

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY
California State University
Office of the Chancellor—Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, CA 90802

Agenda
September 8-10, 2014

Time*	Committee	Place
<u>Monday, September 8, 2014</u>		
11:00 a.m.	Call To Order	Dumke Auditorium
11:30 a.m.	Board of Trustees—Closed Session Executive Personnel Matters Government Code §11126(a)(1)	Long Beach Hilton
<u>Tuesday, September 9, 2014</u>		
8:00 a.m.	Call to Order	Dumke Auditorium
8:05 a.m.	Board of Trustees—Closed Session Litigation Matters –Government Code §11126(e)(1) Keller v. CSU Del Cerro Action Council v. Trustees, et al. CSU v. Clark Construction Group City and County of San Francisco v. Regents of the University of California, et al. Anticipated Litigation –Three Items Executive Personnel Matters –Government Code §11126(a)(1)	Munitz Conference Room
9:30 a.m.	Committee on Collective Bargaining—Closed Session Government Code §3596(d)	Munitz Conference Room

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled toward the end of the first day potentially may not be called until the next morning. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

- 10:30 a.m. Committee on Finance Dumke Auditorium**
1. Planning for the 2015-2016 Support Budget, *Information*
 2. Student Success Fees Working Group, *Information*
 3. 2015-2016 Lottery Revenue Budget, *Information*
 4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University Northridge, San Diego State University, and Sonoma State University, *Action*
 5. California State University Annual Investment Report, *Information*
- 12:30 p.m. Luncheon**
- 1:30 p.m. Joint Meeting Committees on Finance and Campus Planning, Dumke Auditorium Buildings and Grounds**
1. New Capital Financing Authority and Revisions to the California State University Policy for Financing Activities, *Information*
- 2:00 p.m. Joint Meeting Committees on Educational Policy and Finance Dumke Auditorium**
1. Academic Performance Measures (Academic Sustainability Plan), *Information*
- 2:15 p.m. Committee on Audit Dumke Auditorium**
1. Status Report on Current and Follow-Up Internal Audit Assignments, *Information*
- 2:30 p.m. Committee on Governmental Relations Dumke Auditorium**
1. Legislative Update, *Information*
- 4:00 p.m. Committee on Institutional Advancement Dumke Auditorium**
1. The California State University Trustees' Awards for Outstanding Achievement, *Information*

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Wednesday, September 10, 2014

- 7:30 a.m. Committee on Educational Policy Wallace Room**
Poster Sessions
- 8:30 a.m. Committee on Educational Policy Dumke Auditorium**
1. The Alliance to Accelerate Excellence in Education at California State University San Marcos, *Information*
2. The Graduation Initiative: Completion and Student-Athletes, *Information*
3. eAdvising Update, *Information*
4. California State University Education Doctorate (Ed.D.) Update, *Information*
- 10:00 a.m. Committee on Campus Planning, Buildings and Grounds Dumke Auditorium**
1. Amend the 2014-2015 Non-State Capital Outlay Program for California State University, Sacramento, *Action*
2. Approval of the Master Plan Revision for California State University, Bakersfield, *Action*
3. California State University Seismic Safety Program Biennial Report, *Action*
- 10:45 a.m. Board of Trustees Dumke Auditorium**
- Call to Order and Roll Call**
- Public Comment**
- Chair’s Report**
- Chancellor’s Report**
- Report of the Academic Senate CSU: *Chair—Steven Filling***
- Report of the California State University Alumni Council: *President—Kristin Crellin***
- Report of the California State Student Association: *President—Daniel Clark***
- Approval of Minutes of Board of Trustees’ Meeting of July 22, 2014**

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Committee Reports

Committee on Finance: *Chair—Steven Glazer*

4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University Northridge, San Diego State University, and Sonoma State University

Joint Meeting Committees on Finance and Campus Planning, Buildings and Grounds: *Chair— Steven Glazer*

Joint Meeting Committees on Finance and Educational Policy: *Chair— Debra S. Farar*

Committee on Audit: *Chair—Lupe C. Garcia*

Committee on Governmental Relations: *Chair—Douglas Faigin*

Committee on Institutional Advancement: *Chair—Steven Glazer*

Committee of Educational Policy: *Chair—Debra S. Farar*

Committee on Campus Planning, Buildings and Grounds: *Chair—J. Lawrence Norton*

1. Amend the 2014-2015 Non-State Capital Outlay Program for California State University, Sacramento
2. Approval of the Master Plan Revision for California State University, Bakersfield
3. California State University Seismic Safety Program Biennial Report

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Addressing the Board of Trustees

Members of the public are welcome to address agenda items that come before standing and special meetings of the board, and the board meeting. Comments should pertain to the agenda or university-related matters and not to specific issues that are the subject of collective bargaining, individual grievances or appeals, or litigation. Written comments are also welcome and will be distributed to the members of the board. The purpose of public comments is to provide information to the board, and not to evoke an exchange with board members. Questions that board members may have resulting from public comments will be referred to appropriate staff for response.

Members of the public wishing to speak must provide written or electronic notice to the Trustee Secretariat two working days before the committee or board meeting at which they desire to speak. The notice should state the subject of the intended presentation. An opportunity to speak before the board on items that are on a committee agenda will only be provided where an opportunity was not available at that committee, or where the item was substantively changed by the committee.

In fairness to all speakers who wish to speak, and to allow the committees and Board to hear from as many speakers as possible, while at the same time conducting the public business of their meetings within the time available, the committee or board chair will determine and announce reasonable restrictions upon the time for each speaker, and may ask multiple speakers on the same topic to limit their presentations. In most instances, speakers will be limited to no more than three minutes. The totality of time allotted for public comment at the board meeting will be 30 minutes, and speakers will be scheduled for appropriate time in accord with the numbers that sign up. Speakers are requested to make the best use of the public comment opportunity and to follow the rules established.

Note: Anyone wishing to address the Board of Trustees, who needs any special accommodation, should contact the Trustee Secretariat at least 48 hours in advance of the meeting so appropriate arrangements can be made.

Trustee Secretariat
Office of the Chancellor
401 Golden Shore, Suite 620
Long Beach, CA 90802
Phone: 562-951-4022
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E-mail: lhernandez@calstate.edu

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AGENDA

COMMITTEE ON COLLECTIVE BARGAINING

Meeting: 9:30 a.m., Tuesday, September 9, 2014
Munitz Conference Room—Closed Session

Roberta Achtenberg, Chair
Debra S. Farar, Vice Chair
Rebecca D. Eisen
Lupe C. Garcia
Hugo N. Morales

Closed Session – Munitz Conference Room
Government Code §35969(d)

AGENDA

COMMITTEE ON FINANCE

Meeting: 10:30 a.m., Tuesday, September 9, 2014
Glenn S. Dumke Auditorium

Roberta Achtenberg, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Rebecca D. Eisen
Debra S. Farar
Margaret Fortune
Lupe C. Garcia

Consent Items

Approval of Minutes of Meeting of July 22, 2014

Discussion Items

1. Planning for the 2015-2016 Support Budget, *Information*
2. Student Success Fees Working Group, *Information*
3. 2015-2016 Lottery Revenue Budget, *Information*
4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University Northridge, San Diego State University, and Sonoma State University, *Action*
5. California State University Investment Report, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON FINANCE**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

July 22, 2014

Members Present

Roberta Achtenberg, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Rebecca D. Eisen
Debra S. Farar
Margaret Fortune
Timothy P. White, Chancellor
Lou Monville, Chair of the Board

Trustee Achtenberg called the meeting to order.

Approval of Minutes

The minutes of May 20, 2014 were approved by consent as submitted.

Report on the 2014-2015 Support Budget, *Information Item*

Mr. Steve Relyea, Executive Vice Chancellor for Budget and Chief Financial Officer provided an overview of the topics for discussion including the trustees' November 2013 support budget decisions, the revised 2014-15 CSU support budget and how new state funding will be prioritized. He then introduced Mr. Ryan Storm, Interim Assistant Vice Chancellor for Budget to provide more details.

Mr. Storm presented an update on the 2014-2015 support budget. He stated the total request was for \$238 million dollars. The state budget provided \$142.6 million dollars with the expectation of no tuition fee increases for 2014-2015. He then proceeded to discuss the CSU's funding priorities.

Mr. Storm stated that, although the trustees' request for student success and completion initiatives was for \$50 million, the CSU will continue to invest in student success and completion by directing \$22 million dollars toward this important endeavor. Approximately half of the plan's funding will be covered by one-time carry forward funds and the state appropriation while

the other half will be covered by tuition fee revenue. It is envisioned that campuses will respond to a request for proposals to be issued by the Chancellor's Office. Those campus responses will explain how campuses intend to bolster student success and completion.

Mr. Storm added that the trustee's support budget established a goal of increasing funded enrollment for current and prospective students by five percent or \$164 million dollars. Instead, the plan will now commit \$61 million additional dollars towards enrollment. This funding will help current CSU students' progress to degree completion by improving class availability and removing other bottlenecks. It is worth noting that the CSU will deny access to approximately 10,100 CSU-eligible students.

As for employee compensation, the trustees' request of \$92 million will be fully funded. This amounts to approximately a three percent increase in the total CSU compensation. Compensation for faculty, staff, and management is a key element of the university's success. The ability to offer a competitive compensation package is essential to the CSU's ability to recruit and retain employees who contribute to the CSU's mission of excellence and its ability to provide quality programs and services to students. By investing in this way, the CSU will be able to provide the first significant compensation improvement since 2007.

The last component of the trustees' request was to commit \$15 million in each of the next three years to address CSU's many maintenance and infrastructure needs. At this time, \$10 million dollars will be set aside to make debt payments related to financed projects. This planned investment will provide approximately \$130 million dollars-worth of the most pressing facilities needs on CSU campuses.

Mr. Storm further discussed the notable Budget Act changes affecting the CSU stating that the new state law places a moratorium on new student success fees until January 2016. In addition, the Chancellor is required to review the CSU fee policy as it relates to student success fees and recommend any changes to the board by February 2015. Mr. Storm reported that the CSU is required to prepare a multi-year fiscal and policy plan that would establish annual performance goals and outline how the goals would be achieved. The plan is due to the state in November 2014.

The state budget also includes a one-time \$50 million program called the Awards for Innovation in Higher Education. The purpose of the program is to identify and reward public colleges and universities that will use creative techniques to increase the number of degrees awarded, improve four-year graduation rates, and ease transfer through the public higher education system. Campus applications are due to the state in January 2015.

Trustee Glazer stated that, in November, the Board approves the support budget request that is then sent to the State. This request reflects what the Board believes is a prudent investment in education. He noted the importance of discussing how the decisions the Board makes now may affect the CSU in the future.

Chair Achtenberg noted that, in the past, the CSU had advanced commitments from the state for minimal funding. She further added that there should be future discussions about the enrollment numbers and how the CSU needs to conduct itself in order to meet the educational needs of the state of California.

Trustee Monville commented that the board should remain mindful about enrollments. He stated that with initiatives like SB 1440, demand from transfer students will continue to increase. This may constrain admittance for first time freshmen and cause challenges for CSU presidents. He added that this would be a fundamental shift for the institution and the commitment the CSU made to California.

Chancellor White added the importance of putting forward a needs-based budget and expressed his belief that the State needs to see the CSU's true need in order to serve California's economic and social future. Trustee Glazer agreed with the chancellor and the need to advocate for the CSU and its needs. He added that the board needed to find the right process and balance.

Trustee Glazer inquired about the \$10 million allocated under infrastructure needs and whether this was a suggestion to borrow \$130 million and become an ongoing obligation or if this was meant to be a Board action. Mr. Storm responded that action would be taken at a later time. He stated that Ms. San Juan's area would bring forth the project priorities. He added there would be discussions about the multiple processes used to select those projects that need to be funded.

Trustee Glazer questioned if the Board would be able to look at this in a comprehensive way. Mr. Storm responded that staff provides the recommendations to the Board and the Board determines how to proceed.

There being no further questions, Trustee Achtenberg adjourned the Committee on Finance.

COMMITTEE ON FINANCE

Planning for the 2015-2016 Support Budget

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Interim Assistant Vice Chancellor
Budget

Summary

As part of the preparation of the California State University (CSU) support budget request for the 2015-2016 Governor's Budget, the board will be provided preliminary assumptions for purposes of crafting a budget request to the governor that will come back to the board for review and approval in November 2014.

State Budget Overview

The California State Constitution requires the submittal of the governor's budget proposal each year by January 10. In order to meet consequent deadlines of the submittal of budget requests to the Department of Finance, it is necessary to commence planning for the requested 2015-2016 CSU Support Budget.

The significant tax revenues produced by Proposition 30 and the ongoing economic recovery allowed the state to begin anew to invest in public higher education, including a \$125.1 million programmatic funding increase for the CSU in the enacted 2013-2014 budget and a \$142.2 million increase in the recently enacted 2014-2015 budget, which equates to approximately 2.5 percent increases for each of those years. While the University of California received the same level of funding increases as the CSU, K-12 local educational agencies and community college districts received a combined \$5.6 billion increase, equivalent to a ten percent increase. Also, Proposition 30 and the economic recovery allowed the state to set aside \$3 billion in reserves and to retire \$10 billion of debt in 2014-2015. Under current assumptions, state debt will be completely eliminated by 2017-2018.

The state, however, continues to face significant expenditure obligations and risks. The state is challenged by significant debts, deferrals, and budgetary obligations in excess of \$300 billion, according to estimates by the Department of Finance. Examples of these obligations include state employee and teacher pension obligations and deferred maintenance. Also, there is potential

for significant natural disasters to arise (e.g. earthquakes, wildfires, etc.) that could require significant sums of state funds. While the national economy is steadily growing, the state economy is growing at a slower pace. Capital gains taxes make up a significant portion of the state budget revenue picture, but this revenue source is highly volatile and can swing dramatically from one year to the next.

If the state's economic recovery continues, state revenues could continue to grow by four to six percent per year through 2017-2018, according to projections by the Department of Finance. The outlook for 2015-2016 ranges from continuing constraint to significant opportunity.

The Governor's Multi-year Funding Plan for the UC and CSU

In January 2013, Governor Brown's budget proposal included a multi-year plan to provide funding stability to the UC and the CSU. This plan calls for state funding increases to the two universities totaling \$511 million each over the course of four years, culminating with the 2016-2017 fiscal year. This recognizes the fact that both universities endured state funding reductions in equal dollar amounts during the recent half decade of fiscal crisis. The cumulative increase occurs in annual increments as follows:

- \$125.1 million in 2013-2014
- \$142.2 million in 2014-2015
- \$119.5 million in 2015-2016
- \$124.2 million in 2016-2017
- Cumulative increase in annual funding = \$511 million

Although the legislature has not adopted this plan, it did approve the first and second year increases of \$125.1 million and \$142.2 million, respectively.

One tenant of the governor's multi-year funding plan is that the universities not increase tuition fees during this period. CSU's support budget is dependent on two revenue sources: state general fund and tuition fee revenue. Each makes up approximately fifty percent of the support budget. As the governor's multi-year funding plan effectively removes half of the CSU's potential revenue source from the discussion, it places significant pressure on the university to meet its budgetary needs.

The State's Funding Plan Does Not Meet CSU's Needs

The limited resources from the state for 2014-2015 did not provide the CSU the opportunity to serve the tens of thousands of CSU eligible students who have been denied access for fiscal reasons to the university. This not only limited CSU's ability to serve prospective CSU students, but it also did not help serve the state's larger, long-term need to increase its baccalaureate-holding workforce. With the shift of responsibility for capital outlay and infrastructure investment from the state to the CSU, the CSU was able to carve out enough funds to address

one year's worth of accruing deferred maintenance, but was unable to begin to address the estimated \$1.8 billion backlog of deferred maintenance projects. The governor's multi-year funding plan would provide \$119.5 million increase in 2015-2016, which is a smaller increase than provided in 2014-2015 (\$142.2 million).

2015-2016 CSU Support Budget—Preliminary Planning Approach

In this agenda item we share with the board a preliminary plan for the crafting of a support budget request for 2015-2016. The planning approach represents a credible statement of the university's key funding needs. At this planning stage, it is important for the board to provide input on its fiscal policy priorities for 2015-2016.

Preliminary Expenditure Plan

The preliminary expenditure plan is summarized below. At this point, these estimated amounts are preliminary and highly approximate.

• Mandatory Costs (health benefits, pensions, & new space maintenance)	\$23 million
• 2% Compensation Pool	\$63 million
• 3% Enrollment Demand (net of tuition fee revenue)	\$73 million
• Student Success and Completion Initiatives	\$38 million
• Facilities and Infrastructure Needs	\$39 million
<u>Total Ongoing Expenditure Increase</u>	<u>\$236 million</u>
• General Fund Revenue from Governor's Multi-Year Plan	\$119.5 million
<u>Additional Resource Need</u>	<u>\$116.5 million</u>

This preliminary expenditure plan would bring annual spending for support of the CSU to nearly \$5 billion, including student fee revenues (net of financial aid).

Mandatory Costs

Mandatory costs are costs that have already been determined by state law, CSU policy, and operational needs. At this point in time, there is little to no discretion over these costs.

Compensation Pool

The compensation pool item remains contingent upon the collective bargaining process. Currently, negotiations are underway that could have a multi-year impact for 2014-2015 through 2016-2017. This item would conditionally commit \$63 million to the compensation pool, pending final agreements.

The board has significant discretion over the expenditure plan for enrollment of new students, student success and completion, and facilities and infrastructure needs.

Enrollment Demand

There is strong current and future demand for a CSU education. Over 20,000 students each year have been denied access for each fall admission cycle between 2010 and 2013 because the university did not have sufficient financial resources from the state to admit and educate them. In terms of the future, it is anticipated that demand for a CSU education will likely grow due to enrollment funding provided to the California Community Colleges. Specifically, the community colleges received new enrollment funding equivalent to 30,000 additional full-time equivalent students (FTES), or 60,000 headcount, in the 2014-2015 budget. As early as 2015-2016, it is possible that the CSU will begin to see an increase in applicants from this first cohort of community college students seeking to complete their degrees at the CSU. Access to education and the preparation of the state's future workforce depends on the state investing in the CSU.

The proposed expenditure plan to support enrollment demand represents a three percent increase in FTES, or approximately 10,000 FTES. This increase would allow for growth in the number of students admitted and served, as well as accommodate existing demand by current students for additional courses (allowing improved time-to-degree). The costs of accommodating additional enrollment are covered by additional tuition fee revenue and state general fund. For planning purposes, a one percent increase in enrollment demand would cost approximately \$35 million and would provide access to approximately 3,500 FTES.

Student Success Completion Initiatives

There are a variety of efforts and strategies to facilitate degree completion and student success at CSU campuses. Some examples are instituting high impact practices, readying students for college, making data-driven decisions, and improving the educational experience for students. The categories of costs are as varied as the initiatives themselves, but at their core, these initiatives require professional staff and faculty with the expertise to operate, repair, maintain, teach, research, advise, implement, program, counsel, coordinate, and analyze the many facets of these initiatives. To simplify for planning purposes, we estimate a salary and benefit cost of \$100,000 per faculty and \$75,000 per staff. As a result, \$38 million would equip each campus with the opportunity to hire between 15 and 20 new faculty and staff to support various student success and completion initiatives, as outlined in the Chancellor White's 2014 State of the CSU address. Systemwide, this item would grow the CSU employee base by less than one percent.

Facilities and Infrastructure Needs

The CSU's backlog of facility maintenance and infrastructure needs is massive and growing. Even with the state statutorily changing the way it handles CSU academic-related infrastructure needs by providing the CSU with the autonomy to self-determine CSU's capital program, the state did not provide sufficient funds in 2014-2015 for the CSU to capitalize on the new program. Consequently, annual support budgets will not be able to retire significant portions of maintenance backlog for many years without additional resources being allocated for this purpose. For example, the 2014-2015 support budget commits \$10 million per year to finance approximately \$130 million of the university's most pressing renewal projects. Agenda item 1 of the Joint Committee on Finance and Campus Planning Buildings and Grounds includes the proposed list of deferred maintenance and infrastructure projects that would be financed in 2014-2015 using the \$10 million in operating funds. That investment will mitigate the growth of the deferred maintenance backlog and keep the balance at approximately \$1.8 billion in 2015-2016.

Attachment A is the draft 2015-2016 CSU/State and Non-state Funded Capital Outlay Program for the board's information. The draft priority list of projects to be funded using the new CSU financing authority and potentially traditional state funding is noted on page 1 with the list of non-state (primarily self-support) funded projects on page 2.

In light of the backlog of infrastructure renewal needs, the program continues to focus on needed improvements to our utilities, technology network and building infrastructure, seismic upgrades, followed by major building replacements/renovations and new buildings to accommodate growth. The Systemwide Infrastructure Improvements program is the highest priority for the use of CSU financing as the program provides funds across all campuses and includes campus technology network upgrades and mobility services to meet the expanding access demand. The preliminary expenditure plan identifies that \$39 million is needed to fund the facilities and infrastructure needs. These funds could be spent to pay for projects on a pay as you go basis, or be used to finance projects on the Draft CSU/State Funded Capital Outlay Program 2015-2016 Priority List that currently totals \$389.2 million.

Preliminary Revenue Plan

The preliminary expenditure plan significantly addresses many of the CSU educational and operational needs. But if required to do so, it would be exceedingly difficult for the CSU to operate within the confines of the governor's multi-year funding plan. Mandatory costs and compensation pool costs alone would consume approximately \$90 million of the \$119.5 million available from the governor's multi-year funding plan. This would leave approximately \$30 million to address enrollment, student success, and facilities. For illustration purposes, if the remaining \$30 million were spread evenly among the remaining items, CSU would be able to serve 1,000 new FTES, hire four to five student success and completion-related faculty and staff per campus, and finance approximately \$130 million of facility and infrastructure needs. This

scenario would do very little to serve prospective and current student needs and would only marginally address the \$1.8 billion deferred maintenance backlog.

At this preliminary stage, the planning effort focuses on stating needs and being positioned for opportunity. Accounting for enrollment growth revenue and the governor's funding commitment of \$119.5 million, these recommended items would require additional new ongoing revenues from state and/or tuition fee revenue sources of roughly \$116.5 million.

Conclusion

This is an information item, presenting a preliminary framework for the 2015-2016 CSU Support Budget request to the Department of Finance and the governor. Estimated amounts for each item on the above lists may be revised, based on updated information, in the course of preparing the budget for the board's review and approval. The board will be presented with an updated and detailed support budget recommendation in November 2014 as an action item.

DRAFT CSU/State Funded Capital Outlay Program 2015/16 Priority List

Cost Estimates are at Engineering News Record California Construction Cost Index 6151 and Equipment Price Index 3202

Rank Order	Category	Campus	Project Title	FTE	Phase	Total Request	Funds to Complete	Cumulative Amount
1	IA	Statewide	Infrastructure Improvements	0	PWC	230,000,000	0	230,000,000
2	IA	Humboldt	Seismic Upgrade, Library	N/A	PWC	5,447,000	0	235,447,000
3	IA	Los Angeles	Seismic Upgrade, State Playhouse Theatre	N/A	PWC	1,156,000	0	236,603,000
4	IA	Humboldt	Seismic Upgrade, Van Duzer Theatre	N/A	PWC	7,604,000	0	244,207,000
5	IB	Los Angeles	Utilities Infrastructure	N/A	PWC	20,477,000	0	264,684,000
6	IB	Long Beach	Utilities Infrastructure	N/A	PWC	27,683,000	0	292,367,000
7	IB	San Bernardino	Utilities Infrastructure	N/A	PWC	34,429,000	0	326,796,000
8	IB	Pomona	Electrical Infrastructure	N/A	PWC	22,369,000	0	349,165,000
9	IB	Bakersfield	Faculty Towers Replacement Building (Seismic)	N/A	PWC	7,490,000	50,000	356,655,000
10	II	Monterey Bay	Academic Building III	700	PW	2,296,000	31,812,000	358,951,000
11	IB	San Francisco	Creative Arts Replacement Building ◇	1,296	P	1,704,000	42,652,000	360,655,000
12	IB	Sacramento	Science II Replacement Building, Ph. 2	-1,583	PW	4,558,000	82,445,000	365,213,000
13	II	San Diego	Engineering and Science Lab Replacement Building ◇	68	P	517,000	29,483,000	365,730,000
14	IB	Dominguez Hills	Science Replacement Building	5	P	2,237,000	78,304,000	367,967,000
15	IA	Fullerton	McCarthy Hall Renovation	0	PW	296,000	12,421,000	368,263,000
16	IB	Humboldt	Jenkins Hall Renovation	15	P	312,000	9,188,000	368,575,000
17	II	Channel Islands	Gateway Hall	120	PW	1,525,000	26,812,000	370,100,000
18	IB	East Bay	Library Renovation (Seismic)	N/A	PW	2,823,000	50,513,000	372,923,000
19	IB	Chico	Siskiyou II Science Replacement Building	31	P	2,690,000	84,144,000	375,613,000
20	II	Sonoma	Professional Schools Building	513	P	1,081,000	39,944,000	376,694,000
21	II	Maritime	Learning Commons/Library Addition	N/A	P	779,000	24,606,000	377,473,000
22	IB	San José	Nursing Building Renovation	155	P	456,000	15,594,000	377,929,000
23	II	San Luis Obispo	Academic Center and Library ◇	843	P	2,028,000	101,789,000	379,957,000
24	IB	Stanislaus	Library Renovation/Infrastructure, Ph. 1 (Seismic)	-15	PW	3,419,000	45,753,000	383,376,000
25	IB	Northridge	Sierra Hall Renovation	N/A	PW	3,998,000	60,091,000	387,374,000
26	II	San Marcos	Applied Sciences/Technology Building	545	P	977,000	30,759,000	388,351,000
27	II	Fresno	Central Plant Expansion	N/A	P	819,000	29,381,000	389,170,000
Total				2,693		\$ 389,170,000	\$ 795,741,000	\$ 389,170,000

Categories: I Existing Facilities/Infrastructure
A. Critical Infrastructure Deficiencies
B. Modernization/Renovation
II New Facilities/Infrastructure

◇ This project is dependent upon state and non-state funding.

P = Preliminary plans W = Working drawings C = Construction E = Equipment

DRAFT Non-State Funded Capital Outlay Program 2015/16 List By Fund Source

Cost Estimates are at Engineering News Record California Construction Cost Index 6151 and Equipment Price Index 3202

This list is subject to change for the final program pending review of financial documents by Finance and Treasury.

Fund Type	Campus	Project Title	Phase	Dollars	Funds to Complete
Student Housing					
	Channel Islands	Student Housing, Ph. 3 (600 Beds)	PWCE	58,399,000	
	Dominguez Hills	Student Housing, Ph. 1 (600 Beds)	PWCE	96,288,000	
	San Bernardino	Student Residences #3 (800 Beds)	PWCE	85,000,000	
Student Housing Subtotal				\$239,687,000	\$0
Associated Students					
	Humboldt	University Center	P	82,000	2,439,000
	Sacramento	Recreation Wellness Center, Ph. 3	PWCE	140,415,000	
Associated Students Subtotal				\$140,497,000	\$0
Donor					
	San Diego	Engineering and Science Lab Replacement Building	PWC	53,029,000	6,759,000
Donor Subtotal				\$53,029,000	\$6,759,000
Other					
	Long Beach	Continuing Education/Alumni Center	PWCE	67,958,000	
Other Subtotal				\$67,958,000	\$0
Auxiliary					
	Channel Islands	Dining Expansion	PWCE	15,152,000	
Auxiliary Subtotal				\$15,152,000	\$0
Parking					
	Bakersfield	Parking Lot M (500 Spaces)	PWC	2,851,000	
	Humboldt	Parking	PWC	750,000	
Parking Subtotal				\$3,601,000	\$0
Grant					
	Long Beach	Buton Creek Bike Path	PWC	778,000	
Grant Subtotal				\$778,000	\$0
Total				\$520,702,000	\$6,759,000

P = Preliminary plans W = Working drawings C = Construction E = Equipment

COMMITTEE ON FINANCE

Student Success Fees Working Group

Presentation By

Timothy P. White
Chancellor

Rodney Rideau
Acting Deputy Assistant Vice Chancellor
Budget

Summary

Chair Lou Monville formed the Student Success Fee Working Group, at the July 2014 California State University (CSU) Board of Trustees meeting, to study the role, process, and enactment of a type of category II campus-based mandatory fee commonly known as student success fees. Category II fees are defined as campus mandatory fees that must be paid to enroll in or attend the university. This item provides background on the formation of the working group. Members of the group will present their initial findings at the September 2014 board meeting.

Background

A student success fee is a type of campus-based, campus-driven, campus-controlled fee designed to enhance the quality of academic programs and the experience of students on a specific campus. Due to local control, no student success fee is identical to any other. Each reflects the priorities of the campus where it is adopted.

This is in contrast to systemwide tuition, which covers the bulk of CSU's operating costs. Tuition fees, augmented by an approximately equal amount of state support, pay to provide basic student access to a CSU education. These fees are set at the system level.

All fees, including category II fees, are governed by policy established by Executive Order 1054. Several components of that policy that relate to category II fees and student success fees will be subsequently referenced.

A student success fee enhances the quality of the campus environment, beyond the basic level of access ensured by state and systemwide tuition fee funding. It may cover mental health programs, peer-to-peer advising, library resources and career programs. Other examples include expanding library hours, expanding services for disabled students and veterans, hiring additional academic counselors, adding and outfitting additional laboratory space, enhancing the technology infrastructure, and funding capital improvements including library expansion projects.

The campus community determines the need for a student success fee and how the fee revenue may be used to improve the quality of academic programs or the experience on campus for students. A campus may use a referendum or alternative consultation process to determine whether to recommend a fee. Both processes give the campus the ability to educate, reach, and glean feedback from a cross section of full-time and part-time students on the fee. The campus fee advisory committee is largely composed of students with representation from faculty and staff and helps to identify the priorities to be funded by the projected fee revenue before making a recommendation to the president. The president then takes the recommendation under advisement and determines whether to submit to the chancellor for consideration. The chancellor is authorized to approve the fee based on the information submitted by the campus.

Once approved, the fees and fee revenue are administered by the president. The president retains the authority to decrease, suspend, or eliminate the fees. In most cases, student success fees are phased in over a period of time to allow students to plan for the additional expenditure. Twelve campuses currently have student success fees that range from \$35 to \$780 for 2014-2015.

The Omnibus Higher Education Trailer Bill, a complement to the Budget Act of 2014, specifically placed a moratorium on the creation of new student success fees until January 2016. The legislation also requires the chancellor to conduct a review of the fee policy, to consider several viewpoints, and to recommend to the board changes relating to student success fees. The law compels the chancellor to make recommendations to the board and to report those recommendations by February 2015 to the state, but the law only compels the board to consider the chancellor's recommendations (i.e. the board is not required to approve or reject the chancellor's recommendations).

