25 Total Resident FTES | 390,598 |
| Marginal Cost Rate per FTES | \$15,774 |
| Total Cost of Enrollment Growth | \$54,957,000 |
| State’s Share of Marginal Cost Rate | \$10,995 |

Due to the multi-year compact, it could be possible to increase undergraduate resident students over the next three years so that by 2026-27, CSU’s enrollment will grow by approximately 10,500 full-time equivalent students. For decades, California has encouraged generations of young Californians to pursue higher education, and during that time, the CSU has been a beacon of access to that opportunity.

Higher education enrollment declined across the country during the pandemic, but overall CSU campuses fared better than other institutions. For the first time in 13 years, the 2022-23 academic year ended with actual resident enrollment below the resident enrollment target. One contributing factor is change in continuing student enrollment behaviors, including average units enrolled. Additionally, as CSU campuses have returned to in-person outreach and recruitment efforts, challenges persist including those related to the national sentiment about the value of a college degree and decreasing enrollment in California K-12 and community colleges. With 95% of the CSU undergraduate student population enrolling from California schools, the system and universities are actively and collaboratively engaged in robust strategic and enrollment planning initiatives.

Graduation Initiative

As the year 2025 approaches, and after a decade of focused systemwide work and lessons learned, the CSU finds itself at an inflection point. Increasing retention and graduation rates while eliminating equity gaps remains the CSU’s imperative, and it is a consequential and opportune moment to remake, rebrand and reshape the Graduation Initiative. Additional resources of \$30 million would advance this effort through a variety of priorities directly focused on student learning and success.

Reports from the interim chancellor’s strategic work groups were recently released and include several recommendations to strategically deploy a variety of data-informed best practices, policies and innovations that have the potential to drive student success and equity to new heights. Additional investments would ensure implementation is strategically integrated, particularly the Black Student Success, Strategic Enrollment Management, and Sustainable Financial Model workgroup recommendations.

The CSU remains focused on meeting Graduation Initiative goals—especially closing equity gaps. The CSU adopted and began implementing an equity action plan that is re-engaging underserved students who have disenrolled, expanding the use of digital degree planners, reviewing and restructuring courses with inequitable low-pass rates, bolstering student opportunities to earn credits during summer and winter sessions and eliminating administrative barriers. The multi-year compact contains shared goals designed to close equity gaps and promote student success, expand student access, increase affordability for students, increase intersegmental collaboration to benefit students, support workforce preparedness, and provide access to online course offerings. Instruction is the core function at the CSU, and it receives the largest share of funding. Costs associated with high-demand degrees are often higher than with other disciplines. Additional resources will be focused on these areas to achieve the shared goals of the CSU and the governor’s administration.

Students have expressed a desire for increased support services that meet their diverse individual needs. This approach necessitates a high level of support and engagement with students. The additional resources will help to close the already existing funding gap in student services and enhance the educational experience for students. Continued investment in these efforts may include but are not limited to the following:

- Tutoring, peer mentoring and academic support
- Cultural centers (space, staffing and programming)
- Title IX efforts to include bystander and prevention education

- Increasing the number of students participating in high-impact practices such as undergraduate research, international experiences and internships
- Early alert systems and case management efforts to support student retention and persistence
- Increased efforts to re-engage and re-enroll students who have dropped out of college
- On-campus student employment opportunities

Student Basic Needs and Mental Health

Student basic needs remain a priority investment as the CSU takes a holistic approach to students’ well-being both inside and outside the classroom. While the primary mission of the CSU is educational in nature, students cannot be fully engaged in or out of the classroom if they do not receive appropriate support services. The CSU plans \$7 million to sustain and expand its Basic Needs Initiative in support of the Graduation Initiative. Critical to student success at the CSU, the Basic Needs effort supports CSU students on their path to graduation.

| | | |
|-----------------------|----------------------|---|
| 2023-24 Base | \$380 million | Investments since 2017-18 |
| 2024-25 Increase (8%) | 30 million | Redefining student success through equity, affordability, leadership and innovation, and the organizational and cultural changes necessary to accelerate the work |
| 2024-25 Base | \$410 million | |

| | | |
|-----------------------|----------------------|---|
| 2023-24 Base | \$95 million | Student Mental Health, Housing & Food Insecurity |
| 2024-25 Increase (7%) | 7 million | Additional student counseling services and after-hours availability |
| 2024-25 Base | \$102 million | |

TABLE 4: CSU SYSTEMWIDE GRADUATION INITIATIVE PROGRESS

| | | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2025 Goal |
|---|--------------------------------------|--------|------|------|------|------|------|------|------|-----------|
| GRADUATION RATES | First-Time Students | 4-Year | 21% | 23% | 25% | 27% | 31% | 33% | 35% | 40% |
| | | 6-Year | 59% | 59% | 61% | 62% | 62% | 63% | 62% | 70% |
| | Transfer Students | 2-Year | 33% | 35% | 38% | 40% | 44% | 44% | 40% | 45% |
| | | 4-Year | 74% | 75% | 77% | 77% | 79% | 80% | 80% | 85% |
| EQUITY GAPS (in percentage points) | Underserved Students of Color | | 12.0 | 12.2 | 10.5 | 11.1 | 10.5 | 12.4 | 12.0 | 0.0 |
| | Pell Grant Recipients | | 10.0 | 10.6 | 9.5 | 10.2 | 9.2 | 10.2 | 11.0 | 0.0 |

INSTITUTIONAL SUPPORT: \$109 MILLION

As part of the 2024-25 budget plan, institutional support costs are anticipated to be \$109 million. The CSU must amplify its accountability and compliance efforts and pay for certain required operating expenditures regardless of the level of funding allocated by the state, as they often increase despite the level of state support. If operating budget plans do not include these types of required operational cost increases, campuses must redirect resources from existing programs, services and priorities to meet those cost increases.

| | |
|--|----------------------|
| Title IX & DHR Programs | \$15,900,000 |
| State & Federal NAGPRA Compliance | 4,250,000 |
| Maintenance of New Facilities | 12,548,000 |
| Liability & Property Insurance Premium Increases | 22,635,000 |
| Inflation on Non-Personnel Costs | 28,506,000 |
| Debt Service on Academic Facilities & Infrastructure | 25,000,000 |
| TOTAL | \$108,839,000 |

Title IX and DHR Programs

To strengthen our cultures of care and compliance, in 2022 and 2023 the CSU engaged Cozen O'Connor to conduct a systemwide assessment of the CSU's implementation of its programs to prevent and address discrimination, harassment and retaliation (DHR) based on protected statuses, including sex and gender (under Title IX). The goal of the engagement was to strengthen the CSU's institutional culture by assessing current practices and providing insights, recommendations and resources to advance the CSU's Title IX and DHR training, awareness, prevention, intervention, compliance and support systems.

Cozen O'Connor's assessment included interviews and campus visits, in addition to gathering feedback through surveys and email and concluded with thorough and detailed reports that were released in July 2023. The reports identify core observations and recommendations for improvements at both the system and university levels. While the CSU has taken several proactive steps, much more can and will be done to assist the 23 universities in meeting the needs of their students, staff and faculty.

In July 2023, the California State Auditor (CSA) also completed its review of CSU's handling of sexual harassment complaints against employees at three campuses and the Chancellor's Office. The CSA made recommendations at the systemwide level that are aligned with those of Cozen O'Connor. Implementing the Cozen recommendations and establishing systemwide and university Title IX and DHR programs at appropriate levels will require investing in significant additional personnel, shifting the current philosophy and manner of engagement, and developing sustainable tools and processes to support these efforts. Implementation teams have been formed at the Chancellor's Office and at our 23 universities to develop comprehensive strategies to implement the recommendations. At this initial stage, we estimate the need for more than 100 new positions and significant other operating resources at the system and university levels. The 2024-25 operating budget plan requires \$15.9 million for substantial new costs to implement the recommendations in the first of multi-year efforts to support this program. Additional investments will be necessary and have been preliminarily estimated at nearly \$6 million. Further refinement of needs and estimated costs are expected during the coming year.

Creating innovative and sustainable spaces that inspire learning, creativity, inquiry and discovery.

| | | |
|------------------------|--------------|---|
| 2023-24 Base | \$20 million | 151 FTE positions & minimal operational support |
| 2024-25 Increase (80%) | 16 million | 98 university & 14 systemwide positions & operational support |

2024-25 Base \$36 million

| TITLE IX AND DHR PROGRAM | | 2024-25 PLAN | 2025-26 ESTIMATE |
|--|--|-------------------------|-----------------------------|
| SYSTEMWIDE OVERSIGHT & COORDINATION | • Create a systemwide Title IX & Civil Rights division | | |
| | • Centralize oversight & accountability for university programs | | |
| | • Centralize investigation services | | |
| | • Provide enterprise-level Title IX & DHR case management system | \$5,137,000 | \$2,086,000 |
| | • Expand Office of General Counsel staffing | | |
| | • Add 14 new positions and operational support | | |
| UNIVERSITY INFRASTRUCTURE & RESOURCES | • Ensure sufficient personnel and resources to cover core Title IX/DHR functions at all universities | | |
| | • Provide minimum levels of confidential advocates & respondent support for each university | \$10,763,000 | \$3,587,000 |
| | • Add 98 new positions and operational support | | |
| TOTAL | | \$15,900,000 | \$5,673,000 |



State and Federal NAGPRA Compliance

In June 2022, the state Joint Legislative Audit Committee (JLAC) announced a systemwide audit of the CSU’s legal compliance with the federal Native American Graves Protection and Repatriation Act of 1990 (NAGPRA) and the California Native American Graves Protection and Repatriation Act of 2001 (CalNAGPRA). These laws were enacted to resolve and restore the rights of Native American, Alaska Native and Native Hawaiian lineal descendants and tribes to the ancestral remains, associated burial objects, sacred objects and objects of cultural patrimony held in institutions like the CSU.

