

## **March 21-22, 2017 CSU Board of Trustees Meeting Faculty Trustee's Report**

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My report on the March 21-22, 2017 CSU Board of Trustees meeting held at the Chancellor's Office in Long Beach, California:

1. The Board met Tuesday morning in closed session to discuss executive personnel matters, pending litigation and collective bargaining items.
2. After lunch, the Board met in open session, starting with public comments regarding collective bargaining. After public comments, the Committee on Collective Bargaining approved four action items on their agenda – the adoption of initial proposals for the successor collective bargaining discussions with Bargaining Units 1, 4, 6 and 10; collectively represented by the Union of American Physicians and Dentists (UAPD), the Academic Professionals of California (APC), the State Employees Trades Council United (SETC), and, at Cal Maritime, the International Union of Operating Engineers (IUOE).
3. The Committee on Audit was next to convene. The committee received the Report on Compliance with National Collegiate Athletic Association Requirements for Financial Data Reporting. It also received a status report on current internal audit assignments.
4. The Committee on Governmental Relations convened to receive an update on legislative activities. It heard that 2,516 bills were introduced for consideration by state legislators (1,708 from the Assembly, 808 from the Senate). The definitions of CSU positions terms were discussed:
  - a. Support – consistent with trustees' legislative principles, supports CSU
  - b. Oppose – inconsistent with principles or undermines trustees' governance
  - c. Neutral – no concerns with the bill
  - d. Watch – waiting for more information or amendments, CSU is working with bill's author

Approximately 30 bills have been identified for having a possible impact on the CSU. Three bills are sponsored legislation for the CSU:

- a. AB 422 (Arambula) – CSU authority to issue Doctor of Nursing Practice degrees
- b. AB 819 (Medina) – permanently grant the CSU regulatory authority to draft its own regulations; current authority has already been extended four times
- c. Senate Banking and Finance Omnibus Bill – allows CSU to establish foreign bank accounts to handle financial obligations for international programs

The following bills provide exceptions to the Master Plan for higher education in California:

- a. SB 577 (Dodd) – Community College Districts: Teacher Credentialing Programs of Professional Preparation. CSU Position: Watch
- b. SB 769 (Hill) – CCC Baccalaureate Degree Pilot Program. CSU Position: Watch
- c. AB 80 (Arambula) – CSU Authority: Doctoral Program: Agricultural Education. This bill authorizes Fresno State to award an education doctorate in agricultural education. CSU Position: Neutral

- d. AB 207 (Arambula) – CSU Authority: Doctor of Medicine Degrees. This bill authorizes Fresno State to award doctor of medicine degrees. CSU Position: Neutral
- e. AB 209 (Mathis) – CSU Authority: Agricultural Education: Professional Doctorate Degrees. This bill authorizes the CSU to offer professional doctorate degrees in agricultural education. CSU Position: Neutral
- f. AB 405 (Irwin) – CCC Baccalaureate Degree Cybersecurity Pilot Program. CSU Position: Watch

The following bills address college affordability and financial aid:

- a. SB 68 (Lara) – Exemption from Non-resident Tuition. This bill enables two years at a California Community College to count towards AB 540 eligibility. The bill also allows the completion of an associate’s degree or satisfaction of the minimum requirements to transfer to the UC or CSU to qualify for in-state tuition or financial aid. CSU Position: Watch
- b. AB 17 (Holden) – Transit Pass Program: Free or Reduced-Fare Transit Passes. This bill requires the Controller to allocate money to the Department of Transportation to provide free or reduced transit passes to specified students. CSU Position: Support
- c. AB 393 (Quirk-Silva) – CSU Tuition. This bill, sponsored by the California Faculty Association, freezes tuition and fees at the CSU and CCC until the completion of the 2019-2020 academic year. The bill requests the same of the UC. CSU Position: Oppose
- d. AB 766 (Friedman) – Foster Youth. This bill allows foster youth or former foster youth to use existing dollars (i.e., Aid to Families with Dependent Children-Foster Care AFDC-FC Program) to be used for a minor dependent living in a university dorm or other university designated housing. CSU Position: Support
- e. AB 990 (Rodriguez) – CSU, UC Estimates of Off-campus Housing Costs. This bill requires each CSU and UC campus to post on its website the current cost of a one-bedroom apartment in the surrounding campus area. CSU Position: Watch
- f. AB 1178 (Calderon) – Postsecondary Education: Student Loans. This bill requires each higher education institution to annually send a letter to students who take out loans regarding specified information on debt. CSU Position: Watch

