

September 20-21, 2016 CSU Board of Trustees Meeting Faculty Trustee's Report

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On September 20-21, 2016, the CSU Board of Trustees met at the Chancellor's Office in Long Beach. The afternoon of the second day of the board meeting was also the start of the CSU Graduation Initiative 2015 – Student Success Symposium, held at the Long Beach Westin Hotel on September 21-22. Each campus sent a delegation to the symposium. The Chancellor's Office, trustees, and ASCSU were also represented at the symposium.

Here is my report on the activities during the meeting of the Board of Trustees:

1. The first several hours of the board meeting were spent in closed session to discuss pending litigation and collective bargaining issues.
2. The first open meeting of the day was for the standing Committee on Education to hear about research, scholarship and creative activities within the CSU, and to consider for adoption the CSU Graduation Initiative 2025. Prior to these discussions, there was a committee public comment period. Since it was the first opportunity for public comment, the comments made reached beyond the scope of the activities of this committee. CFA (California Faculty Association) had the most presenters, covering their goals for the academic year (tenure density, intellectual property rights, academic freedom, identification of who our students are), a push for the Chancellor to fund the 50 new ethnic studies faculty positions called for by the ethnic studies report, thanking the system for the timely implementation of the faculty pay increases, and the need for campuses to work on faculty range elevations (with a call for the campus presidents to provide data on range elevations given). William Blischke, President of CSU-ERFA (Emeritus and Retired Faculty Association) expressed concerns about the planned 4-year graduation rates the committee was about to consider and the importance of taking into consideration the background of our typical student.

Loren Blanchard, Executive Vice Chancellor, Academic and Student Affairs, and Ganesh Raman, Assistant Vice Chancellor, Research, gave the presentation on research, scholarship and creative activities. As background material, it was stated that research activities within the CSU tend to have an applied focus and often include undergraduate and graduate students working with faculty to solve problems that have a direct impact on the community. For 2014-2015, the most current reporting year, the CSU system received over \$567 million in grant and contract revenue. Approximately 64% of the external revenues were from federal sources; 20% from state sources; 12% from local government sources; 3% from non-government sources such as foundations. During the conversation that followed the presentation, trustees asked about grant recovery costs with Trustee Taylor asking what the cost recovery was for the CSU system after commenting that private universities routinely receive 60% recovery on grants vs. publics receiving 40% recovery. In response, the statement was made that the Chancellor's Office was not aware of the systemwide recovery rate but felt that it was below 40%. Chancellor White commented that there is a major difference between R1 institutions that Trustee Taylor was referencing and M1 institutions such as the CSU where undergraduate research opportunities are provided and the research is more focused on the "here and now."

Loren Blanchard and Jeff Gold, Assistant Vice Chancellor, Student Success Strategic Initiatives, gave the presentation on the Graduation Initiative 2025 which was an action item on the committee's agenda. In 2009, the CSU launched its first major graduation initiative to improve 6-year graduation rates and cut in half achievement gaps for first-time freshmen by 2015. In 2014, efforts started on establishing the next stage of goals for the target year 2025. During the planning phase of the 2025 goals, an advisory committee was created that included faculty, student and campus leadership. This advisory committee set the system goals for 2025 and developed the formulas for determining the individual campus goals. The work of the advisory committee was also guided by the language of Assembly Bill No. 1602, which stipulates a framework for the goal-setting activities.

The CSU Graduation Initiative 2025 establishes six goals regarding performance and graduation rates of full-time students graduating by 2025:

- Increase the six-year system graduation rate for first-time freshmen to 70%.
- Increase the four-year system graduation rate for first-time freshmen to 40%.
- Increase the four-year system graduation rate for transfer students to 85%.
- Increase the two-year system graduation rate for transfer students to 45%.
- Reduce achievement gaps for underrepresented students to zero.
- Reduce achievement gaps for low income students to zero.

Key to achieving these goals will be the following objectives:

- Ensure first-time freshmen are prepared for college by working closely with K-14.
- Ensure transfer students entering the university are academically prepared.
- Ensure technology is a part of every student's learning environment.
- Ensure student outcomes are improved and clear pathways are established through electronic academic advisement tools.
- Increase hiring of tenure-track faculty and support/advising staff.

Also key will be the removal of roadblocks towards graduation. This includes increased offerings of high-demand courses and review of curriculum.

Critical to the support of this project will be supplemental state funding. For the 2016-2017 academic year there is a \$35 million one-time allocation of support funds in this year's state budget to improve graduation rates. The 2017-2018 draft CSU Support Budget contains a request for a \$75 million annual supplement to continue existing CSU Graduation Initiative activities and start up new ones. A long-term commitment by state legislators and the governor to fund these activities is critical to the overall success of this project.