All campuses were surveyed, and four campuses were selected for in-depth audits that included campus visits and reviews of past and current repatriation-related documentation and records. The audit findings and recommendations, published July 29, 2023, revealed that of 21 campuses with collections, more than half have not repatriated any ancestral remains or cultural items to the tribes. Further, more than half do not know the extent of the ancestral remains and cultural items in their collections.

At present, only five campuses have full-time repatriation coordinators. The audit report identified 15 campuses as needing these positions and, depending upon collection size, some campuses may require additional staffing resources. The lack of sufficient funding to cover the repatriation-related expenses was also reported. The audit report recommended the Chancellor’s Office establish a system infrastructure to oversee campus repatriation activities. The CSU plans \$4.3 million for new costs to comply with NAGPRA.

| | | |
|---------------------|----------------------|--|
| 2023-24 Base | \$0.3 million | 2 positions and minimal operational costs |
| 2024-25 Increase | 4.3 million | 30 university and 3 systemwide positions & operational costs |
| 2024-25 Base | \$4.6 million | |

Maintenance of New Facilities

The CSU is scheduled to open 532,130 square feet of new facilities in 2024-25. The cost to fund regular maintenance of these facilities is \$23.79 per square foot, for a total of \$12.5 million in 2024-25. Regular maintenance of new facilities includes the cost of utilities, building maintenance, custodial, landscape and administrative support.

Liability and Property Insurance Premium Increases

The CSU plan includes \$22.6 million, equivalent to a 21% increase, in costs related to property and liability coverage. The insurance markets for property and liability coverage emerged from a decade of low premiums. Insurance premiums continue to rise across the country and more so for California public entities. Many factors are causing this significant rise in premiums in California, including an overall rise in claims and inflated values of settlements and verdicts. California higher education and public entities writ large face some of the toughest challenges in the liability insurance market because of higher risks of physical abuse and molestation, law enforcement, and employment practice exposures. Additionally, sizable liability settlements continue at other higher education institutions, resonating throughout the insurance industry. Property losses, including those caused by wildfires and wind/water events (atmospheric rivers), are also a factor. The CSU has experienced multiple losses, and these contribute to property insurance premium increases.

Inflation on Non-Personnel Costs

Inflation impacts all areas of the university. Over the past decade, the CSU operating budget plan and the final state budget have not included funding explicitly dedicated to cost increases on a variety of expenses, such as technology, instructional equipment, library subscriptions, software subscriptions, contracts and other supplies. Utilizing the California Consumer Price Index of 3% for 2023-24, the CSU plans \$28.5 million for expenditure increases due to inflation.

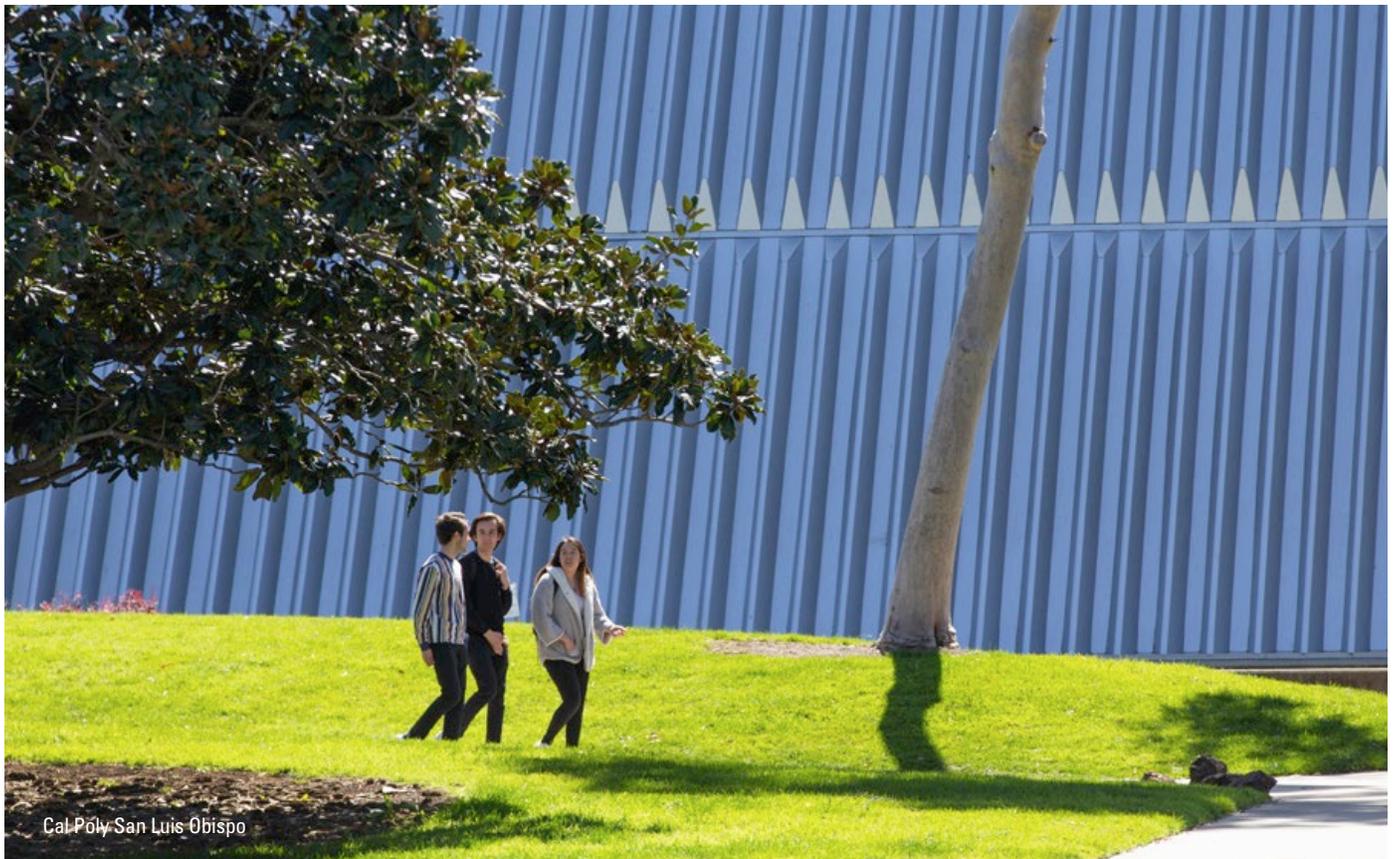
Debt Service on Academic Facilities and Infrastructure

To effectively educate all students, it is necessary to invest regularly in critical infrastructure while also refurbishing existing and building new academic facilities to best serve students. The CSU proposes using \$25 million to finance needed facility and infrastructure projects. These projects will address critical infrastructure needs, renovate existing buildings and expand capacity for targeted growth in new student enrollment. Many of these projects would support students seeking careers in engineering, health care and the sciences. For every \$25 million in ongoing funding, the CSU could finance approximately \$300 million of new academic and infrastructure facilities.

The CSU five-year capital plan identifies the priority needs of each of the 23 campuses and is based on the categories and criteria approved by the Board of Trustees. The plan has identified—in 2024-25 alone—more than \$4.0 billion in systemwide academic infrastructure and facility needs. The priorities are consistent with the state’s priorities of critical infrastructure, energy efficiency and life safety projects. The following table summarizes some of the CSU’s highest priority projects that could be funded with this additional support.

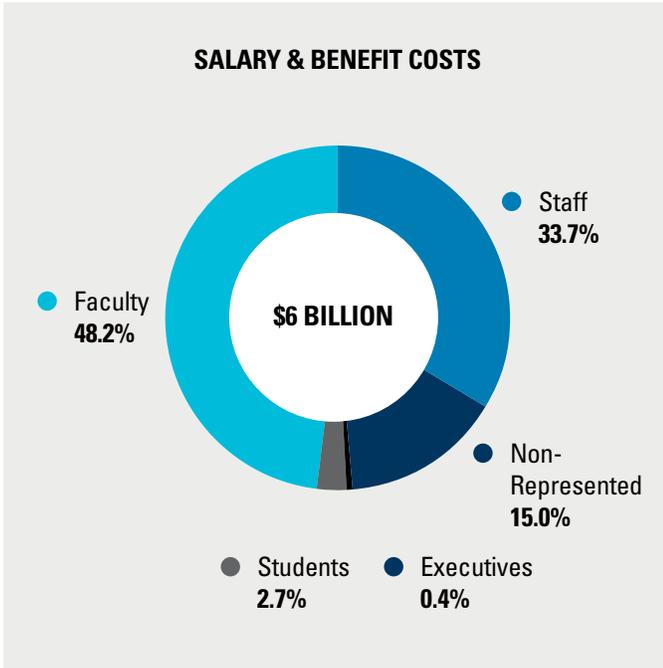
| Category | Project Description | Total Budget |
|-------------------------|---------------------------------------|---------------|
| Existing Infrastructure | Statewide Infrastructure Improvements | \$100,000,000 |
| Existing Facility | Replacement Facilities (Seismic) | \$170,000,000 |
| New Facility | Sciences & Engineering (Growth) | \$71,000,000 |

For more information on specific projects and priorities, please reference the CSU five-year capital plan (calstate.edu/major-capital-outlay).