Additional bills of interest:

- a. SB 1 (Beall) – Transportation Funding. This bill addresses road infrastructure and funding throughout the state. It includes a provision to direct \$2 million annually from the Road Maintenance and Rehabilitation Account to the CSU for transportation research and transportation-related workforce education, training and development. CSU Position: Support
- b. SB 244 (Lara): Privacy: Agencies: Personal Information. This bill restricts the manner in which any state entity, including the CSU, can utilize and keep personal information from an applicant for public services or programs. CSU Position: Watch
- c. SB 318 (Portantino) – CSU: Personal Service Contracts. This bill mandates that the CSU must follow the State Civil Service Act for the purposes of contracting out. The CSU has historically been exempted from the Civil Service Act and addresses the issue of contracting out through collective bargaining. CSU Position: Oppose
- d. SB 319 (Nguyen) – Public Postsecondary Education: Remedial Coursework. This bill requires California Community Colleges and the CSU to provide entrance counseling and assessment or other suitable means to fully inform an incoming student of any remedial coursework they will be required to register for and complete, prior to registration, and the reasons for the requirement. CSU Position: Watch
- e. SB 331 (Jackson) – Domestic Violence Counselor-Victim Privileges. This bill expands the list of employees who enjoy privilege to include a domestic violence counselor who works for a public or private institution of higher education. CSU Position: Watch
- f. SB 483 (Glazer) – Education Finance: Higher Education Facilities Bond Act of 2018. This bill enacts the Higher Education Facilities Bond Act of 2018, which, upon approval by voters, would authorize the issue of \$2 billion for CSU and UC education facilities. CSU Position: Watch

- g. SB 803 (Glazer) – The California Promise. This bill prohibits systemwide tuition fees being increased on a student who participates in a California Promise program. CSU Position: Watch
- h. AB 1 (Frazier) – Transportation Funding. This bill addresses road infrastructure and funding throughout the state. It includes a provision to direct \$2 million annually from the Road Maintenance and Rehabilitation Account to the CSU for transportation research and transportation-related workforce education, training and development. CSU Position: Support
- i. AB 10 (Garcia) – Feminine Hygiene Product Availability. This bill requires K-12 and higher education segments to supply feminine hygiene products to all female students in school bathrooms. CSU Position: Watch
- j. AB 21 (Kalra) – Public Postsecondary Education: Access to Education for Every Student. This bill, sponsored by the California Faculty Association, requires the CSU and requests the UC provide healthcare stipends for all students who are not eligible for Medicaid and unable to afford health insurance provided by the campus, provide housing or a stipend to students between academic terms who face a significant risk of being unable to return to the campus, and provide access to legal services without cost to students who may be impacted by federal agencies. If Deferred Action for Childhood Arrivals (DACA) is reversed, this bill specifies that these students continue to receive financial aid, funding for research and that office space and designated staff be available to assist former DACA students. The bill requires the CSU and requests the UC to refrain from releasing the immigration status of students. The bill prohibits ICE officers from entering campus unless they provide written documentation 10 days prior to the proposed entry to campus. CSU Position: Watch
- k. AB 52 (Cooper) – Public Employees: Orientation. This bill requires public employers to allow unions to provide a presentation during an employee’s orientation. CSU Position: Oppose
- l. AB 394 (Medina) – CSU: Assessment and Course Placement of Admitted Students. This bill requires the Trustees, as a condition of receipt of state funding for the Graduation Initiative 2025, to approve, by August 1, 2018, a pilot program where a minimum of 10 campuses use multiple measures for the assessment and course placement of admitted students. CSU Position: Watch
- m. AB 848 (McCarty) – Public Contracts: University of California: California State University: Domestic Workers. This bill restricts the CSU and UC from entering into contracts with contractors who use workers outside of the United States. CSU Position: Watch
- n. AB 856 (Levine) – Public Postsecondary Education: Hiring Policy: Geographic and Socioeconomic Diversity. This bill requires the CSU to interview at least one candidate from a geographic area or socioeconomic sector that is currently underrepresented at the segment or campus for a high- profile administrative position when such a position is available. CSU Position: Watch
- o. AB 1231 (Weber) – CSU: Support Staff Employees: Merit Salary Adjustments. This bill mandates that a support staff employee of the CSU shall receive a merit salary intermediate step adjustment of an unspecified amount each year that they receive a satisfactory performance evaluation. CSU Position: Oppose
- p. AB 1435 (Gonzalez Fletcher) – Student Athletes: The Athlete Protection Act. This bill creates the Athletic Protection Commission, a nine-member body appointed by the Assembly, Senate and the Governor with the goal of protecting student athletes. The commission would regulate athletic programs at all institutions of higher education in California using fees collected from the athletic conferences in which the institutions belong. The commission would have the ability to enact regulations and penalties that could include civil liability, temporary or permanent employment in higher education, or other penalties imposed by the commission. CSU Position: Watch
- q. AB 1464 (Weber) – CSU: Tenure Track Positions. This bill, sponsored by the California Faculty Association, requires the CSU to increase the number of tenured faculty to 75 percent by mandating the system hire between 700 to 915 tenure tracked faculty positions