Why is the system taking these actions? The nonpartisan Public Policy Institute of California has predicted that California faces a shortage of roughly 1.1 million college graduates by 2030 unless changes occur in the state's public higher education systems ("Will California Run Out of College Graduates?", www.ppic.org). With Graduation Initiative 2025, the CSU is providing a roadmap on how it can assist in reducing this predicted shortage of college graduates and address the immediate need to accommodate a growing desire by the state's populous to have access to public higher education opportunities in California.

During the board discussion prior to the vote, I pointed out how critical the supplemental funding will be to the success of this endeavor and reminded the board that if the funding does not fully occur, we will need to revisit and adjust these goals.

The Graduation Initiative 2025 plan was unanimously approved by the committee.

3. The first item for discussion on the Committee on Finance's agenda was the planning for the 2017-2018 CSU Support Budget. Steve Relya, Executive Vice Chancellor and Chief Financial Officer, and Ryan Storm, Assistant Vice Chancellor, Budget, presented the 2017-2018 draft

Support Budget proposal. The draft budget contains the following CSU supplemental requests for state funding:

- 3,600 FTES growth - \$40 million
- Current compensation commitments (this includes continued funding of CFA 2016-2017 salary increases plus funding of the 2017-2018 increases) - \$140 million
- Potential new compensation agreements - \$55 million
- Facilities and Infrastructure needs - \$10 million
- Mandatory cost increases (such as health insurance) – \$26 million
- Graduation Initiative 2025 - \$75 million

This comes to a total of \$346 million in incremental expenditures which would be offset by \$177.2 million in anticipated new revenue (\$157.2 million general fund increase from the Governor's Funding Plan and \$20.0 million net tuition increase from enrollment growth.) This leaves \$168.8 million as a supplemental increase request.

As part of the budget presentation to the board, it was expressed that while the top priority is to seek an increase in state funding from the governor and legislature, the system needs to keep its options open in case the 2017-2018 Support Budget is not fully funded by the state. One of the options is a possible increase in tuition.

The committee approved the issuance of Systemwide Revenue Bonds to cover at California State University, Sacramento the University Union renovation and expansion, phase I project. The committee also approved the public-public partnership project for the development of a public charter school (K-8) at California State University, Monterey Bay.

The committee received a report on the 2017-2018 CSU Lottery Budget (CSU receives approximately \$45 million annually in lottery funds – 3.7% of the total lottery funds distributed to education), discussed the CSU Annual Investment Report (the Systemwide Investment Fund-Trust, or SWIFT, is at \$3.53 billion), and heard a presentation on CSU debt management (in April, 2016, \$773 million, approximately 79% of outstanding CSU State Public Works Board bonds, are refinanced.) Regarding investments, it was announced that the governor had signed the investment authority legislation that will provide the CSU with greater flexibility in its investment authority (similar to existing authority the UC has); this change will start January 1, 2017.

4. In the afternoon of September 20th, I convened the joint meeting of the Committees on Finance, and Campus Planning, Buildings and Grounds. The one action item on the agenda was the approval of the draft 2017-2018 Capital Outlay Program and the draft 2017-2018 through 2021-2022 Five-Year Facilities Renewal and Capital Improvement Plan. These two documents were presented by Elvyra F. San Juan, Assistant Vice Chancellor, Capital Planning, Design and Construction, and Robert Eaton, Assistant Vice Chancellor, Financing, Treasury, and Risk Management. The final versions of both of these documents will be presented to the board for approval at the November 2016 meeting. With the enhanced financial authority the CSU has to issue capital bonds, campuses can make 5-year plans for capital improvements knowing there is a reasonable probability for funding. The draft 2017-2018 Capital Outlay Program outlines in detail the projects scheduled for funding that year. The draft 2017-2018 through 2021-2022 Five-Year Facilities Renewal and Capital Improvement Plan is a longer term planning document. For the 5-year plan, the estimate for all of the facility renewal and capital improvement projects exceeds \$10 billion. For the draft 2017-2018 action year, the requests for academic facility projects exceeds \$1.9 billion with another \$1.0 billion in proposed self-support projects.
5. Next, I convened the Committee on Campus Planning, Building and Grounds to approve by consent the schematic plans for the California State University, Sacramento University Union renovation and expansion phase I project, and the 2016 Master Plan revision for California State University Monterey Bay along with an amendment of the 2016-2017 Capital Outlay Program and schematics for the Monterey Bay Charter School, Phase I project.

