

**November 12-13, 2014 CSU Board of Trustees Meeting
Faculty Trustee's Report**

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The week after the November 2014 ASCSU Plenary session, the CSU Board of Trustees met on November 12-13, 2014. Here are the highlights of that meeting:

1. The Committee on Collective Bargaining ratified the tentative collective bargaining agreements with Units 2, 3 (CFA), 4, 5, 6, 7, 9 and 10. It is a one-year agreement with Unit 6 and three-year agreements for Units 2, 3, 4, 5, 7, 9 and 10. Except for Unit 3, the three-year agreements are 3% for the first year followed by 2% for years two and three. Unit 3 agreed to an overall 3% compensation pool for year one with salary reopener discussions for years two and three. The three-year agreements (other than Unit 3) have side letter agreements that if Unit 3 negotiates for more than 2% for years two or three then the other Units will receive the same higher amounts.
2. The Committee on Governmental Relations received an update on the legislative actions for 2013-2014 and the November 4th elections. Of note, with the approval of Propositions 1 and 2 during the general election, Proposition 1 provides \$1.7 million for water resource research and Proposition 2 provides up to \$2 billion for State debt coverage of which the CSU may receive some of these funds.
3. The Committee on Institutional Advancement approved the naming of one of three buildings in the new College of Business Administration Complex at California State Polytechnic University, Pomona as the Ronald W. Gregoire Hall to recognize the \$2.5 million in donations by Mr. Ronald W. Gregoire towards the design and completion of this complex.

The committee also received an informational update on "The Class of 3 Million" project that celebrates the coming milestone in May 2015 of the CSU reaching 3 million living, addressable alumni. Two interesting facts: 1) 1 in 20 residents of the United States with a college degree earned that degree from a CSU campus, and 2) 1 in 10 employees in California is a CSU alumnus.

4. The Committee on Educational Policy received updates on the progress of the Associate Degrees for Transfer project, the CSU Graduation Initiative, student success and completion initiatives and preparing educators for the Common Core

State Standards. With regard to the Graduation Initiative, a report was given regarding the October 15, 2014 system meeting to discuss and set campus graduation goals for students completing in 2025. Additional information regarding these graduation rate goals for 2015 can be found at:

www.calstate.edu/dashboard

5. A joint meeting of the Committees on Educational Policy and Finance reviewed and approved the Academic Sustainability Plan for the CSU. Information regarding this plan can be found at:
www.calstate.edu/budget/fybudget/presentations-communications/documents/1415-presentation-Supt-Budget-Nov-15-16-Ed-Pol-Acad-Sustain-Plans.pdf . The approval of such a plan was required by the State Budget Act of 2014. The Academic Sustainability Plan covers three components required by the Budget Act:
 - a. Projections of available resources in the 2015-2016, 2016-2017 and 2017-2018 fiscal years, using state general fund and tuition, and fee revenue assumptions provided by the State Department of Finance. Projections of expenditures in each of those years and descriptions of any changes to current operations necessary to ensure that expenditures projected for those years do not exceed the projected available resources.
 - b. Projections of resident and non-resident enrollment in each of those years.
 - c. Goals for 16 performance measures as described by state law in each of those years.

The 2025 graduation goals established for each campus during the previously mentioned October 15, 2014 system meeting are an integral part of this Academic Sustainability Plan. Other CSU activities identified that can positively affect the plan include: Early Assessment, Early Start, Associate Degree for Transfer, student success initiatives, reducing overall units to degree and reducing time to degree.

6. The Campus Planning, Building and Grounds Committee amended the 2014-2015 Non-State Funded Capital Outlay Program to permit Channel Islands to start Phase III of their student housing project, Northridge to design and construct a new campus Sustainability Center facility, and Pomona to enter into a public-private partnership with Southern California Edison to construct Phase V of their Innovation Village.

The committee approved the schematic plans for Channel Islands' Student Housing, Phase III, Pomona's Innovation Village, Phase V, and San Luis Obispo's Student Housing South projects.