Student Success Fee Working Group

To better inform the board and the chancellor on the history and future of such fees Chair Lou Monville established the Student Success Fee Working Group in July 2014. The group was tasked with studying the role, process, and enactment of these fees. The members of the working group are: Trustee Doug Faigin, Trustee and Student Talar Alexanian, Chancellor Timothy White, Fullerton President Mildred García, and San Luis Obispo President Jeff Armstrong.

The charge to the working group is to study and present findings on the following:

1. The process and history by which category II campus-based mandatory fees are enacted, and the approval process;
2. The notification process by which the board and chancellor are informed of category II fee discussions on campuses;
3. The accountability and outcome reporting process to stakeholders of category II fees, to include the board, students, faculty, staff, and the public at large;

4. The impact of category II fees on student success and affordability;
5. The inequity of category II fees across the 23-campus system, with an additional overlay of racial, socioeconomic, and academic readiness data.

The working group has met, compiled, and reviewed current student success fee information, and is prepared to report its initial findings at the September 2014 meeting.

COMMITTEE ON FINANCE

2015-2016 Lottery Revenue Budget

Presentation By

Ryan Storm
Interim Assistant Vice Chancellor
Budget

Background

On November 6, 1984, California voters approved Proposition 37, known as the California Lottery Act. The Lottery Act is codified in Government Code Sections 8800-8809.5 and allows for expenditure of lottery dollars to supplement the total amount of money allocated for public education. The act further stipulates legislative intent that funds allocated be used for the education of pupils and students, with no funds spent for the acquisition of property, construction of facilities, financing research, or any other non-instructional purpose. To date, the California State University (CSU) has received apportionments from the state on the basis of total full time equivalent students (FTES) cumulatively totaling \$1.03 billion, which equals approximately 4.5 percent of all lottery funds distributed for educational purposes. Recently, annual CSU lottery fund receipts have averaged around \$45 million per year.

Although the Lottery Act does not specifically define “education of pupil and students”, CSU has specified that lottery funds shall be used only for and in support of instruction or instructional-related purposes. In response to the Lottery Act, the CSU adopted further guidelines to ensure that lottery funds are used to improve instructional quality and academic environment.

Each year, the CSU Board of Trustees is asked to adopt a systemwide lottery revenue budget that incorporates CSU guidelines and adheres to Lottery Act provisions. The budget identifies expected Lottery receipts that the CSU will receive in the budget year and the program areas for allocation of those receipts, including an expenditure allowance for the general management of Lottery Fund operations and reporting requirements by Chancellor’s Office staff. Approximately 90 percent of anticipated Lottery receipts are allocated directly to campuses for instructionally-related programs and activities. Remaining funds are allocated for CSU programs that assist student education, such as summer arts and doctoral incentive programs. Less than two percent of lottery resources are used by the Chancellor’s Office to manage Lottery Fund operations and reporting requirements. CSU allows for the carryforward of 80 percent of lottery allocations to the campuses to address long-range educational programs, instructional equipment purchases, or instructional program development that crosses several years. The CSU chief financial officer reviews campuses’ lottery carryforward balances to ensure appropriateness, and approves planned use of campuses’ balances in excess of policy guidelines. The board has delegated

authority to the chancellor for management of actual Lottery Fund receipts, which are to be used to supplement the total amount of money allocated to CSU for public education in accordance with state statute. The state receives a formal report on actual Lottery expenditures each May and the board receives a report on actual expenditures at its September and November meetings.

Summary

The lottery revenue budget proposal for fiscal year 2015-2016 is presented to the Committee on Finance as an information item. The Committee on Audit will also be presented with a status report on current and follow-up internal audit assignments, including Lottery Funds, during the September 2014 meeting.

The lottery revenue projection for 2015-2016 is \$49.1 million. The lottery revenue budget proposal reflects an increase in projected support from the prior year as a result of higher trends in lottery receipts with the recent addition of Powerball to the list of California Lottery offerings. After setting aside \$5 million for CSU's systemwide reserve, \$44.1 million is available for allocation. The proposed budget also includes a \$3.1 million augmentation to fund expansion of the Early Start financial aid and Pre-doctoral programs. The chancellor, as the chief executive officer of the CSU, is delegated authority for development and oversight of the lottery budget and for the deposit, control, investment and expenditure of lottery funds received.

Beginning CSU lottery reserves of \$5 million are used to assist with cash-flow variations due to fluctuations in quarterly lottery receipts and other economic uncertainties. CSU lottery fund interest earnings are managed by the chancellor in accordance with CSU Revenue Management Program guidelines and procedures.

2015-2016 Lottery Budget Proposal

After setting aside \$5 million for beginning reserves, the \$44.1 million 2015-2016 lottery budget proposal remains principally designated for campus-based programs and three system-designated programs that have traditionally received annual Lottery funding support. Of the \$44.1 million available for expenditure, \$4 million will be allocated to the three system-designated programs as follows: the Chancellor's Doctoral Incentive Program (\$2 million) which provides financial assistance to graduate students to complete doctoral study in selected disciplines of particular interest and relevance to the CSU; the California Pre-Doctoral Program (\$814,000) which supports CSU students who aspire to earn doctoral degrees and who have experienced economic and educational disadvantages; and, the CSU Summer Arts Program (\$1.2 million) which offers academic credit courses in the visual, performing, and literary arts.

The remaining \$40.1 million in 2015-2016 lottery funds will continue to be used for campus based programs (\$31.5 million), to provide increased financial aid for the trustee-approved Early Start program (\$8 million), and to support lottery fund administrative costs(\$544,000). Campus-based program funding is undesignated and allows presidents considerable flexibility in meeting unique campus needs. Traditionally, projects receiving campus-based funds have included replacement and purchase of new instructional equipment, curriculum development, and scholarships. Early Start program funds will provide campus-based financial aid as need-based fee waivers to ensure that student financial hardship is not a barrier to enrollment in the Early Start summer curriculum. The program serves first time freshman students who are deficient in math and English skills through remedial instruction during the summer term prior to matriculation at any of the CSU campuses. Campuses are reimbursed for financial aid tuition waivers based on actual student enrollment following the end of the summer Early Start instructional program. The 2015-2016 budget proposes \$544,000, or less than 1.5 percent, of total projected lottery revenues for Chancellor’s Office administration of the lottery fund and lottery-funded programs that supplement the CSU systemwide operating budget.

In fiscal year 2013-2014, similar to years prior, the majority of lottery allocations were spent on instructional and instructionally-related programs and services to supplement the CSU operating budget. The following table summarizes how lottery funds allocated for the 2013-2014 fiscal year were expended.

2013-14 Lottery Expenditure Report		
(in 000s)		
Program Support Area	Expenditures	Percentage of Total Expenditures
Academic	\$ 16,580	45.9%
Library Services	10,455	28.9%
Student Services	1,891	5.2%
Administrative Costs	2,801	7.8%
Financial Aid	4,422	12.2%
Total Expenditures	\$ 36,149	100.0%

Note: The amount included in the table for Administrative Costs in 2013-14 includes both Chancellor’s Office and campus administration.

The CSU lottery revenue budget proposed for 2015-2016 is as follows:

2015-16 Proposed Lottery Revenue Budget

	2014-15 Adopted Budget	2015-16 Proposed Budget
Sources of Funds		
Beginning Reserve	\$ 5,000,000	\$ 5,000,000
Receipts	41,000,000	44,100,000
Total Revenues	\$ 46,000,000	\$ 49,100,000
<i>Less Systemwide Reserve</i>	<i>(5,000,000)</i>	<i>(5,000,000)</i>
Total Available for Allocation	\$ 41,000,000	\$ 44,100,000
Uses of Funds		
<i>System Programs</i>		
Chancellor's Doctoral Incentive Program	\$ 2,000,000	\$ 2,000,000
California Pre-Doctoral Program	714,000	814,000
CSU Summer Arts Program	1,200,000	1,200,000
	\$ 3,914,000	\$ 4,014,000
<i>Campus-Based Programs</i>		
Campus Programs	\$ 31,542,000	\$ 31,542,000
Campus Early Start Financial Aid	5,000,000	8,000,000
	\$ 36,542,000	\$ 39,542,000
<i>Lottery Administration & Reporting</i>	\$ 544,000	\$ 544,000
Total Uses of Funds	\$ 41,000,000	\$ 44,100,000

This item is for information only and an action item will be presented at the November 2014 meeting to adopt the 2015-2016 lottery revenue budget.

COMMITTEE ON FINANCE

Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University Northridge, San Diego State University, and Sonoma State University

Presentation By

George V. Ashkar
Assistant Vice Chancellor/Controller
Financial Services

Background

The Systemwide Revenue Bond (SRB) program provides capital financing for revenue-generating projects of the CSU – student housing, parking, student union, health center, continuing education facilities, and certain auxiliary projects. Revenues from these programs are used to meet operational requirements for the projects and are used to pay debt service on the bonds issued to finance the projects. The strength of the SRB program is its consolidated pledge of gross revenues to the bondholders, which has improved credit ratings and reduced the CSU's cost of capital. Prior to issuance of bonds, projects are funded through bond anticipation notes (BANs) issued by the CSU in support of the CSU's commercial paper (CP) program. The BANs are provided to the CSU Institute, a recognized systemwide auxiliary organization, to secure the CSU Institute's issuance of CP, proceeds from which are used to fund the projects. CP notes provide financing flexibility and lower short-term borrowing costs. Proceeds from the issuance of bonds are used to retire outstanding CP and provide any additional funding not previously covered by CP.

Summary

This item requests the California State University Board of Trustees to authorize the issuance of long term SRB financing and the issuance of BANs to support interim financing under the CP program in an aggregate amount not-to-exceed \$173,705,000 to provide financing for three campus projects. The board is being asked to approve resolutions related to these financings. Long-term bonds will be part of a future SRB sale and are expected to bear the same ratings from Moody's Investors Service and Standard & Poor's as the existing SRBs.

The financing projects are as follows:

1. California State University, Northridge Extended Learning Building

The California State University, Northridge Extended Learning Building project was approved by the board as an amendment to the Non-State Capital Outlay program and schematic approval in September 2013 by the Committee on Campus Planning, Buildings and Grounds. The project consists of a new office and classroom building for the Tseng College of Extended Learning, under the continuing education program, located on the southwest quadrant of the campus between West University Drive on the east and Darby Street on the west. The facility will be approximately 68,470 gross square feet and will provide office and support space for the college’s seven administrative units, in addition to 11 classrooms and seminar space. The instructional spaces will be “smart rooms,” designed to maximize the use of technology and provide flexibility to accommodate a variety of pedagogies.

The total project budget of \$38,942,000 will be funded from \$30 million in existing continuing education reserves and \$9 million from continuing education net revenue generated during the construction period. While the campus is confident that the additional \$9 million in net revenue will be generated by the continuing education program as needed, financing approval is requested for two reasons. First, all funding sources must be identified at the time of the construction contract signing; financing approval will allow the construction contract to be signed and keep project construction on schedule. Second, in the event that the additional \$9 million in net revenue is not generated as expected during construction, financing through the SRB program and/or CP program will allow completion of the project.

The not-to-exceed par value of the proposed bonds is \$9,670,000, with additional net financing costs, such as capitalized interest and costs of issuance (estimated at \$670,000), to be funded from bond proceeds. The project is scheduled to start construction in September 2014 with completion in June 2016.

The following table summarizes key information about this financing transaction.

Not-to-exceed amount	\$9,670,000
Amortization	Approximately level over 30 years
Projected maximum annual debt service	\$657,644
Projected debt service coverage including the new project:	
Net revenue – Northridge pledged revenue programs: ¹	2.43
Net revenue – Projected for the campus continuing education program:	5.40

1. Combines estimated 2013-2014 information for all campus’ pledged revenue programs and projected 2016-2017 operations of the project with expected full debt service.

The not-to-exceed amount for the project, the maximum annual debt service, and the ratios above are based on an all-in interest cost of 5.68 percent, reflective of adjusted market conditions plus 100 basis points as a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan includes level amortization of debt service, which is the CSU program standard. The campus financial plan projects continuing education program net revenue debt service coverage of 5.40 in 2016-2017, the first full year of operations, which exceeds the CSU benchmark of 1.10 for the program. When combining the project with information for all campus pledged revenue programs, the campus' overall net revenue debt service coverage for the first full year of operations is projected to be 2.43, which exceeds the CSU benchmark of 1.35 for the campus. Exceeding the benchmark is desirable.

2. San Diego State University South Campus Plaza

The San Diego State University South Campus Plaza project (previously referred to as the Plaza Linda Verde project) was approved by the board for the amendment of the Non-State Capital Outlay program and schematics in May 2014 by the Committee on Campus Planning, Buildings and Grounds. The project consists of a mixed use facility that will house 659 beds of student housing for first year students, 35,000 gross square feet of retail space, and a 392-car parking structure. The campus housing program will have financial responsibility for the housing and retail components of the project and the campus parking program will have financial responsibility for the parking component. The project will be located at the southern border of the campus along the west side of College Avenue between Hardy Avenue and Montezuma Road in an area that is currently occupied by temporary trailers and vacated apartments. The campus received a positive recommendation for the project from the Housing Proposal Review Committee in March 2014.

The not-to-exceed par value of the proposed bonds is \$158,025,000 and is based on a total project budget of \$142,700,000 with program reserve contributions of \$6,000,000 (\$2,000,000 from the housing program and \$4,000,000 from the parking program). Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$21,325,000), are to be funded from bond proceeds. The project is scheduled to start construction in October 2014 with completion in August 2016.

The following table summarizes key information about this financing transaction.

Not-to-exceed amount	\$158,025,000
Amortization	Approximately level over 30 years
Projected maximum annual debt service	\$11,081,063
Projected debt service coverage including the new project:	
Net revenue – San Diego pledged revenue programs: ¹	1.58
Net revenue – Projected for the campus student housing program:	1.53
Net revenue – Projected for the campus parking program:	1.33

1. Combines estimated 2013-2014 information for all campus' pledged revenue programs and projected 2017-2018 operations of the project with expected full debt service.

The not-to-exceed amount for the project, the maximum annual debt service, and the ratios above are based on an all-in interest cost of 5.94 percent, reflective of adjusted market conditions plus 100 basis points as a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan includes level amortization of debt service, which is the CSU program standard. The campus financial plan projects housing program net revenue debt service coverage of 1.53 in 2017-2018, the first full year of operations, which exceeds the CSU benchmark of 1.10 for the program and 1.33 for the parking program which also exceeds the CSU benchmark. When combining the project with information for all campus pledged revenue programs, the campus' overall net revenue debt service coverage for the first full year of operations is projected to be 1.58, which exceeds the CSU benchmark of 1.35 for the campus. Exceeding the benchmark is desirable.

3. Sonoma State University Joan and Sanford I. Weill Commons

The Sonoma State University Joan and Sanford I. Weill Commons project (previously referred to as the MasterCard Pavilion) was approved by the board for the amendment of the Non-State Capital Outlay program in November 2012 and for schematics in March 2013 by the Committee on Campus Planning, Buildings and Grounds. The project scope has been streamlined to reflect a more modest size, more consistent with the original vision for the space. It will be located at the northeast corner of the main campus within the nine-acre commons area bordered by the Joan and Sanford I. Weill Hall on the west, Rohnert Park Expressway on the north, Petaluma Hill Road on the east and Copeland Creek to the south. The project will consist of a build-out of the Weill Commons lawn area, site grading and drainage infrastructure, including perimeter roads and pathway, loading dock road, fire lane adjacent to Weill Hall, landscaping, and electrical and other infrastructure. The campus has a sponsorship agreement with Mastercard International Incorporated to provide funding for the project over a ten year period through 2022. As with other hospitality related campus activities, the campus housing program will be involved with overseeing the venue. Further, the housing program will provide an added source of pledged revenue for the debt service obligation, as has been the case with previous Green Music Center related financing, in order to strengthen financial security.

The not-to-exceed par value of the proposed bonds is \$6,010,000 and is based on a total project estimated budget of \$5,500,000. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$510,000), are to be funded from bond proceeds. This project is scheduled to start construction in October 2014 with completion in May 2015.

The following table summarizes key information about this financing transaction.

Not-to-exceed amount	\$6,010,000
Amortization	Approximately level over 20 years
Projected maximum annual debt service	\$516,250
Projected debt service coverage including the new project: Net revenue – Sonoma pledged revenue programs: ¹ Net revenue – Projected for the campus student housing program:	1.85 1.41

1. Combines estimated 2013-2014 information for all campus' pledged revenue programs and projected 2016-2017 operations of the project with expected full debt service.

The not-to-exceed amount for the project, the maximum annual debt service, and the ratios above are based on an all-in interest cost of 6.18 percent, reflective of adjusted market conditions at a taxable rate plus 100 basis points as a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. A taxable rate is being used because of the sponsorship agreement with Mastercard. Should an opportunity arise to issue tax-exempt bonds, the interest rate is anticipated to be lower. The financial plan includes level amortization of debt service, which is the CSU program standard. The campus financial plan projects housing program net revenue debt service coverage of 1.41 in 2016-2017, the first full year of operations, which exceeds the CSU benchmark of 1.10 for the program. When combining the project with information for all campus pledged revenue programs, the campus' overall net revenue debt service coverage for the first full year of operations is projected to be 1.85, which exceeds the CSU benchmark of 1.35 for the campus. Exceeding the benchmark is desirable.

Trustee Resolutions and Recommended Action

Orrick, Herrington & Sutcliffe LLP, as bond counsel, is preparing resolutions to be presented at this meeting that authorize interim and permanent financing for the projects described in this agenda. The proposed resolutions will be distributed at the meeting and will achieve the following:

1. Authorize the sale and issuance of Systemwide Revenue Bond Anticipation Notes and/or the related or stand-alone sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds in an aggregate amount not-to-exceed \$173, 705,000 and certain actions relating thereto.
2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services;

and the acting deputy assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

Approval of the financing resolutions for the project as described in this Agenda Item 4 of the Committee on Finance at the September 9-10, 2014, meeting of the CSU Board of Trustees is recommended for:

California State University, Northridge Extended Learning Building

San Diego State University South Campus Plaza

Sonoma State University Joan and Sanford I. Weill Commons

COMMITTEE ON FINANCE

California State University Annual Investment Report

Presentation By

George V. Ashkar
Assistant Vice Chancellor/Controller
Financial Services

Summary

This item provides the annual investment report for fiscal year 2013-2014 for funds managed under the California State University Investment Policy.

Background

The bulk of CSU funds are invested through the CSU Systemwide Investment Fund-Trust (SWIFT), which was established in July 2007 for the purpose of enhancing centralized cash and investment management. On a daily basis, net investable cash, from the Chancellor's Office and campus-controlled bank depository and disbursement accounts, is pooled and moved into SWIFT for investment. All SWIFT cash and securities are held by US Bank, the custodian bank for SWIFT, and for investment management purposes, the SWIFT portfolio is divided equally between two investment management firms, US Bancorp Asset Management and Wells Capital Management.

The State Treasurer also provides investment vehicles that may be used for CSU funds. The Surplus Money Investment Fund (SMIF) is used by the State Treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool. Pursuant to an agreement with the state, CSU maintained a minimum balance of approximately \$310 million in the SMIF during the fiscal year 2013-2014 to assist in the funding of payroll. The Local Agency Investment Fund (LAIF) is used by the State Treasurer to invest local agency funds. For 2013-2014, the CSU did not invest funds in LAIF. The year-end results for these two funds are reported in Attachment A.

The California State University Investment Policy in effect during fiscal year 2013-2014 is included as Attachment B.

Information Item

Agenda Item 5

September 9-10, 2014

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Market Summary

For the fiscal year ending June 30, 2014, U.S. Gross Domestic Product grew at a 2.4% rate. Stronger growth helped the unemployment rate fall from 7.5% at the end of June 2013 to 6.1% at the end of June 2014, with non-farm payrolls adding a solid 2.5 million jobs over the past twelve months. Inflation continued to remain well within the Federal Reserve's (Fed) 2% target range with the May 2014 Personal Consumption Expenditure Core Index increasing 1.5% year-over-year. While still comfortably below the 2% target, inflation measures began to trend upward in the latter months of the fiscal year.

In January, Janet Yellen took over as Chair of the Federal Reserve from Ben Bernanke. As Vice-Chair of the Fed under Mr. Bernanke, Ms. Yellen had significant influence on the Fed's monetary policies and the change in leadership did little to alter the path of monetary policy. The Fed maintained the federal funds target rate in the 0.00% to 0.25% range, the same level targeted since December 2008. Also in January, the Fed began to taper its monthly asset purchases of \$40 billion in agency mortgage-backed securities and \$45 billion in U.S. Treasuries by \$5 billion each, a pace that will end the asset purchase program by October 2014. Toward the end of the fiscal year, guidance from members of the Federal Open Market Committee increased the probability and accelerated the timing of potential future rate hikes with 13 of 16 members forecasting a rate increase in 2015.

Credit market conditions were generally favorable in the fiscal year with credit spreads tightening for most of the year. Strong demand from investors seeking additional yield outstripped the supply of net new issuance of debt from high-quality corporations and banks. Fundamental credit quality remained solid and access to the capital markets remained high for investment-grade issuers.

Investment Account Performance

As of June 30, 2014, the asset balance in the SWIFT portfolio totaled \$2.83 billion. The objective of SWIFT is to maximize current income while preserving and prioritizing asset safety and liquidity. Consistent with the California State University Investment Policy and state law, the portfolio is restricted to high quality, fixed income securities.

As of June 30, 2014, the SWIFT portfolio's holdings by asset type were as follows:

Asset Breakdown as of
 June 30, 2014

Cash	0.27%
US Treasuries	28.20%
US Government Agencies	27.92%
Corporate Securities—Long Term	36.82%
Corporate Securities—Short Term	<u>6.79%</u>
	100.00%

The SWIFT portfolio provided a return of 0.87% during the 12 months ended June 30, 2014. This return was greater than the benchmark for the portfolio, which is a treasury based index.

	<u>SWIFT Portfolio</u>	<u>SWIFT Benchmark¹</u>	<u>LAIF²</u>
1 Month Return	-0.008%	-0.027%	N/A
3 Months Return	0.212%	0.196%	0.057%
12 Months Return	0.866%	0.574%	0.249%
Annualized Return since SWIFT Inception	1.471%	2.022%	1.236%

¹ Bank of America Merrill Lynch 0-3 Year Treasury Index

² LAIF investment returns are provided for reference only.

Surplus Money Investment Fund (SMIF)

The Surplus Money Investment Fund (SMIF) is a vehicle used and managed by the State Treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool. Cash in this account is available on a daily basis. The portfolio's composition includes CD's and Time Deposits, U.S. Treasuries, Commercial Paper, Corporate Securities, and U.S. Government Agencies. As of June 30, 2014, the amount of CSU funds invested in SMIF was approximately \$346 million.

SMIF Performance

Apportionment Annualized Return		Quarterly Apportionment Yield Rate FYE 06/30/04 - FYE 06/30/14	
FYE 06/30/14	0.24%	Average	1.96%
FYE 06/30/13	0.30%	High	5.24%
		Low	0.22%

Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a vehicle used and managed by the State Treasurer to invest local agency funds. All investments are purchased at market, and market valuation is conducted quarterly. As of June 30, 2014, there were no CSU funds invested in LAIF.

LAIF Performance

Apportionment Annualized Return		Quarterly Apportionment Yield Rate FYE 06/30/04 - FYE 06/30/14	
FYE 06/30/14	0.25%	Average	1.97%
FYE 06/30/13	0.31%	High	5.25%
		Low	0.23%

The California State University Investment Policy

The following investment guidelines have been developed for use when investing California State University funds.

Investment Policy Statement

The objective of the investment policy of the California State University (CSU) is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return. The Board of Trustees desires to provide the Chancellor and his designees with the greatest possible flexibility to maximize investment opportunities. However, as agents of the trustees, the Chancellor and his designees must recognize the fiduciary responsibility of the trustees to conserve and protect the assets of the portfolios, and by prudent management prevent exposure to undue and unnecessary risk.

When investing CSU funds, the primary objective of the CSU shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the CSU. The third objective shall be to return an acceptable yield.

Investment Authority

The CSU may invest monies held in local trust accounts under Education Code Sections 89721 and 89724 in any of the securities authorized by Government Code Sections 16330 and 16430 and Education Code Section 89724 listed in Section A, subject to limitations described in Section B.

A. State Treasury investment options include:

- Surplus Money Investment Fund (SMIF)
- Local Agency Investment Fund (LAIF)
- State Agency Investment Fund (SAIF)

Eligible securities for investment outside the State Treasury, as authorized by Government Code Section 16430 and Education Code Section 89724, include:

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States;
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States;

- Bonds or warrants of any county, city, water district, utility district or school district;
 - California State bonds, notes, or warrants, or bonds, notes, or warrants with principal and interest guaranteed by the full faith and credit of the State of California;
 - Various debt instruments issued by: (1) federal land banks, (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank Bd., (4) Federal National Mortgage Association, (5) Federal Home Loan Mortgage Corporation, and (6) Tennessee Valley Authority;
 - Commercial paper exhibiting the following qualities: (1) “prime” rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000, (4) approved by the PMIB. Investments must not exceed 10 percent of corporation’s outstanding paper, and total investments in commercial paper cannot exceed 30 percent of an investment pool;
 - Bankers’ acceptances eligible for purchase by the Federal Reserve System;
 - Certificates of deposit (insured by FDIC, FSLIC or appropriately collateralized);
 - Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration;
 - Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration;
 - Student loan notes insured by the Guaranteed Student Loan Program;
 - Debt issued, assumed, or guaranteed by the Inter-American Development Bank, Asian Development Bank or Puerto Rican Development Bank;
 - Bonds, notes or debentures issued by U.S. corporations rated within the top three ratings of a nationally recognized rating service;
- B. In addition to the restrictions established in Government Code Section 16430, the CSU restricts the use of leverage in CSU investment portfolios by limiting reverse repurchase agreements used to buy securities to no more than 20 percent of a portfolio.

Furthermore, the CSU:

- Prohibits securities purchased with the proceeds of a reverse repurchase from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding;
- Limits reverse repurchase agreements to unencumbered securities already held in the purchased with the proceeds of the repurchase (but in any event not more than one year) and;
- Limits reverse repurchase agreements to unencumbered securities already held in the portfolio.

Investment Reporting Requirements

Annually, the Chancellor will provide to the Board of Trustees a written statement of investment policy in addition to a report containing a detailed description of the investment securities held by the CSU, including market values.

(Approved by the CSU Board of Trustees in January 1997; and as amended in September 2011 and November 2013)

AGENDA

JOINT MEETING OF THE COMMITTEES ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 1:30 p.m., Tuesday, September 9, 2014
Glenn S. Dumke Auditorium

Committee on Finance

Roberta Achtenberg, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Rebecca D. Eisen
Debra S. Farar
Margaret Fortune
Lupe C. Garcia

**Committee on Capital Planning,
Buildings and Grounds**

J. Lawrence Norton, Chair
Rebecca D. Eisen, Vice Chair
Talar Alexanian
Adam Day
Lillian Kimbell
Steven G. Stepanek

Consent Items

Approval of Minutes of Meeting of July 22, 2014

Discussion

1. New Capital Financing Authority and Revisions to the California State University Policy for Financing Activities, *Information*

**MINUTES OF THE MEETING OF JOINT
COMMITTEES ON FINANCE AND CAPITAL PLANNING,
BUILDINGS AND GROUNDS**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

July 22, 2014

Members Present

Finance Committee

Roberta Achtenberg, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Rebecca D. Eisen
Debra S. Farar
Margaret Fortune
Lou Monville, Chair of the Board
Timothy P. White, Chancellor

Campus Planning, Buildings and Grounds Committee

Rebecca D. Eisen, Vice Chair
Talar Alexanian
Adam Day
Lillian Kimbell
Steven G. Stepanek
Lou Monville, Chair of the Board
Timothy P. White, Chancellor

Trustee Achtenberg called the meeting to order.

Approval of Minutes

The minutes of May 20, 2014 were approved by consent as submitted.

**Report on 2014-2015 State Funded Capital Outlay Program and Capital Financing Authority,
*Information Item***

Mr. Steve Relyea, Executive Vice Chancellor and Chief Financial Officer addressed the board stating that, in late June, capital financing changes granting the new capital financing authorities to the CSU were approved as part of the 2014-2015 Budget Act. Mr. Relyea introduced Vi San

Juan, Assistant Vice Chancellor for Capital Planning, Design and Construction, Ryan Storm, Interim Assistant Vice Chancellor for Budget, and Robert Eaton, Acting Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management to provide additional details preliminary thoughts on how the CSU will utilize these new authorities with the goal of presenting formal recommendations for action on program structure and policy to the Board at its September meeting.

Mr. Storm stated that the annual principal and interest on state bonds that have been issued on behalf of the CSU in the form of General Obligation (GO) and State Public Works Board (PWB) debt service have been shifted from the State to the CSU on a permanent basis beginning with the 2014-2015 fiscal year. In order to accommodate this shift, the CSU general fund support budget has been increased by \$297 million in fiscal year 2014-2015. In addition, the Department of Finance has provided the CSU with a signed letter committing to a \$20 million permanent, ongoing increase to the CSU support budget by 2017-2018, or an overall, permanent shift that begins at \$297 million in 2014-15 and that grows and permanently remains at \$317 million. As presented previously, the \$297 proposal was not sufficient to cover the debt service in five of the first seven years. This Department of Finance commitment will help eliminate much of that shortfall.

Mr. Storm noted that the CSU also received a number of new statutory authorities. The new authorities allow the CSU to pledge its annual general fund support budget to secure CSU debt issued pursuant to the State University Revenue Bond Act of 1947. This is the same authority under which the CSU's Systemwide Revenue Bond (SRB) program had been created. The use of the general fund support budget to fund academic buildings and infrastructure projects, and to refund, restructure, or retire PWB bond debt would be limited to 12 percent of the general fund support budget. Similarly, the funding of pay-as-you-go projects would fall within the same 12 percent limitation.

Ms. San Juan stated that the legislation also provided the State Fire Marshal with the authority to delegate the enforcement of building standards related to fire and panic safety to the CSU. As a result training will be increased with the goal of securing State Fire Marshal recognition of a designated Campus Fire Marshal to serve one or more campuses. It is estimate that one-third of the current State Fire Marshall cost is for travel costs alone, thus initial savings are estimated at more than \$500,000 per year.

Mr. Eaton stated that with respect to program structure, staff recommended that the CSU utilize the new authorities by working through the existing Systemwide Revenue Bond program. As previously presented to the Board, the SRB program is an established program with legal documentation and internal program administration already in place. He also noted that staff recommended that the capital financing resources available under the new authorities be managed centrally, with the Chancellor's Office reviewing campus needs and providing recommendations to the Board on the prioritization of campus projects eligible for financing

under the new authorities. Staff also recommends that some flexibility be permitted to allow campuses to manage their own revenue resources for individual projects.