6. The joint meeting of the Committees on Educational Policy and Finance was convened to receive the 2015 report on systemwide hate crimes and incident totals. By state statute, the CSU must provide this report each year to the Legislative Analyst's Office. During the 2015 calendar year, there were 10 hate crimes within the system and 3 non-criminal incidents of hate violence. No details were given regarding the nature of these incidents. For comparison, during the 2014 calendar year, there were 2 hate crimes and no incidents of non-criminal acts of hate violence reported.
7. The Committee on Audit convened to receive a status report on current internal audit assignments. This is a routine report given at nearly every Board meeting.
8. Committee on University and Faculty Personnel approved the executive compensation for the Interim Vice Chancellor of Human Resources, Mr. G Andrew Jones. Interim Vice Chancellor Jones then presented first readings of two items the board will vote on during the November 2016 board meeting:
 - a. Proposed revision of Title 5 to amend the CSU conflict of interest code to reflect changes in designated positions and disclosure categories of those individuals who make or participate in the making of decisions that may have a material effect on personal financial interest (identify who must complete annually a Form 700 and the disclosure questions on that form).
 - b. Proposed revision of the outside employment disclosure requirements for Management Personnel Plan (MPP) and Executive employees. Senate Bill 886, signed by the Governor on June 27, 2016, requires the CSU Board of Trustees to review the policies and procedures governing outside employment by university executives and senior management no later than January 1, 2017. One significant change is that a disclosure form will need to be filed annually even if there are no changes regarding outside employment to report. Another significant change is that the Board of Trustees shall annually review, provide the opportunity for public discussion, and approve the outside employment endeavors of all Senior Management employees.

The proposed changes to the language of these policies can be found online at:

<http://www.calstate.edu/bot/agendas/sep16/ufp.pdf> and
<http://www.calstate.edu/title5/>

9. The Committee on Governmental Relations convened to discuss a motion of Board of Trustees support of Proposition 55 (tax extension to fund education and healthcare), to hear an update on pending legislative actions, and to participate in the signing of a joint memorandum of understanding regarding voter registration.

Regarding Proposition 55, the CSU will not directly benefit from this measure since its educational funding is focused on K-14. But, because of constitutional requirements regarding the funding of K-14, the CSU could find itself with a \$250 million funding cut if the proposition is rejected by voters. The resolution of support for Proposition 55 was approved by the committee.

Here are highlights from the update on legislative bills:

- a. SB 1412 (Block) – CSU Investment Authority (Board initiative): will provide the CSU with increased investment opportunities; signed by the Governor
- b. AB 2215 (Medina) – Lottery Fund Payments (Board initiative): removes unnecessary administrative processes currently carried out by both the CSU and the State Controller's Office; signed by the Governor
- c. AB 1747 (Weber) – Higher Education Food Assistance: requires postsecondary educational institutions to ensure that each campus located in a county participating in the Restaurant Meals Program apply to the program if they operate eligible food services; signed by the Governor

- d. SB 1359 (Block) – Public Postsecondary Education: Education Materials: Textbooks: requires all public postsecondary institutions post the cost for required course materials in the schedule of courses; signed by the Governor
- e. AB 2317 (Mullin) – California State University: Doctor of Audiology Degrees; signed by the Governor
- f. SB 412 (Glazer and De Leon) – The California Promise: in the final version of this bill, by 2017-2018, 8 CSU campuses must commit to a four-year pledge program with entering freshmen and 15 CSU campuses must commit to a two-year pledge program with transfer students holding an Associate Degree for Transfer; eligible students pledging to this program will receive priority registration and advisement; during the somewhat passionate board discussion about the merits of this bill, I reminded everyone of the reasons why the ASCSU was opposed to this legislative bill (including the potential that this will create a two class system with those privileged to be able to participate taking valuable resources away from those unable to participate) and that this was an unfunded mandate; [signed by the Governor within hours of this committee concluded its business]
- g. SB 906 (Beall) – Public Postsecondary Education: Priority Enrollment: removes the sunset clause on a program that provides priority enrollment for former foster youth attending the CSU; [signed by the Governor within hours of this committee concluded its business]

The last item on the committee’s agenda was the presentation of the Joint Memorandum of Understanding between the CSU, the California State Student Association (CSSA) and the California Secretary of State’s Office regarding voter engagement, registration and communication efforts for students on CSU campuses. Present for the presentation were Alex Padilla, California Secretary of State, Timothy White, CSU Chancellor, and David Lopez, CSSA President.

- 10. The Committee on Institutional Advancement approved two naming requests: the naming of the Don B. Huntley College of Agriculture at California State Polytechnic University, Pomona and the naming of the Wing B in the Wallis Annenberg Integrated Sciences Complex at California State University, Los Angeles as the James M. Rosser Hall.