CSU WORKFORCE INVESTMENTS: \$299 MILLION

Three-quarters of the operating budget (\$6 billion) goes toward salaries and benefits. For salaries to keep pace with inflation and to cover related health care and pension cost increases requires many tens of millions of dollars more per year.



With some minor exceptions, no collective bargaining agreements have salary provisions that extend beyond 2022-23. At this stage, it would be premature to identify specific amounts or forms of compensation (e.g., general salary increases) for any employee group. The cost of a 1% increase in employee salaries is estimated to be \$55.2 million. In addition, the CSU anticipates substantial increases in health care premium costs.

The CSU Board of Trustees recognizes that competitive salary and benefits for faculty, staff and management is a key element to our universities' success. Continued investment in competitive salary and benefits is critical to recruit and retain a world-class workforce to provide access to an affordable, high-quality education and graduate a well-prepared workforce.

| | |
|-------------------------------------|----------------------|
| Faculty and Staff Compensation Pool | \$220,704,000 |
| Health Premium Increases | 78,361,000 |
| TOTAL | \$299,065,000 |

Faculty and Staff Compensation Pool

The faculty and staff compensation pool is funding that could be used for different elements of compensation, such as salary and benefit changes for all employees of a bargaining unit. Under mutual agreement between the CSU and CSU bargaining units, pool funding is used to address specific market, salary structure, or job framework issues for employees within a bargaining unit. The mutual agreement between the CSU and each CSU bargaining unit will determine the form of compensation that the compensation pool will support.

This budget plan includes \$220.7 million to fund 2024-25 compensation increases for all employee groups. The compensation pool is subject to collective bargaining and contingent on the state providing the funding to support this priority.

Recognizing the CSU is a people-driven institution—people who support, inspire and uplift the diverse and talented students who are California’s future leaders.

Health Premium Increases

Permanent base budget costs associated with January 2024 employer-paid health care premium increases are \$78.4 million, reflecting an 11% increase in costs. 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, which defines the employer-paid contribution rates.

| | |
|------------------------|----------------------|
| 2023-24 Base | \$699 million |
| 2024-25 Increase (11%) | 78 million |
| 2024-25 Base | \$777 million |

One-Time Request

Photo: Cal State San Bernardino



CRITICAL CAPITAL RENEWAL: \$2.4 BILLION

A complementary strategy to address the CSU's deferred maintenance and infrastructure needs includes a request for one-time funds from the state for critical capital renewal.

The CSU seeks \$2.4 billion of one-time funding to continue to address the growing maintenance backlog of building and utility infrastructure systems that have passed their useful life. More than half of the CSU's academic buildings are over 40 years old, and many of these buildings are overdue for major renovation. The CSU has estimated more than \$7.4 billion in critical capital renewal backlog and accumulates approximately \$344 million of additional critical capital renewal costs per year.

As buildings and their associated systems age, the cost to operate, maintain and renovate the facilities increases. Although CSU facilities staff does an admirable job of keeping these aging facilities operational with limited financial resources, increased funding is necessary. Over the past two years, the state has provided \$125 million in one-time funding to address a portion of the deferred renewal backlog. This is a substantial amount of funding, and it is being put to good use on the most pressing campus projects. It should be noted, however, that two significant factors are exacerbating this budget challenge: year-over-year growth in the CSU backlog and unusually high construction cost inflation over the past several years.

The \$2.4 billion one-time funding request will allow the CSU to address additional systemwide deficiencies, improve the reliability of systems and prevent costly and disruptive outages caused by system failures. Aligned with the CSU's overarching academic mission, system repairs and replacements will provide safer and healthier environments that support teaching and learning across all 23 universities.

**Providing safe and modern facilities
for students, faculty and staff—
spaces where teaching, learning and
student well-being can thrive.**

Multi-Year Forecast

Photo: Chancellor's Office



In light of the multi-year compact and recommended tuition proposal, the CSU has a unique opportunity to develop a budget framework that would span multiple years. Planning over more than one year recognizes the time horizon necessary for CSU priorities to be successfully implemented. The multi-year expenditure estimates for many of these priorities are forecast based on trends from prior years and high-level estimates for future increases.

The continued state investment and additional student tuition provide predictable revenues to ensure continued investment in high-impact areas of the university. This plan reflects the final three years of the governor's compact and demonstrates a gradual investment in several of the university's highest priorities.

TABLE 5: MULTI-YEAR SOURCES & USES OF FUNDS (MILLIONS)

| SOURCES OF FUNDS (Incremental New Revenue) | PLAN 2024-25 | EST. 2025-26 | EST. 2026-27 | EST. 2027-28 | EST. 2028-29 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| TUITION: INCREASE | \$148 | \$158 | \$168 | \$178 | \$189 |
| TUITION: ACCESS & ENROLLMENT | 24 | 26 | 27 | 30 | 32 |
| GENERAL FUND: COMPACT COMMITMENT | 240 | 252 | 265 | 278 | 292 |
| GENERAL FUND: ADDITIONAL REQUEST | 145 | 104 | 56 | 79 | 76 |
| TOTAL NEW SOURCES | \$557 | \$540 | \$516 | \$565 | \$589 |
| USES OF FUNDS (Incremental New Expenditures) | PLAN 2024-25 | EST. 2025-26 | EST. 2026-27 | EST. 2027-28 | EST. 2028-29 |
| STUDENT ACCESS AND SUCCESS | \$150 | \$169 | \$190 | \$209 | \$219 |
| Financial Aid: State University Grant | 58 | 61 | 65 | 69 | 74 |
| Student Access & Enrollment | 55 | 61 | 65 | 70 | 75 |
| Graduation Initiative | 30 | 40 | 50 | 60 | 60 |
| Student Basic Needs and Mental Health | 7 | 7 | 10 | 10 | 10 |
| INSTITUTIONAL SUPPORT | \$108 | \$92 | \$95 | \$122 | \$126 |
| Compliance Programs | 20 | 14 | 14 | 14 | 16 |
| Required Operational Costs | 63 | 53 | 56 | 58 | 60 |
| Debt Service on Facilities & Infrastructure | 25 | 25 | 25 | 50 | 50 |
| CSU WORKFORCE INVESTMENTS | \$299 | \$279 | \$231 | \$234 | \$244 |
| Faculty & Staff Compensation Pool | 221 | 229 | 179 | 185 | 190 |
| Health Premiums | 78 | 39 | 40 | 42 | 44 |
| Retirement Benefits | 0 | 11 | 12 | 7 | 10 |
| TOTAL NEW USES | \$557 | \$540 | \$516 | \$565 | \$589 |

Note: Figures may not sum to totals due to rounding.

The CSU has several multi-year budget priorities that are critical to fulfilling the mission and providing students with a high-quality, affordable and accessible education. CSU students have expressed a desire for increased support services that meet their diverse individual needs.

Each of these budget priorities contributes to the whole and are important to student success. As mentioned previously, ongoing financial resources proposed in the compact are insufficient to fully support these and other priorities.

- Advance student success by expanding the work of the Graduation Initiative to support the CSU's broader mission of educational equity so that all students have the equal opportunity to earn the lifelong, life-transforming benefits of a CSU degree.
- Invest in our faculty and staff who educate, support, inspire and uplift our diverse and talented students.
- Ensure safe, modern and sustainable facilities where teaching, learning and student well-being can thrive.
- Continue to provide financial aid to assist students with the greatest financial need.
- Grow enrollment to ensure a solid foundation for California's future economy with a diverse, degree-holding, well-educated citizenry.

The multi-year budget plan would be supported by the ongoing funding included in the state's multi-year compact, as well as the multi-year tuition increase. It is unclear whether state funding above the compact would be available and provided by the state.



Additional Budget Considerations

Photo: CSU Monterey Bay



The CSU's overall revenue streams remain under significant pressure. When the final budget does not include sufficient revenue, the universities are underfunded, creating significant cost pressures. An underfunded budget requires the universities to redirect funding from existing programs, services and priorities such as the Graduation Initiative to fund required operating cost obligations. The year-over-year effect of this practice creates significant financial stress, as was reported by the Sustainable Financial Model Workgroup. Each university is taking a hard look at costs and how to balance available resources with rising costs, unfunded mandates and underfunded compensation increases.

The system has continual and growing cost pressures: an increased need to expand high-cost degree offerings, inflation, increased salary and benefit costs for staff and faculty and unfunded mandates, as well as infrastructure needs. Not only are there existing pressures, the CSU will have to contend with emerging items that are creating new fiscal constraints.

Although the state has provided significant investments in the CSU over the past three years, it is important to point out several remaining fiscal challenges the university system still faces.