each year over the next eight years, without displacing any lecturers in the process. CSU Position: Oppose

- r. AB 1622 (Low) – Student Support Services: Dream Resource Liaisons. This bill requires the CCC and CSU and requests the UC to designate a Dream Resource Liaison on each of their respective campuses. CSU Position: Watch

- 5. The Committee on Institutional Advancement approved one naming request:

- a. The naming of the Lawrence de Graaf Center for Oral and Public History at CSU Fullerton.

and applauded the nine CSU campuses plus the Office of the Chancellor on receiving 2017 District VII Awards from the Council for Advancement and Support of Education (CASE). The nine campuses receiving recognition: Chico, Dominguez Hills, East Bay, Fullerton, Northridge, Sacramento, San Diego, San Luis Obispo, and San Marcos.

- 6. The last committee meeting on Tuesday was the Committee on Educational Policy. One action item and two informational items were considered. The action item was the approval of the CSU Academic Master Plan which is an annual activity as the plan is regularly updated to reflect changes proposed by the campuses to their ten-year academic plans. It is in this document that new academic programs and degrees are proposed for future implementation and announcements are made of intent to suspend new admissions to select existing programs and discontinue existing degree programs. During the discussion of this document, trustees asked questions about the program/degree creation process, the costs associated with the startup of a new program, what the role of the board should be in this process, and how the placement of new programs on campuses is determined. This led to further discussion on admission policies, the impact of WASC accreditation dictates, “super senior” issues (normally defined as students with more than 150 semester units) and “forced” graduations (the awarding of a degree to a student who has satisfied the requirements for a degree but who may not have requested this graduation date.). After lengthy discussion, the updated CSU Academic Master Plan was approved.

The first of the two informational items was the first reading of recommended amendments to Title 5 regarding degree requirements, admission and transfer to bring Title 5 into compliance with existing California statutory law and to streamline degree requirements. The proposed changes fall into four categories:

- a. Adding Doctor of Audiology degrees
- b. Facilitating degree completion of Bachelor of Arts degrees – maintain the required 12 semester units of upper-division work in major but strike the required overall 40 semester units of upper-division work towards the degree; this change would make BA requirements consistent with Bachelor of Science requirements which do not stipulate an overall upper-division unit requirements; there is also no overall upper-division requirement for Bachelor of Architecture, Bachelor of Fine Arts, Bachelor of Landscape Architecture Bachelor of Music.
- c. Removing Lower-Division Transfer Patterns (LDTP)
- d. Incorporating Student Transfer Achievement Reform Act (STAR, also known as SB 1440)

These proposed Title 5 changes will come back to the committee during their May 2017 meeting as an action item.

The second informational item was the annual update on CSU academic preparation covering the topic of the readiness of entering freshmen to take college level mathematics and English courses. Collection of CSU data on student preparation began with the fall 1995 entering class. In 1995, only 32% of the students entering the CSU were both math and English ready. By 2016, that preparedness number had risen to 62%. These improvements are contributed to the Early Assessment Program (EAP), Early Start Program (ESP), strong partnerships with K-12, and other academic preparation efforts.