The committee also approved the 2015-2016 Capital Outlay Program and the 2015-2016 through 2019-2020 Five-Year Capital Improvement Program. The 2015-2016 through 2019-2020 capital improvement program can be found at: http://www.calstate.edu/cpdc/Facilities_Planning/documents/2015-16-Five-Yr-CapImprovementPgmBk.pdf . This report is updated each year with a projection of five years out. The capital outlay program in the past was a planning document for the State Department of Finance to issue General Obligation bonds and State Public Works Board Lease Revenue bonds to fund academic and instructional support facilities. With the recent enactment of legislation granting the CSU greater authority to utilize operating funds and other revenue sources to finance deferred maintenance and capital outlay projects, the purpose and planning of the capital outlay program is in a transformative stage and the language of the report has been changed to reflect this. Academic building and instructional support needs are now noted as “CSU/State Funded” to recognize the change in CSU’s authority to issue bonds while remaining eligible for historic funding provided by the state. The estimated need for CSU/State funded capital improvements for the next five years is \$6.6 billion. For the 2015-2016 Capital Outlay Program list, the total needed to start the projects is \$404 million with another \$768 million required to complete the projects. At the top of the priority list for 2015-2016 is a \$230 million request for 45 critically needed infrastructure improvement projects such as: natural gas line replacements, fire alarm upgrades, fire water line replacements, elevator modernization, and replacement of building heating and cooling units. The full list of these critical projects can be found on page 26 of the 27 page document: <http://www.calstate.edu/bot/agendas/nov14/CPBG.pdf> .

7. The joint committee meeting of Finance, and Campus Planning, Building and Grounds reviewed and approved the first Board policy measure to enable the CSU’s new capital financing authority and to revise the existing CSU Policy for Financing Activities to reflect this new authority. The approval of this policy allows the CSU to pledge and use operating funds to support the CSU’s capital program, issue Systemwide Revenue Bonds, and refinance State Public Works Board debt now transferred to the CSU. Each new project will need to be reviewed by the Board prior to the use of bond money. This was an enabling policy, no new bonds were authorized by its approval.
8. The University and Faculty Personnel Committee heard public comment and then reviewed and approved an executive compensation package for the new President of California State Polytechnic University, Pomona and a proposed 3% increase in executive compensation. The committee also heard as an informational item that the Chancellor had authorized a 3% increase in compensation for all unrepresented employees in the CSU.
9. The Finance Committee approved the 2015-2016 Support Budget Request and the 2015-2016 Lottery Revenue Budget. They also heard an update on Student Success Fees and the activities of the Trustee Working Group on Student Success Fees.

The 2015-2016 Support Budget Request to the State can be viewed at: <http://www.calstate.edu/budget/fybudget/2015-2016/executive-summary/documents/2015-16-Support-Budget.pdf>. A draft of this document was reviewed during the October Board meeting and changes were made to what I reported in my October meeting report.

The CSU receives funding from a range of sources: State budget, tuition, campus auxiliaries, grants, licensing, rent and donations. To assist in recovering from the last recession when the system experienced major State funding budgetary cuts and employee furloughs, the current Governor proposed a four-year plan (2013-2017) to provide funding stability to the CSU on the condition that student tuition remain frozen during this time period. Annual funding increases:

2013-2014	\$125.1 million
2014-2015	\$142.2 million
2015-2016	\$119.5 million (proposed)
2016-2017	\$124.2 million (proposed)
cumulative increase of \$511 million annually	

For 2014-2015, the CSU requested consideration by the State of an additional \$48 million increase above the \$142 million increase to cover delayed infrastructure maintenance but the request was denied. For the CSU's 2015-2016 Support Budget Request to the State, the CSU will submit a two-level budget plan. The primary request states what the CSU would like to accomplish in terms of growth and infrastructure support: increases in mandatory costs (\$23 million) such as health benefits, pensions and utilities; a 2% compensation pool (\$65.5 million); a 3% increase in enrollment (\$103 million offset by \$52.4 million in tuition from the 3% increase); a modest improvement in funding for infrastructure needs (\$25 million); an information technology renewal (\$14 million for networking); and initiatives for student success and completion (\$38 million). This budget plan would require an additional \$97 million in State funding above the Governor's proposed \$119.5 million increase. The budget plan also outlines a fallback position in case the additional \$97 million in funding is not available. This alternate plan reduces the 3% enrollment increase to 1%, and largely eliminates the funding increases for student success, information technology and infrastructure improvements, but maintains the 2% compensation pool and the funding for increases in mandatory costs.

10. During a meeting of the Committee of the Whole, the issue of Title IX Compliance was discussed. Title IX pertains to preventing, addressing and eliminating sexual violence on campuses. This Title act applies to all students, employees and campus visitors. The system is committed to creating and sustaining an educational and working environment free of gender discrimination, sexual harassment sexual violence, domestic violence, dating violence and stalking. As part of the system's continued commitment in this area, a systemwide Title IX Compliance Officer (believed to be the first position of its kind in the nation) was hired to coordinate system activities and meet with campus liaisons.

11. During the full meeting of the Board, emeritus status was conferred on Dr. J. Michael Ortiz, retiring President of California State Polytechnic University, Pomona and Ephraim P. Smith, retiring Executive Vice Chancellor of Academic Affairs. Agenda item discussion during the full Board meeting was abbreviated to the extent possible because the Board meeting was encroaching on the time set aside for the CSU Academic Conference scheduled to occur in the Dumke Auditorium on the afternoon of November 13th.