OPERATIONAL AND STRATEGIC CHANGES

To address some of the CSU's most critical operational and strategic challenges, several changes were recommended by Interim Chancellor Koester's strategic workgroups (e.g., Black Student Success, Graduation Initiative, Strategic Enrollment Planning, and Faculty and Staff Excellence). These changes are needed to successfully implement and deliver on the key initiatives identified by the groups which will eventually be shaped by Chancellor García. Fiscal support will be necessary for launching these as well as other emerging initiatives.

COMPENSATION

With continuing high inflation rates, there is pressure during the collective bargaining process to provide CSU employees with a general salary increase in 2023-24 that is at least commensurate with these high rates. However, the CSU did not receive sufficient funding in the Budget Act of 2023 to cover all necessary budget priorities. Consequently, it is anticipated that campuses will be required to redirect tens of millions of dollars from existing campus budgets to cover some of these new compensation costs. A more definitive estimate of these costs will be known at the conclusion of the collective bargaining process. This follows a similar redirection of approximately \$44 million from campus budgets to cover 2021-22 and 2022-23 compensation costs. The CSU's commitment to fair and competitive employee compensation requires budgetary tradeoffs, which could result in nearly all other operating budget priorities receiving only some or none of the new funding in 2023-24 (enrollment growth is an exception).

An evaluation of the existing salary structure for CSU non-faculty, represented staff employees was completed in 2022. The study, executed by consulting firm Mercer, found that median salaries in the CSU lagged market median salaries for most employees and recommended changes to increase median salaries and implement a salary step structure with initial ongoing costs of \$287 million and over \$50 million more each year thereafter.

In December 2021, the CSU initiated a faculty employee salary study. The study's findings and recommendations are expected in 2023. The recommendations could include solutions that require additional funding.

Future collective bargaining agreements between the CSU and employee bargaining units are required to implement recommendations of the staff and faculty studies. The CSU will require additional, ongoing funding beyond the amount in this plan to implement any cost-creating recommendations of either study.

CHANGES TO FEDERAL & STATE FINANCIAL AID PROGRAMS

Several forthcoming changes to federal and state financial aid programs will require corresponding changes to most aspects of CSU's policies, procedures, processes and systems used to award student aid. The changes could significantly impact the awards provided to CSU students and put financial pressure on the State University Grant program. Financial aid programs complement one another to provide maximum financial support for students. Program changes have cascading effects that must be considered and potentially addressed. Several of the approved changes will streamline processes, remove barriers, and expand

access. But these changes come with certain tradeoffs, such as a lower income eligibility threshold, removal of non-tuition awards for all CSU students and a drop in aid for transfer students. As the CSU strives to maximize access to aid and balance the federal and state changes, the CSU will develop an implementation plan that provides flexibility, tools, resources, administrative capacity and infrastructure required by our universities to comply with the changes. The financial implications are currently unknown.

MINIMUM WAGE

In January 2023, the California minimum wage reached \$15.50 per hour. Senate Bill 3 of 2016, which raised the state's minimum wage to \$15 per hour over consecutive years, includes a provision for the state to adjust the rate in subsequent years for inflation. Due to high rates of inflation, the minimum wage will increase to \$16 in January 2024. The estimated annualized cost of the increase on CSU campuses is \$3.7 million.

RETIREMENT BENEFITS (BEYOND STATE-FUNDED)

Beginning with the 2013-14 fiscal year, the legislature placed a limit on the state's obligation to adjust CSU retirement funding due to annual changes in CalPERS rates. CalPERS employer contribution rates increased significantly for 2022-23, which created an ongoing significant financial burden to the CSU. Although rates are remaining the same for 2023-24, the unfunded cost to the CSU is estimated at almost \$19 million in 2023-24. If offsetting funding cannot be found, campuses will have to reprioritize existing one-time resources to fund this required cost.

The state's statutory obligation to adjust retirement funding based on annual rates set by CalPERS continues (Government Code Section 20814). But the salary base applied to the incremental rate change is fixed at the CSU 2013-14 pensionable payroll level in the state budget. Final 2022-23 pensionable payroll for the CSU was \$971 million (42%) above the 2013-14 frozen pensionable payroll level. The retirement increase amount above the frozen payroll level is an unfunded cost for the CSU, and it continues to increase each year when pensionable payroll or retirement contribution rates increase.

This practice is problematic and unsustainable. Throughout the years that this budget practice has been in effect, the state or students ultimately covered the unfunded liability above frozen pensionable payroll because retirement costs are required and unavoidable. The CSU must balance the need to serve students with the level of funding available to the university, particularly as tuition rates have remained relatively constant.









Statutorily Required Information for the Multi-Year Tuition Proposal

Summary

The trustees have the sole authority to establish and adjust systemwide tuition. In order to increase tuition in a fiscal year without state appropriation cuts, the CSU must follow a precise timeline and meet several requirements outlined by the Working Families Student Fee Transparency and Accountability Act (Act).

The following steps have been taken. The chancellor's office prepared and delivered to the California State Student Association (CSSA) the "CSU Multi-Year Tuition Proposal" on May 25, 2023. A consultation meeting between CSSA executive leadership and chancellor's office representatives to discuss the proposal followed on May 30, 2023. (Note: the chancellor's office met with CSSA on this topic numerous other times including, most notably, the CSSA Board of Director plenary meeting on July 9, 2023 and CSSA's CSUnity conference on August 14, 2023). Next, the Act requires public notice of the proposed tuition increase, followed by a meeting of the trustees to discuss the proposal and gather public comment (the July 9-12, 2023 meeting and agenda materials met this requirement) and required public notice of the proposed action on tuition followed by a meeting of the trustees to act on tuition (these September 10-13, 2023 agenda materials and subsequent meeting satisfy this requirement).

More specifically, the Act (California Education Code sections 66028 through 66028.6) requires the following information to be provided at least five days prior to the consultation meeting with the CSSA and included in both the tuition information and action agenda items. Specifically, the law requires the following information: 1) the justification for the proposed tuition increase, 2) the purposes for which the new revenue will be used, 3) the potential impact to students, 4) the efforts to mitigate the increase on students, and 5) alternative proposals in lieu of the tuition proposal. This information was provided to the CSSA via the "CSU Multi-Year Tuition Proposal" on May 25, 2023 and to the board at the July 9-12, 2023 meeting under Agenda Item 7 Multi-Year Tuition Proposal of the Committee on Finance. To minimize the length of this item and meet the statutory requirement, this attachment once again contains this information. Please note that the only substantive change to the information in this attachment is an update to designated balances and reserves as of June 30, 2023. These amounts were unavailable at the July 2023 board meeting.

Justification for the Multi-Year Tuition Proposal

The CSU is the largest driver of social mobility for students and their families in the state. The 23 universities are widely regarded by policymakers, business leaders, millions of CSU alumni and the broader California public as one of the most important drivers of California's economy, locally, regionally and across the state. To ensure the CSU can continue to fulfill this role—while maintaining diversity, academic quality and rigor—new investments in the CSU are crucial.

State general fund and student tuition and fee revenue are the two primary sources that make up the university's operating budget and support the educational endeavors of approximately 460,000 CSU students. Over the past two decades, state tax revenues that support public higher education institutions have significantly fluctuated, with a trend toward a decrease in real dollars, across the country and within California. This decline came as states responded to the condition of the economy and shifted public dollars to other priorities. The state's share of the total CSU operating budget has decreased from approximately 80 percent in the mid-1990s to 60 percent by 2022-2023, with the remaining revenue provided by tuition and fees. Despite this fiscal trend, the CSU has remained committed to keeping tuition affordable, providing all students a high-quality education and admitting as many qualified students from California's high schools and community colleges as can be accommodated. Ninety-four percent of CSU students are from California.

The CSU's priority is to advocate for and pursue increased state funding to cover elements of the operating budget plan for 2024-2025 and beyond. Over the past decade, these advocacy efforts have coincided with an important increase in state tax revenues, which recovered by tens of billions of dollars between the low point of the Great Recession and the 2022-2023 state budget year. The CSU has and will continue to collaborate 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 to fund the CSU's priorities.

Over the past 10 years, the CSU made operating budget plans that would fund the most critical priority areas, such as academic and student support service improvements through Graduation Initiative 2025, additional student basic needs investments, and improved academic facilities for better learning environments and student collaboration spaces. However, only once in the last 10 years has that plan been fully funded.

The CSU appreciates Governor Newsom's multi-year compact that ensures a five percent increase to the CSU's general fund appropriation for five years. This commitment has been and will continue to be an important fiscal foundation for the universities. However, more funding is still needed for the CSU to continue advancing its educational mission and to do so through the 21st century. The governor's compact only provides funding through 2026-2027 and due to current economic and budgetary indicators and other state priorities, there is the possibility that the state may not be able to significantly supplement the CSU budget at or beyond the committed levels of the multi-year compact.

Beginning in the spring of 2022, members of the board expressed a desire to deeply explore the totality of university costs, expenditures, and revenues. A greater understanding of these budgetary factors would help the board identify the necessary multi-year investments in the university and would chart a long-term fiscal plan for the CSU. As a result, Interim Chancellor Jolene Koester appointed the Sustainable Financial Model Workgroup in July 2022, and charged it to recommend

a multi-year strategy to achieve stable and predictable revenues to support the CSU mission, maintain affordability for its students, and recognize the differing needs of its 23 universities.