7. On Wednesday morning, the Committee on Finance convened to hear two informational items and consider two action items. The informational items were the annual reports of CSU debt and risk management. CSU debt is in the form of short term capital financing and long term bonds. The short term capital financing is handled through the issuance of commercial paper (CP) by the CSU Institute, a systemwide auxiliary of the CSU. The CSU currently has a CP program in the amount of \$300 million out of an authorized limit of \$500 million. The CP program is supported by letters of credit from State Street and Wells Fargo N.A. The Systemwide Revenue Bond (SRB) program had an outstanding debt of approximately \$4.8 billion as of December 31, 2016. In March 2017, the CSU issued \$1,196,360,000 of SRBs. Of this amount, \$1,080,470,000 was issued for new money projects to support campus infrastructure activities and \$115,890,000 was issued to refund existing SRB debt, producing a net savings of \$17.3 million which translates with interest to a system savings of approximately \$1.1 million per year. The insurance and risk management needs of the CSU are managed by the CSU Risk Management Authority (CSURMA). CSURMA is governed by a board of directors, comprised of up to forty members – up to thirty appointed by the CSU chief financial officer, including at least one representative from each campus, and ten elected by auxiliary organizations that participate in CSURMA. CSURMA provides insurance coverage for the CSU and its auxiliaries in many areas, including: general liability, property, workers' compensation, cyber risk, disability and unemployment, athletic injury, student internships, construction, foreign travel, fidelity, student travel, auto, errors and omissions, and fine art. The authority covers these insurance needs through a combination of self-insurance (\$1 million in coverage) and the annual purchase of \$1 billion of external insurance coverage. Campuses have a \$100,000 deductible.

The first of the two action items was the approval to pursue a public-private partnership to develop an Extended Learning and Student Services Building project on real property adjacent to CSU, San Marcos. The proposed two-acre development immediately adjacent to the campus would include a 500-600 space parking structure, 15,000 square feet of retail space and 120,000 square feet of academic and student support space to be occupied by various campus programs. The developer would also construct a pedestrian bridge to connect the new building with the campus. Prior to the approval of this request to proceed to pursue, the board discussed the uniqueness of this project since it is situated on private land and that the campus would retain an appropriate level of authority over who occupies the retail space.

The second action item on the committee's agenda was consideration of a possible tuition increase for the 2017-2018 academic year. The presentation started with the statement that the CSU Board of Trustees needed to consider all possible funding strategies as part of the CSU 2017-2018 support budget plan. The system will continue to seek full funding of 2017-2018 budget priorities by the state but since the preliminary state budget for 2017-2018 does not adequately support of the CSU, the system needs to consider other sources of revenue to achieve its goals, including a possible tuition increase. Because of the timeline requirements of the Working Families Student Fee Transparency and Accountability Act, any possibly tuition increase needed to be considered by the Board now even though the state budget will go through several iterations prior to final approval during summer 2017. There had been extensive public and Board discussion about a possible tuition increase during the November 2016 and January 2017 meetings of the Board of Trustees and those conversations continued during the March 2017 meeting of the Board.

The public and Board conversations focused on three issues: a) was the tuition increase necessary, b) should the Board refuse to increase tuition as a protest statement regarding inadequate state funding of the CSU, and c) if the tuition increase was approved, what incentive would there be for the state to provide funds to supplant the tuition increase? Regarding the necessity of the increase, the pro argument was that the system was already committed to the Graduation Initiative 2025 goals which included the hiring of additional staff and tenure-track faculty to help alleviate graduation bottlenecks and the current state budget did not provide sufficient funding to cover the activities of this initiative. For the record, there were students present who, during the public comment time, spoke against the Graduation Initiative 2025 goals of timely availability of courses and the opportunity for achievement of graduation within 4-5 years. The notion of a protest

statement by refusing to raise tuition and then hoping to force the state to increase CSU funding received a significant amount of discussion which polarized on the issue of just how important is public higher education in California when it comes to state budget priorities. Ultimately, an amendment to the tuition resolution was offered and accepted by the committee that in the case of the full funding of the 2017-2018 CSU Support Budget request, the tuition increase would immediately be rescinded. It was with this amendment that the committee voted to approve the tuition resolution and sent it to the full board for consideration.

8. The full board convened immediately after the meeting of the Committee on Finance. Except for the tuition resolution, the action items from the committee meetings were on the Board's consent agenda and were affirmed without additional comment.

On the agenda prior to the tuition vote by the full board were the reports by the Board Chair, Chancellor, Academic Senate CSU, California State Student Association and California State University Alumni Council. To expedite getting to the tuition vote, these reports were extensively abbreviated. In their capacities as Ex Officio Trustees, the Lieutenant Governor, the Speaker of the Assembly and the State Superintendent of Public Instruction were in attendance on Wednesday. The tuition vote by the full board was 11 in favor and 8 in opposition. The Board adjourned immediately after the vote.