Mr. Eaton reported that in terms of the next steps, utilizing input from the Board, staff would continue evaluating the new authorities with the intent of returning to the Board in September for action on program structure and policy, including a recommendation on which new revenues to add to the SRB pledge. By January 2015, staff will plan to finalize the additional program structure and policy details through the Chancellor's Executive Order process and present a slate of projects for approval by the Board. Issuance of debt under the new authorities would be targeted for spring 2015.

Chancellor White pointed out that this authority and the transference of resources do not provide resources to address existing deferred maintenance. He added that responded that going forward the CSU needs to find a way to finance the opportunity they now have the authority to exercise.

Trustee Glazer stated there are incredible demands for capital in the system, not just repairs but facilities that have a 20-40 year life cycle. He added that when the CSU makes the choices to borrow, there may be a chance that the state will not be able to provide the resources that are needed. This may require tuition increases or not providing faculty and staff pay increases in order to pay for the gap.

Trustee Monville thanked the staff for their excellent work in addressing the challenges in the new system and its impact on the CSU. He appreciated the sensitivity in making sure the Board recognizes that there are many moving parts. Regarding the Fire Marshal responsibilities, he inquired about the new liabilities, insurance responsibility, training and personal development for the staff involved. He stated that when the policy comes forward, he would like the board to be sensitive and understand the significance of the new responsibilities. He added that the Board takes the safety of students, faculty and staff seriously and wanted to make sure the Board had a full robust understanding.

Chair Achtenberg reported that she and Trustee Glazer would be working quite actively with Chancellor White, Mr. Relyea, and his staff to address concerns. She added they are working diligently to ensure that the plan put before the Board in September projects future spending needs and how to address them.

Trustee Achtenberg thanked the staff on behalf of the Board for all their hard work. A related action item will be coming back to the Board at its September meeting.

JOINT MEETING

**COMMITTEES ON FINANCE AND
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

New Capital Financing Authority and Revisions to the California State University Policy for Financing Activities

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Ryan Storm
Interim Assistant Vice Chancellor
Budget

Robert Eaton
Acting Deputy Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

This item provides information to the California State University Board of Trustees regarding the new capital financing authorities granted to the CSU by statute in June 2014. This item provides an update to the preliminary recommendations presented to the board as an information item at the July 2014 meeting, including a new recommendation to delegate authority to the chancellor to determine which new revenues (under the new capital financing authorities) will be pledged to secure CSU debt and when those new revenues will be pledged. In order to assist the board in evaluating this new recommendation, this item provides information on the main revenue pledge options available under the new authorities and the potential impact of these options. Proposed revisions to the CSU Policy for Financing Activities (RFIN 03-02-02) reflecting these recommendations are provided in Attachment A.

In addition, a draft list of projects to be financed in 2014-2015 is provided in Attachment B. The trustees will be asked to approve the financing at a later date.

Background

At the July 2014 meeting, the board received information on new capital financing authorities approved by the State legislature in June 2014. These new authorities (Education Code Sections 89770-89774, 90083) include:

- a) Authority for the CSU to pledge, in addition to any of its other revenues, its annual general fund support budget appropriation, less the amount of that appropriation required by the State to meet State General Obligation and State Public Works Board debt service, to secure CSU debt issued pursuant to the State University Revenue Bond Act of 1947¹ ('47 Bond Act). The new authority also provides that the state will not restrict or impair the CSU's ability to pledge its annual general fund support budget appropriation, as long as any debt supported by the pledge remains outstanding.

Under this provision, no more than twelve percent of the annual general fund support budget appropriation may be used to: (a) fund debt service for capital expenditures; and (b) fund capital expenditures on a pay-as-you-go basis. With respect to this twelve percent limitation, capital expenditures generally means academic facilities, deferred maintenance, critical infrastructure, and any refinancing of State Public Works Board debt.

- b) Flexibility under the '47 Bond Act that allows the CSU to utilize the new authorities through its existing Systemwide Revenue Bond (SRB) program.
- c) Ability to refinance State Public Works Board bond debt with CSU debt.
- d) Streamlining of the project submittal process to the Department of Finance and the legislature.

At the July 2014 meeting, the board also heard preliminary recommendations on how to implement the new capital financing authorities, including recommendations on program structure and revisions to debt policy. These recommendations included the following:

- a) Utilize the new capital financing authorities by working through the CSU's existing SRB program, an established, well-rated, and well known debt program. By working through the SRB program, the costs and the speed of development will be less compared to the creation of a new, stand-alone debt program.

¹ The State University Revenue Bond Act of 1947 is the authority under which the CSU's Systemwide Revenue Bond program has been created.

- b) Given that the new revenue sources available to support debt under the new authorities will be limited (i.e. that portion of operating funds allocated by the board to support the financing of deferred maintenance and critical infrastructure needs), centrally manage the capital financing resource generated under the new authorities as a strategic resource with some flexibility to permit campuses to manage their own resources for individual projects in the future. With this approach in mind, the prioritization of campus projects eligible for financing under the new authorities will remain a function of the CSU Office of the Chancellor to evaluate campus needs and provide recommendations to the board on project priorities.
- c) Due to the varying nature (complexity, dollar amount, project type) of campus financed projects, allow campuses to make use of pay-as-you-go funds and/or reserves to reduce the amount of debt issued and speed project implementation.
- d) Refinance any State Public Works Board debt into the SRB program in accordance with existing CSU debt policy—i.e. when the refinancing generates net present value savings.
- e) Consistent with the existing CSU Policy for Financing Activities (RFIN 03-02-02), delegate authority to the chancellor to develop and establish other debt structure and policy changes (e.g. debt service coverage ratios) needed to utilize the new capital financing authorities through the SRB program.

Use of Operating Funds for Capital Outlay Program

As reported to the board earlier, the increase in capital financing authority provides the CSU with a tool to address its facilities infrastructure needs absent the availability of state capital financing. Of the \$142 million CSU general fund base budget increase in 2014-2015, \$10 million has been budgeted for deferred maintenance and critical infrastructure needs. It is estimated that the \$10 million could generate an estimated \$130 million in financing proceeds to address the backlog of needed improvements, repairs and renewal of buildings and utility systems.

As presented to, and discussed by the board at its March 2014 and May 2014 meetings, the level of new base funding provided by the state to address capital needs (the \$297 million to cover state general obligation and State Public Works Board bond debt service) is not adequate. In those meetings, analysis indicated that a minimum of \$100 million more in revenue would be needed to support enough debt issuance to reduce the deferred maintenance backlog. Absent the appropriate resourcing for facility needs, the CSU continues to work to secure one-time funding to address the deferred maintenance backlog so that we can safely operate our buildings and provide an environment conducive to learning.

In this context, long term capital planning will be critical to ensure that the new capital financing authorities address the CSU's needs. This planning will need to address multiple areas including

the prioritization of capital projects, risk identification and mitigation, impact on credit ratings, and the cost of capital. Most importantly, this planning will need to identify the sources of revenue (those to be generated by the CSU and/or those to be provided by the state in the future) that will be required to support debt at levels that prudently, but adequately, address the CSU's capital needs.

Delegation of Pledge Authority to the Chancellor and Discussion of Key Pledge Options

In order to maximize flexibility to the CSU in implementing the new capital financing authorities, staff recommends that the board delegate authority to the chancellor to determine which new revenues will be pledged to secure CSU debt and when those new revenues will be pledged. However, should the board wish to make decisions on which new revenues will be pledged and when, the main revenue pledge options and the implications of each choice are presented for consideration by the board.

Under the new capital financing authorities, the CSU presently has two main sources of revenue for consideration as possible pledge options: (1) the general fund support budget appropriation, less any amount required to meet State General Obligation and State Public Works Board debt service; or (2) student tuition fees under the authority allowing the CSU to pledge any of its other revenues.

Pledging the general fund support budget appropriation comes with certain restrictions and requirements that will limit the CSU's capital financing flexibility. First, only twelve percent of the general fund support budget appropriation, less any amount required to meet State General Obligation and State Public Works Board debt service, may be used to fund academic facilities as noted above. (The twelve percent restriction does not apply with respect to supporting debt service on revenue generating projects historically financed by the SRB program.) Initially, this restriction may not have a material impact on the CSU's ability to fund capital projects, since the amount of funds the board has earmarked in its budget for capital funding (\$10 million for 2014-2015) would be well within a twelve percent limit (approximately \$290 million for 2014-2015). However, overtime, as the CSU's capital funding needs grow and more amounts within future CSU budgets are earmarked for capital purposes, the twelve percent limit could impair the CSU's ability to fully address its capital needs.

Second, if the general fund support budget appropriation is pledged, projects would still need to be submitted to the Department of Finance and the legislature for approval, a process that could impair the timing of capital financing as well as restrict the types of project the CSU may wish to fund.

Third, the general fund is not a revenue source that the CSU controls and one that would continue to be subject to possible fluctuations based upon future budget decisions of the state legislature. The new capital financing legislation does provide that the state will not restrict or

impair the CSU's ability to pledge its annual general fund support budget appropriation, as long as any debt supported by the pledge remains outstanding, however, "restrict or impair" has not been defined further by the legislation and could be subject to interpretation.

The restrictions and requirements that come with pledging the general fund support budget appropriation would not apply if the CSU chose to pledge student tuition fees (or any other revenues), thus pledging student tuition fees would provide the CSU with more capital financing flexibility. The primary consideration with pledging student tuition fees would be possible political issues with the Department of Finance, the state legislature, and/or certain CSU constituencies such as faculty or students.

It is important to note that the CSU may also choose to pledge both the general fund support budget appropriation and student tuition fees. The CSU may also choose to forego pledging new revenues for some period of time, if the CSU is in a position to address capital needs without the need to immediately pledge new revenues. Also, an additional important consideration that applies to any source of revenue pledged to the repayment of CSU debt is that, once the pledge is made, it essentially cannot be rescinded.

The board may choose to restrict the chancellor to pledging a single fund source for capital debt financing such as either general funds or tuition. However given the factors outlined above and our inability to predict financial circumstances in the years ahead, staff recommends that the chancellor have the authority to pledge the appropriate sources of funds.

Restructuring of State Public Works Board Debt

Current CSU policy provides that the refinancing of debt should generate net present value savings and, as noted above with respect to State Public Works Board debt that may be refinanced with CSU debt, this has been presented as a preliminary recommendation of staff. However, in the context of long term capital planning and the need to look for ways to generate resources to meet capital needs, a more comprehensive restructuring of the State Public Works Board bond debt may be appropriate. Such a restructuring would defer existing debt service and free up cash flow to meet critical near term needs. Staff will continue to evaluate restructuring options with the goal of returning to the board at a future meeting with recommendations for financing approval.

All other preliminary recommendations presented to the board at the July 2014 meeting remain unchanged.

Revisions to Debt Policy and Future Action by the Board

Attachment A is a version of the existing CSU Policy for Financing Activities (RFIN 03-02-02), amended to reflect revisions made in accordance with the recommendations outlined above,

using *italics* for proposed new language and ~~strikethroughs~~ for deletions. *Italics* and ~~strikethroughs~~ in black reflect changes presented to the board at the July meeting. *Italics* and ~~strikethroughs~~ in blue reflect changes presented to the board at this meeting, as well as refinements made since the July 2014 meeting.

Based upon input from the board, staff would propose to return to the board at a future meeting for action on program structure, including pledge authority, and policy.

2014-2015 Capital Projects to be Financed Using Operating Funds

Attachment B, on page 1 of 2, includes the State Funded Capital Outlay Program 2014/2015 Priority List totaling \$456.4 million as approved by the board in November 2013. A column has been added to identify the projects proposed to be financed from equipment lease financing and the new CSU capital financing authority using \$10 million in operating funds. The list of projects totals \$133.7 million.

The projects proposed to be funded from the new financing authority are listed on page 2 of Attachment B, and comprise the Systemwide Infrastructure Improvements program (as noted on page 1, Rank Order 2), that totals \$103.7 million of the total \$133.7 million program.

As the capital program was previously approved by the board, this list is provided for information on the projects that are proposed for financing using operating funds. At a future date (perhaps January 2015), it is anticipated the board will be asked to consider for approval the financing of the Systemwide Infrastructure Improvement program using the new authority.

**California State University Policy for Financing
Activities Board of Trustees' Resolution**

WHEREAS, The Board of Trustees of The California State University ("the Board" or "the Trustees") finds it appropriate and necessary to use various debt financing programs afforded to it through the methods statutorily established by the legislature, and to use to its advantage those programs available to it through debt financing by recognized auxiliary organizations of the California State University; and

WHEREAS, The Board wishes to establish and maintain policies that provide a framework for the approval of financing transactions for the various programs that enable appropriate oversight and approval by the Trustees; and

WHEREAS, Within a policy framework, the Board desires to establish appropriate delegations that enable the efficient and timely execution of financing transactions for the CSU and its recognized auxiliary organizations in good standing; and

WHEREAS, The Board recognizes that there is a need from time to time to take advantage of rapidly changing market conditions by implementing refinancings that will lower the cost of debt financing for the CSU and its auxiliary organizations and that such refinancings could be better implemented by reducing the time required to authorize such refinancings; and

WHEREAS, The Board finds it appropriate to establish the lowest cost debt financing programs for the CSU, and to use the limited debt capacity of the CSU in the most prudent manner; and

WHEREAS, There are certain aspects of the tax law related to the reimbursement of up-front expenses from tax-exempt financing proceeds that would be more appropriately satisfied through a delegation to the Chancellor without affecting the Trustees' ultimate approval process for such financings; now, therefore be it

RESOLVED, by the Board of Trustees of The California State University as follows:

Section 1. General Financing Policies

1.1 The State University Revenue Bond Act of 1947 (Bond Act) and *Education Code Sections 89770-89774 (EC 89770-89774)* provides the Board of Trustees with the ability to acquire, construct, *finance*, or refinance projects funded with debt instruments repaid from various revenue sources.

1.2 The long-term debt programs of the Board of Trustees established pursuant to the Bond Act *and EC 89770-89774* shall be managed by the Chancellor to credit rating standards in the "A" category, *at minimum*.

1.3 The intrinsic rating of any debt issued by the Trustees shall be at investment grade or better.

1.4 The Trustees' debt programs should include the prudent use of variable rate debt and commercial paper to assist with lowering the overall cost of debt.

1.5 The Trustees' programs shall be designed to improve efficiency of access to the capital markets by consolidating ~~revenue~~ bond programs where possible.

1.6 The Chancellor shall develop a program to control, set priorities, and plan the issuance of all long-term debt consistent with the *state and non-state funded* five-year ~~non-state~~ capital outlay program.

1.7 The Chancellor shall annually report to the Trustees on the activity related to the issuance of long-term debt.

Section 2. Financing ~~Program~~ Structure of the CSU's Debt Programs

2.1 To use the limited debt capacity of CSU in the most cost effective and prudent manner, all on-campus student, faculty, and staff rental housing, parking, student union, health center, and continuing education capital projects will be financed by the Trustees using a broad systemwide multi-source revenue pledge under the authority of the Bond Act *and EC 89770-89774* in conjunction with the respective authority of the Trustees to collect and pledge revenues.

Other ~~revenue-based~~ on-campus and off-campus projects, *including academic and infrastructure support projects*, will also be financed through this ~~program~~ *and structure under the authority of the Bond Act and EC 89770-89774*, unless there are compelling reasons why a project could not or should not be financed through this ~~program~~ *structure* (see Section 3 below).

2.2 The Chancellor is hereby authorized to determine which revenues may be added to the broad systemwide multi-source revenue pledge under the authority of the Bond Act and EC 89770-89774 and to determine when such revenues may be added.

2.23 The Chancellor shall establish minimum debt service coverage and other requirements for Bond Act *and EC 89770-89774* financing transactions and/or for the related campus programs, which shall be used for implementation of the Trustees' debt programs. The Chancellor shall also define and describe the respective campus program categories.

2.34 The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized and directed, for and in the name and on behalf of the Trustees, to take any and all actions necessary to issue bonds pursuant to the Bond Act to acquire or construct projects. Authorized Representatives of the Trustees, with the advice of the General Counsel, are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, bond indentures, official statements and all other documents, certificates, agreements and information necessary to accomplish such financing transactions.

2.45 The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the ~~Senior Director of Financing and Treasury~~ *Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management*, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized and directed, for and in

the name and on behalf of the trustees, to take any and all actions necessary to refinance any existing bonds issued pursuant to the Bond Act of 1947 *and/or EC 89770-89774* if the refinancing transaction will result in net present value savings, as determined by an Authorized Representative of the Trustees and which determination shall be final and conclusive. Authorized Representatives of the Trustees, *with the advice of the General Counsel*, are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, bond indentures, official statements and all other documents, certificates, agreements and information necessary to accomplish such refinancing transactions.

Section 3. Other Financing Programs

3.1 The Board recognizes that there may be projects, or components of projects, that a campus wishes to construct that are not advantaged by, or financing is not possible, or is inappropriate for ~~the~~ a Bond Act *and/or EC 89770-89774* financing program. A campus president may propose that such a project be financed as an auxiliary organization or third party entity financing, if there is reason to believe that it is more advantageous for the transaction to be financed in this manner than through ~~the~~ a Bond Act *and/or EC 89770-89774* financing program.

3.1.1 Such financings and projects must be presented to the Chancellor for approval early in the project's conceptual stage in order to proceed. The approval shall be obtained prior to any commitments to other entities.

3.1.2 These projects must have an intrinsic investment grade credit rating, and shall be presented to the Trustees to obtain approval before the financing transaction is undertaken by the auxiliary organization or other third party entity.

3.1.3 If a project is approved by the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the ~~Senior Director of Financing and~~

~~Treasury~~ *Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management*, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to assist with the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

3.2 The Chancellor may require campus presidents to establish campus procedures applicable to campus auxiliary organizations for the issuance of debt instruments to finance or to refinance personal property with lease purchase, line-of-credit, or other tax-exempt financing methods. The procedures issued by the Chancellor need not contain a requirement for approval of the Trustees or the Chancellor but may include authority for campus presidents to take all actions to assist the auxiliary organization on behalf of the Trustees to complete and qualify such financing transactions as tax-exempt.

Section 4. State Public Works Board Lease Revenue Financing Program

4.1 The authorizations set forth in this section shall be in full force and effect with respect to any State Public Works Board project which has been duly authorized by the Legislature in a budget act or other legislation and duly signed by the Governor and which is then in full force and effect.

4.2 The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the ~~Senior Director of Financing and Treasury~~ *Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management*, and *Assistant Vice Chancellor for Capital Planning, Design and Construction* each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in

the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all construction agreements, equipment agreements, equipment leases, site leases, facility leases and other documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to provide for the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

Section 5. Credit of the State of California

5.1. The delegations conferred by this resolution are limited and do not authorize the Chancellor or other Authorized Representatives of the Trustees to establish any indebtedness of the State of California, the Board of Trustees, any CSU campus, or any officers or employees of any of them. Lending, pledging or otherwise using the credit established by a stream of payments to be paid from funds appropriated from the State of California for the purpose of facilitating a financing transaction associated with a capital project is permitted only if specifically authorized by a bond act or otherwise authorized by the legislature.

Section 6. Tax Law Requirement for Reimbursement of Project Costs

6.1 For those projects which may be financed under the authority of the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the ~~Senior Director of Financing and Treasury~~ *Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management*, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized to make declarations on behalf of the Trustees solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the U.S. Treasury Regulations; provided, however that any such declaration:

6.1.1 Will not bind the Trustees to make any expenditure, incur any indebtedness, or proceed with the project or financing; and

6.1.2 Will establish the intent of the Trustees at the time of the declaration to use proceeds of future indebtedness, if subsequently authorized by the Trustees, to reimburse the Trustees for expenditures as permitted by the U.S. Treasury Regulations.

Section 7. Effective Date and Implementation

7.1 Within the scope of this financing policy, the Chancellor is authorized to further define, clarify and otherwise make and issue additional interpretations and directives as needed to implement the provisions of this policy.

7.2 This resolution supersedes RFIN ~~11-98-18~~ 03-02-02 and shall take effect immediately. ~~However, the Chancellor shall have the authority to authorize on a individual basis, auxiliary organization projects that are in the planning stage as of the adoption of this policy to proceed under the previous policy in order to prevent situations that would result in additional project costs or additional time to completion.~~

FINAL CSU/State Funded Capital Outlay Program 2014/15 Priority List

Cost Estimates are at Engineering News Record California Construction Cost Index 6151 and Equipment Price Index 3202

Rank Order	Category	Campus	Project Title	FTE		Total Request	Funds to Complete	Cumulative Amount	Enacted 2014/15 State Budget	Proposed CSU Funding
1	IA	Fresno	Electrical Infrastructure Upgrade	N/A	wC	30,000,000	0	30,000,000		30,000,000
2	IA	Statewide	Infrastructure Improvements	0	PWC	300,000,000	0	330,000,000		103,674,000
3	IA	Statewide	Minor Capital Outlay	0	PWC	50,000,000	0	380,000,000		
4	IA	Statewide	Mitigation of Off-Campus Impacts	0	PWC	1,400,000	0	381,400,000		
5	II	Monterey Bay	Academic Building II	N/A	E	1,965,000	0	383,365,000	1,965,000	
6	II	Chico	Taylor II Replacement Building	N/A	E	2,740,000	0	386,105,000	2,740,000	
7	IA	East Bay	Warren Hall Replacement Building	N/A	E	1,061,000	0	387,166,000	1,061,000	
8	IA	Humboldt	Seismic Upgrade, Library	N/A	PWC	5,136,000	0	392,302,000		
9	IA	Los Angeles	Seismic Upgrade, State Playhouse Theatre	N/A	PWC	1,156,000	0	393,458,000		
10	IA	Humboldt	Seismic Upgrade, Van Duzer Theatre	N/A	PWC	7,604,000	0	401,062,000		
11	IB	Los Angeles	Utilities Infrastructure	N/A	P	1,097,000	29,831,000	402,159,000		
12	IB	Long Beach	Utilities Infrastructure Improvements ◊	N/A	P	860,000	26,823,000	403,019,000		
13	IB	San Diego	Utilities Upgrade, Phase IA	N/A	P	1,728,000	50,520,000	404,747,000		
14	IB	San Bernardino	Utilities Infrastructure	N/A	PW	2,325,000	30,953,000	407,072,000		
15	IB	Bakersfield	Faculty Towers Replacement Building (Seismic)	350	P	610,000	20,708,000	407,682,000		
16	IB	Monterey Bay	Infrastructure Improvements, Phase II	N/A	PW	1,919,000	34,813,000	409,601,000		
17	IB	San Francisco	Creative Arts Replacement Building ◊	1,296	P	1,704,000	42,652,000	411,305,000		
18	IB	Sacramento	Science II Replacement Bldg, Phase II ◊	-1,583	PW	4,558,000	82,445,000	415,863,000		
19	IB	San Diego	IVC North Classroom Building Renovation	N/A	PWC	1,306,000	0	417,169,000		
20	IB	Dominguez Hills	Cain Library Renovation (Seismic)	N/A	P	1,420,000	40,001,000	418,589,000		
21	IB	Fullerton	Physical Services Complex Replacement	N/A	P	761,000	28,634,000	419,350,000		
22	IB	Humboldt	Jenkins Hall Renovation	15	P	312,000	9,188,000	419,662,000		
23	II	Channel Islands	Chaparral Hall Art Classrooms/Laboratory	294	P	899,000	24,548,000	420,561,000		
24	IB	East Bay	Library Renovation (Seismic)	N/A	P	1,584,000	49,802,000	422,145,000		
25	IB	Chico	Siskiyou II Science Replacement Building	31	P	2,445,000	79,068,000	424,590,000		
26	II	Sonoma	Professional Schools Building	513	P	1,081,000	38,893,000	425,671,000		
27	II	Maritime	Learning Commons/Library Addition	N/A	P	779,000	24,606,000	426,450,000		
28	IB	San José	Nursing Building Renovation	155	P	456,000	15,594,000	426,906,000		
29	II	San Luis Obispo	Academic Center/Library ◊	401	P	1,683,000	92,476,000	428,589,000		
30	IB	Stanislaus	Library Renovation (Seismic)	-15	P	1,432,000	48,237,000	430,021,000		
31	IB	Northridge	Sierra Hall Renovation	N/A	PW	3,998,000	60,091,000	434,019,000		
32	IB	Pomona	Electrical Upgrade	N/A	PWC	22,369,000	0	456,388,000		
Total				1,457		\$ 456,388,000	\$ 829,883,000	\$ 456,388,000	\$ 5,766,000	\$ 133,674,000

Categories: I Existing Facilities/Infrastructure
 A. Critical Infrastructure Deficiencies
 B. Modernization/Renovation
 II New Facilities/Infrastructure

◊ This project is dependent upon state and non-state funding.

P = Preliminary plans W = Working drawings C = Construction E = Equipment

PROPOSED CSU Financed Infrastructure Improvements Capital Outlay Program 2014/15

Cost Estimates are at Engineering News Record California Construction Cost Index 6151 and Equipment Price Index 3202

Rank Order	Campus	Project Title	Phase	CSU Funded	Funds to Complete	Cumulative Amount
1	Bakersfield	PE Building HVAC/Roof Replacement	C	389,000	0	389,000
2	Bakersfield	Nursing Building HVAC Replacement	PWC	1,100,000	0	1,489,000
3	Channel Islands	Steam Heating System Replacement	PWC	240,000	0	1,729,000
4	Channel Islands	Electrical Panel Upgrades	PWC	301,000	0	2,030,000
5	Channel Islands	Napa Hall Roof Replacement	PWC	315,000	0	2,345,000
6	Channel Islands	Lindero Hall Roof Replacement	PWC	500,000	0	2,845,000
7	Chico	Boiler Replacement, Ph. 1	PWc	3,383,000	1,621,000	6,228,000
8	Dominguez Hills	Central Plant Cooling Tower Replacement, Ph. 1	PWc	1,859,000	191,000	8,087,000
9	East Bay	Electrical Infrastructure Upgrade, Ph. 2B	PWC	2,121,000	1,960,000	10,208,000
10	Fresno	Gas, Sewer, and Storm Line Upgrade	PW	283,000	3,696,000	10,491,000
11	Fullerton	Chilled and Heating Hot Water Line Replacement	PWC	2,582,000	0	13,073,000
12	Fullerton	Central Plant Chiller Upgrade, Ph. 1	PWc	1,689,000	3,947,000	14,762,000
13	Fullerton	Library (Seismic)	PWC	6,000,000	0	20,762,000
14	Humboldt	Switchgear Replacement	PWC	1,500,000	0	22,262,000
15	Humboldt	Fire Suppression Systems Replacement	PWC	250,000	0	22,512,000
16	Humboldt	Substation Replacement	PWC	687,000	0	23,199,000
17	Long Beach	Hot Water Piping Replacement, Ph. 1	PWc	3,560,000	5,013,000	26,759,000
18	Long Beach	Electrical Substations and Switches Replacement	PWC	1,865,000	0	28,624,000
19	Los Angeles	Electrical Distribution Replacement, Ph. 1	PWC	4,818,000	2,937,000	33,442,000
20	Los Angeles	Physical Sciences (Seismic)	PWC	10,000,000	10,000,000	43,442,000
21	Maritime	Emergency Generator, Sim/Data Center	PWC	246,000	0	43,688,000
22	Maritime	Fire Alarm Upgrade	PWC	89,000	0	43,777,000
23	Maritime	Boiler Replacement, Ph. 1	PWC	170,000	467,000	43,947,000
24	Monterey Bay	Demolition, Ph. 1	PWC	10,000,000	20,000,000	53,947,000
25	Northridge	Heating System Replacement	PWc	4,469,000	3,536,000	58,416,000
26	Northridge	Building Electrical System Replacement	P	242,000	1,500,000	58,658,000
27	Northridge	Redundant Substation Upgrade	P	198,000	1,500,000	58,856,000
28	Pomona	Fire Alarm System Upgrade	PWC	2,933,000	0	61,789,000
29	Pomona	Domestic Water Line Upgrades, Ph. 1	PWc	1,367,000	1,579,000	63,156,000
30	Sacramento	Underground Power Lines	PWC	772,000	0	63,928,000
31	Sacramento	Fire Alarm Systems Upgrades, Ph. 1	PWC	2,718,000	0	66,646,000
32	Sacramento	Elevator Cylinder Replacements, Ph. 1	PWC	510,000	0	67,156,000
33	Sacramento	Chiller Main Switch Replacements	PWC	420,000	0	67,576,000
34	San Bernardino	Performing Arts HVAC Replacement	PWC	2,881,000	0	70,457,000
35	San Diego	Engineering Roof/HVAC Replacement	PWC	1,100,000	0	71,557,000
36	San Diego	Love Library Roof/Elevator Replacement	PWC	1,966,000	0	73,523,000
37	San Diego	HVAC Controls Upgrade	PWC	2,817,000	0	76,340,000
38	San Francisco	Electrical Substation Replacement	PW	500,000	3,780,000	76,840,000
39	San Francisco	Science Building Repairs	PWC	8,115,000	0	84,955,000
40	San José	Duncan Hall Roof Replacement	PWC	1,990,000	0	86,945,000
41	San José	Duncan Hall Steam Line Upgrades	PWC	691,000	0	87,636,000
42	San José	Utilities Infrastructure, Ph. 1A	PWc	2,545,000	4,830,000	90,181,000
43	San Luis Obispo	Utilidor Access Upgrade	PWC	500,000	0	90,681,000
44	San Luis Obispo	Central Heating and Chilled Water System Repairs, Ph. 1	PWc	4,965,000	5,050,000	95,646,000
45	San Marcos	Central Heating and Cooling Lines Upgrades	PWC	1,646,000	0	97,292,000
46	Sonoma	Domestic Water Tank Replacement, Ph. 1	PWc	1,798,000	1,661,000	99,090,000
47	Stanislaus	PE Gym Cooling Infrastructure	PWC	3,000,000	0	102,090,000
48	Stanislaus	PE Pool Repair and Infrastructure Upgrade, Ph. 1	PWc	1,584,000	464,000	103,674,000
Total				\$ 103,674,000	\$ 73,732,000	\$ 103,674,000

P = Preliminary plans W = Working drawings C = Construction E = Equipment

AGENDA

JOINT MEETING OF THE COMMITTEES ON EDUCATIONAL POLICY AND FINANCE

Meeting: 2:00 p.m., Tuesday, September 9, 2014
Glenn S. Dumke Auditorium

Committee on Educational Policy

Debra S. Farar, Chair
Margaret Fortune, Vice Chair
Roberta Achtenberg
Talar Alexanian
Rebecca D. Eisen
Douglas Faigin
Lupe C. Garcia
Steven M. Glazer
Lillian Kimbell
J. Lawrence Norton
Steven G. Stepanek

Committee on Finance

Roberta Achtenberg, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Rebecca D. Eisen
Debra S. Farar
Margaret Fortune
Lupe C. Garcia

Consent

Approval of the minutes of the meeting of January 22, 2013

Discussion

1. Academic Performance Measures (Academic Sustainability Plan), *Information*

**MINUTES OF THE
JOINT MEETING OF THE
COMMITTEES ON EDUCATIONAL POLICY
AND FINANCE**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

January 22, 2013

Members Present

Committee on Educational Policy

Debra S. Farar, Chair
Peter G. Mehas, Vice Chair
Roberta Achtenberg
Bernadette Cheyne
Kenneth Fong
Margaret Fortune
Steven M. Glazer
Bob Linscheid, Chair of the Board
Lou Monville
J. Lawrence Norton
Timothy P. White, Chancellor

Committee on Finance

Roberta Achtenberg, Vice Chair
Rebecca D. Eisen
Kenneth Fong
Margaret Fortune
Bob Linscheid, Chair of the Board
Steven M. Glazer
Henry Mendoza
Lou Monville
Timothy P. White, Chancellor

Chair Farar called the meeting to order.

