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Faculty Trustee's Report

CSU Board of Trustees Meeting – September 22-23, 2020 (virtual)

Hereby I respectfully submit a summary of the Board of Trustees meeting. My report is largely based on the agenda materials provided to the trustees and to the public, my personal notes, my memory, and a partial review of the archived livestream of the meeting accessible at <https://www2.calstate.edu/csuo-system/board-of-trustees/past-meetings/2020/Pages/september-20-23-2020.aspx>

I tried my best to accurately reflect the deliberations, and I hope to have quoted correctly and paraphrased in the spirit of the speakers' and presenters' intentions. If you notice any inaccuracy or misrepresentation, please let me know (Romey.Sabalius@sjsu.edu).

As during most of this year, the meeting of the Board of Trustees had to be conducted virtually again. The public was invited to comment live for one and a half hours at the beginning of the meeting or to submit their comments in writing.

In this report, I also included the results of the following meetings:

- Sept. 20 and 21: Selection of the new CSU Chancellor
- Oct. 23: Graduation Initiative 2025 Fall Convening
- Oct. 26, 27, and 29: Selection of the Presidents for East Bay and Northridge and public announcement.

I hope that you were able to stay healthy, productive, and optimistic, and I wish you a smooth conclusion of this challenging fall semester.

Romey Sabalius

San José, CA – November 2, 2020

Faculty Trustee's Report

CSU Board of Trustees Meeting: Sept. 22-23, 2020 (virtual)

NOTE: Prior to its regularly scheduled meeting, the Board of Trustees met on Sept. 20 and 21 in virtual closed sessions. The Board interviewed finalists and selected Joseph Castro, currently President of Fresno State, as the 8th Chancellor of the CSU starting January 4, 2021.

On Sept. 22 and 23, the CSU Board of Trustees meeting was held virtually via Zoom due to the COVID-19 pandemic.

On Sept. 22, at 9:00 am

1. The **Board of Trustees** met in **Closed Session** to discuss Executive Personnel Matters and to receive a report on Pending Litigation.
2. The **Committee on Collective Bargaining** convened in **Closed Session**.
[Note: According to California Education Code § 66602 (c2) the faculty trustee “shall not participate on any subcommittee of the board responsible for collective bargaining negotiations.”]

The **Public Meeting** started after 10:00 am.

3. Due to the meeting modality, all **Public Comments** were made at the beginning of the open session.
Many speakers bemoaned staff lay-offs despite no lack of work on campuses, and they called on the CSU to draw on its reserves instead of terminating employees. Staff union leaders criticized that there was no statewide plan to safely re-populate campuses. Several speakers opposed the process of the planned implementation of the new Ethnic Studies requirement, and faculty and student representatives called for anti-racism training and defunding of university police departments.
4. The **Committee on Collective Bargaining**
 - a. approved by consent as an action item the Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 11, United Auto Workers, Local 4123.
[Note: The United Auto Workers Union represents graduate assistants and teaching associates.]

5. **The Committee on Audit**

- a. received by consent as an information item the *Status Report on Audit and Advisory Service Activities.*

“For the 2020 audit plan year, assignments were made to execute individual campus audit plans and conduct audits of information technology (IT), sponsored programs, and construction; use continuous auditing techniques and data analytics tools; and provide advisory services and investigation reviews.

In addition to continuing progress on the 2020 audit plan and conducting engagements remotely, audit management has focused on several key priorities/initiatives since the time of the last board meeting. Audit and Advisory Services will be transitioning from an audit plan that corresponds to the calendar year to an audit plan that is aligned with the CSU fiscal year. This decision was made in consultation with the audit committee chair and the chancellor. The period of the 2020 audit plan will be extended through June 30, 2021, in order to facilitate the transition. The 2020 audit plan will be referred to as the 2020-2021 audit plan going forward. As part of the transition to an audit plan year that is aligned with the CSU fiscal year, audit management is conducting a supplemental risk assessment in order to plan audits for the remainder of the 2020-2021 audit plan and account for new and evolving risks emerging due to COVID-19.”

6. **The Committee on Committees**

- a. approved by consent as an action item *Amendments to Board of Trustees’ Standing Committee Assignments for 2020-2021.*

The resignation of Trustee Krinsk and the appointment of Student Trustee Raynes necessitated a realignment of committee memberships. Trustee Raynes assumed the places in committees that Trustee Krinsk vacated.