The committee closed its meeting with the presentation of the 2016-2017 California State University Trustees’ Awards for Outstanding Achievement to 24 amazing students followed by a reception for these award recipients and their guests. This year there were 24 awards (one from each campus and the Razi Scholar):

Kathryn Grizzle
California State University, San Bernardino
(Trustee Emeritus Ali C. Razi Scholar)

Anh Nguyen
California State University, Bakersfield

Natalie Titcomb
California State University Channel Islands

Claudia Martinez Pureco
California State University, Chico

Bertha Solares
California State University, Dominguez Hills

Ashley Walker
California State University, East Bay

Tranicé Warner
California State University, Fresno

William McCoy
California State University, Fullerton

Morgan Danielle Burris
Humboldt State University

Mark Aquiapao
California State University, Long Beach

Amalia Castañeda
California State University, Los Angeles

David Ketenjian Chamyan
California State University Maritime Academy

Amanda Lutje
California State University, Monterey Bay

Oshae Rodgers
California State University, Northridge

Sabrina Lemmon
California State Polytechnic University, Pomona

Malika Melissa Murray
California State University, Sacramento

Maria Ceja
California State University, San Bernardino

Susana Najera
San Diego State University

Marisa Samano Jimison
San Francisco State University

Andy Nguyen
San José State University

Salvador Cortes Soancatl
California Polytechnic State University, San Luis Obispo

Carolina Quirarte
California State University San Marcos

Elizabeth Valverde Campos
Sonoma State University

Ciera Demi Soliz
California State University, Stanislaus

11. During the full meeting of the Board of Trustees on Wednesday morning, the Board affirmed passage of the action items mentioned in this report.

During the public comment session, the Board heard from: William Blischke, CSU-ERFA president, regarding some of the numerous ways CSU retired faculty and staff currently assist campuses after retirement (he passed out a sheet with 18 examples including service on advisory boards, service on graduate thesis committees, tutoring and assisting the campus library); Pat Gantt, CSUEU (CSU Employees Union) president, spoke in support of Proposition 55 and on the need for proper financial support of the CSU by the state; other CSUEU representatives spoke on need for us to do our homework first as we look towards implementation activities related to the Graduation Initiative 2025, on the importance of free speech of the public speakers at BOT meetings, and in support of having a staff member on the BOT; CSUEU representatives also expressed concerns about the Glazer bill and concerns regarding the outsourcing of grounds and custodian staff, spoke; UAW (United Auto Workers) representatives spoke on the importance of their role in representing campus student employees, the lack of tutors at Fresno State, students receiving an insufficient wage to be self-supporting, and the desire for student employees in masters programs to receive fee waivers; several students expressed concerns hate crimes occurring on campuses, insufficient course offerings, and questioning why we are pushing students to get a degree in four years.

The Board heard reports from:

- a. The Board Chair – Trustee Eisen congratulated Trustee Maggie White on her recent completion of a bachelor’s degree and entrance into a master’s program; welcomed Jorge Reyes Salinas (Northridge) as the new student trustee; welcomed the five campus presidents who are starting their first new academic year; thanked the Chancellor’s Office staff and the members of the Graduation Initiative 2025 advisor committee on their hard work over the summer to get the plan ready and on the importance of the plan for the CSU; commented that the CSU was well represented at the recent summer Olympic Games with 15 athletics being CSU alum.
- b. The Chancellor – Timothy White also welcomed the new presidents to their first BOT meeting; commented that this is his 51st academic year in higher education (counting also his years as a student); stated that an estimated 110,000 CSU students will graduate this academic year; commented on California’s need for more college graduates.
- c. The ASCSU Chair – Chris Miller reported on the importance of the quantitate reason task force report and the three ASCSU resolutions already emanating from that report; the importance of the proposed 4th year of quantitate reasoning in high school; the ASCSU support of Proposition 55; recognition of the General Education questions raised by the Governor, legislators and trustees and the recent activities of the ASCSU in this area; offered to talk more on GE with members of the board; our need to understand our students in terms of human factors; and the desire to move forward on discussions regarding academic freedom and intellectual property rights.
- d. The Alumni Council President – Dia Poole mentioned that there are now 3.2 million living alumni of the CSU and that alumni can be a part of the “human factor” equation of our students by being mentors.
- e. The CSSA President – David Lopez gave a report on CSSA participation in a recent legislative visit to D.C.; that CSSA wishes to engage in conversations on what is “shared governance” in a university setting; the need for mutual agreement letters between campus associated students presidents and campus presidents; expressed support for the full funding of the proposed CSU budget by the state and the importance of keeping tuition costs controlled.

Before the Board concluded its open session, it considered and approved a resolution to confer the title of President Emeritus to Mohammad H. Qayoumi, former president of San José State University.

12. After the close of the open session, the Board continued to meet in closed session to discuss executive personnel matters.