Approval of Minutes

The minutes of September 19, 2012, were approved as submitted.

Proposed Addition to Title 5, California Code of Regulations, to Describe New Delivery of Educational Services through Cal State Online (REP-FIN 01-13-01)

Executive Vice Chancellor and Chief Academic Officer Ephraim P. Smith reported that the newly launched Cal State Online is the CSU's systemwide effort to centralize marketing and support for fully online degree programs. Cal State Fullerton is offering a bachelor's degree in business administration. Other CSU campuses soon to offer programs are Dominguez Hills and Monterey Bay. Additional campuses to accept applications later this year include East Bay, Northridge and Fresno. Six degrees are being offered at the bachelor and master's level in business administration, applied studies, public administration and management information technology. Fresno State President John Welty, chair of the Cal State Online advisory board, said

Cal State Online originally was envisioned as solely offering programs through self-support. The revised language from the September 2012 board item expands student access and provides flexibility that can be used as new opportunities arise to deliver online education.

Lt. Governor Gavin Newsom said the CSU is light years ahead of the University of California (UC) system in terms of technology and willingness to lead in offering online education. He asked about the goal and impetus to centralize and develop the system as opposed to decentralize and engage with outside companies. He also asked about the cost and number of people working on the programs and how Pearson was selected as the partner to expand the program. President Welty said the goal is to broaden access through online education, especially for those students and citizens who cannot take classes on campus. He explained there is much experimentation that needs to be done as the CSU explores more possibilities. The CSU is taking advantage of programs already developed by faculty to make them more widely available. Ruth Claire Black, executive director of Cal State Online, responded to the lieutenant governor's questions, noting that the investment was \$50,000 from each campus and the contract with Pearson is seven years. The contract is exclusive in the sense that if a class is offered through Cal State Online, it would utilize the free Pearson platform. Campuses can participate in Cal State Online and still offer their own MOOCs (massive open online courses). Students who enroll in a MOOC and then want credit for it could transfer to Cal State Online and use the credit.

Cal State Online was conceived a year-and-a-half ago, long before some of today's technology, said President Welty. After months of discussion on how the CSU system could maximize the use of online education and provide access, the CSU decided to use existing programs and expand them to ensure that more students received degrees or moved to the graduate level. Overall goals were to maximize the use of faculty-developed programs, provide support and services that would allow for the growth of online education, and look at how faculty can cooperate across campuses to deliver programs. Executive Vice Chancellor and Chief Financial Officer Benjamin Quillian added that Cal State Online can be viewed as a set of services to support the online offerings of CSU campuses. Examples of services include marketing, a 24-hour help desk, faculty training and tutoring for students. The services are centralized but the actual offerings are not. He said they hope to see revenues so that the CSU does not have to supplement the initial campus contributions. Dr. Quillian said other universities starting such programs have spent between \$6 million and \$15 million, so CSU's start-up is akin to a shoestring operation.

Ms. Black said opportunities to use MOOCs are complementary with Cal State Online. Pearson provides an open platform concept and services that could host MOOCs if the CSU wanted a centralized portal where students could access opportunities. She said the CSU should put together a strategy that allows all of the evolving opportunities to be seen by students in a single portal, which Cal State Online can do. Trustee Bernadette Cheyne asked about the \$10 million in the governor's budget for state-side online education and whether it could be used for Cal State Online. Dr. Quillian said possibly but there has been no movement that way, nor was that the intention for the item's language change. He said that could be discussed at the Cal State Online advisory board that has faculty and staff representation.

Trustee Kenneth Fong said Cal State Online seems to be the way of the future. He asked Lt. Gov. Newsom about his comment regarding the UC system lagging behind the CSU in this area. Newsom said individual UC campuses are engaged, most notably UC Berkeley with ed-X. He does not want to see either system locked into one way of operating. He wants more entrepreneurial efforts and to see the transfer of units coordinated among the CSU, UC and the community college systems. He said tough questions have to be asked and guidelines developed. Trustee Fong also asked if the CSU is creating its own benchmark or benchmarking another institution. President Welty said the CSU reviewed UMass Online, Arizona State Online and the University of Maryland as its benchmark institutions for their similar approaches and their successes. President Welty said one measurable result will be how many students receive degrees. The advisory board will be setting some longer-term plans for enrollment growth.

Chancellor Timothy P. White called it an interesting moment in time with online education, and compared it to making sausage in public; it is messy. Mistakes will be made, he said, and the CSU does not know what all the pieces are yet. Education is not a monolith; it is a 'heterolith,' if that is a word, he said, laughing. The integration of technology with faculty is what this is about. Online is one component. It is variable by content. Some lower-division classes like basic chemistry have not changed and lend itself to this format. It is variable by the students served, the traditional 18 and 19 year-olds out of high school is one sector. A single mom working two jobs and trying to create a new life for herself in her late 40s or 50s is another. It is variable by region of the state, urban versus outlying areas. The beauty of Cal State University is that it has to create a series of platforms. In three or four years, it will make much more cohesive sense. It is difficult to try to cross all the T's and dot all the I's in a rapidly changing environment. What makes him proud about Cal State is a willingness to engage now, even though the details are not worked out. If mistakes are not made, the CSU is not pushing the envelope. He is encouraged about this as one more piece of integration of faculty and technology. 'I always ask, is the curriculum rigorous and driven and constructed by the faculty? Yes or no? And are we saving money in the delivery or are we increasing access at the same cost?' The savings may not be dollars; it might be more people obtaining a better time-to-degree and completion rate. The CSU has to be in the game. Someday there will be a word that describes the individual campus initiatives and the overall systemwide initiative. The CSU will lead the country; it is a very exciting time, he concluded.

Trustee Margaret Fortune acknowledged progress on online education, which first was raised when former Trustee Jeff Bleich was board chair. She complimented the staff and presidents for having done their due diligence in examining the issues in a thoughtful way, challenging assumptions and in hiring an experienced staff person. The CSU is thinking broadly about how online education can be used, taking advantage of the CSU brand and allowing flexibility for the strength of individual campuses. Trustee Fortune suggested that the CSU should make the program broadly available to more Californians and others around the world who might partake of the service. She agreed with the chancellor that the nature of innovation is to allow messiness because brilliance often comes from that. She asked for comments from presidents on the issue.

San José State University President Mo Qayoumi said many CSUs have ongoing online programs: 30 percent of CSU East Bay students have taken at least one course online; SJSU has

the largest library science program in the world; and San Diego State has 5,000 students in their online programs. When Cal State Online was conceived two years ago, the idea was to provide campuses with a support structure, especially for the smaller campuses to take advantage of economies of scale and use marketing to reach large numbers of people. Since then, MOOCs have started. One issue to remember, he said, is that not all of them are created alike; each provides different opportunities. SJSU worked with MIT on an ed-X electrical circuit course offered to 82 students. Fewer than 10 percent of those students received a grade below C, compared with the regular course in which 40 percent of the students received a grade of C or below. Several CSU campuses' engineering departments will now be a part of the fall program. The campus is working with Udacity to help with bottleneck and remedial math courses. The SJSU-Udacity courses will cost no more than \$150. What is being accomplished at SJSU and other CSU campuses complements each other and provides more access to Californians.

Cal State Fullerton President Millie García said online education to her is about access for low-income and under-represented students. A CSU degree is powerful; it is academically excellent. CSU Fullerton turned away 6,000 students last year because it could not serve them. She supports Cal State Online because it is about educating students to be the leaders in the California workforce. Cal State Northridge President Dianne Harrison said the campus has been involved for many years in online learning and currently has 13 degree programs online. CSUN will be participating with Cal State Online in a liberal studies degree completion program and will be participating with President Qayoumi with his campus's MOOCs and engineering pilot. Northridge is looking forward to when all programs can be coordinated so that there is seamless articulation between the various campuses and comparable degree programs.

Cal State Los Angeles President Jim Rosser said the issue is about taking advantage of technology and using it more effectively and efficiently in meeting the needs of CSU and the state. The CSU's integrated technology strategy made sure that every CSU had a minimum baseline to embrace the use of technology in a changing world. If the campuses had not come together as a system and not invested in technology years back, much of what is taking place on campuses today would not have occurred, he said. Every campus has the infrastructure to take advantage of what technology can offer. Cal State Online was a coalition of the willing. Each campus invested \$50,000 to better utilize technology on behalf of the students and consistent with Cornerstones and Access to Excellence (strategic plans) that stated the CSU will grant degrees and certificates on the basis of demonstrated learning. Technology offers an opportunity to do that. The issue is how to leverage the 23 campuses, take advantage of Cal State Online, get maximum lifetime value out of the infrastructure, close the achievement gap and reduce time-to-degree and the cost of a collegiate education. He said CSU is the only higher education system in the country that has invested in trying to make more students coming out of the public schools college-ready. Technology can facilitate that effort.

San Francisco State University President Les Wong said he was around during the creation of University of Phoenix online because his wife was one of the original team members. He was also involved with the creation of some Apple products. None of those "game-changers" were created by a structure that enabled them to be created. Even MOOCs were independently done

and separate from systems that came about after they were created to be marketed. His solution: the governor or legislature could allow tax-free income to any faculty or staff member who creates courses that respond to the audience. He wants students and consumers to tell the CSU what they want. The CSU needs to create the motivations for the talent to respond. If that happened the “wonderful” problem would be having a system that will vet products before they go to market as opposed to creating a complex system to create products. The MOOC format might be outdated in 12 months. The CSU needs to turn creative people loose, free of the system.

Cal State Online is about serving students, said Humboldt State University President Rollin Richmond. It is a way to offer students an opportunity to complete their education and have a more successful life. It is an opportunity for a student living in Los Angeles to access a course offered by Humboldt. The CSU has an opportunity to serve students that will make a real difference for a large number of people and the state’s economy. Cal State San Bernardino President Tomas Morales said the Coachella Valley is one of the most underserved regions in California. For students living in Riverside County, it is a 150-mile, three-hour investment to come to the main campus. San Bernardino faculty members have developed undergraduate and graduate degree programs to deliver online instructions, which save students’ tremendous commuting costs.

Cal State East Bay President Leroy Morishita said Cal State Online will provide an opportunity for students at different CSU campuses to take courses that have been developed at other campuses. That capacity is not available now. CSUEB has developed online courses in six majors on the state side and four majors on the extended learning side. On the state side, the campus provides 17 percent of their FTEs totally online, and another 18 percent through hybrid courses. One issue is that CSUEB is using the Blackboard platform. That will need to be worked through with Cal State Online as several CSUs are using different platforms for their online courses. Cal Poly Pomona President Michael Ortiz said all campuses are trying to create carbon-neutral footprints. If CSU can eliminate one trip to each campus for every student, the CSU could make a real difference in the environment by keeping people off the highways and decreasing the amount of carbon in the atmosphere.

Chair Bob Linscheid said the CSU should be taking the lead in the area of online education, and suggested a discussion about the role the CSU can play for California, not just for the California State University. When he was at San José State University for the Udacity press conference, he recalled how much money is spent on remediation. According to statistics, 1.7 million students either lack proficiency in English, math or both. As the CSU tackles the remediation issue, he sees the CSU being able to build an inclusionary system at lower cost by doing more online for the same amount of money.

Trustee Steven Glazer thanked the presidents for their leadership. He asked the chancellor to consider providing a summary of Cal State Online’s progress to the trustees and public. Trustee Lou Monville said there is a unique opportunity for the CSU to increase the capacity for community college students utilizing online courses as a gateway to address SB 1440 requirements and clear the pathway for these students to enroll in the CSU. Students are

becoming consumers of technology, and as it continues to change, students look at time, cost and then make a judgment of value. The CSU has to meet that market, he said.

Trustee Bernadette Cheyne asked about the implications for faculty and students now that the item was changed from having Cal State Online “live” within self-support. President Welty said Cal State Online will “live” within the entire university. The item provides flexibility so that as technology continues to change, there is an opportunity for Cal State Online to take advantage of those changes. Decisions will be made in concert with the advisory board, student and faculty representation. We do not have all the answers, Welty said, but flexibility is needed to serve students to take advantage of that opportunity. Lt. Gov. Newsom said there is a collision course looming with the impact technology is going to have on higher education. The biggest mistake the government or education makes is locking in legacy systems. He expressed some concern for the length of the Pearson contract and stated that there should be flexibility. He thanked the chancellor, presidents and trustees’ approach on the issue. If the \$10 million in technology funds the governor has put in his budget does materialize, the CSU has to be prepared to answer questions about how it will use the funds, he said.

Proposed Changes to the California State University Student Fee Policy, Related to Cal State Online (REP-FIN 01-13-02)

The item was presented by Dr. Smith with no discussion.

Trustee Farar adjourned the joint meeting of the Committee on Educational Policy and Committee on Finance.

**JOINT MEETING OF THE
COMMITTEES ON EDUCATIONAL POLICY
AND FINANCE**

Academic Performance Measures (Academic Sustainability Plan)

Presentation By

Philip Garcia
Senior Director
Academic Research and Resources

Ryan Storm
Interim Assistant Vice Chancellor
Budget

Summary

New state law requires the California State University (CSU) Board of Trustees to develop and approve an academic sustainability plan covering the 2015-2016, 2016-2017, and 2017-2018 fiscal years. The board will be presented with the required elements of the law, the Department of Finance assumptions that must be incorporated into a plan, and staff's preliminary recommendation to the board for purposes of crafting a plan. Staff will return to the board for review and final approval of a plan at the November 2014 board of trustees meeting.

Background

The Budget Act of 2014 requires the trustees develop and approve a plan that details any changes necessary to ensure the university's academic and fiscal sustainability over a multi-year period and submit that plan to the Department of Finance and the legislature no later than November 30, 2014.

According to state law, the plan must include the following three components:

1. Projections of available resources in the 2015-2016, 2016-2017 and 2017-2018 fiscal years, using state general fund and tuition fee revenue assumptions provided by the 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 are not greater than the available resources projected for those years.
2. Projections of resident and non-resident enrollment in each of those years.

3. Goals for 16 performance measures (described in state law) in each of those years (itemized below).

Components 1 & 2: Revenue, Expenditure and Enrollment Assumptions:

In a July 15, 2014, letter to the CSU, the Department of Finance shared the state general fund and tuition fee revenue assumptions upon which the CSU is to build its academic sustainability plan. In short, the state general fund assumptions are to align with the governor's multi-year funding plan and include other baseline adjustments (e.g. state public works board debt service payments and the state's contribution to the Public Employees' Retirement System on behalf of CSU employees). In addition, the Department of Finance directed the board to craft a plan that assumes no systemwide tuition fee or category II campus-based fee increases.

The board must decide how it will prepare the academic sustainability plan using less than ideal revenue assumptions from the Department of Finance. This will be a challenge, as the Department of Finance's revenue assumptions fall short of CSU's annual, identified financial needs. For illustration purposes, the Department of Finance expects the CSU to assume only \$119.5 million of new state general fund support and no new systemwide tuition fee revenue for 2015-2016. CSU's typical support budget plan (a mix of state general fund support and tuition fee revenue) totals approximately \$300 million to \$350 million per year.

Component 3: Goals for Performance Measures:

State law laid out 16 performance measures to be reported on every March. As detailed in the Department of Finance's assumptions, it cannot be expected that the CSU could establish and accomplish all of the goals in student achievement when the state's financial commitment to the CSU is \$500 million short of the \$3 billion it received in 2007-2008. Another significant challenge is that the Department of Finance's assumptions provide only 35 to 40 cents of every dollar needed to meet CSU's most critical needs.

Each of the 23 CSU campuses have implemented strategies to improve their graduation rates, close the achievement gap for under-represented minorities, and increase retention rates across the board. Many of these efforts have been successful and the needle is moving in the right direction systemwide. However, the modest proposed increases in state funding, combined with the mandate to hold tuition rates flat for the next three years, handicaps the university's ability to maximize student success, scale up successful programs to reach more students, and compete against other university priorities such as mandatory costs, predictable compensation increases, and funding of deferred maintenance and infrastructure improvements.

In mid-October, campus leaders will gather to launch phase II of the Graduation Initiative and will commit to new graduation rate increases for freshman and transfer students that will help the system meet its target of a 60 percent six-year graduation rate by 2025.

Performance Measures:

1. The number of California Community College (CCC) transfer students enrolled and the percentage of CCC transfer students as a proportion of the total number of undergraduate students enrolled.
2. The number of new CCC transfer students enrolled and the percentage of new CCC transfer students as a proportion of the total number of new undergraduate students enrolled.
3. The number of low-income students enrolled and the percentage of low-income students as a proportion of the total number of undergraduate students enrolled.
4. The number of new low-income students enrolled and the percentage of low-income students as a proportion of the total number of new undergraduate students enrolled.
5. The four-year graduation rate for students who entered the university four years prior and, separately, for low-income students in that cohort.
6. The four-year and six-year graduation rates for students who entered the university six years prior and, separately, for low-income students in that cohort.
7. The two-year transfer graduation rate for students who entered the university two years prior and, separately, for low-income students in that cohort.
8. The two-year and three-year transfer graduation rates for students who entered the university three years prior and, separately, for low-income students in that cohort.
9. The two-year, three-year, and four-year transfer graduation rates for students who entered the university four years prior and, separately, for low-income students in that cohort.
10. The number of degree completions annually, in total and for the following categories:
 - (A) Freshman entrants.
 - (B) CCC transfer students.
 - (C) Graduate students.
 - (D) Low-income students.

11. The percentage of freshman entrants who have earned sufficient course credits by the end of their first year of enrollment to indicate that they will graduate within four years.
12. The percentage of CCC transfer students who have earned sufficient course credits by the end of their first year of enrollment to indicate that they will graduate within two years.
13. For all students, the total amount of funds received from all sources specified for the year, divided by the number of degrees awarded that same year.
14. For undergraduate students, the total amount of funds received from all sources specified for the year expended for undergraduate education, divided by the number of undergraduate degrees awarded that same year.
15. The average number of CSU course credits and the total course credits, including credits accrued at other institutions, accumulated by all undergraduate students who graduated, and separately for freshman entrants and CCC transfer students.
16. The number of degree completions in science, technology, engineering, and mathematics (STEM) fields, in total, and separately for undergraduate students, graduate students, and low-income students. "STEM fields" include, but are not limited to, all of the following: computer and information sciences, engineering and engineering technologies, biological and biomedical sciences, mathematics and statistics, physical sciences, and science technologies.

Preliminary Staff Recommendation

While there are many ways to approach the development of an academic sustainability plan, below is staff's recommendation as to how to proceed. While the law requires the CSU to develop an academic sustainability plan using the Department of Finance's revenue assumptions, it does not preclude the CSU from using its own revenue assumptions to build its own, preferable academic sustainability plan. Therefore staff suggests that the plan have two parts:

- 1) *Identify priorities and high-level goals using Department of Finance Revenue Assumptions.*
Taking a pragmatic approach, the board could establish goals that only commit to make some qualitative improvement in the performance measures.
- 2) *Identify specific targets using CSU Revenue Assumptions.*
The board presents required fiscal conditions (\$300 million to \$350 million per annum) and commensurate student achievement goals.

This two-part approach would fulfill the requirements of the law by preparing a plan using the Department of Finance's revenue assumptions, but it would also demonstrate to the administration, the legislature, and others that with adequate resources, the CSU could commit to greater student achievement. It is important that the board create goals that are reasonable under each revenue assumption. There is ample evidence that fewer financial resources will result in fewer faculty, staff, and improvements to facilities, which are essential for student success and completion.

Additionally, this approach furthers the discussion between the CSU, the administration, the legislature, and others about appropriate funding levels and what is to be expected of the CSU on student success and completion.

Conclusion

This is an information item and it reflects staff's preliminary recommendation to the board to develop and approve a statutorily-required academic sustainability plan covering the 2015-2016, 2016-2017, and 2017-2018 fiscal years. Staff will return to the board for review and final approval of the plan at the November 2014 board meeting.

AGENDA

COMMITTEE ON AUDIT

Meeting: 2:15 p.m., Tuesday, September 9, 2014
Glenn S. Dumke Auditorium

Lupe C. Garcia, Chair
Adam Day, Vice Chair
Steven M. Glazer
Rebecca D. Eisen
Hugo N. Morales

Consent Items

Approval of Minutes of Meeting of July 22, 2014

Discussion Items

1. Status Report on Current and Follow-Up Internal Audit Assignments, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON AUDIT**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

July 22, 2014

Members Present

Adam Day, Vice Chair
Rebecca D. Eisen
Steven M. Glazer
Hugo N. Morales
Lou Monville, Chair of the Board
Timothy P. White, Chancellor

Vice Chair Day called the meeting to order.

Approval of Minutes

The minutes of the meeting of May 21, 2014, were approved as submitted.

Status Report on Current and Follow-Up Internal Audit Assignments

Mr. Larry Mandel, vice chancellor and chief audit officer, presented the Status Report on Current and Follow-up Internal Audit Assignments. He reminded everyone that updates to the status report are displayed in green numerals and indicate progress toward or completion of recommendations since the distribution of the agenda. He stated that at this point, all of the campuses are current on completing the recommendations. Mr. Mandel congratulated the campus presidents and their staffs, noting that they should be commended for their efforts. In addition, he indicated that the 2014 audit assignments are currently being conducted and are progressing in a timely manner for completion by the end of the calendar year. He informed the trustees that all issued audit reports are located on the "calstate.edu" website, under Audit and Advisory Services.

Implementation Plan for the Quality Assurance Review

Mr. Mandel presented the implementation plan for the recommendations for improvement contained in the Quality Assurance Review performed on the Office of Audit and Advisory Services in January 2014. He indicated that he concurred with all of the recommendations in the review and proceeded to highlight the three most significant ones. He stated that Recommendation for Enhancement #2 suggested that the current organizational structure of the division be reviewed to determine if a reporting relationship should be established between campus auditors and the Office of Audit and Advisory Services. He added that this is the pivotal

recommendation around which most of the others revolve. He explained that the current organizational structure has a centralized audit staff that travel to each of the campuses to perform audits contained in the annual audit plan. Several campuses have positions designated as “internal auditors,” some of which do audits, others do audit coordination. There is no reporting relationship between the campus auditors and the system office. Mr. Mandel indicated that organizational models were being developed that will allow for an audit presence at every campus on an ongoing basis. He added his belief that such models would strengthen the effectiveness of the audit function and provide increased assurance to the chancellor and the Board of Trustees that significant risks to the system are sufficiently understood and assessed, and are receiving appropriate audit coverage. He stated that since this is a work in progress, he would provide further information about the refined models, along with the cost/benefit of moving to such models, at the September board meeting. Mr. Mandel indicated that Recommendation for Enhancement #3 suggested that a separate IT audit risk assessment be prepared as part of the annual risk assessment process. He stated that a separate system IT audit risk assessment, independent of the regular review, would be performed starting in September of this year. He added that should a new organizational structure be approved in response to recommendation #2, the IT risk assessment model would be further refined to include a more detailed assessment of the IT environment at each campus. Mr. Mandel continued by stating that Recommendation for Enhancement #4 suggested that the current risk assessment and audit planning approach be reevaluated. He stated that the implementation plan for this item is, once again, tied to the results of the review performed for recommendation #2. As long as the status quo prevails, incremental changes will be made to the current format to include auxiliary enterprises, but to exclude information technology, which would then be handled through a separate risk assessment. Should a new organizational structure be approved providing audit coverage at the campuses, individual campus risk assessments would be performed.

Review and Approval of the California State University

Mr. George V. Ashkar, assistant vice chancellor/controller, financial services, requested approval from the Board of Trustees for the selection of KPMG as the external audit firm to provide a variety of audit functions, including the annual financial audit, for five fiscal years beginning July 1, 2014 and ending June 30, 2019, with optional one-year extensions for up to three additional years. He stated that three firms submitted proposals, and in the first phase of review, all three were determined to be qualified. Based on the second phase criteria of price, KPMG was chosen with the lowest bid submitted. Mr. Ashkar noted that KPMG has a national presence as well as a rotation of partners and senior managers, which will provide the CSU multiple fresh eyes for input into the streamlining of CSU accounting processes and reviewing new accounting standards. He added that there is additional insight provided by KPMG since they recently obtained the University of California contract, which also expands KPMG’s California commitment.

Trustee Glazer stated his opinion that it would be good practice to be transparent on these types of issues and suggested that the proposals for the external auditor be posted so that the board and public could be aware of this information.

Mr. Ashkar responded that the proposals pertaining to the selection of the external auditor should be posted on the procurement website.

Trustee Faigin asked for a brief number explanation for each of the proposals provided by the external audit firms.

Mr. Ashkar responded that KPMG's bid was \$10.9 million for a five-year contract with optional one-year extensions for up to three years; PricewaterhouseCoopers' bid was \$12.5 million; and Grant Thornton's bid was \$12.7 million. He noted that there was a significant difference between KPMG and PricewaterhouseCoopers of approximately \$1.5 million, or almost \$300,000 per year.

Vice Chair Day called for a motion to approve the committee resolution (RAUD 07-14-04). A motion was then made, and the resolution was passed unanimously to approve the selection of KPMG for the performance of a variety of audit tasks for five fiscal years beginning July 1, 2014 and ending June 30, 2019, with optional one-year extensions for up to three years.

The meeting adjourned.

COMMITTEE ON AUDIT

Status Report on Current and Follow-up Internal Audit Assignments

Presentation By

Larry Mandel
Vice Chancellor and Chief Audit Officer

Summary

This item includes both a status report on the 2014 audit plan and follow-up on past assignments. For the 2014 year, assignments were made to conduct reviews of Auxiliary Organizations, high-risk areas (Information Security, Accessible Technology, and Conflict of Interest), high profile areas (Sponsored Programs – Post Awards, Continuing Education, and Executive Travel), core financial area (Lottery Funds), and Construction. In addition, follow-up on current/past assignments (Auxiliary Organizations, International Programs, Sensitive Data Security, Centers and Institutes, Hazardous Materials Management, Sponsored Programs, Student Health Services, Conflict of Interest, and Lottery Funds) was being conducted on approximately 35 prior campus/auxiliary reviews. Attachment A summarizes the reviews in tabular form. An up-to-date Attachment A will be distributed at the committee meeting.

Status Report on Current and Follow-up Internal Audit Assignments

Auxiliary Organizations

The initial audit plan indicated that approximately 273 staff weeks of activity (26.6 percent of the plan) would be devoted to auditing internal compliance/internal control at eight campuses/29 auxiliaries. Two campus/eight auxiliary reports have been completed, two campus/seven auxiliary reports are awaiting a campus response prior to finalization, and report writing is being completed for one campus/six auxiliaries.

High-Risk Areas

Information Security

The initial audit plan indicated that approximately 51 staff weeks of activity (5.0 percent of the plan) would be devoted to a review of the systems and managerial/technical measures for ongoing evaluation of data/information collected; identifying confidential, private or sensitive

information; authorizing access; securing information; detecting security breaches; and security incident reporting and response. Six campuses will be reviewed. Report writing is being completed at two campuses, while fieldwork is being conducted at one campus.

Accessible Technology

The initial audit plan indicated that approximately 51 staff weeks of activity (5.0 percent of the plan) would be devoted to a review of compliance with laws and regulations specific to the Americans with Disabilities Act of 1990 as it applies to accessible technology requirements and program access. Six campuses will be reviewed. Six reports are awaiting a campus response prior to finalization.

Conflict of Interest

The initial audit plan indicated that approximately 53 staff weeks of activity (5.1 percent of the plan) would be devoted to a review of the process for identification of designated positions; monitoring, tracking, and review of disclosures relating to conflicts of interest, such as research disclosures; faculty and CSU-designated officials reporting; employee/vendor relationships; ethics training; and patent and technology transfer. Six campuses will be reviewed. Five reports have been completed, and one report is awaiting a campus response prior to finalization.

High Profile Areas

Sponsored Programs – Post Awards

The initial audit plan indicated that approximately 50 staff weeks of activity (4.9 percent of the plan) would be devoted to a review of contract/grant budgeting and financial planning; indirect cost administration including cost allocation, cost sharing/matching, and transfer processes; effort-reporting, fiscal reporting, and progress reporting; approval of project expenditures; sub-recipient monitoring; and management and security of information systems. Six campuses will be reviewed. Two reports are awaiting a campus response prior to finalization, and report writing is being completed for two campuses.

Continuing Education

The initial audit plan indicated that approximately 50 staff weeks of activity (4.9 percent of the plan) would be devoted to a review of the processes for administration of continuing education and extended learning operations as self-supporting entities; budgeting procedures, fee authorizations, and selection and management of courses; faculty workloads and payments to faculty and other instructors; enrollment procedures and maintenance of student records; and

reporting of continuing education activity and maintenance of CERF contingency reserves. Six campuses will be reviewed. Report writing is being completed for one campus, while fieldwork is being conducted at one campus.

Executive Travel

The initial audit plan indicated that approximately 50 staff weeks of activity (4.9 percent of the plan) would be devoted to a review of campus travel policies and procedures to ensure alignment and compliance with CSU requirements; review of internal campus processes for monitoring, reviewing, and approving travel expense claims; and examination of senior management travel and travel expense claims for proper approvals and compliance with campus and CSU travel policy. Six campuses will be reviewed. Two reports are awaiting a campus response prior to finalization, report writing is being completed for two campuses, and fieldwork is being conducted at one campus.

Core Financial Area

Lottery Funds

The initial audit plan indicated that approximately 51 staff weeks of activity (4.9 percent of the plan) would be devoted to a review of campus lottery fund allocation and expenditure policies and procedures to ensure compliance with CSU and state requirements; review of internal campus processes for monitoring, reviewing, and approving campus discretionary allocations to specific programs; and examination of specific programs receiving lottery funding to confirm the expenditures are in conformance with state and CSU restrictions. Six campuses will be reviewed. Five reports have been completed, and one report is awaiting a campus response prior to finalization.