Currently, the CSU budget reflects expenditures and the revenues it receives, that is, the CSU spends what it gets, but these expenditures do not capture what it more appropriately costs to operate the university system. When the CSU receives less revenue than it requests from the state or generates from tuition, two things occur: (1) some costs go unaddressed (e.g., increased student support, critical capital renewal projects and up-to-date instructional equipment and appropriate workforce investments) and (2) costs that cannot be deferred are accommodated by redirecting funds from existing programs and purposes, leaving those areas under-resourced. These two actions create a disconnection between costs and expenditures. The workgroup concluded that CSU costs exceed the amounts expended, creating an expenditure gap. When compared with university revenues, there is similarly a funding gap.

The annual five percent multi-year compact commitment (coupled with the assumption that the commitment continues beyond 2026-2027) would provide an additional \$1.3 billion in new funding by 2028-2029. While advocating for additional state funding will continue to be the CSU's top priority, it is unlikely that state funding alone would be able to meet CSU's funding needs.

Tuition is the only other significant source of revenue for the CSU operating fund. Tuition has been held flat for 10 of the last 11 years through 2022-2023, which has helped maintain affordability for as many students as possible and kept the CSU as one of the most affordable institutions of higher education in the country. However, the absence of a tuition increase has also prevented the CSU from having sufficient resources to keep up with rising costs. For example, the annual tuition for an undergraduate student increased only once by \$270 (or five percent) since 2011-2012. By comparison, inflation increased by 39 percent over that same time period. Implementing the multi-year tuition proposal would provide the CSU with an additional \$840 million in tuition revenue by 2028-2029, which would help the 23 universities address more of the CSU's budgetary priorities than the status quo.

An underfunded budget requires the universities to redirect funding from existing programs, services and priorities like the Graduation Initiative to fund required operating cost obligations. A persistently underfunded CSU could mean fewer course sections, reduced average unit loads, less student services and a longer timeline to graduation. The CSU would also be limited in its ability to build or renew critical capital projects on the campuses, adjust employee compensation to remain competitive in the higher education industry and create or improve additional safe, functional and educationally appropriate learning environments.

Financial sustainability and predictability are critically important for the CSU to accomplish its mission and overcome its challenges. A strategic, multi-year increase to tuition, nonresident tuition and the graduate business professional fee, beginning with 2024-2025, would provide additional

resources to better ensure that Californians have opportunities to earn lifelong, life-transforming benefits through CSU educational programs. A multi-year tuition proposal and the governor's multi-year compact funding commitment would provide the greatest level of revenue sustainability and predictability in the university's history.

How New Revenues Would Be Used

It must be emphasized that the additional revenue is necessary to pay for existing programs, services, priorities and unfunded state and federal mandates. That said, additional revenue received from a tuition increase also likely would be invested in the budget priorities that reflect the values and mission of the university:

- Expand the work of Graduation Initiative 2025 to support the CSU's broader mission to advance educational equity so that all students have the equal opportunity to earn the lifelong, life-transforming benefits of a CSU degree.
- Provide competitive salaries and benefits to our faculty and staff who educate, inspire and uplift our diverse and talented students.
- Ensure safe, modern and sustainable facilities where teaching, learning and student well-being can thrive.
- Continue to provide financial aid to assist students with the greatest financial need. This would cover the full cost of tuition and could also be expanded to cover other attendance costs of the university.

More specifically, additional revenue received from tuition would be used to support seven key priorities over a multi-year period. Decisions on the precise amount of ongoing funding to be dedicated to each of the key priorities will be made through the annual CSU budget process and periodically by way of finalized collective bargaining agreements.

1. **Graduation Initiative:** Launched in 2016, the graduation initiative aims to increase graduation rates for first-time and transfer students, eliminate equity gaps for underrepresented minority students and Pell Grant recipients and meet California's workforce needs. Reducing time to degree means that graduates enter the workforce or graduate sooner, with less debt, positively impacting their future and producing additional graduates to power California.

Based on 2022 data, four- and six-year graduation rates for first-time students and two- and four-year rates for transfer students continue to increase and many have reached and sustained all-time highs.

- The four-year graduation rate for first-time students increased from 19 percent to 35 percent.

- The six-year graduation rate for first-time students increased from 57 percent to 62 percent.
- The two-year graduation rate for transfer students increased from 31 percent to 40 percent.
- The four-year graduation rate for transfer students increased from 73 percent to 80 percent.

Despite systemwide efforts, eliminating equity gaps—the difference in graduation rates between students from historically underserved backgrounds and their peers—remains an ongoing challenge. To address this, the CSU adopted and began implementing an equity action plan that is re-engaging underserved students who have disenrolled, expanding the use of digital degree planners, reviewing and restructuring courses with inequitable low-pass rates, bolstering student opportunities to earn credits during summer and winter sessions, and eliminating administrative barriers.

Students have expressed a desire for increased support services that meet their diverse individual needs. This approach necessitates the need for an elevated level of support and engagement with students. The additional tuition revenue will help to fill the already existing funding gap in student services and enhance the educational experience for students. Student basic need programs remain a priority investment as the CSU takes a holistic look at students' well-being both inside and outside the classroom. While the primary mission of the CSU is educational in nature, students cannot be fully engaged in or out of the classroom if they do not receive appropriate support services. Continued investment in these efforts may include but are not limited to the following:

- Tutoring, peer mentoring, and academic support
 - Cultural centers (space, staffing & programming)
 - Title IX efforts to include bystander and prevention education
 - Increasing the number of students participating in high-impact practices such as undergraduate research, international experiences, and internships
 - Early alert systems and case management efforts to support student retention and persistence
 - Increased efforts to re-engage and re-enroll students who have dropped out of college
 - On-campus student employment opportunities
2. CSU Workforce Investments: Central to the student experience is the ability to interact, learn from, and be guided by outstanding faculty and staff. The CSU is proud of the thousands of its employees who are dedicated to students and their success. The CSU recognizes that a competitive compensation package is essential to recruit and retain a diverse world-class workforce, which is a key element to student success. Unfortunately,

there are current fiscal challenges that limit the CSU's ability to adequately address compensation. The 2023-2024 budget plan is a good example. After addressing other critical CSU budget needs, the remaining funding available for compensation improvements would be equivalent to less than a two percent general salary increase for all employee groups. Two percent is less than the rate of inflation today and for the near future. Without additional funding in the form of tuition revenue, the CSU would not be able to sufficiently fund compensation and remain competitive in today's job market.

Workforce investments are subject to collective bargaining. The mutual agreement between the CSU and each CSU bargaining unit will determine the form of compensation that additional state general fund and tuition revenue will support.

3. **Academic Facilities & Infrastructure Needs:** To provide students with the best possible educational experience, it is necessary to regularly invest in critical infrastructure and academic facilities. The CSU's five-year plan has identified—in 2023-2024 alone—more than \$4.2 billion in systemwide academic infrastructure and facility needs. The five-year capital outlay and infrastructure improvement plan primarily identifies renewal and replacement needs of existing buildings, along with some new facilities to be constructed to advance student access. These priorities of the plan are consistent with the state's priorities of critical infrastructure, energy efficiency and life safety projects, to increase the CSU's capacity to serve its existing and projected enrollment. Many of these projects would support students seeking careers in engineering, health care and the sciences.
4. **Required Operational Costs:** Required operational costs are expenditures the university must pay regardless of the level of funding allocated by the state, and they often increase independent of growing, flat or declining state support. Over the past decade, the final state budget received by the CSU has not included funding explicitly for a variety of expenses such as utilities, technology, instructional equipment, library subscriptions, contracts and other supplies. Examples of emerging required operational costs are Title IX and discrimination, harassment and retaliation programs, liability and property insurance premiums and heightened rates of inflation. More specifically, the California Consumer Price Index increased by 6.6 percent in 2021-2022 alone, with no new funding to cover these rising costs. Insurance premiums are on the rise across the country and even more so for California public entities. Numerous factors contribute to this increase such as an overall rise in claims (especially for wildfires in recent years) and inflated values of settlements and verdicts.
5. **Investment In High-Demand Instruction:** Instruction is the core function at the CSU and receives the largest share of funding. Costs associated with high-demand degrees in health and science, technology, engineering and mathematics (STEM) fields are often higher than other disciplines. The difference between the costs and expenditures in instruction

highlights questions about the capacity of campuses to finance increased enrollments in higher-cost, high-demand disciplines and support the balance of the CSU student population.

The renewed emphasis on undergraduate education outcomes—to improve student learning outcomes, persistence, and graduation rates for students in STEM—has become an institutional imperative. There is a recognized need to invest in more student-centered learning environments that are built on the foundations of conceptual learning goals and use the most effective research-based teaching, learning and assessment strategies. Indeed, the increasingly interdisciplinary nature of the global challenges our society faces requires that students engage in learning that will prepare them to address and solve 21st-century problems. Improved learning environments have led to more students graduating and entering the workforce with high-wage career opportunities.

STEM leaders also recognize that in addition to improvements in pedagogy and curriculum, multifaceted changes are needed to create student success. Student advising, faculty professional development, student research mentoring and academic support programs are central to student success.