7. **The Committee on Educational Policy**

- a. approved by consent as an action item changes to the *CSU Board of Trustees Policy for Awarding Honorary Degrees.*

“The first added statement clarifies that current faculty and staff, as well as members of their immediate family, are ineligible to receive an honorary degree, similar to the exclusion of incumbent members of the Board of Trustees, the incumbent chancellor and presidents.

The second addition is a procedural clarification to ensure that all parties are appropriately informed when a member of the Board of Trustees forwards a nomination. Trustees are requested to first consult with the chancellor before making a nomination.”

- b. approved by consent as an action item the *Academic Master Plan Update for a Fast-Track Program at San José State University.*

SJSU proposed a Master of Arts in Teaching for implementation in Fall 2021.

- c. received as an information item the *Recommended Amendment to Title 5 Regarding Ethnic Studies.*

Trustee Sabalius requested the removal of this item from the consent calendar for clarification. He first noted that the Board in November only plans to strike the words “and Social Justice” from the newly required “Ethnic Studies” course to bring the Title 5 change from last July in compliance with subsequently passed legislation (AB1460). Thereby, the Board would merely create the legal framework for shared governance deliberations on how to implement the Ethnic Studies requirement. On behalf of many concerned faculty members, Trustee Sabalius asked why the required Ethnic Studies course has to be incorporated in the General Education package, why at the lower-division level, and why it was carved out of the group of Social Science classes (area D).

Loren Blanchard, Executive Vice Chancellor for Academic and Student Affairs, explained that the new requirement has to be incorporated within the 120-unit curricular cap required by law, which means that it will have to replace another course. However, many majors are maxed out at the upper-division level. He further remarked that the expectation was that this course would be a General Education requirement from the very beginning of the Ethnic Studies Task Force’s work as well as based on the testimony of the legislation’s author Assemblymember Shirley Weber. Furthermore, it would ensure the continuation of existing transfer patterns for community college students.

Alison Wrynn, Associate Vice Chancellor for Academic Programs, Innovations, and Faculty Development, added that the community college transfer patterns and the Associate Degrees for Transfer (ADTs) are also enshrined in law (SB1440) that needs to be complied with. The only way for the CSU to add a requirement is in General Education. Area D was chosen because the Social Science section had the largest unit amount within the GE package.

Trustee Abrego expressed concern about the tight timelines and the lack of involvement of the disciplinary faculty in the deliberations on implementation. EVC Blanchard explained that the Council on Ethnic Studies (CES) has met and deliberated the core competencies over an extended period of time and came up with recommendations that the Chancellor’s Office has accepted. He further assured the on-going collaboration with the statewide Academic Senate, with the Council on Ethnic Studies, as well as with campus Academic Senates. The narrow timeline is a consequence of the required implementation date as stated in AB1460.

- d. received as an information item a report on *Research, Scholarship and Creative Activity*.

“In 2018-19, the most recent year for which data are available, the total amount [of external funding] was \$676 million. This is an increase of \$28 million from the previous year’s \$648 million in external grant-funded expenditures.

Unlike state funds that are used exclusively for basic university operations, faculty compete for these external funds, which are used for innovative projects that benefit local communities and prepare students for 21st century careers.

These external funds include approximately \$82 million to cover institutional overhead, also known as indirect costs. Programs in research, scholarship and creative activities have associated infrastructure expenses that are recovered with indirect costs budgeted into the application for external funding.”

Ganesh Raman, Assistant Vice Chancellor for Research, reported that faculty publishing has increase by 27% over the past five years.

Trustee Carney asked how many students are involved in research with faculty. AVC Raman replied that “about 36% of students work with or plan to work with a faculty member on a research project; 57% of students have completed or plan to complete a senior experience that includes either a capstone course, a senior project, a thesis, or a portfolio; and finally 78% of our students have completed or plan to complete an internship, a cohort experience, student teaching, or a clinical placement.”

- e. received as an information item an update on the *Graduate Initiative 2025*.

Jeff Gold, Assistant Vice Chancellor for Student Success Strategic Initiatives, reported progress towards the goals of the Graduate Initiative 2025, despite the challenges of the sudden conversion to remote instructions due to the COVID-19 pandemic.

NOTE: On Oct. 23, during the Graduation Initiative 2025 Fall Convening, the following numbers were announced:

For Freshmen (2015) (2020) (2025)

- the 4-Year-Graduation rate improved from 19% to 31% with a goal of 40%
- the 6-Year-Graduation rate improved from 57% to 62% with a goal of 70%

For Transfer Students

- the 2-Year-Graduation rate improved from 31% to 44% with a goal of 45%
- the 4-Year-Graduation rate improved from 73% to 79% with a goal of 85%

The equity gap

- for Pell Grant students was reduced by 1% this year and currently stands at 9.2%
- for underrepresented minority students was reduced by 0.6% and stands at 10.5% with the ambitious goal to eliminate these equity gaps altogether.