Construction

The initial audit plan indicated that approximately 39 staff weeks of activity (3.8 percent of the plan) would be devoted to a review of design budgets and costs; the bid process; invoice processing and change orders; project management, architectural, and engineering services; contractor compliance; cost verification of major equipment and construction components; the closeout process and liquidated damages; and overall project accounting and reporting. Five projects will be reviewed. One report has been completed, and report writing is being completed for one project.

Advisory Services

The initial audit plan indicated that approximately 209 staff weeks of activity (20.3 percent of the plan) would be devoted to partnering with management to identify solutions for business issues, offering opportunities to improve the efficiency and effectiveness of operating areas, and assisting with special requests, while ensuring the consideration of related internal control issues. Reviews are ongoing.

Information Systems

The initial audit plan indicated that approximately 13 staff weeks of activity (1.3 percent of the plan) would be devoted to technology support for all high-risk and auxiliary audits. Reviews and training are ongoing.

Investigations

The Office of Audit and Advisory Services is periodically called upon to provide investigative reviews, which are often the result of alleged defalcations or conflicts of interest. In addition, whistleblower investigations are being performed on an ongoing basis, both by referral from the State Auditor and directly from the CSU Chancellor's Office. Forty-three staff weeks have been set aside for this purpose, representing approximately 4.2 percent of the audit plan.

Committees/Special Projects

The Office of Audit and Advisory Services is periodically called upon to provide consultation to the campuses and/or to perform special audit requests made by the chancellor. Twenty-nine staff weeks have been set aside for this purpose, representing approximately 2.8 percent of the audit plan.

Follow-ups

The audit plan indicated that approximately 16 staff weeks of activity (1.6 percent of the plan) would be devoted to follow-up on prior audit recommendations. The Office of Audit and Advisory Services is currently tracking approximately 35 current/past assignments (Auxiliary Organizations, International Programs, Sensitive Data Security, Centers and Institutes, Hazardous Materials Management, Sponsored Programs, Student Health Services, Conflict of Interest and Lottery Funds) to determine the appropriateness of the corrective action taken for each recommendation and whether additional action is required.

Annual Risk Assessment

The Office of Audit and Advisory Services annually conducts a risk assessment to determine the areas of highest risk to the system. Five staff weeks have been set aside for this purpose, representing approximately 0.5 percent of the audit plan.

Administration

Day-to-day administration of the Office of Audit and Advisory Services represents approximately 4.1 percent of the audit plan.

Status Report on Current and Follow-Up Internal Audit Assignments
(as of 9/5/2014)

2014 ASSIGNMENTS										FOLLOW-UP PAST/CURRENT ASSIGNMENTS							
Aux Orgs	Conflict of Interest	Lottery Funds	Access Tech	Exec Travel	Spon Prog-Post	Info Security	Cont Educ	Auxiliary Organizations	International Programs	Sen. Data Sec./Protect.	*No.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.
BAK	AI	AC				FW		4			4						
CHI	AC					RW		4	25/25	6/6	4						
CI	AI			RW				3			3				8/8		
DH			AI					3	19/19		3				9/9		
EB	AC	AC					FW	3	20/31		3						
FRE	RW	AC						6									
FUL	AC							4	28/28	4/4	4						
HUM		AC				RW		4	30/30	7/7	4						
LB				AI				3	27/27	8/8	3				6/6		
LA			AI					4	18/18	4/4	4						
MA					RW			2	4/4		2						
MB	AC							3	16/16		3						
NOR							RW	5	22/22	8/8	5						
POM			AI		AI			2	11/11		2						
SAC	AC	AI						5	18/41	5/5	5						
SB							FW	4	28/28	13/13	4				14/14		
SD			AI	RW				4	11/21	1/1	4						
SF			AI		RW			5	19/19	8/8	5				10/10		
SJ				AI				5	26/26		5						
SLO								3	12/12		3						
SM			AI					4	22/22		4						
SON		AC						3	5/5	3/3	3						
STA					AI			4	14/14	5/5	4						
CO	AC	AI		FW				2	5/5		2				12/12		
SYS										0/8						6	

* The number of recommendations satisfactorily addressed followed by the number of recommendations in the original report.
 ** The number of months recommendations have been outstanding.
 ● The number of auxiliary organizations reviewed.
Numbers/letters in green are updates since the agenda mailout.

FW = Field Work In Progress
 RW = Report Writing in Progress
 AI = Audit Incomplete (awaiting formal exit conference and/or campus response)
 AC = Audit Complete

Status Report on Current and Follow-Up Internal Audit Assignments
(as of 9/5/2014)

FOLLOW-UP PAST/CURRENT ASSIGNMENTS												
	Centers and Institutes		Hazardous Mat. Mgmt.		Sponsored Programs		Student Health Svcs.		Conflict of Interest		Lottery Funds	
	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.
BAK			7/7	-							0/2	4
CHI					6/6	-			2/3	3		
CI			5/5	-								
DH			4/4	-								
EB	8/8	-									2/2	-
FRE									1/1	-	0/3	2
FUL					10/10	-			1/2	3		
HUM											0/1	4
LB							3/6	7				
LA	4/4	-										
MA												
MB					3/3	-			1/1	-		
NOR	5/5	-			8/8	-						
POM			10/10	-								
SAC							8/9	6				
SB	5/7	11										
SD							14/14	-				
SF			9/9	-								
SJ							17/17	-				
SLO	7/7	-			7/7	-						
SM	7/7	-										
SON			6/6	-			6/7	7			1/1	-
STA							6/6	-				
CO									0/1	4		
SYS	0/3	7	0/2	4								

* The number of recommendations satisfactorily addressed followed by the number of recommendations in the original report.
 ** The number of months recommendations have been outstanding.
 • The number of auxiliary organizations reviewed.
Numbers/letters in green are updates since the agenda mailout.

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 2:30 p.m., Tuesday, September 9, 2014
Glenn S. Dumke Auditorium

Douglas Faigin, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Debra S. Farar
Margaret Fortune
Lupe C. Garcia
Lillian Kimbell
J. Lawrence Norton
Steven G. Stepanek

Consent Items

Approval of Minutes of Meeting of July 22, 2014

Discussion Items

1. Legislative Update, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON GOVERNMENTAL RELATIONS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

July 22, 2014

Members Present

Douglas Faigin, Chair
Talar Alexanian
Adam Day
Debra S. Farar
Margaret Fortune
Steven M. Glazer
Lillian Kimbell
Lou Monville, Chair of the Board
Steven G. Stepanek
Timothy P. White, Chancellor

Trustee Faigin called the meeting to order.

Approval of Minutes

The minutes of May 21, 2014, were approved as submitted.

Legislative Update

Mr. Garrett Ashley, vice chancellor for university relations and advancement, and Ms. Karen Y. Zamarripa, assistant vice chancellor for advocacy and state relations, presented this item.

Mr. Ashley reported that the legislature will return from summer recess on August 4 for a final month of activity. Bills with a fiscal impact will face an early deadline in appropriations committees with final floor actions occurring during the last two weeks of August.

Ms. Zamarripa provided an update on current bills in the state legislature:

- The CSU-sponsored legislation on the faculty trustee holdover appointment (AB 2324) and reporting requirement modifications (AB 2736) are close to governor's desk. AB 2736 has been amended to clarify the board's authority to adopt a systemwide voluntary fee for the California State Student Association.

- AB 1989, a priority bill dealing with students in winemaking and brewery programs, has been signed by the governor. SB 1210, a priority bill on a state-supported loan program for AB 540 (2001) students, is pending action in fiscal committee.
- AB 2610 responds to the Bureau of State Audit (BSA) recommendation that the CSU define “supplant” for extended education programs. The bill will allow extended education to offer self-supporting special sessions if certain conditions are met. The bill was approved unanimously by the policy committee and is now in fiscal committee.
- AB 2721 (Pan) Trustees of the California State University: non-faculty employees: This CSUEU-sponsored measure would add a staff trustee to the Board of Trustees. The CSU is supporting this bill pending amendments that were adopted in the Senate Education Committee. Amendments provide that nominations will be made by a proposed staff council similar to the structure of the Academic Senate and allow all non-faculty staff members—except system executives, campus presidents and vice presidents—be eligible for such service as a gubernatorial appointee.
- The CSU is supporting SB 850, which allows up to 15 community college districts to pilot baccalaureate degree programs that are not offered by the CSU or the University of California.
- AB 938 (Weber) Public postsecondary education: fees: The bill was amended by the Senate Education Committee with the requirement that campuses use state university grants to cover the student success fee for needy students.

Trustees Glazer and Faigin expressed interest in further opportunities for the board to engage and discuss bills and policy issues. Ms. Zamarripa noted that Legislative Principles, which guide bill positions every two-year session, will be presented to the board for action in January. Trustee Faigin suggested utilizing the Committee on Governmental Relations for more in-depth discussions.

COMMITTEE ON GOVERNMENTAL RELATIONS

Legislative Update

Presentation By

Garrett Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and State Relations

Summary

This item contains an overview of key issues and legislative measures of interest to the California State University. The status of each bill is current as of August 28, 2014.

Background

Upon returning from summer recess, the legislature focused on finalizing several complex issues prior to the end of session on August 30. The most pressing topic was the future of the state's water infrastructure, which resulted in a \$7.3 billion water bond for the November ballot. Discussions about an education bond—as well as one-time funding proposals for the CSU and the University of California—were ongoing when this report was written.

The legislature is also voting on hundreds of measures on the Assembly and Senate floors. Governor Brown will have up to 30 days to take action on bills sent to his desk. At this juncture, the CSU is focused on several measures dealing with extended education, online teaching and learning, short- and long-term infrastructure, campus-based fees, and campus climate and safety. Below is a brief summary of some of the key issues and bills.

Board of Trustees Sponsored Legislation

AB 2324 (Williams) Faculty-Trustee Holdover Appointment: This proposal allows a current faculty trustee a holdover period pending reappointment or new appointment by the Governor, so that there is no interruption in faculty representation on the board.

STATUS: The bill passed out of the Legislature and is now headed to the Governor's desk.

AB 2736 (Committee on Higher Education) Postsecondary Education: California State University: This bill was amended to authorize the Board of Trustees to implement a statewide voluntary fee for the California State Students Association. The other three provisions deal with minor reporting changes for the system.

STATUS: The bill passed out of the Legislature and is now headed to the Governor's desk.

Priority Bills

AB 1989 (Chesbro) Underage Drinkers: Students in Winemaking and Brewery Science Programs: This measure was co-sponsored with the UC and creates a narrow exception to the current Alcoholic Beverage Control Act related to the consumption of alcohol by underage persons. The bill allows CSU and UC students, who are at least 18 years of age and enrolled in an enology degree granting program, such as at Cal Poly SLO and Fresno State, to taste, but not consume, wine and beer for educational purposes.

CSU POSITION: SUPPORT/SPONSOR

STATUS: The bill was signed into law by the Governor. Chapter 162, Statutes of 2014.

AB 2610 (Williams) California State University: Special Sessions: The bill proposed a definition of "supplant" to guide our extended education and special session programs and courses, as recommended by the Bureau of State Audits earlier this year.

CSU POSITION: SUPPORT IF AMENDED

STATUS: The bill passed in the Senate Education Committee without any "no" votes and was placed on the Appropriations Committee suspense file pending further amendments. A resolution on the final amendments was not successful, so the bill remains in the committee and is dead.

SB 1210 (Lara) Postsecondary Education: California Student Education Access Loan Program: This bill is co-sponsored with UC and establishes the Dream Loan Program to serve students who meet the AB 540/130/131 eligibility criteria, but lack access to federal student loans. Students would qualify for up to \$4,000 in loans per academic year under an equal financial partnership between the state and participating institutions.

CSU POSITION: SUPPORT/SPONSOR

STATUS: The bill passed out of the Legislature and is now headed to the Governor's desk.

Other Legislation of Interest

AB 46 (Pan) California State University: Online Education: This proposal requires extensive data collection regarding educational programming specific to online programs and courses including information available on the use of campus resources for those students taking advantage of such offerings. It is sponsored by the California Faculty Association in response to their concerns about San Jose State University and their Udacity partnership.

CSU POSITION: OPPOSE UNLESS AMENDED
STATUS: The bill passed out of the Legislature and is now headed to the Governor's desk.

AB 938 (Weber) Public Postsecondary Education: Fees: This measure requires campuses to use State University Grants, the system's financial aid resources, to cover Student Success Fees of low income students, which would require a new approach for packaging financial aid for said students. Currently, SSFs are covered by the total financial aid package for needy students, including Pell and Cal Grants as well as SUG.

CSU POSITION: PENDING
STATUS: The bill was approved by the Senate and subsequently referred to the Assembly Higher Education Committee. At the request of ASR and with the assistance of key CSU campuses, the member agreed to not hear the bill in committee. The bill is now dead.

AB 1348 (J. Perez) Postsecondary Education: California Higher Education Authority: This proposal creates a new higher education coordinating body to oversee all public and private colleges and universities in California. The governing body consists of nine public members appointed by the Governor, Assembly Speaker and the Senate Rules Committee as well as a student representative from each segment. The bill excludes segmental representatives from the board, unlike the California Postsecondary Education Commission which was closed after the Governor deleted all funding several years ago.

CSU POSITION: CONCERNS
STATUS: The bill was held in the Senate Appropriations Committee in August and is dead.

AB 1433 (Gatto) Student Safety: This measure requires any sexual or violent crime reported to campus police be immediately disclosed to a local public law enforcement agency that has a Memorandum of Understanding with the campus, if the victim agrees to the release of such information. Campuses will continue to serve as the lead agency for investigation of the crime. It also requires that any sexual assault or hate crime that takes place on or near a campus be

reported to the campus law enforcement by the campus security authority, consistent with the Clery Act.

CSU POSITION: PENDING
STATUS: The bill passed out of the Legislature and is now headed to the Governor's desk.

AB 1451 (Holden) Concurrent Enrollment in Secondary School and Community College: This bill expands opportunities for high school students to dual enroll at local community colleges. We have supported the bill as a partner to the CCC as well as to give students another way to progress to their degree. The CSU believes that concurrent enrollment supports students on their pathway from high school to community colleges and ultimately the CSU – all of which have a positive impact on college affordability, access and completion.

CSU POSITION: SUPPORT
STATUS: The bill was held in the Senate Appropriations Committee in August and is dead.

AB 1549 (Rendon) Postsecondary Education: Equity in Higher Education Act: The measure was rewritten the second week of August to require the Bureau of State Audits to conduct six campus-based audits (two UC campuses, two CCC and two CSU campuses) every three years to verify that California's public institutions are in compliance with the federal Title IX regulations. Should a campus be found not in compliance, then the campus would be required to redirect state general fund support to address the issues raised by the audit.

CSU POSITION: WATCH
STATUS: The bill was referred back to Senate Rules Committee and is now dead.

AB 1927 (Frazier) Student Financial Aid: Debit Cards: This bill proposes that all California universities and colleges who offer financial aid disbursement via a third party debit card establish best practices and protect students from what some would call predatory practices by vendors.

CSU POSITION: NO OFFICIAL POSITION
STATUS: The bill passed out of the Legislature and is now headed to the Governor's desk.

AB 1953 (Skinner) Higher Education Energy Efficiency Act: Grants: This proposal establishes financial assistance via no-interest, low-interest loans and loan loss reserves, and directs the California Energy Commission, in coordination with the CSU chancellor and UC president, to provide building retrofits that reduce energy demand on our campuses. The author

has been negotiating with leadership and the administration regarding the funding mechanism for this measure, given that both segments have not been given access to Proposition 39 dollars for this purpose.

CSU POSITION: SUPPORT
STATUS: The bill passed out of the Senate Energy, Utilities and Communications Committee, was placed on the suspense file in the Senate Appropriations Committee and is dead.

AB 1969 (Levine) Postsecondary Education: Intersegmental Coordination in Governance: The proposal requires the CSU and the CCCs, and requests the UC, to coordinate the procuring of large systemwide information technology and software that will enhance student achievement and have demonstrable cost benefit to the partners.

CSU POSITION: NO OFFICIAL POSITION
STATUS: The bill passed out of the Legislature and is now headed to the Governor's desk.

AB 2099 (Frazier) Postsecondary Education: Title 38 Awards: This bill establishes minimum student outcome requirements for postsecondary institutions that educate student veterans and are utilizing their federal veteran education benefits. Ultimately, the author's goal is to steer veterans away from enrolling at for-profit colleges that have high default and low graduation rates. The graduation and default rate that institutions must meet in order to enroll veterans utilizing their veteran's education benefits mirrors that of the Cal Grant program.

CSU POSITION: SUPPORT
STATUS: The bill passed out of the Legislature and is now headed to the Governor's desk.

AB 2153 (Gray) Postsecondary Education: Course Offering: This bill, sponsored by the CFA, proposed a very restrictive statutory definition of "supplant" for extended education courses and programs at the CSU. The definition would have had harmful consequences on extended education and would have eliminated many options for students to enroll in extended education.

CSU POSITION: OPPOSE
STATUS: This bill did not move from the Senate Education Committee.

AB 2235 (Buchanan) Education Facilities: Kindergarten-University Public Education Facilities Bond Act of 2014: This bill authorizes a \$4.3 billion K-12 and higher education modernization and construction General Obligation bond on the November 2014 statewide general election ballot. The measure allocated \$200 million to each segment of public higher

education. Department of Finance has taken an “OPPOSE” position on the bond as they suggest it would create new debt obligation for the state while not shifting more responsibilities to the local level. Finance would also like to see the UC and CSU self-finance their infrastructure needs for capital projects from their existing budget allocation, and if a future bond is approved that any debt service be covered within existing CSU resources.

CSU POSITION: PENDING
STATUS: This bill was referred to the Senate Rules Committee and is dead.

AB 2721 (Pan) Trustees of the California State University: Non-faculty Employees: This bill adds a staff representative as a voting member of the Board of Trustees. As introduced, the nomination of proposed appointees to the Governor by the union required the staff trustee be a member of a representative unit. The CSU offered amendments to allow all staff to be considered for this appointment and the creation of a staff council similar to the Academic Senate for nominations to the Governor. The CSUEU rejected those amendments.

CSU POSITION: PENDING
STATUS: The bill passed out of the Legislature and is now headed to the Governor’s desk.

SB 845 (Correa) Postsecondary Education: Electronic Disbursement of Student Financial Aid: This bill is seen as another approach to the issues raised by AB 1927 (Frazier) regarding financial aid disbursement via debit cards. Senator Correa and his staff have worked closely with CSU to draft a bill that establishes *guidelines* for campus contracts with third-party vendors for this purpose. The measure is supported by CSSA.

CSU POSITION: SUPPORT
STATUS: The bill was signed into law by the Governor. Chapter 120, Statutes of 2014.

SB 850 (Block) Community College Districts: Baccalaureate Degree Pilot Program: This bill authorizes a pilot program in up to 15 community college districts to offer baccalaureate degrees that are not offered by the CSU and UC. The CSU worked closely with Senator Block to develop amendments that addressed concerns from Academic Affairs and in turn the university was one of two supporters asked to testify in earlier committees. The university played a significant role responding to questions by committee members during the hearing, noting our strong partnership with the CCC and interest in finding ways to serve students and the state.

CSU POSITION: SUPPORT
STATUS: The bill passed out of the Legislature and is now headed to the Governor’s desk.

SB 872 (Committee on Budget and Fiscal Review) Budget Act of 2014: This measure, with the three principal co-authors of Muratsuchi, Skinner and Williams, provides \$100 million of one-time funds split evenly between the UC and the CSU for investments in deferred maintenance consistent with the final budget enacted in July.

CSU POSITION: SUPPORT

STATUS: The measure is known as a “budget trailer bill” and was approved by the Assembly Budget Committee and is now headed to the floor of the Assembly.

SB 967 (DeLeon) Student Safety: Sexual Assault: This bill requires the public segments as well as the independent universities and colleges to adopt policies on campus sexual violence, including an affirmative consent standard in the determination of whether consent was given by a complainant and to provide written notification to the victim about the availability of resources and services. Much of what the bill proposes to do is already required by federal regulations, but both Assembly Member Gatto and Senator DeLeon have Occidental College within their districts where significant issues have been raised by students and others.

CSU POSITION: SUPPORT

STATUS: The bill passed out of the Legislature and is now headed to the Governor’s desk.

SB 1022 (Huff) Public Postsecondary Education: Labor Market Outcome Information: This bill requires the UC and CSU to create a website similar to what the community colleges had created, known as “Salary Surfer.” The website would show how much more income you would make with a degree in a certain field as compared to not having a degree, and would provide a statistical listing of colleges that offer degrees in that field.

CSU POSITION: SUPPORT

STATUS: The bill passed out of the Legislature and is now headed to the Governor’s desk.

SB 1196 (Liu) Public Postsecondary Education: State Goals: This bill reflects the legislature’s interest in being involved in and party to the sustainability plans and accountability agreement between Governor Brown, the CSU and the UC. As amended in the Senate Education Committee, the bill creates a task force to work with all the parties to develop measures of success tied to the statewide goals enacted last year through SB 195.

CSU POSITION: WATCH

STATUS: The bill was held on the Assembly Appropriations Committee’s suspense file. A budget trailer bill was introduced in mid-August (AB 1480) that

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addresses the core objective of the author – to link system budget sustainability plans to statewide goals established last year.

AGENDA

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Meeting: 4:00 p.m., Tuesday, September 9, 2014
Glenn S. Dumke Auditorium

Steven M. Glazer, Chair
Douglas Faigin, Vice Chair
Roberta Achtenberg
Debra S. Farar
Margaret Fortune
Hugo N. Morales
J. Lawrence Norton
Steven G. Stepanek

Consent Items

Approval of minutes of meeting of July 22, 2014

Discussion Items

1. 2014-2015 California State University Trustees' Award for Outstanding Achievement, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

**Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

July 22, 2014

Members Present

Roberta Achtenberg
Douglas Faigin
Debra S. Farar
Margaret Fortune
Steven M. Glazer, Chair
Lou Monville, Chair of the Board
Hugo N. Morales
Steven G. Stepanek
Timothy P. White, Chancellor

Trustee Glazer called the meeting to order.

Approval of Minutes

The minutes of March 25, 2014, were approved as submitted.

Naming of a Facility – San Diego State University

Mr. Garrett P. Ashley, vice chancellor for university relations and advancement, reported that the proposed naming of the basketball performance center recognizes \$3 million in combined contributions: \$1.5 million by Jeff Jacobs and \$500,000 each from Hal Jacobs, Steve Altman and Jim Morris. The facility will house both the men's and women's basketball teams for practice and skill instruction.

President Elliott Hirshman thanked the donors for their generous support of Aztec Athletics. Through their leadership, San Diego State University has raised all the funds necessary for the basketball performance center.

The committee unanimously recommended approval by the board of the proposed resolution (RIA 07-14-07) that the Basketball Performance Center at San Diego State University be named the Jeff Jacobs JAM Center.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

2014-2015 California State University Trustees' Award for Outstanding Achievement

Presentation By

Timothy P. White
Chancellor

Ali C. Razi
Trustee Emeritus, California State University Board of Trustees

Summary

Each year, the California State University (CSU) Board of Trustees provides scholarships to high-achieving students who have demonstrated financial need and overcome profound personal hardships to attain an education from the CSU. These students have superior academic records and are also providing extraordinary service to their communities.

Background

Since its inception, over 290 students have received the CSU Trustees' Awards for Outstanding Achievement. Thanks to donor generosity, one student from each campus will receive an award.

These distinguished awards are funded by personal contributions from the CSU trustees, employees, and friends of the university. Endowments have been established by the William Randolph Hearst Foundation, Trustee Emeritus Kenneth Fong, Trustee Emeritus Murray L. Galinson, Trustee Emerita Claudia Hampton, Trustee Emeritus William Hauck, Trustee Emeritus Ali C. Razi, Chancellor Emeritus Charles B. Reed, and the John and Beverly Stauffer Foundation. Additional named scholarships have been funded by: Trustee Rebecca Eisen, Trustee Adam Day/Sycuan Band of Kumeyaay Nation, CSU Foundation Chair Ronald Barhorst, CSU Foundation board member Peter Brightbill/Wells Fargo, CSU Foundation board member Michael Lizárraga/TELACU, and former CSU Foundation board member Lidia Martinez/Southwest Airlines. CSU Foundation board member Sheri Slate's company Cisco is funding a scholarship and also sponsoring the awards ceremony.

The recipients of the 2014-2015 CSU Trustees' Award for Outstanding Achievement include:

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Faith Ihem
California State University, Bakersfield
*Angelina Aliberti and Lawrence L. Ruggie
Scholar*

Teresa Castillo
California State University Channel Islands
Sycuan Band of the Kumeyaay Nation Scholar

Natalie Holmberg-Douglas
California State University, Chico
Robert & Dorothy Talty Scholar

Pamela Hernandez
California State University, Dominguez Hills
Trustee Emerita Claudia Hampton Scholar

Jessica Mery
California State University, East Bay
Southwest Airlines Scholar

Bryan L.L. Wood
California State University, Fresno
William Randolph Hearst Scholar

Michael Chacon
California State University, Fullerton
Sycuan Band of the Kumeyaay Nation Scholar

Monica R. Correale
Humboldt State University
Trustee Emeritus Ali C. Razi Scholar

Lita Melissa Cahuana
California State University, Long Beach
*CSU Foundation Board of Governors Scholar
Sponsored by Ronald R. and Mitzi Barhorst*

Justin D'Agostino
California State University, Los Angeles
John and Beverly Stauffer Foundation Scholar

Gregory Worstell
California Maritime Academy
Wells Fargo Scholar

Jesus Ochoa Perez
California State University, Monterey Bay
Chancellor Emeritus Charles B. Reed Scholar

Mayra Roxi Diaz
California State University, Northridge
Trustee Rebecca Eisen Scholar

Natalie Rivera
California State Polytechnic University, Pomona
William Randolph Hearst Scholar

Patrick Landrum
California State University, Sacramento
William Randolph Hearst Scholar

Gena Alltizer
California State University, San Bernardino
William Randolph Hearst Scholar

Sergio Juarez
San Diego State University
TELACU Scholar

Shayle Matsuda
San Francisco State University
Trustee Emeritus Murray L. Galinson Scholar

David Elliott
San José State University
Trustee Emeritus William Hauck Scholar

Michelle Lam
California Polytechnic State University, San
Luis Obispo
Cisco Scholar

Carlos Betancourt
California State University San Marcos
Trustee Emeritus Kenneth Fong Scholar

Giovanni Lamanna
Sonoma State University
William Randolph Hearst Scholar

Eliza Matley
California State University, Stanislaus
Haworth Family Scholar

AGENDA

COMMITTEE ON EDUCATIONAL POLICY

Meeting: 8:30 a.m., Wednesday, September 10, 2014
Glenn S. Dumke Auditorium

Debra S. Farar, Chair
Margaret Fortune, Vice Chair
Roberta Achtenberg
Talar Alexanian
Rebecca D. Eisen
Douglas Faigin
Lupe C. Garcia
Steven M. Glazer
Lillian Kimbell
J. Lawrence Norton
Steven G. Stepanek

Consent Items

Approval of Minutes of Meeting of July 22, 2014

Discussion

1. The Alliance to Accelerate Excellence in Education at California State University San Marcos, *Information*
2. The Graduation Initiative: Completion and Student-Athletes, *Information*
3. eAdvising Update, *Information*
4. California State University Education Doctorate (Ed.D.) Update, *Information*

**MINUTES OF MEETING OF
COMMITTEE ON EDUCATIONAL POLICY**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

July 22, 2014

Members Present

Debra S. Farar, Chair
Margaret Fortune, Vice Chair
Talar Alexanian
Rebecca D. Eisen
Steven M. Glazer
Lillian Kimbell
Lou Monville, Chair of the Board
Gavin Newsom, Lieutenant Governor
Steven G. Stepanek
Timothy P. White, Chancellor

Trustee Farar called the meeting to order.

Approval of Minutes

The minutes of May 20, 2014, were approved as submitted.

The State of Higher Education in California: Opportunities for Policy and Institutional Change

Trustee Roberta Achtenberg introduced the item saying that for the past 10 years she has wanted to have the Campaign for College Opportunity present their work to the board. Led by Executive Director Michele Siqueiros, the Campaign for College Opportunity is a California nonprofit organization co-founded in 2003 by a unique alliance of prominent organizations including the California Business Roundtable, Community College League of California and the Mexican American Legal Defense and Educational Fund (MALDEF). Their mission focuses on preserving the historic promise of the 1960 Master Plan for Higher Education to provide every eligible student in California an opportunity to attend college and succeed in order to strengthen the state's workforce and economy, she said. The Campaign has produced more than 200 reports and fact sheets about the complexity of college attendance and the importance of investing in higher education. Trustee Achtenberg said the Campaign has been an important advocate influencing legislators, governors and other policy makers making the case for improving educational attainment and success in California.

Ms. Siqueiros presented a PowerPoint presentation explaining the information covered would include an overview of important and relevant demographic data for California and more specific statistics as they relate to the California State University (CSU) system. She mentioned the information presented in the item is available from more detailed reports on the Campaign website (<http://collegecampaign.org/>). She showed a diagram representing the return on investment the California higher education systems provide back to the state. The investment in human capital yields a return of \$4.50 for every dollar invested in higher education, and the state receives approximately \$12 billion back from graduates of the CSU and University of California systems through various tax revenues. According to their research, students who earned a college degree earn on average \$1.3 million more over the course of their lifetime. She also noted the state saves on other costs, such as incarceration and social services, as college graduates are less likely to be incarcerated or require additional social services.

In November 2013, the Campaign launched a new series of reports on the state of higher education in California to bring attention to the critical challenges facing higher education and the opportunities for solving them. *The State of Latinos in Higher Education in California* was the first report in this series, followed by *The State of Blacks in Higher Education in California*. The series also included an analysis by gender and race and a first of its kind analysis on the real cost of college based on time-to-degree for CSU graduates. Ms. Siqueiros said the focus of the Campaign's research is to help inform higher education policy reform as well as advocate for policies that are in the best interests of students and the state. She presented a graph depicting demographic data for California's population noting that Latinos represent the largest ethnic minority group (38.2 percent), with a large proportion made up of young people. African Americans represent 5.7 percent of the population in California and one-third of the population in Los Angeles County. The data was further broken down to represent the approximate 500,000 high school graduates in California in 2012. She explained the graph of high school graduates by race that showed, despite California's diversity, there was a significant gap in graduation rates for Latinos and African Americans compared to the national average. In California, fewer than 3 in 10 Latino and Black high school graduates completed the A-G requirements for college eligibility making nearly 30 percent of these students unable to even apply to a 4-year institution, she said.