6. Strategic Resident Enrollment Growth: The CSU continues to plan for steady and strategic increases in enrollment to meet student demand for a CSU education and the needs of California’s future workforce. The governor’s multi-year compact includes a requirement of one-percent growth in resident undergraduate students annually through 2026-2027. It is the CSU’s intent to place new enrollment strategically at campuses that are experiencing significant prospective student demand and can expand more seats in academic programs that are vital to reducing current and prospective workforce shortages.
7. Expand Financial Aid Opportunities: Continuing to provide financial aid to assist students with the greatest financial need is of utmost importance. At present, the CSU’s State University Grant (SUG) program covers the full cost of tuition for more than 100,000 low-income CSU students and the program could be expanded to cover other attendance costs of the university.

Potential Impact to Students and Mitigation of Impact on Students with Financial Need

The CSU remains committed to keeping costs as low as possible for students. Nearly 82 percent of all CSU students receive financial aid and nearly 60 percent of all enrolled undergraduate financial aid recipients receive non-loan aid to cover the full cost of tuition. The CSU does not expect these percentages to change as the result of a possible tuition increase.

The CSU understands the impact financial aid has on social mobility – a student’s ability to attend college, earn a baccalaureate degree and enter the California workforce in a position to attain greater lifetime earnings. The CSU strives to keep costs to a minimum by offering institutional aid (most notably SUG) in addition to federal and state grant and loan programs. Financial aid allows CSU students to better focus on their academics by easing the pressure of educational and personal costs. The average financial aid award for a CSU student is \$11,070.

The CSU’s goal is to use tuition revenue generated from a rate increase for additional financial aid support for students. The percentage would be determined each year through the CSU operating budget plan, approved by the board, based on available funding and student needs. This would provide the CSU the necessary flexibility to dedicate more or less tuition revenue per year to financial aid depending on the financial condition of the state’s economy and the effect that the state budget would have on the CSU’s financial position. This increased source of financial aid would continue to support the CSU’s financially neediest students by paying the full cost of tuition and up to fifty percent of the campus-based mandatory fees. The CSU currently provides \$945 million in institutional aid; \$701 million of that aid is associated with the SUG program.

State Grants and Fee Waivers

The multi-year tuition proposal would not typically affect a student who receives a Cal Grant tuition award because the state designed the program so that the award amount pays the entire tuition cost. This would include students utilizing the California Dream Act Application. However, there is no guarantee that the state will increase Cal Grant awards if the CSU annually raises tuition. Similarly, the proposed tuition increase would not affect a student who receives a statutory tuition fee waiver because the state designed these programs to waive the entire cost of tuition.

Institutional Grants

SUG is available to undergraduates, teacher credential candidates and graduate students. The multi-year tuition proposal would not affect a student who receives a full SUG because this CSU-administered institutional aid program covers the entire tuition cost. For students who do not receive the maximum award to cover the full tuition cost and absent any other financial aid, SUG may still cover the proposed increase in tuition. However, individual SUG awards vary for each student. CSU doctoral programs and graduate business professional programs also offer need-based grant programs like SUG. As part of the proposal, SUG funding could grow \$280 million (from 2024-2025 through 2028-2029) to accommodate eligible students’ additional needs that could result from a tuition increase.

Federal Aid

The maximum full-time Pell Grant award for 2023-2024 is \$7,395. Any changes to the 2024-2025 Pell award amounts are not known at this time. Under the proposal, the increases to CSU tuition would not exceed the maximum 2023-2024 Pell Grant award until 2028-2029. This means a resident undergraduate student who qualifies for the maximum Pell Grant award would have the

cost of tuition covered by this program through at least 2028-29 even if the maximum Pell Grant award did not increase. At the CSU, most resident students who are eligible for a full Pell Grant also qualify for a Cal Grant or SUG tuition award. For those students, non-loan aid would still fully cover the cost of tuition.

For those students who qualify for the Cal Grant or SUG, the Pell Grant may be used for non-tuition expenses including campus-based fees, books, housing and other living expenses.

Pell Grant award amounts can vary based on income and enrolled units. For students who do not receive the maximum award, and absent any other financial aid, the Pell Grant may partially cover the proposed increase in tuition.

Financial Aid Awareness

The CSU will continue its commitment to informing students and families of the availability of financial aid. Each campus maintains a robust website that provides information to students and families. Campuses will continue to communicate with students on a regular basis with reminders and notices of key application periods and deadlines. Information will continue to be available via the admission application site (i.e., [Cal State Apply](#)) and [calstate.edu](#). Campuses will also provide information as part of student outreach, the admission process and orientation events as well as through workshops both on and off campus to prospective and current students and their families.

Employment

CSU financial aid packaging policies do not include or establish a minimum workload expectation for students. A student may work on or off campus to cover tuition and other college-related expenses and, if the student qualifies, one can participate in the Federal Work-Study program. For students who work to meet their full cost of attendance, at the current minimum wage of \$15.50 per hour, a resident undergraduate student would need to work approximately 166 additional hours over a four-year academic career or an average of 42 hours per year—equivalent to roughly 0.8 hours per week—to cover the additional \$2,286 of tuition for a full-time undergraduate student entering the CSU in 2024-2025.

Loans and Student Indebtedness

Loan programs can also be used to cover tuition costs for a student. Based on CSU financial aid packaging policies in which grants and waivers are applied first, and loans second, it is unlikely that student loan debt would increase materially, if at all, to pay for a tuition increase.

While 42 percent of all CSU students graduate with loan debt for college-related expenses, the amount of the debt is substantially lower than the California and national average. In 2021-2022, CSU baccalaureate degree recipients had lower average debt (\$17,682) than the 2019-2020 non-CSU California student average (\$21,125) and well below the 2019-2020 national average

(\$28,950). Given this, the multi-year tuition proposal should keep CSU graduate debt below the California average and the national average for many years.

If a student were to borrow additional funds to cover the proposed tuition increase, average indebtedness would increase. For example, a full-time undergraduate student entering the CSU in 2024-2025 would pay \$2,286 more for four years of enrollment. If a student were to borrow, the anticipated monthly payment upon graduation would increase by \$28, based on a maximum interest rate of 8.25 percent (currently 5.49 percent) and a standard 10-year repayment schedule. Based on similar terms and conditions, if a student were to borrow \$6,096 more for six years of enrollment, the anticipated monthly payment would increase by approximately \$75. With these changes included, average indebtedness at the CSU would continue to be lower than the national average.

Alternative Options

The CSU has five primary options as alternatives for addressing the current fiscal priorities. These options are not mutually exclusive and may be combined in varying proportions.

1. Advocate for increased state funding to cover full operating budget plans

The CSU's first priority and commitment are to make the case with state leaders that additional investments in the CSU are necessary and in the best interest of the state and students. The CSU continues to collaborate with partners across the system including students, faculty, staff, businesses, union leaders, alumni and friends to make the case in Sacramento. While additional state funding will always be the preferred option, the current budgetary indicators for the state do not look promising over the next few years making it more challenging for the state to provide additional funding to the CSU.

It is exceptionally rare for the state to fully fund a CSU operating budget plan. The last time this occurred was in the 2015-2016 fiscal year. Prior to that, the operating budget plan was fully funded in 2006-2007.

2. Increase tuition to partially cover the operating budget plan while continuing to advocate for more state funding

While the revenue generated from a multi-year tuition proposal would not fully fund the operating budget plan, it would allow for tens of millions of dollars of new investments to be made in critical areas per year. The new revenue would be coupled with continued advocacy efforts in Option 1 (above) to fund the annual operating budget plan.

3. Cost avoidance, efficiencies and reduction of programs and services

The CSU remains vigilant in its efforts to pursue cost avoidance strategies and administrative efficiencies to be good stewards of state and tuition resources and to address as many unfunded

cost increases as possible. CSUBUY is just one example of a recent endeavor to leverage systemwide buying power to receive greater discounts and rebates on common supplies purchased throughout the CSU. However, it is important to manage expectations and dispel misconceptions about improved efficiency and effectiveness. Past successes have yielded up to tens of millions of dollars per year and remaining opportunities are marginal in value.

The CSU makes every effort to ensure any new efforts undertaken add value to the students, the campus or fulfill a legislative requirement. Along that vein, any reduction in programs and services will undoubtedly have a negative impact on student success and either halt or undo some of the groundbreaking work done through the Graduation Initiative.

Additionally, the CSU will continue to examine ongoing investments to ensure they are in line with the mission of the university so that the funding invested in the CSU by the state and students is spent thoughtfully and with student success at its core. For example, state law authorizes the CSU to invest in securities that yield a higher rate of return than fixed income securities. As regularly reported to the board, a portion of funds are invested in portfolios that typically earn a better rate of return and those returns are to be used for critical capital renewal, which is a key piece of student success. Doing so allows the CSU to use more of the operating funds for direct academic offerings and support.

4. In lieu of additional state funding or the multi-year tuition proposal, reduce programs and services, both academic and non-academic

The CSU's required financial obligations, along with critical priorities like workforce investments and Graduation Initiative 2025, far exceed the amount of funding received from the state in recent years. If advocacy efforts do not secure the operating budget plan, and if tuition is not increased, priority areas of the operating budget would be reduced or eliminated because campuses would have to redirect funding from existing programs, services and priorities to fund a sizable portion of mandatory cost obligations. Fewer course sections would be available to students, the average unit load would go down and fewer academic and student support services would be available due to the possibility of employee layoffs.

