

**September 8-10, 2014 CSU Board of Trustees Meeting
Faculty Trustee's Report**

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The week after the September 2014 ASCSU Plenary session, the CSU Board of Trustees met on September 8-10, 2014. Here are the highlights of that meeting:

1. The Board of Trustees met in closed session on Sept 8 to interview the finalists for the position of President of California State Polytechnic University, Pomona. On Sept 10, it was announced that Soraya M. Coley, Ph.D. had accepted the position. She will be Cal Poly Pomona's sixth president and the first female to hold the position. Coley currently serves as Provost and Vice President for Academic Affairs at California State University, Bakersfield. She will begin her new position on or before January 1, 2015, succeeding J. Michael Ortiz who will retire at the end of the calendar year after 12 years as president.
2. The Committee on Finance heard public comment from two CSU Dominguez Hills students regarding the issue of student success fees (one was for and one was against). The committee heard reports on the planning for the 2015-2016 CSU budget request to the State, the 2015-2016 Lottery revenue budget and the planned activities for the Trustee's Student Success Fees Working Group.

The Governor has a multi-year plan (2013-2017) for increasing the General Fund revenue to the CSU by an accumulative total of \$511 million on the condition that tuition is not increased during this time period. 2015-2016 will be the third year in this plan. Over the period 2013-2015, the General Funds to the CSU have been raised by a total of \$267.3 million annually. The planned increase for 2015-2016 is \$119.5 million. The problem is that with increases in mandatory costs such as health benefits, pensions and utilities, a proposed 2% compensation pool, a proposed 5% increase in enrollment, a modest improvement in funding for infrastructure needs, and initiatives for student success and completion, the CSU would need approximately another \$116.5 million above the Governor's \$119.5 million increase to cover estimated expenditures. The Board will be presented with an update and detailed budget recommendations at the November 2014 meeting.

Regarding planning for State Lottery funds, the CSU receives approximately 4.5 percent of State Lottery revenue which in the past has averaged to around \$45

million per year. For 2015-2016, the lottery revenue to the CSU is projected to be approximately \$49 million because of the introduction of Powerball to the list of lottery offerings. The proposal is to set aside \$5 million for CSU systemwide reserves and allocate the remaining \$44 million. \$4 million would be allocated to support three CSU programs: the Chancellor's Doctoral Incentive Program, the California Pre-Doctoral Program and the CSU Summer Arts Program. \$8 million would be allocated to support Early Start activities. \$544,000 would be allocated to support lottery fund administrative costs. The remaining \$31.5 million would be distributed for campus-based programs.

The discussion on Student Success Fees focused on the upcoming public comment meetings being planned by the Board requested working group. The dates and locations of the public comment events are: Sept 22 at CSU Northridge, Sept 26 at Sonoma State and Sept 30 at Cal State Los Angeles. There is currently no faculty representation on the working group and during the Board meeting I requested that consideration be given to adding a member of the CSU faculty to the working group.

The Committee on Finance also approved to issue Trustees of the CSU, Systemwide Revenue Bonds (SRB) and related debt instruments for non-state capital outlay program projects at CSU Northridge, San Diego State and Sonoma State. The Northridge project is for the construction of an Extended Learning Building. The San Diego project is for a mixed-use facility as part of the South Campus Plaza project that will house 659 students, have retail space and a 392 car parking structure. The Sonoma project is the creation of the Joan and Sanford I. Weill Commons.

3. A joint meeting of the Committees on Finance and Campus Planning, Buildings and Grounds occurred for a discussion regarding the new capital financing authorities granted to the CSU by state statute in June 2014. These discussions were to provide guidance towards a policy resolution to be voted on at a future Board meeting.

This was a continuation of the discussions at past Board meetings on the new authority of the CSU to directly manage its debt and pledge revenues for future debt for capital improvements. The focus of this discussion was on revenue pledging and the pros and cons of pledging General Funds vs. tuition to secure debt. I expressed some concerns over the pledging of student tuition although the pledging of tuition had the least strings attached to it. The overall concept is for the system to pledge revenues for all of the campus projects rather than to have the individual campuses pledge revenues for their specific projects. This simplifies the management of debt and shares the risk across the entire system. In a worst-case scenario where the state reneges on its promise to annually fund a specific level of CSU debt, if student tuition funds were pledged, student tuition would have to increase to cover the debt payments.

4. A joint meeting of the Committees on Educational Policy and Finance occurred to hear a report on CSU academic sustainability planning activities. Under new state law, the CSU Board of Trustees is required to develop and approve an academic sustainability plan for the years 2015-2016, 2016-2017 and 2017-2018. Under the legislation, the plan must be approved by the Board and submitted to the Department of Finance and the legislature no later than November 30, 2014. Under the state law, the plan must include three components: projection of available resources for the three-year period, projection of resident and non-resident enrollment for each of the three years, and goals for 16 performance measures that are prescribed by the law. The performance measures cover such items as: the number of CCC transfer students enrolled and the percentage of CCC transfer students as a proportion of total undergraduate enrollment, the number of low-income students enrolled and percentage of low-income students as a proportion of total undergraduate enrollment, four and six-year graduation rates, two and three-year graduation rates of transfer students, and STEM graduate rates.
5. The Committee on Governmental Relations received an update of the status of legislative bills of interest to the CSU.
6. The Committee on Institutional Advancement meeting focused honoring the 2014-2015 California State University Trustees' Award for Outstanding Achievement recipients. Most of the 23 student recipients of these awards were able to attend the presentation ceremony and the reception that followed. The students, one from each campus, were selected by a panel consisting of current and former trustees, the chair of the ASCSU, the president of the CSU Alumni Council and a representative from the CSSA. Information about this year's recipients can be found at: <http://www.calstate.edu/foundation/trusteesawards/>
7. The Committee on Educational Policy met to hear reports on the Alliance to Accelerate Excellence in Education project at CSU San Marcos, the graduation initiative for student-athletes, e-advising and the CSU Ed.D. program.
8. The Committee on Campus Planning, Buildings and Grounds approved the funding of the non-state funded capital outlay project by CSU Sacramento to design and construct low impact development stormwater improvements. The committee also approved the revised master plan for CSU Bakersfield and accepted the biennial report on CSU Seismic Safety. The CSU Seismic Review Board was recognized for its twenty-one years of service implementing the seismic policy of the Board that went into effect in 1993.
9. During the public comment period on Sept 10, CSUEU commented on their tentative collective bargaining agreement, raised the continuing issue of individual campuses contracting out services covered by CSUEU, and thanked the C.O. for the prompt handling of an harassment case at the C.O. Staff from Pomona spoke against a staff parking fee increase at that campus. CFA

representatives commented on their outstanding collective bargaining issues. And, a representative of Unite Here, local 11 spoke to the issue of their ongoing boycott of the Long Beach Hilton and requested the CSU reconsider its plans to hold the November 2014 Academic Conference at that hotel.

10. During the ASCSU report, ASCSU Chair Steven Filling spoke on the issue faculty representation on the Student Success Fee Working Group.
11. The major of Long Beach (a CSU Long Beach alumni) spoke during the CSU Alumni Council report.