Reviewing the representation of the 18- to 24-year old college going population in California, she presented a chart illustrating that Latinos and Blacks are underrepresented in the three higher education systems, with the exception of Blacks slightly overrepresented in the California Community Colleges. Data on remediation rates from the CSU's 2007 entering freshman cohort compared to the 2013 cohort revealed the percentage of Latinos and Black students needing remediation has decreased though still represent a greater proportion of the entering cohort requiring remediation in math and/or English. She acknowledged the CSU's progress in reducing the remediation rates of underrepresented minority students citing the importance of how remediation rates relate to graduation rates. The six-year graduation rate for the 2007 cohort is approximately 53 percent for all students entering as proficient, though there is a gap in graduation rates when compared to Latinos and Blacks who are proficient at entry yet graduate at

a lower rate. The data also reviewed effects of the economic recession beginning in 2008 that disproportionately impacted underrepresented minority enrollments in the CSU, with Black students having been particularly affected. Although four- and six-year graduation rates are improving overall, the graduation gaps remain persistent for Latino and Black students.

In July 2014, the Campaign released reports about the real cost of college including factors such as the cost of extended time-to-degree and loss of potential earnings. Looking at the median time to degree, she said, CSU graduates in 2011-2012 took 4.7 years to complete the baccalaureate degree. The data also revealed students took an average of 135 semester units. Ms. Siqueiros reminded the board that these numbers are medians meaning that half of the students were taking more units and even longer to graduate which is problematic. She provided a hypothetical example of a student attending California State University, Long Beach to illustrate the additional costs incurred if they took longer than four years to graduate. According to their formula, it would cost the student an additional \$26,000 in added costs plus potential forgone earnings. She noted that students receiving financial aid would not incur costs necessarily out of pocket but would still be at a loss in terms of delayed entry into the workforce and potential earnings. However, recent CSU policy to decrease the amount of units required for programs as well as the Associate Degree for Transfer (SB 1440) will help to improve time-to-degree in the future, she added. Students and parents can go online to <http://www.realcostofcollegeinca.org> and use a tool that helps determine the cost of college based on various factors such as full-versus part-time status, major selected and work load. She said by reducing the overall average credits students earn by just 1 percent, the state could save approximately \$12 million for students and could reinvest the savings to provide more capacity for prospective eligible students. She noted, however, there are many factors that contribute to increased time-to-degree including capacity issues, remediation needs, financial aid, credits attempted but not earned and many others. It will take collaboration, partnership, leadership and accountability of all stakeholders in California to prioritize and invest in higher education in order to serve more students and close the persistent achievement gaps. Ms. Siqueiros said the data presents systemwide analysis which is important, but it will take individual analysis at the campus and even program level to more accurately understand the achievement gap challenge and how to formulate policy that best meets the needs of our students and state.

Trustee Hugo Morales asked if the research confirmed a gap in high school graduation rates by race, for Latinos and Blacks, and gender. Ms. Siqueiros said there is a gap by gender in every ethnic group where more women than men are attending college. She added that a gap also exists within the same gender group by race where, for example, Latinas and African American women are enrolling in college at a lower rate than White women. There is also extensive national research that reveals that more drop off occurs the longer it takes to graduate, with ethnic gaps likely to exist within the data, she said. Trustee Rebecca Eisen asked for clarification regarding the median time-to-degree reported for the CSU of 4.7 years. Ms. Siqueiros explained the figure reported represented 2011-12 graduates that earned a degree and then worked backwards to when the students enrolled to determine the median time-to-degree. The other data referred to the four- and six-year graduation rates tracked by the CSU system. Ken O'Donnell, senior director

for student engagement and academic initiatives and partnerships, added both datasets are important and the focus is on decreasing overall time-to-degree. He added parallel efforts, such as the Associate Degree for Transfer and limiting total program units to 120/180, will help decrease time-to-degree without disadvantaging other students who may require more than four years to graduate. Lieutenant Governor Gavin Newsom asked if the data had been disaggregated to focus on graduation rates of student athletes by the Campaign or by the chancellor's office. Ms. Siqueiros said they had not and Chancellor White explained that, on average, athletes across the system graduate at higher rates than the student body in general. He added that schools with marquis sports programs, such as football and basketball, may have lower graduation rates though on the whole CSU student athletes perform better academically and the data could be provided to reflect that.

Trustee Steven Glazer mentioned the ongoing challenge of the California Community Colleges system to increase their offering of Associate Degrees for Transfer and asked for comment on why this delayed progress may be persisting. Ms. Siqueiros said the ongoing efforts between both systems, in collaboration with both systemwide academic senates, have created 26 Associate Degrees for Transfer that are currently available to students, though there was concern regarding uneven implementation. There has been recent change in leadership at the system level and within the community college districts but Senator Alex Padilla, who sponsored SB 1440, remains committed and considerable progress is expected in the next year with clear deadlines for implementation by 2015.

Chair Lou Monville asked if the data on the cost of college was compared to financial aid data to determine if there is any impact on time-to-degree. That particular cross-analysis was not performed, but Cal Grants did keep pace during the recession as tuition and fees increased, she said. Trustee Monville added the importance of continuing to review the relationship between robust financial aid awards and potential impact on time-to-degree within the context of graduation rates and serving both current and prospective students. Ms. Siqueiros said Stanford University is launching an analysis of Cal Grant aid as it relates to the challenges raised by Chair Monville and she would update the board as the research develops.

Trustee Achtenberg asked to reiterate the distinction between an investment in higher education as opposed to a mere expenditure and why that is important to note. Ms. Siqueiros said two major research reports analyzing California's return on investment for every dollar spent to produce college graduates, and calculating potential earnings, found that by age 38 students would have repaid every dollar invested in higher education by state taxpayers. Through a combination of higher income taxes, higher purchasing power due to higher income levels and savings in social services and costs associated with incarceration, the state receives a high rate of return on their investment in higher education, she said.

Trustee Morales asked what areas of research the Campaign would like to focus on that had not been done either due to lack of resources or access to data in order to further serve the mission of the organization. Analyzing time-to-degree for transfer students, workforce demand in STEM

and health related fields and strategies to continue to close the achievement gaps are all areas of tremendous interest and focus of the Campaign. She thanked the CSU for their partnership and transparency providing important data that supports their continued efforts to serve students and the state of California.

The California State University Graduation Initiative Update

Ken O'Donnell, senior director for student engagement and academic initiatives and partnerships, presented the update saying the initiative has and will continue to improve access, quality and persistence to degree completion by focusing on programs such as Early Start and reducing bottlenecks. He recapped the information shared with the board at the May 20, 2014, meeting and showed a diagram mapping out the pathways to graduation for students entering as freshmen or transfer students. The Graduation Initiative represents an overarching focus on student success that governs many of the programs aimed at closing the achievement gap, he said. Working with faculty leadership, the CSU has continued to define success not only in terms of degree completion, but also as the attainment of a quality education through engaged learning and the use of high-impact practices. He said a fundamental premise of the Graduation Initiative is that students persist and succeed when the curriculum is relevant and engaging through the use of high-impact practices such as learning communities, undergraduate research and service learning. Referencing Trustee Achtenberg's comments in the previous item on the work improving campus climate around lower division curriculum over the past 15 years, Mr. O'Donnell said that work is paying off in terms of graduation rates. Moving forward, the Graduation Initiative will continue to focus on closing the achievement gap between underrepresented minorities and others with an expansion of Early Start, freshmen learning communities and other high-impact practices shown to particularly benefit underserved populations.

The initiative has two primary goals: (1) to improve graduation rates and (2) reduce achievement gaps. The gaps are not decreasing as the graduation rates are improving at the same rate which remains a challenge, he said. All 23 campuses helped set the system goals as well as individual campus goals which were to raise the six-year graduation rates to the top quartile of national averages among their peer groups. Mr. O'Donnell explained that campuses determine strategies to meet their target rates, a critical component to achieving the success of meeting both the campus and systemwide graduation targets. As 2015 approaches the CSU anticipates that campuses will likely hit the overall target of 54 percent, which is an 8 percent increase from the baseline graduation rate of 46 percent. At his State of the CSU address in January, Chancellor White charged the CSU to further improve overall six-year graduation rates by 10 percent to nearly 60 percent by 2025. The initiative aims to also improve both four- and five-year graduation rates by 2025 but that with each point added to the target it becomes more challenging, he added.

Mr. O'Donnell reminded the board that when this report was given in May 2014, it prompted trustees to reference a recent *New York Times* article about the University of Texas at Austin also

struggling to close the gap and increase graduation rates. Building on research from Stanford University, the article discussed current efforts in student success that focused on dispositional learning, attributes like resilience, grit, and determination, suggesting that a few small interventions in these areas can have a profound benefit for students. He said that many of the campuses have been discussing the efforts highlighted in the article, particularly those around dispositional learning, as not having to be long-term or expensive strategies. The CSU has a tradition of working in these areas, he said, noting Summer Bridge programs as one of the built-in places to explore dispositional learning. To address the persistent achievement gap in race and ethnicity, one area the CSU is focusing on is in remediation as underrepresented minority students tend to be disproportionately in need of remediation in either math and/or English. Building on the Early Start Program, four CSU campuses are testing an “Extended Early Start” program which takes the socializing and cohorting benefits of the summer experience and extends them into the regular academic year. Extended benefits include arranged peer mentoring, faculty interaction and continuous shared enrollment into credit bearing general education courses. He said the pilot program is supported by a special allocation from the chancellor’s office that also requires robust evaluation and research on the efficacy of these practices, especially with respect to closing the achievement gaps. The Graduation Initiative will continue to report to the board on the progress and potential scalability of these pilot interventions.

Trustee Margaret Fortune mentioned that there has been considerable conversation in the school reform community surrounding the approach to creating resiliency in students, as opposed to a no-excuses model, that focuses more on high accountability and also high-touch. She asked if this philosophy has changed the mode of operations with regards to the Graduation Initiative efforts, and if so, in what way. Mr. O’Donnell said the work with the pilot interventions is too early to say whether that philosophy has had an effect on the operational aspects of the initiative. The efforts have focused on providing students with opportunities for high-impact practices, especially in experiential learning, where and whenever possible. He said many of the high-impact practices, such as learning communities and service learning, are not new to the CSU and have been around as early as 1998. However, the language around dispositional learning – grit, determination, etc. – and the attributes they bear on students is new. The CSU will gauge, as the dialogue continues, if and how to operationalize this philosophy into future strategies.

The California State University Affordable Learning Solutions Initiative

Gerry Hanley, assistant vice chancellor for academic technology services, presented the update, saying that affordability affects access to education but the California State University (CSU) system can help keep education within reach by reducing the estimated \$1,000 per year students pay for course materials. Dr. Hanley referenced the 2012 Florida Student Textbooks survey that sampled over 20,000 Florida students. The survey, funded by the Department of Education, found the high cost of textbooks had caused students to, frequently, occasionally, or seldom: not purchase the textbook (64 percent); not register for a course (45 percent); take fewer courses (49 percent); withdraw from a course (21 percent); or, fail a course (17 percent). Like Florida students, students in California confront significant challenges in achieving academic success

when they cannot afford the course materials required for their learning, he said. The CSU's Affordable Learning Solutions initiative (AL\$) has been at the national forefront of reducing the cost of course materials, by partnering with faculty, libraries, bookstores, publishers, technology companies and other higher education institutions to build innovative capabilities to improve the affordability of course materials for CSU students.

Dr. Hanley outlined three guiding principles of the AL\$ initiative that included (1) choice for both students and faculty of the quality content and format that best achieve their learning and teaching goals; (2) affordability through innovative business strategies and technologies; and (3) accessibility for all CSU students, including those with disabilities. The CSU is achieving these cost reductions, he said, by providing students and faculty with a "one-stop-shop" to explore alternative quality content that is available at low- or no-cost through the systemwide AL\$ website (<http://affordablelearningsolutions.org/>). By developing and delivering reliable tools and technologies, and significant marketing resources and collateral with training and funding through campus grants, campuses are able to adapt, adopt and implement affordable learning solutions programs that are well aligned with their campus culture, needs and capabilities. Dr. Hanley provided examples from California State University, Chico highlighting their Textbook Alternatives Project (TAP) and the Cougars Affordable Learning Materials (CALM) program at California State University San Marcos. He also mentioned Sacramento State's program in partnership with their academic technology and creative services department and noted Cal Poly Pomona's affordable learning solutions program that has been integrated into the campuswide communication plan. Dr. Hanley said that with 23 campuses it was difficult to share all the innovative programs throughout the system and he acknowledged and thanked all the presidents for making great strides implementing AL\$ programs on their campuses.

The CSU's leadership on the AL\$ initiative was recognized with a combined \$2 million grant from the state of California, the Hewlett Foundation and the Gates Foundation to design and deliver the California Open Online Library for Education (COOL4Ed). The grant will be funded over a 2-year period to provide low- and no-cost access to course material in collaboration with the California Community Colleges and University of California systems. Dr. Hanley said this partnership will also work closely with academic senate leadership of all three systems. This summer faculty from all three systems will identify and peer review a collection of free and open etextbooks and create ePortfolios showcasing how faculty use these etextbooks in their courses.

Dr. Hanley noted the CSU's leadership in Affordable Learning Solutions has also extended nationally. The State University of New York (SUNY) system, the University System of Georgia, the Tennessee Board of Regents and the Oklahoma State Regents for Higher Education have all adopted and adapted the CSU-MERLOT AL\$ technology platform and services to meet their state system's needs. The CSU's Affordable Learning Solutions initiative continues to lead the state and nation in developing and implementing strategies that are significantly reducing the costs of content for students across the country, he said. In 2014, priorities will focus on deployment in four key areas: (1) expanding campus AL\$ programs to provide high quality, no- and low-cost alternatives; (2) scaling shared services through systemwide collaboration; (3)

streamlining technologies and collaborative innovations; and (4) improving accountability strategies to measure and manage outcomes. As the initiative moves forward the guiding principles of choice of quality content, affordability and accessibility will remain at the forefront as new strategies for enabling student success are developed.

Trustee Hugo Morales asked how issues of copyright are addressed and if there are challenges for students in rural areas, for example, accessing the internet and online content. To answer the first question, Dr. Hanley said open textbooks have a particular type of license called a creative commons attribution license. The license allows authors to grant permission to use their material as long as the content being used is attributed to the author. This allows material not only to be free, but also open and usable material; what makes an etextbook an open textbook. He said this was a particular requirement of California Senate Bill 1053. Responding to the second question about internet access, Dr. Hanley said there are still some differences in the way students have access to technology but that campuses are providing equalizing environments through libraries, academic technology services and other resources to provide the necessary infrastructure to support accessibility of online content to all students. Lieutenant Governor Gavin Newsom complimented the efforts and engagement of the CSU leadership having an impact across the state and nationally. He remarked that this is a profoundly important initiative because it has real, tangible impact on students and again lauded the successes achieved commenting that more had been accomplished than he had expected at this point.

Dr. Hanley said that CSU bookstores saved students more than \$30 million in 2013-14 through a variety of programs, such as print rental programs, used book programs, digital textbook programs and buy-back programs. The strategies also extended to implementing business models for publishers' etextbooks that encourage students to purchase or rent online content versus foregoing the necessary materials due to prohibitive costs. He gave the example of the CSU's Rent Digital program that negotiated a 60 percent discount on rented digital textbooks, which students can print if they choose. When the program began in fall 2012, the four etextbook distributors/publishers provided 5,000 etextbook titles at this discounted price. In spring 2014, more than 50,000 etextbook titles from nine distributors/publishers were available to students and faculty.

California State University Partnership with the Corporation for National and Community Service AmeriCorps*VISTA Program (Volunteers In Service To America)

Ken O'Donnell, senior director for student engagement and academic initiatives and partnerships, introduced the item stating that engaged learning practices, such as undergraduate research and learning communities, can be challenging programs to organize and implement. He said the California State University (CSU) Partnership with the Corporation for National and Community Service AmeriCorps*VISTA Program (Volunteers in Service to America) is an exciting innovation to enhance engaged learning practices. Kristina Barger, CSU VISTA program manager, presented the item explaining the VISTA program had been founded fifty years ago by Sargent Shriver as a way to lift people out of poverty. Ms. Barger said VISTA, often referred to

as the “domestic Peace Corps,” recruits individuals who commit one-year of service in some of America’s most impoverished communities. VISTA members are typically recent college graduates, with a variety of skills and knowledge, that are tasked with supporting nonprofit or government agencies through capacity building efforts that empower and inspire community members and leaders to build pathways to prosperity. In 1997, through state campus compact offices, VISTA volunteers began serving at institutions of higher education to better engage the campus with the community. Most placements were in service-learning and community engagement offices designed to support student learning and leadership development in civic engagement while also addressing community needs and being responsive to local and national issues.

Ms. Barger said in the coming academic year, the Corporation for National & Community Service and the CSU Center for Community Engagement will embark on a new systemwide partnership, the first of its kind in the country. This statewide, coordinated approach is expected to improve the ability of both VISTA and the CSU to deliver on their shared goals of quality, outreach and equity. In each case, the work will be specifically focused on supporting nine science, technology, engineering, and math (STEM) departments, colleges and institutes. VISTA members will serve as liaisons between STEM students, faculty, staff and community partners to develop long-term solutions for bolstering the number of underrepresented students (particularly low-income and minority students) who pursue and obtain STEM degrees. Ms. Barger mentioned the critical importance of producing graduates in STEM fields for the state’s economic and civic health, as well as the importance to the students who earn these degrees. She added that the CSU will play a central role as the need for graduates in STEM is constant.

Through community partnerships with nonprofits, industry leaders and K-12 schools, the CSU STEM VISTA program will consist of 15 members who will build the capacity of the CSU STEM host sites and community partner organizations to more deeply engage students in STEM and provide more opportunities to participate in mentoring and academic support programs. She said engaged learning experiences, such as service learning, internships and undergraduate research, will not only make lasting, positive changes in local communities, but will also expand the CSU’s ability to give students the skills and knowledge needed to be successful in their majors and obtain STEM degrees and job placement, thus in turn, building a sustainable STEM workforce. Ms. Barger said the CSU’s investment to prepare graduates who are engaged, knowledgeable and civically-minded has already yielded high returns. She noted that 10 out of the 15 CSU STEM VISTA members are CSU alumni. The 15 CSU STEM VISTA members reflect not only the demographics of California, but also that of the CSU, she said. Sixty-seven percent are CSU alumni representing six campuses; 60 percent are female and 40 percent are male; 60 percent are minorities and 40 percent Caucasian; 67 percent are bilingual with eight different languages represented; and 93 percent had experience with at least one high-impact practice as an undergrad. She stated that CSU students will see themselves in the VISTA volunteers strengthening the capacity to foster sustainable and successful partnerships.

Trustee Lillian Kimbell asked for examples of the types of work CSU STEM VISTA members would be conducting. Ms. Barger said the CSU STEM VISTA program is complex and unique

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as it relates to other familiar volunteer programs because the focus is on indirect service. The CSU STEM VISTA volunteers focus on building capacity to increase opportunities for high-impact practices, including internships, service learning and undergraduate research, for underrepresented minority students. This is largely achieved by developing community partnerships and implementing the systems and structures needed for high-impact practices to take place. Lieutenant Governor Gavin Newsom asked if the CSU partnership was engaged with the University of California and California Community Colleges systems. Judy Botelho, director of the CSU Center for Community Engagement, said she was familiar with the VISTA program at the University of California, Los Angeles but that no other systemwide program similar to the CSU partnership existed.

Trustee Farar adjourned the Committee on Educational Policy.

COMMITTEE ON EDUCATIONAL POLICY

The Alliance to Accelerate Excellence in Education at California State University San Marcos

Presentation By

Karen S. Haynes
President
California State University San Marcos

Patricia Prado-Olmos
Director of the Alliance

Summary

In July 2013, with financial support from the Price Family Charitable Fund and the David T. and Doris E. Staples Foundation, California State University San Marcos (CSUSM) President Karen Haynes announced the launch of the Alliance to Accelerate Excellence in Education. Known simply as "the Alliance," this program provides strategic direction for and administrative oversight of the university's 10 guaranteed admission programs with local school districts spanning both San Diego and Riverside Counties. In its inaugural year, the Alliance has created the foundation upon which to build a seamless step-by-step framework for students, families, teachers, faculty and community service providers to work together on improving college readiness and closing the achievement gap for the region's most educationally at-risk students. This item will provide an update on the Alliance's programmatic progress during its first year and share plans for continued growth and outreach.

Background

In 2006, President Haynes signed CSUSM's first guaranteed admission agreement with a local school district. Seven years later and with 10 such agreements in place, it became clear that a coordinated, systematic and comprehensive approach to administering, leveraging and growing these agreements was needed to ensure their success. Recognizing the impact of these agreements on CSUSM students (50 percent of whom are first in their family to attend college and over 50 percent of whom identify as persons of color), and their social and economic impact on the region, external donors stepped forward to fund the launch of the Alliance to provide the administrative home that these agreements require.

Building from CSUSM's exceptionally strong and long established community partnerships and relationships and drawing from existing community and school research-based practices in

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college readiness and preparation, the Alliance has five focus areas that support the promise of guaranteed admission: (1) Family Empowerment Network; (2) Undergraduate Fellowships; (3) Professional Development Collaborative; (4) Student Enrichment; and (5) Assessment, Analysis and Accountability.

Academic performance data to date indicate that Alliance students typically enter CSUSM with higher high school GPAs, have higher standardized test scores, are better prepared for college, do not need remediation in any academic area, sustain higher academic performance in college and are more likely to stay in college than the general student population. The Alliance is focused on understanding the success of their students, identifying the high-impact practices that support their success, and working in partnership with regional school districts and business partners to use high-impact practices strategically and effectively for the success of all students.

COMMITTEE ON EDUCATIONAL POLICY

The California State University Graduation Initiative: Completion and Student-Athletes

Presentation By

Ken O'Donnell
Senior Director
Student Engagement and Academic
Initiatives and Partnerships

Horace Mitchell
President
CSU Bakersfield

Ray Murillo
Director
Student Programs

Summary

At its July 22, 2014, meeting, the California State University (CSU) Board of Trustees requested Graduation Initiative staff to review and analyze graduation rates of CSU National Collegiate Athletic Association (NCAA) Division I student-athletes. The analysis presented in this item includes all Division I sports at each of the nine participating CSU institutions that compete at that level.

Overall, CSU graduation rates are determined following the conventions of the federal Integrated Postsecondary Education Data System (IPEDS). The calculation counts all full-time, first-time freshmen, excluding part-time and transfer students, and then calculates the share of those students who earned a degree within 150 percent of the expected time-to-degree (based on a six-year graduation rate).

IPEDS reporting does not distinguish student-athletes from non-student athletes. The closest comparable data to IPEDS is the Federal Graduation Rate (FGR). The FGR is compiled by the U.S. Department of Education and is used as an indicator of academic success for college student-athletes. The FGR is based on all first-time freshmen athletes who receive athletic aid, and who graduate within six years. The most recent FGR rates published by the NCAA are the four-year class averages for the 2003-2006 entering cohorts tracked over six years. When comparing the FGR averages to the IPEDS data for each Division I campus, it is important to remember that the FGR rate does not include those athletes who transfer to the CSU to play

Division I sports. Therefore, the FGR may not accurately reflect the graduation rates for the entire team. Table 1 shows the FGR rates compared to IPEDS for men's and women's Division I sports at each of the nine participating CSU institutions. On average, CSU first-time freshmen student-athletes (FGR) graduate at higher rates than first-time freshmen overall.

Table 1
IPEDS vs. Federal Graduation Rates (FGRs)

Campus	IPEDS Grad Rate	FGR Grad Rate
Sacramento State	41%	75%
Cal Poly San Luis Obispo	72%	68%
San Diego State University	66%	63%
CSU Long Beach	57%	59%
CSU Northridge	48%	56%
CSU Fresno	48%	55%
San Jose State University	47%	52%
CSU Fullerton	51%	51%
CSU Bakersfield	39%	50%
CSU Averages	52%	59%

Another measure of graduation success for athletes is NCAA's Graduation Success Rate (GSR). This measure is an improvement over the FGR because it includes first-time freshmen as well as transfer students, mid-year enrollees and non-scholarship students (in specified cases). Like the FGR, the GSR only includes athletes who are on athletic aid and may not reflect the graduation rates for an entire team.

The Division I GSRs are often misunderstood because of their complexity. For example, the GSRs can become skewed in those athletic programs with fewer athletes and smaller entering cohorts from year-to-year. Another confounding factor is the distribution of athletic aid, which is variable among the different sports, and is regulated by NCAA. There are many rules and regulations that influence GSRs and can impact graduation rate statistics.

The GSRs reported in Table 2 represent the most recent information available, which are the four-year class averages for the 2003-2006 entering cohorts tracked over six years. Comparing IPEDS data to GSRs is not appropriate. Therefore, Table 2 illustrates the graduation rates for all freshmen and transfer students at each Division I institution in the CSU compared to the GSR rates. Like the comparison of IPEDS data to the FGRs, GSRs are rough measure when compared to CSU system-level data and direct comparisons should be made with caution. Overall, multi-year averages can mask issues and further analysis may be required. However, the data reveals that at each Division I institution, CSU student-athletes (GSR) graduate at higher rates than first-time freshmen and transfer students.

Table 2
CSU First-time Freshmen and Transfer Graduation Rates vs. Overall Average Graduation Success Rates (GSRs)

Campus	FTF & Transfer Grad Rate	Overall Average GSR Grad Rate
CSU Long Beach	65%	81%
Cal Poly San Luis Obispo	75%	75%
San Diego State University	72%	75%
CSU Fresno	60%	72%
Sacramento State	56%	72%
CSU Fullerton	62%	68%
CSU Northridge	61%	68%
San Jose State University	57%	63%
CSU Bakersfield	54%	60%
CSU Averages	62%	75%

Another measure for determining the academic success of athletes is the Academic Progress Rate (APR). The NCAA uses the APR to hold Division I institutions accountable for the academic progress of their student athletes. Teams must have a four-year class average minimum score of 930/1000 to participate in post-season championships. Some teams may score below 930 and NCAA carefully monitors those programs to determine if sanctions should be applied. Athletic programs, under the direction of the athletic director (AD), closely monitor student success because even one student can impact the APR, which is based on a point system. APR scores also have a high statistical correlation with graduation rates. According to the NCAA, an APR of 930 correlates with a graduation rate of 50 percent. Table 3 shows that the average APR score across all Division I CSU institutions is 967, which exceeds the average for all other comprehensive universities in the nation (967 vs. 965).

Table 3
CSU Academic Progress Rates (APRs)

Campus	Average APR
CSU Fresno	976
CSU Long Beach	976
Cal Poly San Luis Obispo	975
Sacramento State	973
CSU Fullerton	969
San Jose State University	968
CSU Northridge	967
San Diego State University	965
CSU Bakersfield	937
CSU Average	967

An additional measure for examining the overall success of CSU Division I athletic programs is by comparing the average FGRs, GSRs and APRs for each sport to those of all other Division I comprehensive institutions throughout the United States. Tables 4 through 9 illustrate these comparisons for women's and men's sports.

Table 4
Federal Graduation Rates (FGRs) for CSU Division I Men's Sports
 Four-Class Averages for 2003-2006 Cohorts

SPORT	CSU Averages (NCAA reported data)	NCAA Averages (Comprehensives)
Water Polo	83%	NA
Football	63%	50%
Swim	62%	68%
Tennis	60%	61%
Volleyball	58%	78%
Golf	55%	60%
Track/Cross Country	52%	53%
Basketball	46%	40%
Soccer	39%	59%
Wrestling	39%	51%
Baseball	28%	48%
OVERALL AVERAGE	53%	57%

Table 5
Federal Graduation Rates (FGRs) for CSU Division I Women's Sports
 Four-Class Averages for 2003-2006 Cohorts

SPORT	CSU Averages (NCAA reported data)	NCAA Averages (Comprehensives)
Gymnastics	78%	82%
Swim	78%	79%
Crew	76%	70%
Golf	75%	69%
Water Polo	70%	NA
Volleyball	69%	65%
Tennis	69%	66%
Soccer	68%	66%
Track/Cross Country	66%	69%
Softball	64%	62%
Basketball	54%	55%
OVERALL AVERAGE	70%	68%

Table 6
Graduation Success Rates (GSRs) for CSU Division I Men's Sports
 Four-Class Averages for 2003-2006 Cohorts

SPORT	CSU Averages (NCAA reported data)	NCAA Averages (Comprehensives)
Volleyball	82%	100%
Swim	80%	75%
Water Polo	80%	NA
Tennis	79%	83%
Golf	68%	76%
Football	66%	61%
Baseball	61%	70%
Wrestling	59%	66%
Basketball	58%	66%
Track/Cross Country	56%	65%
Soccer	56%	79%
OVERALL AVERAGE	68%	74%

Table 7
Graduation Success Rates (GSRs) for CSU Division I Women's Sports
 Four-Class Averages for 2003-2006 Cohorts

SPORT	CSU Averages (NCAA reported data)	NCAA Averages (Comprehensives)
Gymnastics	95%	96%
Tennis	94%	86%
Crew	90%	76%
Swim	83%	89%
Volleyball	83%	86%
Soccer	82%	84%
Track/Cross Country	78%	84%
Softball	78%	82%
Water Polo	78%	NA
Golf	74%	87%
Basketball	69%	79%
OVERALL AVERAGE	82%	85%

Table 8
Academic Progress Rates (APRs) for CSU Division I Men's Sports
 Four-Class Averages for 2003-2006 Cohorts

SPORT	CSU Averages (NCAA reported data)	NCAA Averages (Comprehensives)
Volleyball	996	NA
Cross Country	979	966
Tennis	978	965
Track (indoor)	977	952
Track (outdoor)	965	956
Water Polo	960	NA
Football	959	938
Swim	957	976
Baseball	956	957
Golf	950	964
Soccer	949	960
Basketball	938	942
Wrestling	934	959
OVERALL AVERAGE	961	958

**Based on maximum score of 1,000.*

Table 9
Academic Progress Rates (APRs) for CSU Division I Women's Sports
 Four-Class Averages for 2003-2006 Cohorts

SPORT	CSU Averages (NCAA reported data)	NCAA Averages (Comprehensives)
Swim	989	985
Gymnastics	985	985
Cross Country	984	961
Crew	978	986
Soccer	977	979
Track (indoor)	974	967
Tennis	974	978
Lacrosse	974	961
Softball	973	971
Track (outdoor)	971	NA
Golf	971	978
Water Polo	971	NA
Volleyball	970	972
Basketball	961	965
OVERALL AVERAGE	975	974

**Based on maximum score of 1,000.*

Notwithstanding the risks of drawing comparisons across data sets, CSU Division I athletic programs are performing very well. When compared to the overall CSU graduation rate of 52 percent for the same year, it is clear that we are graduating more student-athletes. This finding demonstrates that athletic aid, the socializing benefits of group interaction, intrusive advising and peer support help improve overall student retention and persistence. Thus, the data presented in this item supports the case Chancellor Timothy P. White made regarding the student experience beyond NCAA Division I athletic programs. The data further supports his comment that the CSU can improve student success by focusing on multiple means of engagement.