5. Use operating fund designated balances and reserves

As of June 30, 2023, the CSU had operating fund designated balances and reserves totaling \$2.484 billion, accumulated primarily from tuition, fees and other revenues in excess of annual expenses. These balances can be broken down into four main categories: short-term obligations (\$1.389 billion), catastrophic events (\$45 million), capital (\$284 million) and economic uncertainty (\$766 million).

Designated balances for short-term obligations include everything from encumbrances for goods and services already under contract, to planned program development and/or to outstanding

commitments that were not complete by the end of the fiscal year. Examples are near-term debt service payments and financial aid obligations.

Designated balances for catastrophic events are held to be used in the event of a natural disaster or other catastrophic event. Typically, these balances are used to pay for costs that are not covered by insurance and are sufficient to cover expected needs.

Designated balances for capital are for new construction projects and building improvements on campuses, facilities maintenance and repair. Campuses could use these balances for critical capital renewal and emergency capital needs as well using them to meet the 10 percent of project costs for larger, bond-supported projects. It is important to note that the projected need for capital projects in 2024-2025 is \$4.0 billion and the projected need through 2028-2029 is \$31.1 billion.

Reserves for economic uncertainty are held for costs that may occur due to periods of short-term recessionary cycles or state budget fluctuations. These reserves are part of the university's prudent fiscal strategy and are intended to be used as a one-time supplement giving the operating budget time to balance reductions and minimize disruptions to the educational experience. The \$766 million designated for economic uncertainty equates to less than one month of operating expenses for the CSU operating fund.

Using operating fund reserves is at best a one-time, short-term solution and at worst, a fiscally irresponsible divergence of funds if used extensively for ongoing costs.

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

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

Wednesday, September 13, 2023

Presiding: Wenda Fong, Chair

12:45 p.m.*

Board of Trustees

Dumke Auditorium

Call to Order

Roll Call

Consent

Action 1. Approval of the Minutes of the Board of Trustees Meeting of July 11, 2023 and July 12, 2023

Action 2. Approval of Committee Resolutions as follows:

Committee on Committees

2. Amendments to Board of Trustees' Standing Committee Assignments for 2023-2024

Committee on Campus Planning, Buildings and Grounds

2. Update and Approval of the Five-Year Capital Outlay Plan
3. California State University, Long Beach Hillside North Student Housing Schematic Design Approval
4. California State University, San Bernardino Palm Desert Off-Campus Center Student Services Building Schematic Design Approval

Committee on Educational Policy

3. Academic Planning

Committee on University and Faculty Personnel

2. Amendment of California State University Conflict of Interest Code
3. Executive Compensation Update: Presidential Housing – California State University, Chico
4. Executive Compensation: President - California State University, Los Angeles
5. Executive Compensation: Interim President – California State University, Bakersfield

*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.

Agendas, notices, and information on addressing the Board of Trustees may be found on Board of Trustees website: <https://www.calstate.edu/csu-system/board-of-trustees/Pages/default.aspx> .

Discussion

Action 3. Approval of Committee Resolutions as follows:

Committee on Finance

- 4. Tuition Policy
- 5. Approval of the 2024-2025 Operating Budget Plan and Multi-Year Tuition Proposal

Action 4. Conferral Commendation – Sylvia A. Alva

Action 5. Conferral of the Title of Faculty Trustee Emeritus – Romey Sabalius

Action 6. Conferral of the Title of Chancellor Emerita – Jolene Koester

MINUTES OF THE MEETING OF BOARD OF TRUSTEES

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

July 11, 2023

Trustees Present

Wenda Fong, Chair
Jack Clarke, Jr., Vice Chair
Larry L. Adamson
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Douglas Faigin
Jean Picker Firstenberg
Mark Ghilarducci
Leslie Gilbert-Lurie
Lillian Kimbell
Julia I. Lopez
Jack McGrory
Anna Ortiz-Morfit
Yammilette Rodriguez
Lateefah Simon
Darlene Yee-Melichar
Jolene Koester, Interim Chancellor

Chair Wenda Fong called the meeting of the Board of Trustees to order.

Public Comment

In an effort to provide accessibility and flexibility for the public, all public comment took place at the beginning of open session prior to all committees.

The board heard from the following individuals who provided public comment in person: Matthew Armas, SLO; Drew Scott; Matt Mason; Aaron Flores; Jessica Westbay; Don Moreno; John Cuilik; Andrea Skinner; Renee Martinez, CSUN; Cameron Rodriguez; Armenia Ward, CSULA; Cameron Macedonio; Stephen McFarland CSUDH; Michael Lee-Change, Sac. St.; Kevin Kilpatrick, CSUSM; Anabell Rangel, Sac. St.; Natalie Monzon; Charles Toombs; Lark Winner; Anne Luna,

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Sac. St.; Keiry Saravia, CSUN; Luis Ortiz, CSULB; AngelMarie Taylor, CSUCI; Angelina Collins; Jennifer Chavez, CSULB; Andrew Gaddis, SDSU; Oscar Zamora, CSULA; J Jimenez, CSULB; Marcia Moran, CSULA; Emmily Barrera, CSULB

The board also heard from the following individuals who provided public comment virtually: Larry Gonzales, CSUB; Samantha Rhine, CSUN; Rebecca Araujo, CSULB; Claire Lopez, SLO; Mitul Kalra, CSUN, Jason Rabinowitz

Chair's Report

Chair Fong's report is available online at the following link: <https://www.calstate.edu/csu-system/board-of-trustees/reports-of-the-chair/Pages/july-2023.aspx>

Report of the Academic Senate CSU

CSU Academic Senate Chair Beth A. Steffel's report is available online at the following link: <https://www2.calstate.edu/csu-system/faculty-staff/academic-senate/Pages/ASCSU-Chairs-Report.aspx>

Report from the California State Student Association

CSSA President Dominic Treseler's report is available online at the following link: <https://www.calstatestudents.org/public-documents/#president>

Report of the California State University Alumni Council

Alumni Council President John Poli's report is available online at the following link: <https://www2.calstate.edu/impact-of-the-csu/alumni/council/board-of-trustee-reports/Pages/default.aspx>

Chancellor's Report

Interim Chancellor Jolene Koester's report is available online at the following link: <https://www.calstate.edu/csu-system/board-of-trustees/chancellor-reports/Pages/july-11-2023.aspx>

MINUTES OF THE MEETING OF BOARD OF TRUSTEES

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

July 12, 2023

Trustees Present

Wenda Fong, Chair
Jack Clarke, Jr., Vice Chair
Larry L. Adamson
Diana Aguilar-Cruz
Diego Arambula
Raji Kaur Brar
Douglas Faigin
Jean Picker Firstenberg
Mark Ghilarducci
Leslie Gilbert-Lurie
Lillian Kimbell
Julia I. Lopez
Jack McGrory
Anna Ortiz-Morfit
Yammilette Rodriguez
Lateefah Simon
Christopher Steinhauser
Darlene Yee-Melichar
Jolene Koester, Interim Chancellor
Superintendent Tony Thurmond
Lieutenant Governor Eleni Kounalakis

Chair Fong called the meeting of the Board of Trustees to order.

Consent Agenda

Prior to the approval of the consent agenda, Chair Fong noted that item 2, Executive Compensation, Chancellor Select – California State University from the Committee on University and Faculty Personnel, was requested to be removed from the consent agenda for separate discussion. No further items were removed from the consent agenda.

Chair Fong called for a motion to approve all remaining consent agenda items. There was a motion and a second. The minutes of the meeting of May 23, 2023, and May 24, 2023, were unanimously approved as submitted.

The Board of Trustees unanimously approved the following resolutions:

COMMITTEE ON FINANCE

Approval to Issue Debt for Affordable Housing at California State University, Northridge (RFIN 07-23-07)

Orrick, Herrington & Sutcliffe LLP, as bond counsel, prepared resolutions presented for this project as described in Agenda Item 2 of the Committee on Finance at the July 9-12, 2023, meeting of the CSU Board of Trustees that authorize interim and permanent financing for the projects described in the agenda item. The proposed resolutions were distributed at the meeting and will achieve the following:

1. Authorize the sale and issuance of the 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 \$20,605,000 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 to Issue Debt in Support of the 2023-2024 Budget
(RFIN 07-23-08)**

Orrick, Herrington & Sutcliffe LLP, as bond counsel, prepared resolutions presented for the projects as described in Attachment A of Agenda Item 3 of the Committee on Finance at the July 9-12, 2023, meeting of the CSU Board of Trustees that authorize interim and permanent financing for the projects described in the agenda item. The proposed resolutions were distributed at the meeting and will achieve the following:

- a. Authorize the sale and issuance of the 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 \$1,266,040,000 and certain actions relating thereto.
- b. 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 revenue bonds, bond anticipation notes, or related debt instruments.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

**California State University, Long Beach Peterson Hall 1 Replacement, Schematic Design Approval
(RCPBG 07-23-04)**

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

1. The Tiered IS/MND to the 2008 Master Plan Update EIR was prepared to evaluate the environmental effects associated with the Peterson Hall 1 Replacement project and confirms the project will not result in new significant environmental impacts that cannot be mitigated, pursuant to the requirements of CEQA and the State CEQA Guidelines.