8. The Joint Committee on Governmental Relations and Educational Policy

- a. endorsed as an action item *Proposition 16 – Legislative Constitutional Amendment*, which would repeal the prohibition of Affirmative Action (Proposition 209) and “allow diversity as a factor in public employment, education, and contracting decisions.”

EVC Blanchard reported that “many potential strategies to improve educational equity and completion outcomes are directly prohibited by Proposition 209. This includes consideration of race, sex, color, ethnicity, and national origin in focused student recruitment, externally funded scholarships programs, programs to recruit or retain CSU faculty and teacher candidates, and student retention programs.” Instead, since the passage of Proposition 209, the Education Opportunity Program (EOP) has utilized family income and parents’ educational level to determine eligibility.

9. The Committee on Campus Planning, Buildings and Grounds

- a. approved by consent as an action item the *CSU San Bernardino, College of Arts and Letters/Theater Building Renovation and Addition* at a total cost of \$111 million.
- b. received as an information item a report on the *Preliminary Multi-Year Capital Program*.

“Since 2014, more than \$5.9 billion has been approved to fund or finance projects to modernize existing facilities and support increased student enrollment. The initial recommendation for the development of the 2021-2022 operating budget request is to include a base budget increase of \$10 million to fund approximately \$180 million in facilities infrastructure and improvements. Given the tremendous need and likelihood that many projects will go unfunded, the board will be asked in November to approve the priority list with the expectation it will take multiple years to fund. This approach will reduce future campus workload in the development and submittal of their five-year facilities improvement plan.”

10. The Committee on Finance

- a. received as an information item the CSU Quarterly Investment Report.

Trustee Morales requested the removal of the report from the consent calendar. He wanted to better understand the relationship between our investment portfolio and our reserves and how much of our investments we can draw on in the crisis.

Steve Relyea, Executive Vice Chancellor and Chief Financial Officer, explained that the CSU cannot use one-time earnings, like proceeds from the Total Return Portfolio, for recurring expensed such as salaries. However, they can cover deferred maintenance costs.

Robert Eaton, Assistant Vice Chancellor for Financing, Treasury, and Risk Management, further explained that “investments” and “reserves” are essentially the same funds. The Total Return Portfolio (\$962.3m) aspires to generate a better return than funds in the Liquidity Portfolio (\$3.764b), which are used to conduct cash transactions on a daily basis. The Surplus Money Investment Fund (\$117.4m) retains a relatively small amount of money to facilitate transactions with the state, mostly for pay-roll. The reserves can be parsed up between funds for capital [i.e., buildings and grounds], for short-term obligations, and for economic uncertainties [the latter representing our unencumbered reserves or “rainy day fund”].

Trustee Morales further inquired how many employees have been laid off. The Human Resources Division reported that 303 staff members have received lay-off notices, but they have not all gone into effect yet. Also, 99 MPPs have been separated. In light of the CSU’s approximately 55,000 employees, this represents less than 1%.

- b. received as an information item the Planning for the 2021-2022 Operating Budget.

In light of the COVID-19 budget crisis, the Chancellor’s Office proposes the following budget request to the state:

• Graduation Initiative 2025 (Year 4 and 5)	\$150 million
• Mandatory Costs Increases (incl. \$16.5m for the implementation of AB1460)	\$47.5 million
• Facilities and Infrastructure Needs (to generate \$180m in bonds)	\$10 million
• 10% Restoration of General Fund Reduction	\$30 million
Total proposed request	\$237.5 million

Trustee Sabalius was only partially satisfied with this proposal. He lauds the desire to continue to fund the Graduation Initiative 2025 and fully supports the request for monies for the implementation of AB1460. Yet, in light of the estimated need of \$16.4 billion for facilities and infrastructure, he would like to see a request of approximately \$50 million to fund a bond of about \$900 million. This would not only be beneficial to the CSU, but stimulate the state economy through the creation of jobs in construction and related services. He also would appreciate a more robust request for the restoration of this year's funding cut, more in the range of 1/3, which would restore \$100 million of the \$300 million cut.