Within that overall pattern, some CSU athletic programs and campuses perform better than others. The Graduation Initiative and Chancellor's Office staff will share this analysis with CSU coaches and athletic directors, encouraging them to move beyond these generalizations and understand on a case-by-case basis how better to serve CSU student-athletes.

COMMITTEE ON EDUCATIONAL POLICY

eAdvising Update

Presentation By

Eric Forbes
Assistant Vice Chancellor
Student Academic Services

Nathan Evans
Director
Enrollment Management

Background

Through systemwide efforts surrounding the California State University (CSU) Graduation Initiative, the CSU Chancellor's Office has engaged campuses in shared investments in technologies that support student success through strong academic advising and clear roadmaps to graduation.

As part of the Enrollment Bottleneck Solution Initiative in 2013, all CSU campuses developed four-year plans to implement new technologies for students, faculty and staff to provide clear pathways to graduation, track progress to degree and offer a course schedule in line with student demand for courses necessary for graduation. For the first year, the campuses were grouped into cohorts based on their common goals, readiness and strategies related to the current status of their degree audit system. In year two, campuses identified technology-based tools and solutions which would continue to expand access to guided academic planning. With increased use of these tools, measurements of average unit load per term, average units completed at graduation and other outcomes will allow for assessment of the use of these strategies and solutions as they directly relate to student success and reduced time to degree.

Amongst the tools that campuses have implemented are enhanced degree audit systems, academic planners, course scheduling software, early warning systems and predicative analytics. Such technologies may be student-facing, providing direct services to students, or may be institution-facing, informing individual interactions of faculty and professional advisers with students. At the aggregate level, data from these tools provide critical information for class scheduling and academic planning for administrators.

Degree Audit Systems

A degree audit is a computer-generated analysis that enables the student and his/her adviser to assess the student's academic progress and unfulfilled degree requirements. The audit provides an on-demand examination of requirements for a degree compared to a student's courses completed including credit received for transfer courses, or credit received for examinations. The user is then able to view remaining requirements, requirements satisfied, or all requirements and plan their next academic term. Robust degree audit rules allow campus administrators to generate audits for entire populations of students or automate other enrollment processes such as posting of graduation.

Academic Planning Tools

With degree audits as a foundation, academic planners provide students with an interactive online system which utilizes information from a student's record to recommend future semester course enrollment patterns. These flexible systems allows students to adjust and personalize their recommended course schedule for multiple academic terms based on their individual needs, such as enrolling in summer courses or changing the order of courses based on credits completed before they began college or fulfilling double-major requirements. Academic planners provide the "most efficient" pathway to graduation and update automatically as additional courses are completed or credit is received.

Class Scheduling Tools

Class scheduling applications provide web-based schedule planners for use by students and/or advisers as they prepare to select courses each term. These applications automate the manual pen and paper process and present the student with every possible schedule option that has seats available and are open for registration in real-time. Students are able to indicate times they are busy with other responsibilities and the application builds a schedule of available courses around those times. These tools then provide data to the institution to help inform academic planning and classroom scheduling based on student demand and schedules.

Early Warning / Case Management Tools

"Early Warning" and "Case Management" tools provide advisers, tutors, mentors, students and administrators an array of appointment management, engagement, communication and tracking tools through web-based solutions available across the institution. These tools allow institutions to group and track students based upon academic and student success indicators, produce reports for faculty, advisers and administrators and recommend campuswide resources for at-risk students. The tools allow advisers to proactively address at-risk students by more easily

identifying and more effectively addressing areas of concern, often before the concern escalates into more severe academic issues.

Predictive Analytic Tools

Predictive analytic tools combine technology, data, research and algorithms to help institutions positively affect outcomes with at-risk and off-path students. Utilizing the wealth of academic data, such tools uncover insights about the patterns of academic success and failure. Aggregate course outcome data, academic roadmaps and other success markers are utilized to identify effective course-taking strategies and engagement opportunities with students which have the greatest correlation with success. The resulting information allows advisors and other student services professionals to prioritize students needing assistance in critical courses and inform conversations with students who may be exploring majors. Through these tools, institutions can mount communication and intervention campaigns to engage students. Data gleaned from this activity can also help inform curriculum planning and assessment.

The table below provides a plan for the continued implementation of major components of CSU’s eAdvising strategies which contribute to student success. Grouping campuses which have selected similar technical strategies will continue to allow the CSU to leverage its buying power and give campuses the opportunity to learn from shared experiences as new solutions are implemented. With academic year 2012-2013 as a baseline year before a focused strategy involving eAdvising, increases in campus adoption of multiple tools is anticipated.

Number of Campuses Implementing or Utilizing eAdvising Tools					
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Degree Audit System	23	23	23	23	23
Academic Planning Tools	3	6	11	13	23
Course Scheduling Tools	4	12	20	23	23
Predictive Analytic Tools	0	3	6	10	15

From the expansion of eAdvising technologies across campuses, the principal objective will be to allow students to make the best choices as they plan their academic pathway with supporting guidance from faculty and professional advisers. This engagement will ultimately allow students to graduate in a timelier manner with greater understanding of the relevance of their coursework to their chosen majors and careers.

COMMITTEE ON EDUCATIONAL POLICY

California State University Education Doctorate (Ed.D.) Update

Presentation By

Beverly Young, Ph.D.
Assistant Vice Chancellor
Academic Affairs

Summary

This information item is an update on the California State University (CSU) Education Doctorate (Ed.D.). The first years of the program to date have been highly successful, with 14 campuses serving a total of 740 students last year, 443 preparing for P-12 leadership and 297 for community college leadership.

Background and Overview

The CSU was authorized to offer the Doctorate of Education degree (Ed.D.) through Senate Bill 724 (Scott) in 2005. Seven CSU campuses began offering Ed.D. programs in fall 2007. Currently, Ed.D. programs are offered by 14 CSU campuses. The programs are designed to serve students who are working as full-time education professionals, equipping them with the knowledge and skills to effectively lead California's public schools, districts and community colleges. All fourteen offer a specialization in PreK-grade 12 (P-12) leadership, and nine also offer community college leadership programs.

Twelve of the programs belong to the prestigious *Carnegie Project on the Education Doctorate* (CPED), a national consortium dedicated to advancing excellence in Ed.D. programs and preparing outstanding educational practitioners. The CSU has the largest number of CPED programs in the nation, reflecting the commitment to the highest quality practice-based doctoral preparation.

The programs have had unusually high completion rates – approximately 92.5 percent. This high rate of persistence reflects not only the high program quality, but also the effectiveness of the cohort model of the programs, the structure meant to facilitate student completion within three years, and the focus on studying problems relevant to students' work.

This report provides a brief overview of the CSU Ed.D. programs. It includes recent data on enrollment, degree completion, places of employment and positions of graduates, and student dissertation topics focused on advancing reform efforts.

The 14 CSU Ed.D. Programs

Ed.D. programs are offered by the 14 CSU campuses listed in Table 1. In addition, two campuses, CSU San Marcos and Sonoma State, have joint Ed.D. programs with the University of California, San Diego and University of California, Davis respectively. Additional campuses are developing programs to address unmet needs in their regions, with some of these being initiated in partnership with current CSU programs. CSU Channel Islands, for example, is planning a new joint Ed.D. program with CSU Fresno. This is a highly cost-effective approach.

Table 1. The CSU Independent Ed.D. Programs

Campus	Start Year	P-12	Community College
Bakersfield	2011	√	√
East Bay	2008	√	
Fresno	2007	√	√
Fullerton	2007	√	√
Long Beach	2007	√	√
Los Angeles	2009	√	
Northridge	2008	√	√
Pomona	2012	√	
Sacramento	2007	√	√
San Bernardino	2007	√	
San Diego	2007	√	√
San Francisco	2007	√	√
San Jose	2013	√	
Stanislaus	2008	√	√

Enrollments in the CSU Independent Ed.D. Programs

The enrollments in the 14 CSU Ed.D. programs in 2013-2014 are shown in Table 2. Of the 740 students, 60 percent (443) were enrolled in P-12 specializations and 40 percent (297) were enrolled in community college specializations. Many are first-generation college-goers, attracted by the attention of the programs to equity and diversity.

Females constituted 65 percent (481) of the students and males 35 percent (259). This distribution has been relatively constant since the programs began in 2007. There has historically been an under-representation of females in educational leadership positions in both California and the nation, and the CSU Ed.D. programs are having a distinct impact in reducing this gender gap.

Table 2. CSU Ed.D. Program Enrollments, 2013-2014

Campus	P-12	Community College	Total
Bakersfield	30	18	48
East Bay	42	--	42
Fresno	29	25	54
Fullerton	55	58	113
Long Beach	36	42	78
Los Angeles	41	--	41
Northridge	22	39	61
Pomona	33	--	33
Sacramento	17	28	45
San Bernardino	54	--	54
San Diego	39	47	86
San Francisco	26	25	51
San Jose	--	--	--
Stanislaus	19	15	34
Total, 2013-14	443	297	740

Ethnicity of Students in the CSU Independent Ed.D. Programs

The ethnicity of the students in the 14 CSU Ed.D. programs in 2013-14 is shown in Table 3. As in each previous year, the students are a highly diverse group. These distributions have been relatively stable since the programs began in 2007. There is significant under-representation of Hispanic, African-American and Asian individuals in educational leadership roles in California and nationally, and CSU’s Ed.D. programs are having a substantial effect on this gap.

Table 3. CSU Ed.D. Program Enrollments: Ethnicity, 2013-2014

Ethnicity	P-12	Community College	Total Number	Total Percent
African-American	63	52	115	16%
American-Indian	3	4	7	1%
Asian-American	27	35	62	8%
Filipino	1	5	6	1%
Mexican-American	117	61	178	24%
Other Latino	49	24	73	10%
Pacific Islander	4	4	8	1%
White, Non-Latino	170	104	274	37%
Two or More Races	9	8	17	2%
Total, 2013-14	443	297	740	100%

Degree Completion of Students in CSU Independent Ed.D. Programs

The average time to completion in CSU Ed.D. programs is 3.25 years, and most students complete the program in three years. The completion rate has been high – approximately 92.5 percent. There have been more than 600 graduates to date, with 95 in 2010 and more than 110 each subsequent year.

Places of Employment and Position Changes of Ed.D. Program Graduates

Employment information for the 2013-2014 Ed.D. students is shown in Table 4. Since the beginning of the program, Ed.D. graduates have tended not to change employers, but their position levels have increased markedly. Over two-thirds of all Ed.D. graduates report promotions to positions of significantly increased responsibility. While the majority remained

with their employer upon graduation, they often moved from a school or campus to a significant district level position. Place of employment and examples of position changes are below.

Table 4. Ed.D. Student Place of Employment, 2013-2014

P-12 Students	Place of Employment
School site	73%
School district office	23%
County Office of Education	4%
Total	100%
Public School	95%
Private Schools	5%
Total	100%
Community College Students	Place of Employment
Campus	52%
District/Region	30%
Other	18%
Total	100%

Table 5. Ed.D. P-12 Students/Graduates: Position Changes

Position at Start of Program	Position After Graduation
Math Lab Teacher California Elementary School	Mathematics Curriculum Coordinator Same School District
Vice Principal California High School	Principal Same High School
Principal California Elementary School	Director of Educational Services Same School District
Counselor California High School	Vice Principal Same High School
Principal California Middle School	Assistant Superintendent for Instruction Same School District
Assistant Superintendent for Educational Services, California School District	Deputy Superintendent Same School District
Assistant Superintendent for Secondary Education, California School District	Superintendent Same School District

Table 6. Ed.D. Community College Students/Graduates: Position Changes

Position at Start of Program	Position After Graduation
Associate Dean of Instruction Fine Arts, Performing Arts, and Communication, California Community College	Dean of Instruction Fine Arts, Performing Arts, and Communication, Same Community College
Research Analyst, Institutional Planning and Analysis, Community College Campus	Director, Institutional Planning and Analysis, Same Community College Campus
Coordinator, Special Education Programs and Services California School District	Director, Counseling, Special Education and Rehabilitation Services, Community College
Director, Counseling Services California Community College	Dean of Student Services Nearby Community College
Dean of Student Services, California Community College	Vice President for Student Services Same Community College

Ed.D. Student Dissertations

One indicator of the potential and actual impact of Ed.D. programs on improving student achievement and success is a listing of the dissertation research areas of Ed.D. students. The examples below illustrate dissertations directly related to P-12 and community college reforms.

Table 7. Examples of Dissertations of P-12 Ed.D. Students

Dissertations Examining Reforms Aimed at Improving Student Achievement and Success
Advancing Minority Students' College Readiness in Mathematics
Tracking GEAR-UP Student Trajectories and College Participation
Fostering Latino Middle School Student Success in STEM
Enhancing English Learners' Language Interactions in Elementary Classrooms
Using Home Visits to Increase Parent Engagement in Inner-City Schools
Developing Strategies for Increasing Principal Sustainability in High-Poverty Schools
The African-American Experience in Linked Learning Career Academies
The Role of Counselors in Linked Learning High Schools
Transforming School Culture in Program Improvement Schools
Preparing New Transitional Kindergarten Teachers in Developmentally Appropriate Practice
Expanding After School Programs in Science in Central California Rural Communities
Introducing Leadership Coaching for Principals in California Title I Elementary Schools

Table 8: Examples of Dissertations of Community College Students

Dissertations Examining Reforms Aimed at Improving Student Achievement and Success
Examining African-American Transfer Pathways from Community Colleges to Four-Year Campuses
Increasing Effectiveness of Community College Programs and Services for Student Veterans
Supporting Educational Experiences of Undocumented Community College Latina/o Students
Increasing Summer Bridge Opportunities for Underrepresented Two-Year College Students
Implementing Outcomes-Based Student Learning Assessment in a Community College
Enhancing Educational Success of Deaf or Hard-of-Hearing Community College Students
Utilizing Course Articulation Agreements to Facilitate Transfer Success
Noncredit-to-Credit Pathways: Expanding Opportunities for Adult Immigrant Learners
Developing A Retention Intervention for African-American Community College Students
Using Peer Mentors to Improve the Persistence of Transfer Students of Color
Creating Learning Communities to Foster Underrepresented Student Success in Pre-algebra
Initiating a High Quality Service Learning Program Throughout a Community College District

AGENDA

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: **10:00 a.m., Wednesday, September 10, 2014**
 Glenn S. Dumke Auditorium

J. Lawrence Norton, Chair
Rebecca D. Eisen, Vice Chair
Talar Alexanian
Adam Day
Lillian Kimbell
Steven G. Stepanek

Consent Items

Approval of Minutes of Meeting of July 22, 2014

Discussion Items

1. Amend the 2014-2015 Non-State Funded Capital Outlay Program for California State University, Sacramento, *Action*
2. Approval of the Master Plan Revision for California State University, Bakersfield, *Action*
3. California State University Seismic Safety Program Biennial Report, *Action*

**MINUTES OF MEETING OF
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

July 22, 2014

Members Present

Rebecca D. Eisen, Vice Chair
Talar Alexanian
Adam Day
Lillian Kimbell
Lou Monville, Chair of the Board
Steven G. Stepanek
Timothy P. White, Chancellor

Approval of Minutes

The minutes for the May 2014 meeting were approved as submitted.

Amend the 2014-2015 Non-State Funded Capital Outlay Program

Assistant Vice Chancellor Elvyra F. San Juan presented agenda item 1 which proposes to amend the 2014-2015 non-state funded capital outlay program with two projects: Cellular Antennas Relocation at California State University, East Bay and Student Housing, Phase II at California State University, Sacramento.

The committee recommended approval of the proposed resolution (RCPBG 07-14-10).

Approval of Schematic Plans

Ms. San Juan presented item 2 for approval of schematic plans for California State University San Marcos—Mangrum Track Field Lighting and Cell Tower. She reported that the campus completed an Initial Study/Mitigated Negative Declaration to comply with the California Environmental Quality Act (CEQA) and there were no significant impacts.

Trustee Eisen inquired about green light standards, what they are and how are they established.

Ms. San Juan responded that the campus will be using 40 percent less energy with this lighting as compared to typical field lighting. The CSU follows the energy efficiency requirements in the California Building Standards Code, Title 24 (of the California Code of Regulations) which recently changed with the new Cal Green Standards being more stringent.

Trustee Eisen asked about the city erroneously asserting jurisdiction over this project citing government code.

Ms. San Juan replied that the city brought these concerns forward during the public comment period for the mitigated negative declaration. A formal response to the city was prepared and transmitted; it can be reviewed via the link provided in the agenda item. Some of the concerns are related to visual mitigations—distance to community visual receptors as well as consideration for camouflaging the pole and fixture.

The committee recommended approval of the proposed resolution (RCPBG 07-14-11).

Trustee Eisen adjourned the meeting.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Amend the 2014-2015 Non-State Funded Capital Outlay Program for California State University, Sacramento

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

The California State University Board of Trustees approved the 2014-2015 non-state funded capital outlay program at its November 2013 meeting. However, as projects can require a fairly long lead time to secure third party funding agreements or approval of viable financing plans, it is not always possible for campuses to complete the necessary requirements in time to include them in the capital outlay program. This item allows the board to consider the scope and budget of proposed projects.

California State University, Sacramento

Low Impact Development Stormwater Improvements	PWCE¹	\$2,840,000
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California State University, Sacramento wishes to proceed with the design and construction of low impact development (LID) stormwater improvement projects. The project supports the trustees' sustainability policy as it develops campus sustainable landscaping, promotes the use of reclaimed water and advances best practices in reducing stormwater runoff. The low impact development design strategies will reduce pollutants going into the American and Sacramento Rivers. The types of devices/strategies to be implemented primarily includes methods to capture rain water and associated runoff in areas such as bio retention areas, swales, and rain gardens planted with deep rooted plants and grasses to filter contaminants, improve aquifer recharge and reduce the runoff pollutants from entering the two rivers. The project will also intercept runoff from roads, parking lots, open spaces and roofs, filter, and re-use the water instead of entering the stormwater system. The project scope includes the installation of up to 25 low-impact development stormwater treatment devices on the Sacramento State campus.

The Office of Water Programs, University Enterprises, Incorporated (the university's auxiliary), will be responsible for testing and monitoring the effectiveness of the measures on the region's

¹ Project phases: P – Preliminary Plans, W – Working Drawings, C – Construction, E – Equipment

river ways. The project will be funded primarily from a California Proposition 84 Stormwater Grant (\$2,300,000), and the balance (\$540,000) from the campus operating fund.

Recommendation

The following resolution is presented for approval:

RESOLVED, By the Board of Trustees of the California State University, that the 2014-2015 non-state funded capital outlay program is amended to include \$2,840,000 for preliminary plans, working drawings, construction and equipment for California State University, Sacramento Low Impact Development Stormwater Improvements project.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Approval of the Master Plan Revision for California State University, Bakersfield

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Background and Summary

The Board of Trustees of the California State University requires that each campus have a long-range physical master plan showing existing and anticipated facilities necessary to accommodate a specified enrollment at an estimated date or planning horizon. Each campus master plan reflects the ultimate physical requirements of academic master plans and auxiliary activities to serve the projected academic year full-time equivalent students that will be on-campus in lecture and laboratory space.

In September 2007, the board approved a campus master plan revision for California State University, Bakersfield and certified a Final Environmental Impact Report which identified an area of the southern campus boundary as a site for public-private development based on a “program” level assessment of the potential environmental impacts.

This agenda item seeks:

- Approval of the Proposed Campus Master Plan Revision dated September 2014;
- Adoption of Final Mitigated Negative Declarations prepared based on the “project” level assessment of a potential Hotel, Conference Center, and Office Park;

Attachment “A” is the proposed campus master plan. Attachment “B” is the existing campus master plan approved by the board in September 2007.

Proposed Master Plan Revision

The proposed changes to the campus master plan refine the location and configuration of the potential Hotel, Conference Center, and Office Park that the campus plans to pursue via public-private partnerships. The projects are located side-by-side along the southwestern edge of the campus boundary, as shown in Attachment A.

Hexagon 1: Office Park (Building 71a)

The proposed development would consist of up to four office buildings, two to six stories, clustered around pedestrian plazas and courtyards. The approximately 283,500 square foot project would provide a 402-space parking structure, and 722 parking spaces in a surface lot on a 12.5 acre site.

Hexagon 2: Hotel (Building 71b)

The proposed 85,000 to 87,000 square foot hotel development to accommodate 100-120 rooms, restaurant, and meeting space would be four to five stories, supported by surrounding parking.

Hexagon 3: Conference Center (Building 71c)

The conference center is estimated to be 10,000 to 12,000 square feet in order to accommodate an estimated 1,000 attendees. The conference center would be one to two stories with surrounding parking.

California Environmental Quality Act (CEQA) Action

As the campus plans to pursue public-private partnerships with different entities for the projects that are the subject of this agenda item, separate CEQA documents were prepared to provide the “project” level analysis of the proposed master plan changes in accordance with the requirements of CEQA and State CEQA Guidelines.

For the Office Park, an Initial Study/Mitigated Negative Declaration was prepared to analyze the potential significant environmental effects. The public review period began on June 26, 2014, and closed on July 25, 2014. There were no potential significant environmental impacts identified. The Final Mitigated Negative Declaration documents are available online at: <http://www.csub.edu/discover/index.html>.

For the Hotel and Conference Center, an Initial Study/Mitigated Negative Declaration was also prepared. The public review period began on March 31, 2014, and closed on April 30, 2014. There were no potential significant environmental impacts identified. The Final Mitigated Negative Declaration documents are available online at: <http://www.csub.edu/discover/index.html>.

The two Final Mitigated Negative Declarations prepared are presented to the board for review and adoption as part of this agenda item.

Recommendation

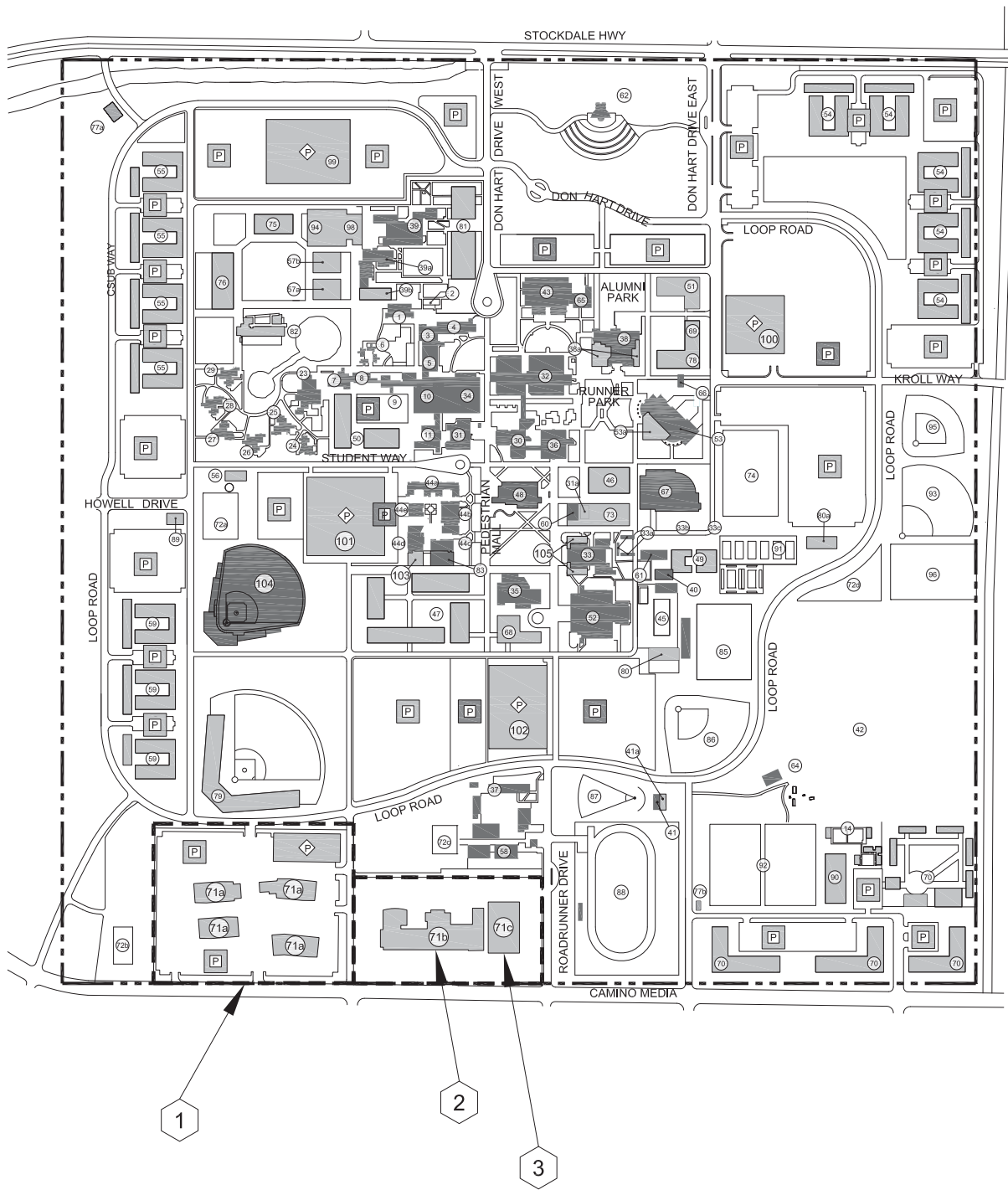
The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Office Park Final Initial Study/Mitigated Negative Declaration has been prepared to address any potential significant environmental impacts, mitigation measures, comments and responses to comments associated with approval of the California State University, Bakersfield Master Plan Revision, and all discretionary actions related thereto, as identified in the Final Initial Studies/Mitigated Negative Declaration for this project.
2. The Office Park Final Initial Study/Mitigated Negative Declaration was prepared pursuant to the California Environmental Quality Act and State CEQA Guidelines.
3. The Hotel and Conference Center Final Initial Study/Mitigated Negative Declaration has been prepared to address any potential significant environmental impacts, mitigation measures, comments and responses to comments associated with approval of the California State University, Bakersfield Master Plan Revision, and all discretionary actions related thereto, as identified in the Final Initial Studies/Mitigated Negative Declaration for this project.
4. The Hotel and Conference Center Final Initial Study/Mitigated Negative Declaration was prepared pursuant to the California Environmental Quality Act and State CEQA Guidelines.
5. This resolution is adopted pursuant to the requirements of Section 21081 of Public Resources Code and Section 15091 of the State CEQA Guidelines which require that the Board of Trustees make findings prior to the approval of a project that the mitigated projects as approved will not have a significant impact on the environment, that the projects will be constructed with the recommended mitigation measures as identified in the mitigation monitoring programs, and that the projects will benefit the California State University. The Board of Trustees makes such findings with regard to these projects.
6. The California State University, Bakersfield Campus Master Plan dated September 2014 is approved.

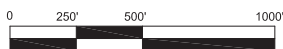
7. The chancellor is requested under the Delegation of Authority granted by the Board of Trustees to file a Notice of Determination for the California State University, Bakersfield Master Plan Revision associated with the proposed Office Park project in which an Initial Study/ Mitigated Negative Declaration was prepared.

8. The chancellor is requested under the Delegation of Authority granted by the Board of Trustees to file a Notice of Determination for the California State University, Bakersfield Master Plan Revision associated with the proposed Hotel and Conference Center project for which an Initial Study/Negative Declaration was prepared.