2. This resolution is adopted pursuant to the requirements of Section 21081 of the Public Resources Code and Section 15091 of the State CEQA Guidelines, which require that the Board of Trustees make findings prior to the approval of a project.
3. The Board of Trustees hereby approves the Tiered IS/MND to the 2008 Master Plan Update EIR and reaffirms prior adoption of the Findings of Fact and Mitigation Monitoring and Reporting Program prepared for that EIR, including all mitigation measures identified therein.
4. The mitigation measures contained within the 2008 Master Plan Update EIR Mitigation Monitoring and Reporting Program that are applicable to the Peterson Hall 1 Replacement project are hereby incorporated by reference and shall be monitored and reported in accordance with the requirements of CEQA (Public Resources Code Section 21081.6).
5. The Board of Trustees hereby approves the Tiered IS/MND to the 2008 Master Plan Update EIR as complete and in compliance with CEQA.
6. Applicable mitigation measures shall be monitored and reported in accordance with the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6).
7. The California State University, Long Beach Peterson Hall 1 Replacement Building (Seismic) project will benefit the California State University.
8. The schematic plans for the California State University, Long Beach Peterson Hall 1 Replacement Building (Seismic) project are approved at a project cost of \$184,109,000 at CCCI 10461.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: President – Sonoma State University (RUF 07-23-11)

RESOLVED, by the Board of Trustees of the California State University, that Dr. Ming-Tung Lee shall receive a salary set at the annual rate of \$381,409 effective on May 23, 2023, the date of his appointment as president of Sonoma State University; and be it further

RESOLVED, Dr. Ming-Tung Lee shall receive a housing allowance of \$5,000 per month; and be it further

RESOLVED, Dr. Ming-Tung Lee shall receive additional benefits as cited in Agenda Item 3 of the Committee on University and Faculty Personnel at the July 9-12, 2023 meeting of the Board of Trustees.

**Executive Compensation
(RUF 07-23-12)**

RESOLVED, by the Board of Trustees of the California State University, that the individuals named in Item 4 of the Committee on University and Faculty Personnel at the July 9-12, 2023 meeting of the Board of Trustees shall receive the new salaries as stated in the item.

Prior to the approval of the consent agenda, Chair Fong noted that item 2, Executive Compensation, Chancellor Select – California State University from the Committee on University and Faculty Personnel, was requested to be removed from the consent agenda for separate discussion. No further items were removed from the consent agenda.

Chair Fong called for a motion and a second prior to discussion. There was a motion and a second. Lieutenant Governor Kounalakis offered her congratulations to Chancellor-select García and commended the board on the chancellor search selection process. Chair Fong called for a roll call vote. There were 18 votes in favor (Trustees Adamson, Arambula, Brar, Clarke, Jr., Firstenberg, Fong, Ghilarducci, Gilbert-Lurie, Kimbell, Lopez, McGrory, Ortiz-Morfit, Rodriguez, Simon, Steinhauser, Lieutenant Governor Kounalakis, Superintendent Thurmond, and Interim Chancellor Koester); two votes opposed (Trustees Aguilar-Cruz and Faigin); and one abstention (Trustee Yee-Melichar). Chair Fong thanked the board, students, faculty, staff, administrators, Chancellor's Office staff, CSU community, and the State of California for their support of the new Chancellor-select. The following resolution was approved:

**Executive Compensation: Chancellor-select, California State University
(RUF 07-23-10)**

RESOLVED, by the Board of Trustees of the California State University, that Dr. Mildred García shall receive a salary set at the annual rate of \$795,000 effective October 1, 2023, the date of her appointment as chancellor of the California State University; and be it further

RESOLVED, that Dr. Mildred García shall receive annual deferred compensation of \$80,000; and be it further

RESOLVED, that Dr. Mildred García shall receive an annual housing allowance of \$96,000; and be it further

RESOLVED, that Dr. Mildred García shall receive additional benefits as cited in Agenda Item 2 of the Committee on University and Faculty Personnel at the July 9-12, 2023 meeting of the Board of Trustees.

Discussion Agenda

The board had four action items on the discussion agenda.

Conferral of Title of Trustee Emeritus – Adam Day; Conferral of Title of Student Trustee Emerita – Maria Linares; Conferral of Titles of President Emeritus and Executive Vice Chancellor Emeritus – Framrose Virjee; and Conferral of Title of President Emeriti – Robert S. Nelsen, William A. Covino, Ellen N. Junn.

Chair Fong presented the items and introduced the honorees and Interim Chancellor Koester for their respective remarks. There was a motion and a second to approve the respective conferrals. The following resolutions were unanimously approved.

BOARD OF TRUSTEES

Conferral of Title of Trustee Emeritus – Adam Day (RBOT 07-23-05)

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of Trustee Emeritus on Adam Day, with all the rights and privileges thereto.

Conferral of Title of Student Trustee Emerita – Maria G. Linares (RBOT 07-23-06)

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of Student Trustee Emerita on Maria G. Linares, with all the rights and privileges thereto.

**Conferral of Titles of President Emeritus and Executive Vice Chancellor Emeritus –
Framroze Virjee
(RBOT 07-23-07)**

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of President Emeritus on President Framroze Virjee with all the rights and privileges thereto.

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of Executive Vice Chancellor Emeritus on Framroze Virjee with all the rights and privileges thereto.

**Conferral of Title of President Emeriti – Robert S. Nelsen, William A. Covino, Ellen N. Junn
(RBOT 07-23-08)**

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of President Emeritus on President Robert S. Nelsen with all the rights and privileges thereto.

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of President Emeritus on William A. Covino with all the rights and privileges thereto.

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of President Emerita on Ellen N. Junn, with all the rights and privileges thereto.

BOARD OF TRUSTEES

Conferral of Commendation – Sylvia A. Alva

Presentation By

Wenda Fong
Chair of the Board

Summary

It is recommended that Dr. Sylvia A. Alva, in her role as executive vice chancellor for Academic and Student Affairs, be commended for her service, commitment and leadership to the California State University.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that this board commends Dr. Sylvia A. Alva for her steadfast dedication, service and leadership as executive vice chancellor for Academic and Student Affairs on behalf of the students, faculty, staff, administrators, alumni and friends of the California State University.

BOARD OF TRUSTEES

Conferral of the Title of Faculty Trustee Emeritus – Romey Sabalius

Presentation By

Wenda Fong
Chair of the Board

Summary

It is recommended that Dr. Romey Sabalius be conferred the title of Faculty Trustee Emeritus for his service, commitment and leadership to the California State University. The granting of emeritus status carries the title but no compensation.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of Faculty Trustee Emeritus on Dr. Romey Sabalius, with all the rights and privileges thereto.

BOARD OF TRUSTEES

Conferral of the Title of Chancellor Emerita – Jolene Koester

Presentation By

Wenda Fong
Chair of the Board

Summary

It is recommended that Chancellor Jolene Koester, upon the conclusion of her tenure, be conferred the title of Chancellor Emerita for her many years of dedicated service, steadfast commitment, and visionary and collaborative leadership to the California State University system. The granting of emerita status carries the title, but no compensation.

The following resolution is recommended for approval:

WHEREAS, in a time of transition, uncertainty, challenge and opportunity, Dr. Jolene Koester answered the call to serve as chancellor of the California State University from May 2022 through September 2023; and

WHEREAS, prior to her appointment as chancellor, Dr. Koester enjoyed a long and extraordinarily distinguished career at the CSU, including 17 years at Sacramento State, where she served as an associate professor, professor, department chair, assistant vice president, associate vice president and vice president for academic affairs, and as president of CSUN from 2000 to 2011; and

WHEREAS, throughout her career, Dr. Koester has developed a well-earned reputation as an ethical and purpose-driven leader, a champion of student success and inclusive excellence, and an unwavering supporter of innovation in teaching and learning; and

WHEREAS, Dr. Koester has successfully advanced four strategic priorities she clearly defined at the outset of her tenure: to make appropriate policy and process improvements within the Chancellor's Office with an eye toward building a culture of inclusiveness, communication and collaboration; to serve as a powerful advocate for the resources the CSU needs to advance its mission; to build a glidepath for the CSU's next regularly appointed chancellor by assessing and recommending solutions to the university's most critical operational and strategic challenges; and to restore trust with and among the CSU's stakeholders; and

BOT

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WHEREAS, facing an unprecedented period of transition in executive leadership, Dr. Koester helped lead successful searches for the CSU's 11th chancellor and six new CSU university presidents, and appointed four presidents, maintaining stable, vital, effective and diverse leadership across the CSU's 23 universities and its Chancellor's Office; and

WHEREAS, Dr. Koester adeptly and collaboratively led the university system through additional emerging and pressing issues throughout her tenure; and

WHEREAS, Dr. Koester's visionary, principled and collaborative leadership has positioned the CSU to continue its upward trajectory as the nation's largest and most diverse public university and the driver of California's educated workforce; now, therefore, be it

RESOLVED, by the Board of Trustees of the California State University, that the title of Chancellor Emerita be conferred on Dr. Jolene Koester, with all the rights and privileges thereto.