Furthermore, Trustee Sabalius is disappointed that no one-time requests have been presented. In a time of fiscal uncertainty, the legislators are more likely to commit funds for just one year, rather than on an on-going basis. He urged the CO to calculate the savings that furloughs for faculty, staff, and administrators would generate and then request these funds from the state in order to avoid salary cuts, reductions in CSU services, and significant damage to employee morale and campus climate.

Trustee Sabalius also believes that resources should be requested to continue to provide training for faculty to deliver remote instructions. Based on expenses for such training during the summer at San José State, it might cost around \$42 million to train roughly half of the CSU's 28,000 faculty members. Lastly, he hopes for an emergency request to dampen the losses that campuses suffered in their enterprises (housing, dining, parking, etc.). He realizes that the General Fund normally does not support campus enterprises –that are designed to be self-funding–, but he maintains that “the current times are not normal.”

Trustee Khames asked why there was no funding line item for student basic needs. EVC Relyea assured her that resources for those are imbedded in the budget for the Graduation Initiative 2025. EVC Blanchard added that this portion is “fairly substantial.”

Trustee Steinhauser underscored the need for deferred maintenance funds. He also would like to request \$50 million for anti-bias and anti-racist training.

Trustees also discussed the CSU's reserves and how to best apply them to mitigate the effects of the crisis. Trustee McGrory clarified that unencumbered reserves (the CSU's “rainy day fund”) amount to approximately \$400 million, which could cover three weeks of operating costs. Trustee Adamson asked how much of the reserve funds for economic uncertainties were used in the current year. Ryan Storm, Assistant Vice Chancellor for the Budget, specified that “\$180 million is planned to be used for this year.” In response to Chancellor White's question of how the use of the CSU's reserves can be compared with the utilization of the state's rainy day fund, AVC Strom and EVC Relyea responded that the proportion of the use of the reserves is purposely aligned with what the state does. It is imperative that not all our reserves are drawn down, because the coming years are predicted to bring even greater fiscal challenges.

11. The Committee of the Whole

- a. approved as an action item the *Conferral of Title of Trustee Emerita on Rebecca Eisen.*
- b. approved as an action item the *Conferral of Title of Trustee Emeritus on Hugo Morales.*

12. The Committee on Institutional Advancement

- a. presented the 2020-2021 CSU Trustees' Awards for Outstanding Achievement.

“Since its inception, over 380 students have received the CSU Trustees’ Awards for Outstanding Achievement. Thanks to donor generosity, 23 students will receive an award this year. [...]

These distinguished awards are funded by contributions from the CSU trustees, employees and friends of the university. Scholarships range from \$6,000 to \$15,000. Eighteen runners-up received \$2,000 scholarships.”

The Board of Trustees adjourned the meeting for the day, and gathered in smaller groups for a virtual reception to honor the award winning students at 5:00 pm.

The Board of Trustees reconvened its meeting on September 23 at 9:00 am.

13. New Chancellor Announcement

Joseph Castro, currently President at Fresno State, was selected as the eighth Chancellor of the CSU. He will start on January 4, 2021.

14. The Committee on University and Faculty Personnel

- a. approved as an action item the Executive Compensation for the Chancellor-select. Dr. Castro will receive an annual salary of \$625,000 plus a \$95,000 housing allowance as well as a \$12,000 auto allowance. By comparison, Michael Drake, the newly selected President of the University of California, will receive a base salary of \$890,000 plus university-provided housing. “Dr. Drake will take a voluntary, temporary reduction of ten percent (10%) of his base salary through June 30, 2021” [UC Board of Regents, July 7, 2020].

[Note: This chart was provided by the UC Regents for comparison to other university systems]
Public Universities - AAU¹ (Base Salary – Highest to Lowest)

<u>Institution (Calendar Year 2018)</u>	<u>Base Salary</u>	<u>Total Compensation</u>
Texas A&M University System	\$900,000	\$1,358,440
The University of Arizona System	\$834,615	\$934,646
University of Michigan System ²	\$823,981	\$848,505
University of North Carolina System	\$775,000	\$893,631
University of Washington System ²	\$724,473	\$1,071,083
University of Oregon System	\$675,000	\$782,285
University of Texas System ²	\$600,413	\$2,578,609
University of Kansas System	\$550,424	\$659,067
University of Missouri System ²	\$540,501	\$574,767
University of Wisconsin System	\$525,000	\$542,683

¹ System and/or one or more campuses are a member of AAU – Association of American Universities

² Also in CPEC List - California Post-Secondary Education Commission

[Source: UC Board of Regents, July 7, 2020].

After the **Committees of the Board** concluded their work, Chair Kimbell called the full **Board of Trustees Meeting** to order.

15. The **Board of Trustees** received the following *Reports*:

- a. Lillian Kimbell, *Chair of the Board of Trustees*, stated that at the 60th anniversary of the CSU, the system faces daunting, unprecedented challenges. She spoke about the damage to and closures of our campuses due to the many wildfires, but she also mentioned several examples of how campuses assisted wildfire victims.

On a positive note, Chair Kimbell spoke about the CSU's continued high credit rating and the large savings in debt service that result from it. She also took pride in the high national rankings that our campuses achieved.

- b. *Chancellor* Tim White stated that he "announced recently that the CSU would continue with primarily virtual instructions for the academic term beginning in January 2021." It was done early to protect the health and safety of students, faculty, and staff and also to give students and parents as well as faculty certainty and time to plan and to adjust.

Chancellor White reported that "this summer alone across the 23 campuses more than 17,000 faculty members, about 60% of our total teaching force, have engaged in nearly a quarter million hours of professional development programming offered by the CSU. [...] This massive on-going effort has been and will continue to be a game-changer for our university, and our participating faculty are to be congratulated and thanked."

He further cited various examples of how campuses adopted to assisting students virtually. He is "especially proud of how the CSU stepped up to help address the digital divide. [...] Since our pivot to mostly virtual instructions earlier this year, our 23 campuses have distributed more than 21,000 new laptops and more than 10,000 mobile wifi hotspots to our students at an investment of more than \$18 million" in addition to available resources on campuses. He asserted that "the institution is staying the course delivering on its mission with ingenuity, with foresight, and with compassion."

Chancellor White closed by announcing an all-time high degree attainment (128,925) and also that fall enrollments so far look very strong with possibly becoming the largest student body in the history of the CSU.

- c. Robert Collins, *Chair of the Academic Senate CSU* (ASCSU), expressed his belief that there is always hope when we work together. As an example of "common unity," he reported on the recent Academic Leadership Retreat, during which system leaders (administrators, faculty, staff, and students) explored ways to reduce barriers to student success.

Chair Collins summarized the resolutions that the ASCSU passed during its first plenary of the academic year and the first reading resolutions that were introduced. He further reported on the trilateral (CO, ASCSU, and CES [Council on Ethnic Studies]) shared governance discussion on the implementation of the Ethnic Studies requirement.

- d. Zahraa Khuraibet, *President of the California State Student Association*, updated the trustees on CSSA's projects and priorities. "The CSSA Board unanimously re-adopted their 2019-20 policy agenda for the coming year. The four priorities are to

- enable access to housing, food, and wellness resources that promote overall student health and safety
- assure that the CSU is accessible, affordable, and sustainable
- assure the academic success and holistic educational experience of all CSU students
- foster inclusive civic engagement for CSU students to find agency in their campus, community, and governmental affairs.”

President Khuraibet further stressed “that the many different challenges that the students are facing go beyond the classroom,” and she cited threats from wildfires, mental health concerns, and technology needs.

- e. Michelle Power, *President of the Alumni Council*, shared several examples of “alumni who are working to make the world a more positive and inclusive place.” The Alumni Council continues to “working with the ASCSU and CSSA to support students’ success and expand opportunities for alumni engagement.”

Chair Kimbell welcomed the newly appointed Student Trustee Krystal Raynes. She introduced herself as a major in Computer Science at CSU Bakersfield, a daughter of immigrants from the Philippines, and a first-generation college student. She “aims to ensure the quality of education even online or hybrid, strives to increase the attention on the most disadvantaged populations we serve at the university, and wants to fight for student basic needs even with a post-COVID budget.”

The Board moved to approve the resolutions that were previously passed in the various committees and they were approved unanimously.

The Board of Trustees meeting was officially adjourned on Wednesday, September 23, at approximately 10:15 am.

NOTE: On Oct. 26 and 27, the Board of Trustees met in virtual closed sessions to select the Presidents for East Bay and Northridge. In a public session on Oct. 29, the Board announced the appointment of Cathy Sandeen, currently Chancellor of the University of Alaska Anchorage, as the new President for East Bay and Erika Beck, currently President of Channel Islands, as the new President for Northridge.

Both Presidents will start in their new role in January 2021, and they will receive an increase of 10% over the current salary of the incumbent President. Following a large number of intense and critical public comments, this item was controversially debated among Board members. The final vote to approve the salary of the new Presidents was 10:7 with the Lieutenant Governor, the two Student Trustees, the Faculty Trustee, the Chair of the Board, and Trustees Abrego and Faigin voting in opposition.