California State University Bakersfield

Campus Master Plan
 Master Plan Enrollment: 18,000 FTE
 Approval Date: September 1968
 Proposed Date: September 2014
 Main Campus Acreage: 376 Acres



Buildings	Campus Boundary	Parking
EXISTING BUILDING	EXISTING	EXISTING LOT
FUTURE BUILDING		FUTURE LOT
TEMPORARY BUILDING		FUTURE STRUCTURE

California State University - Bakersfield
 Proposed Master Plan

Master Plan Enrollment: 18,000 FTE

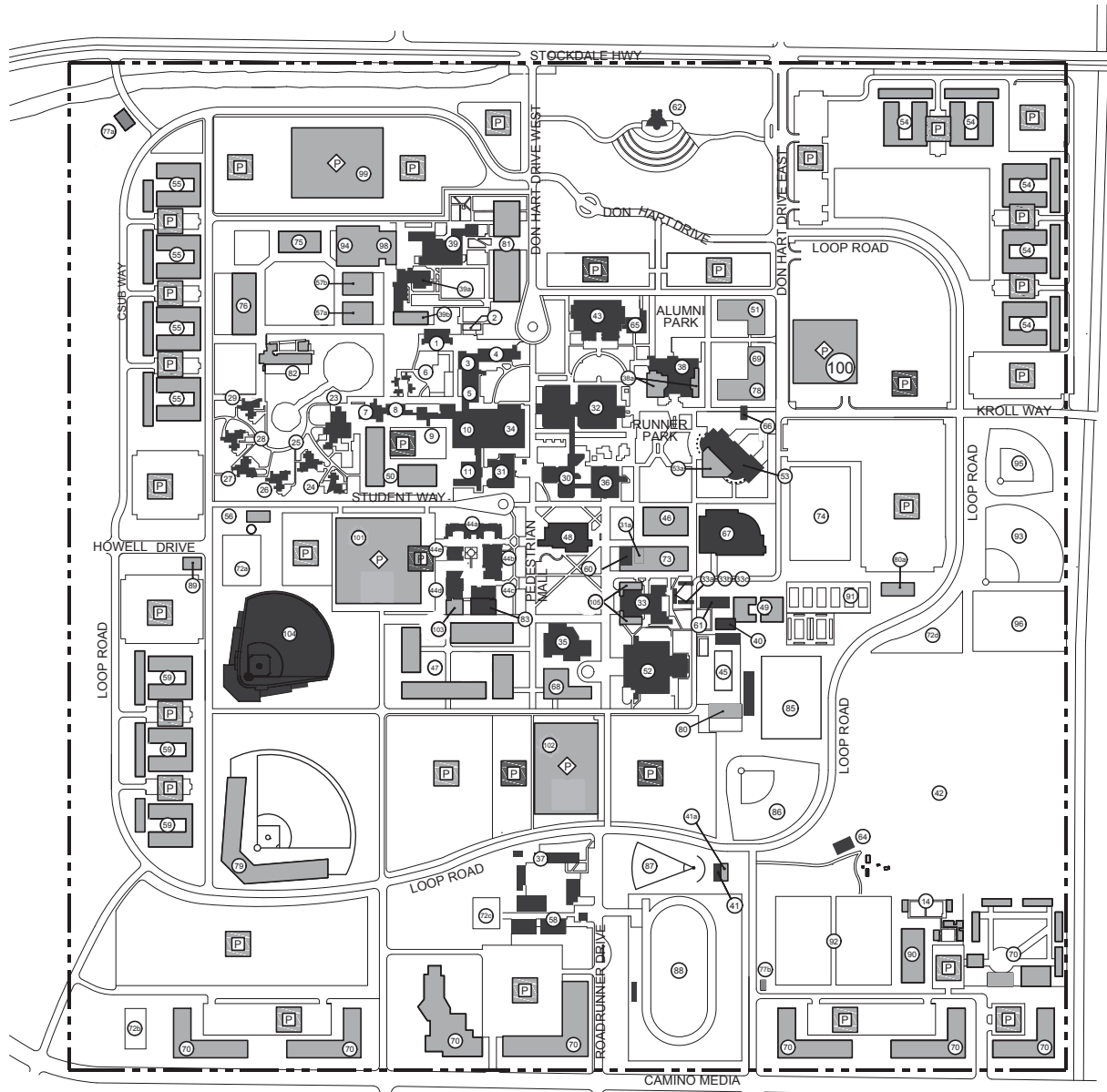
Master Plan approved by the Board of Trustees: September 1968

Master Plan Revision approved by the Board of Trustees: September 1970, January 1971,
 January 1973, May 1974, July 1975, February 1980, November 1980, January 1984, March 1984, September 1985,
 March 1987, January 1988, September 2007, September 2014

- | | |
|--|---|
| 1. Classroom Building | 55. Student Housing – Northwest |
| 2. Fine Arts | 56. Satellite Plant |
| 3. Lecture Building | 57a. Humanities Complex, Phase I |
| 4. Performing Arts | 57b. Humanities Complex, Phase II |
| 5. Administration East | 58. Well Core Repository |
| 6. Faculty Building | 59. Student Housing – Southwest |
| 7. University Advancement | 60. University Police |
| 8. Administration West | 61. John Antonino Sports Center |
| 9. Administration | 62. Amphitheater |
| 10. Student Services | 64. Facility for Animal Care and Treatment (F.A.C.T.) |
| 11. Plant Operations | 65. Computing/Telecom Center |
| 12. Shower-Locker | 66. Greenhouse |
| 13. Modular West | 67. Student Recreation Center |
| 14. Children's Center | 68. Student Health Center Expansion |
| 23. Dining Commons | 69. Foundation Office Building |
| 24. Residence Hall A | 70. Public-Private Partnership |
| 25. Residence Hall B | 71a. Office Park Public-Private Partnership |
| 26. Residence Hall C | 71b. Hotel Public-Private Partnership |
| 27. Residence Hall D | 71c. Conference Center Public-Private Partnership |
| 28. Residence Hall E | 72a-d. Retention Basin |
| 29. Residence Hall F | 73. Engineering |
| 30. Science I | 74. Intramural Sports Field No. 3 |
| 31. Paul F. Romberg Nursing Education Center | 75. Nursing Center |
| 31a. EOC/Testing Center | 76. Department of Nursing |
| 32. Dorothy Donohoe Hall | 77a. Information Center North |
| 33. Physical Education | 77b. Information Center South |
| 33a. P.E. Modular A | 78. Student Services No. 2 |
| 33b. P.E. Modular B | 79. NCAA Baseball Stadium |
| 33c. P.E. Modular C | 80. Outdoor P.E. Storage/Restroom |
| 34. Education | 80a. Outdoor P.E. Storage/Restroom |
| 35. Student Health Center | 81. Classroom/Office Building |
| 36. Science II | 82. New Art Center |
| 37. Corporation Yard/Warehouse | 83. Engineering Complex I |
| 38. Runner Café | 85. Competition Sports Field |
| 38a. Runner Café Addition | 86. Competition Softball Field |
| 39. Doré Theatre and Todd Madigan Art Gallery and Music Building Complex | 87. Competition Throwing Area/Field Events |
| 39a. Music Expansion Phase I | 88. Competition Track and Field |
| 39b. Music Expansion Phase II | 89. Police Department |
| 40. Handball Courts | 90. Education Building |
| 41. Outdoor P.E. Storage Building | 91. Competition Tennis Courts |
| 41a. Outdoor P.E. Storage Addition | 92. Intramural Sports Field No. 1 |
| 42. Environmental Studies Area | 93. Intramural Baseball Field No. 4 |
| 43. Walter W. Stiern Library | 94. Performing Arts II |
| 44a. Business Development Center Offices | 95. Intramural Softball Field No. 5 |
| 44b. Business Development Center Classrooms | 96. Competition Sports Field No. 2 |
| 44c. Extended University | 98. Black Box Theater |
| 44d. Rayburn S. Dezember Leadership Development Center | 99. Parking Structure No. 1 |
| 44e. Administration | 100. Parking Structure No. 2 |
| 45. J.R. Hillman Aquatic Center | 101. Parking Structure No. 3 |
| 46. Natural Sciences | 102. Parking Structure No. 4 |
| 47. Classroom/Office Complex | 103. Business Development Center Addition |
| 48. Science III | 104. Hardt Field |
| 49. Health Science and Physical Education | 105. Physical Education Addition |
| 50. Behavioral Sciences | |
| 51. Administration North | |
| 52. Jimmie and Marjorie Icardo Activities Center | |
| 53. Student Union/Bookstore | |
| 53a. Student Union/Bookstore Addition | |
| 54. Student Housing – Northeast | |

LEGEND:
 Existing Facility / Proposed Facility

NOTE: Existing building numbers correspond with building numbers in the Space and Facilities Data Base (SFDB)



California State University Bakersfield

Campus Master Plan
 Master Plan Enrollment: 18,000 FTE
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 Revised Date: September 2007
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| 5. Administration East | 57a. Humanities Complex, Phase I |
| 6. Faculty Building | 57b. Humanities Complex, Phase II |
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| 8. Administration West | 59. Student Housing – Southwest |
| 9. Administration | 60. University Police |
| 10. Student Services | 61. John Antonino Sports Center |
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| 12. Shower-Locker | 64. Facility for Animal Care and Treatment (F.A.C.T.) |
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| 49. Health Science and Physical Education | |
| 50. Behavioral Sciences | |
| 51. Administration North | |
| 52. Jimmie and Marjorie Icardo Activities Center | |
| 53. Student Union/Bookstore | |

LEGEND:
 Existing Facility / Proposed Facility

NOTE: Existing building numbers correspond with building numbers in the Space and Facilities Data Base (SFDB)

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State University Seismic Safety Program Biennial Report

Presentation By

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Chuck Thiel Jr., PhD
President
Telesis Engineers

Summary

This item presents the California State University Seismic Safety Program Report for the July 2012 to June 2014 period.

Seismic Policy and History

In 1993, the CSU Board of Trustees adopted the following policy:

It is the policy of the Board of Trustees of the California State University, that to the maximum extent feasible by present earthquake engineering practice, to acquire, build, maintain, and rehabilitate buildings and other facilities that provide an acceptable level of earthquake safety for students, employees, and the public who occupy these buildings and other facilities at all locations where CSU operations and activities occur. The standard for new construction is that it meets the life-safety and seismic hazard objectives of the pertinent provisions of Title 24 of the California Code of Regulations; the standard for existing construction is that it provides reasonable life-safety protection, consistent with that for typical new buildings. The California State University shall cause to be performed independent technical peer reviews of the seismic aspects of all construction projects from their design initiation, including both new construction and remodeling, for conformance to good seismic resistant practices consistent with this policy. The feasibility of all construction projects shall include seismic safety implications and shall be determined by weighing the practicality and cost of protective measures against the severity and probability of injury resulting from seismic occurrences. [Approved by the Board of Trustees of the California State University at its May 19, 1993 meeting (RCPBG 05-93-13)]

Out of this policy, the CSU Seismic Review Board was established to provide advice on the ongoing seismic condition of the CSU building stock and technical counsel in how to effectively implement a seismic oversight program. Now celebrating its 20-year anniversary, the CSU Seismic Policy has improved and evolved, while the Seismic Review Board provides input to state building codes and is periodically asked to provide counsel and assessments on structural and seismic matters for other state agencies and institutions.

The CSU Seismic Review Board Membership

The following individuals serve as members of the CSU Seismic Review Board:

- Charles Thiel Jr., PhD, President, Telesis Engineers (Chairman)
- Theodore C. Zsutty, PhD, SE, Consulting Structural Engineer (Vice Chair)
- John Egan, GE, Principle Engineer, AMEC Geomatrix
- John A. Martin, Jr., SE, President, John A. Martin and Associates, Inc.
- Richard Niewiarowski, SE, Consulting Structural Engineer
- Thomas Sabol, PhD, SE, Principal, Englekirk and Sabol

Since its inception, board membership has been remarkably stable. In June 2013, Gregg Brandow, one of the original seismic review board members, elected to retire. As part of succession planning, the Seismic Review Board plans to identify several prospective candidates for consideration by the CSU for future appointment. The appointment is made by the Assistant Vice Chancellor, Capital Planning, Design and Construction.

CSU Seismic Mitigation and Program Activities

The California State University maintains an ongoing seismic mitigation and oversight effort comprised of five elements:

1. **Mitigate urgent falling hazard concerns.** Mitigate significant life-safety threats posed by falling hazards as a priority. The initial falling hazard concerns identified at the 23 campuses and off-campus centers in 1994 have been mitigated. There are no known falling hazard concerns outstanding.
2. **Identify, broadly prioritize and periodically re-evaluate existing seismic deficiencies.** The last comprehensive systemwide seismic assessment was completed in 2008. The buildings that pose a life-safety threat have been prioritized into two published listings: *Seismic Priority List 1* (Attachment A), which are buildings that should be retrofitted as soon as practical, and *Seismic Priority List 2* (Attachment B), which are buildings that trigger a seismic retrofit when any construction work other than maintenance is performed. Several of these deficiencies can be completed within the minor capital project cost threshold of

\$634,000; however, state capital budget constraints continue to limit available funding for these structural renovations.

Of the more than 200 buildings priority-listed since inception, the current published listing (revised November 15, 2013) contains 31 buildings for Priority List 1 and 42 buildings for Priority List 2. To accurately reflect existing conditions, projects are removed from the priority lists when required work is completed. The following projects were completed and removed from the Priority Lists during this reporting period:

- CSU Stanislaus – Science 1 – renovation completed.
- CSU East Bay – Warren Hall – building demolished.

The following projects merit special note:

CSU East Bay, Warren Hall. Long the CSU's most pressing seismic concern, Warren Hall was successfully imploded on August 17, 2013. The demolition afforded the opportunity for US Geologic Survey and allied groups to monitor the effects of the implosion to more comprehensively characterize the adjacent Hayward fault and geostrata. The Warren Hall Replacement Building project is currently in construction.

California State Polytechnic University, Pomona, Classroom/Laboratory and Administration (CLA) building. A partial replacement building (Administration Replacement Facility) was funded in the 2013-2014 state capital outlay budget. The project is currently in the design phase.

The success of CSU's Seismic Review Board has resulted in requests to provide technical support for University of California, and the California Department of General Services. The Seismic Review Board also works with the CSU to facilitate building code changes that support its capital program efforts. The Seismic Review Board participated in a voting capacity on the technical review committees that create the structural appendices (ASCE-41¹ and its successors) that are considered for code adoption. The Board continues to take a proactive role in this regard and provides technical input to the state in the development of future state building code requirements.

Various technical changes and updates were made during the reporting period to maintain the currency of the trustees' CSU Seismic Requirements. These requirements can be viewed at http://www.calstate.edu/cpdc/ae/Seismic/CSU_Seismic_Policy_Manual.pdf.

¹ American Society of Civil Engineers' Standard Number 41, Seismic Rehabilitation of Existing Buildings

3. **Provide peer review of the proposed structural design for all major construction.** While all CSU projects are evaluated for code compliance, projects over \$634,000 undergo a supplemental seismic peer review to further confirm and validate the design approach. The peer review is an engineer to engineer discussion and occurs throughout the design process to help ensure that proposed designs are conceptually and technically well-considered.
4. **Develop a Seismic Event Response Plan.** The CSU's current systemwide emergency response plan was updated and re-issued July 5, 2013. When a significant seismic event occurs, pre-defined CSU and Seismic Review Board actions are triggered. Initial damage assessments by campus first responders are promptly relayed to Chancellor's Office senior management and the CSU Building Official/Chief of Architecture and Engineering. The Seismic Review Board Chairman confers with potentially affected campuses to determine if an on-site presence by the Seismic Review Board is warranted. If so, the chair of the Seismic Review Board is pre-designated and empowered to act as a special Deputy Building Official to make campus police-enforceable building occupancy posting assessments in the immediate post-earthquake period regarding the safety of buildings where structural damage has occurred. Once initial life-safety assessments are made, follow-up structural repair strategies can be developed. View plan: http://www.calstate.edu/cpdc/ae/review/seismic_peer.shtml.

During the July 2012 to June 2014 reporting period there were no significant seismic events, however some lesser seismic shocks did occur in March 2014 and non-structural damage (i.e., minor cracking, fallen ceiling tile and books) caused the California State University, Fullerton campus to conduct a precautionary assessment with its assigned seismic peer reviewer to ascertain that larger structural issues were not present.

5. **Conduct seismic-related staff continuing education.** Systemwide training 'Managing CSU Code Compliance' was conducted in September 2013, and a session on comparative structural systems was presented in November 2013.

In summary, the CSU Seismic Review Board has served the California State University and the state with distinction for over 20 years. It works behind the scenes to provide highly actionable, interpretive counsel to the university on a complex and evolving technical subject. Its efforts have allowed the CSU to realize great efficiencies with its entrusted capital dollars while at the same time fostering the creation of engaging places that support the university's academic mission. In normal operations the Seismic Review Board acts in a timely manner; in times of a seismic event it stands ready to provide immediate counsel as part of a larger emergency response system. The CSU Seismic Review Board is highly regarded within the profession and is one example of a quiet success story within the CSU.

Recommendation

The following resolution is presented for approval:

WHEREAS, the California State University Seismic Review Board was established in 1993 and has provided twenty-one years of service implementing the seismic policy of the Board of Trustees; and

WHEREAS, the Seismic Review Board has provided advice on the seismic condition of university buildings and provided engineering expertise to effectively implement a seismic safety program; and

WHEREAS, the Seismic Review Board has provided technical input to the State of California in the development of building code requirements to promote seismic safety retrofits in building renovations; and

WHEREAS, the Seismic Review Board continues to be sought by other state agencies to provide engineering assessments; and

WHEREAS, the Seismic Review Board established a peer review protocol of proposed structural designs for all major construction to provide an engineer to engineer discussion throughout the design process; and

WHEREAS, the Seismic Review Board developed a comprehensive seismic event response plan to ensure an authoritative high level response to each event; and

WHEREAS, the Seismic Review Board has positively and significantly affected the life and safety of the students, faculty, staff and local community on the twenty-three campuses of the California State University, its off-campus centers and leased facilities through its sound application of seismic engineering principles; and now, therefore, be it

RESOLVED, that the Board of Trustees of the California State University commends the Seismic Review Board for its level of excellence in promoting seismic safety in facility construction and recognizes the Seismic Review Board's important contributions, thoughtful engineering analysis, and its individual members' generosity of time and efforts to further the mission of the California State University.

CSU Seismic Priority List 1
(Ordered by Campus)

This list identifies facilities that warrant urgent attention for seismic upgrade as soon as resources can be made available. Repair and maintenance work is allowed.

Campus	Building	Building #	Capital Outlay Notes
BA	Faculty Towers	6	P 2014-15 Request
BA	Physical Education (Old Gym)	33	-
BA	Doré Theatre	39	PWC Funded 2013-14 – In design
CI	Ironwood Hall ('SH' Shops – mid section)	24	No office use – storage only
DH	Leo F. Cain Library	20	P 2014-15 Request
EB	Library	12	P 2014-15 Request
EB	Corporation Yard	5	PWC 2016-17 Planned Request – No present office use
HU	Van Duzer Theatre (Theatre Arts)	10	PWC 2014-15 Request
HU	Library	41	PWC 2014-15 Request
LB	Liberal Arts 2	13	Under construction
LB	Liberal Arts 3	12	Under construction
LB	Liberal Arts 4	11	Under construction
LA	State Playhouse Theatre	1	PWC 2014-15 Request
LA	Administration	8	PWC Funded 2012-13 – In design
PO	Classroom/Lab/Administration	98	PWC 2015-16 Planned Request; replacement bldg. funded
PO	Kellogg West	76	PWCE 2016-17 Planned Request
SD	Love Library	54	PWCE 2018-19 Planned Request
SF	University Park South (F8 Carport and adjacent structures)	73-74	-
SF	University Park South (Apartment Building Parking Structure 41)	74	-
SF	Residence (Tiburon)	T-11	Potential Minor Capital Project
SF	Marine Support (Tiburon)	T-21	Potential Minor Capital Project
SF	Blacksmith Shop (Tiburon)	T-22	Potential Minor Capital Project
SF	Dispensary (Tiburon)	T-37	Potential Minor Capital Project
SF	Building 49 (Tiburon)	T-49	Potential Minor Capital Project
SF	Building 50 (Tiburon)	T-50	Potential Minor Capital Project
SF	Physiology (Tiburon)	T-54	Potential Minor Capital Project
SJ	North Parking Garage (Stair Towers)	53	Design complete
SJ	Student Union	3	Under construction
SJ	Rubis Residence (Moss Landing)	None	-
SL	Old Power House	76	Unoccupied
SL	Crandall Gymnasium	60	Unoccupied – PWC Funded 2012-13 – In design

P = Preliminary Plans W = Working Drawings C = Construction E = Equipment

NOTE: Existing building numbers correspond with building numbers in the Space and Facilities Data Base (SFDB).

CSU Seismic Priority List 2
 (Ordered by Campus)

This list identifies buildings that warrant special attention for seismic upgrade. Buildings must be seismically retrofitted when any new construction work occurs on a listed facility. Repair and maintenance work is allowed.

Campus	Building	Building #	Capital Outlay Notes
BA	Runners Café	38	PWCE 2016-17 Planned Request
CI	Ironwood Hall (Old Power Plant)	24	-
CI	Chaparral Hall	22	P 2014-15 Request
CI	Ironwood Hall (Warehouse)	24	-
CI	Ironwood Hall ('SH' Shops – north section)	24	-
CH	Whitney Hall	13	-
CH	Physical Science	8	-
FR	Grosse Industrial Technology	12	-
FR	University Student Union	80	-
FL	Titan Bookstore	6	Preliminary design study complete
LB	Peterson Hall 1	37	PWC 2016-17 Planned Request
LB	Peterson Hall 2	38	PWC 2016-17 Planned Request
LA	Career Center	17	-
LA	Student Health Center	14	Preliminary design study complete
LA	Physical Sciences	12	P 2016-17 Planned Request
LA	John F. Kennedy Memorial Library	7	PWC 2018-19 Planned Request
PO	Administration	1	P 2016-17 Planned Request
PO	Letters, Arts and Social Science	5	PWC 2017-18 Planned Request
PO	Engineering	9	-
PO	Art/Engineering Annex	13	-
PO	Drama/Theater	25	-
PO	Arabian Horse Center	29	Potential Minor Capital Project
PO	Poultry Unit	31	Potential Minor Capital Project
PO	Sheep Unit	38	Potential Minor Capital Project
PO	Ag Storage/Blacksmith	50	Potential Minor Capital Project
PO	Los Olivos Commons	70	PWCE 2015-16 Planned Request
PO	Manor House	111	-
PO	University House	112	-
SA	Douglass Hall	4	-
SF	HSS Classroom Building (Old Humanities)	3	PWC 2018-19 Planned Request
SF	Administration	30	Long term shoring in place
SF	University Park North (Apartment Building 6)	100	-
SF	University Park North (Apartment Building 7)	100	-
SF	University Park North (Apartment Building 8)	100	-
SF	University Park North (Apartment Building 9)	100	-
SF	Administration (Tiburon)	T-30	Potential Minor Capital Project
SF	Rockfish (Tiburon)	T-33	Potential Minor Capital Project
SJ	Yoshihiro Uchida Hall	45	Under construction
SJ	Yoshihiro Uchida Hall Annex	45a	Under construction
SJ	SPX East	46	Under construction
SJ	SPX Central	47	Under construction
ST	J. Burton Vasche Library	1	P 2014-15 Request

P = Preliminary Plans W = Working Drawings C = Construction E = Equipment

NOTE: Existing building numbers correspond with building numbers in the Space and Facilities Data Base (SFDB).

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

**California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, CA 90802**

September 10, 2014

Presiding: Lou Monville, Chair

10:45 a.m. Board of Trustees Dumke Auditorium

**Call to Order and Roll Call
Public Comment**

Chair's Report

Chancellor's Report

Report of the Academic Senate CSU: *Chair—Steven Filling*

Report of the California State University Alumni Council: *President—Kristin Crellin*

Report of the California State Student Association: *President—Daniel Clark*

Approval of Minutes of Board of Trustees' Meeting of July 22, 2014

Committee Reports

Committee on Finance: *Chair—Steven Glazer*

4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at California State University Northridge, San Diego State University, and Sonoma State University

**Joint Meeting Committees on Finance and Campus Planning, Buildings
and Grounds: *Chair— Steven Glazer***

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

Joint Meeting Committees on Educational Policy and Finance: *Chair— Debra S. Farar*

Committee on Audit: *Chair—Lupe C. Garcia*

Committee on Governmental Relations: *Chair—Douglas Faigin*

Committee on Institutional Advancement: *Chair—Steven Glazer*

Committee of Educational Policy: *Chair—Debra S. Farar*

Committee on Campus Planning, Buildings and Grounds: *Chair—J. Lawrence Norton*

1. Amend the 2014-2015 Non-State Capital Outlay Program for California State University, Sacramento
2. Approval of the Master Plan Revision for California State University, Bakersfield
3. California State University Seismic Safety Program Biennial Report

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**MINUTES OF THE MEETING
OF BOARD OF TRUSTEES**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

July 22, 2014

Trustees Present

Lou Monville, Chair
Rebecca D. Eisen, Vice Chair
Roberta Achtenberg
Talar Alexanian
Kelsey Brewer
Douglas Faigin
Debra S. Farar
Margaret Fortune
Steven Glazer
Lillian Kimbell
Hugo N. Morales
Gavin Newson, Lieutenant Governor
Steven Stepanek
Timothy P. White, Chancellor

Chair Monville called the meeting to order.

Public Comment

The board heard from several individuals during the public comment period: Richard Schave, CSULA community member addressed the board regarding noise from the CSULA Student Union that affects his home and surrounding neighborhood, he also requested that a committee be formed to review the issue; Jim Olding, CSULA community member spoke about noise levels from the new student union affecting his neighborhood; Jo Bell, student at CSULB spoke about the academic process at her campus; Tammi Benjamin, AMCHA alleged misuse of funds by a professor at SFSU; Estee Chandler, Jewish Voice for Peace, spoke in opposition of AMCHA's accusations and targeting of Jewish students.

Chair's Report

Chair Monville's complete report can be viewed online at the following URL:
<http://calstate.edu/BOT/chair-reports/jul2014.shtml>

Chancellor's Report

Chancellor Timothy P. White's complete report can be viewed online at the following URL:
<http://calstate.edu/bot/chancellor-reports/140722.shtml>

Report of the Academic Senate CSU

CSU Academic Senate Chair, Diana Guerin's complete report can be viewed online at the following URL:

http://www.calstate.edu/AcadSen/Records/Chairs_Reports/

Report of the California State University Alumni Council

Alumni Council President, Kristin Crellin's complete report can be viewed online at the following URL: <http://www.calstate.edu/alumni/council/bot/20140722.shtml>

Report from the California State Student Association

CSSA President Sarah Couch's complete report can be viewed online at the following URL:
<http://www.csustudents.org/wp-content/uploads/public-documents/pdf/July-2014-CSSA-Report.pdf>

Committee Reports

Approval of Minutes of Board of Trustees Meeting

The minutes of the meeting of May 21, 2014, were approved.

Committee on Collective Bargaining

Trustee Achtenberg reported the committee approved the meeting minutes of May 20, 2014. She noted that after hearing from several speakers, the committee unanimously passed the following proposal: Adoption of Initial Proposals for 2014-2015 Salary/Benefits Re-Opener Negotiations with Bargaining Unit 4, (Academic Professionals of California).

Committee on Audit

Trustee Eisen reported the committee heard two information items: Status Report on Current and Follow-Up Internal Audit Assignments and Implementation Plan for the Quality Assurance Review and one action Item as follows:

**Review and Approval of the California State University External Auditor
(RAUD 07-14-04)**

RESOLVED, by the Board of Trustees of the California State University, that the Trustees:

1. Acknowledge their review of the Request for Proposal (RFP 4422) process in soliciting proposals from qualified independent public accounting firms for the purposes of performing financial statements and other audits for the CSU system, beginning with the 2014-2015 fiscal year audit.
2. Authorize the chancellor, or his designees, to finalize negotiations for the master service contract with KPMG for the performance of a variety of audit tasks for five fiscal years, beginning July 1, 2014 and ending June 30, 2019, with optional one-year extensions for up to three additional years.

Committee on Governmental Relations

Trustee Faigin reported the committee heard one information item: Legislative Update.

Committee on Institutional Advancement

Trustee Glazer reported the committee heard one action item as follows:

Naming of a Facility—San Diego State University (RIA 07-14-07)

Trustee Glazer moved the item; there was a second. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that the SDSU Basketball Performance Center at San Diego State University be named the Jeff Jacobs JAM Center.

Committee on Campus Planning Buildings and Grounds

Trustee Eisen reported the committee heard two action items as follow:

Amend the 2014-2015 Non-State Funded Capital Outlay Program for Projects at California State University, East Bay and California State University, Sacramento (RCBG 07-14-10)

Trustee Eisen moved the item; there was a second. The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of the California State University, that

the 2014-2015 non-state funded capital outlay program is amended to include: 1) \$1,500,000 for preliminary plans, working drawings, and construction for California State University, East Bay Cellular Antennas; and 2) \$49,814,000 for preliminary plans, working drawings, construction and equipment for California State University, Sacramento Student Housing, Phase II.

Approval of Schematic Plans for California State University San Marcos (RCBG 07-14-11)

Trustee Eisen moved the item; there was a second. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Final Initial Study/Mitigated Negative Declaration has been prepared to address any potential significant environmental impacts, mitigation measures and comments associated with approval of the California State University San Marcos, Mangrum Track Field Lighting and Cell Tower, and all discretionary actions related thereto, as identified in the Final Initial Study/Mitigated Negative Declaration.
2. The Final Initial Study/Mitigated Negative Declaration was prepared pursuant to the California Environmental Quality Act and State CEQA Guidelines.
3. This resolution is adopted pursuant to the requirements of Section 21081 of Public Resources Code and Section 15091 of the State CEQA Guidelines which requires that the Board of Trustees make findings prior to the approval of a project that the mitigated project as approved will not have a significant impact on the environment, that the project will be constructed with the recommended mitigation measures as identified in the mitigation monitoring program, and that the project will benefit the California State University. The Board of Trustees makes such findings with regard to this project.
4. The chancellor is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the project. The schematic plans for the California State University San Marcos, Mangrum Track Field Lighting and Cell Tower are approved at a project cost of \$1,041,000 at CCCI 6077.

Joint Meeting of the Committees on Finance and Campus Building and Grounds

Trustee Achtenberg reported the committee heard one information item: Report on 2014-2015 State Funded Capital Outlay Program and Capital Financing Authority.

Committee on University and Faculty Personnel

Trustee Morales reported the committee heard one action item as follows:

Executive Compensation: Vice Chancellor, Human Resources (RUF 07-14-06)

Trustee Morales moved the item; there was a second. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that Ms. Lamb shall receive a salary set at the annual rate of \$263,000 effective the date of her appointment as vice chancellor for human resources for the California State University; and be it further

RESOLVED, Ms. Lamb shall receive additional benefits as cited in Item 1 of the Committee on University and Faculty Personnel at the July 22, 2014 meeting of the Board of Trustees.

Committee of Finance

Trustee Achtenberg reported the committee heard one information item, 2014-2015 Support Budget.

Committee on Educational Policy

Trustee Farar reported the committee heard four information items, The State of Higher Education in California: Opportunities for Policy and Institutional Change; The California State University Graduation Initiative Update; The California State University Affordable Learning Solutions Initiative: Update, and California State University Partnership with the Corporation for National and Community Service AmeriCorps*VISTA Program Volunteers In Service To America.

Board of Trustees

The Board approved four action items as follow:

Conferral of the Title Trustee Emeritus – Cipriano Vargas (RBOT 07-14-07)

Chair Monville moved the item; there was a second. The Board approved the following resolution:

WHEREAS, Cipriano Vargas was appointed as a member of the Board of Trustees of the California State University in 2012 by Governor Jerry Brown, and since that time has actively served in that position; and

WHEREAS, throughout his service as a member of the Board of Trustees, he has provided a valuable student voice to the consideration of matters imperative to the purpose of this system of higher education; and

WHEREAS, Mr. Vargas is a first generation college graduate who mentored students from farm-working family backgrounds as they acclimated to college life; and

WHEREAS, Mr. Vargas is a trusted advocate for his peers who, in 2012, was elected vice president of external affairs for Associated Students, Inc. at California State University San Marcos; and

WHEREAS, Mr. Vargas served on the committees for Campus, Planning and Grounds, Educational Policy, Institutional Advancement and Governmental Relations; and

WHEREAS, Mr. Vargas' service to the Board and the aforementioned committees has been influential to deliberations and decisions, so that the CSU may continue to serve the present and future good of the state and its people; and

WHEREAS, it is fitting that the California State University recognize those members who have made demonstrable contributions to this public system of higher education and the people of California; now, therefore, be it

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of Trustee Emeritus on Cipriano Vargas, with all the rights and privileges thereto.

Conferral of Title of President Emeritus: Rollin Richmond (RBOT 07-14-08)

Chair Monville moved the item; there was a second. The Board approved the following resolution:

WHEREAS, Rollin Richmond served as the sixth president of Humboldt State

University from 2002 through the end of its Centennial Celebration in 2014; and

WHEREAS, under President Richmond's leadership, Humboldt State University developed a national reputation as a student-centered and diverse university focused on environmental sustainability, which places an emphasis on student and faculty research, technology and new teaching approaches; and

WHEREAS, President Richmond successfully advanced the mission of the California State University through his steadfast support of scientific research, helping secure millions in funding for CSU campuses through the California Institute for Regenerative Medicine and contributing to system-wide efforts such as CSUPERB (CSU Program for Education and Research in Biotechnology) and COAST (Council on Ocean Affairs); and

WHEREAS, President Richmond helped spearhead a variety of technology initiatives that enhance and expand student learning opportunities such as Cal State Online, which provides online degrees for the California State University system, and Humboldt State's online General Education package, which allows students to complete all of their general education coursework online; and

WHEREAS, President Richmond has been widely credited for enhancing the university's relationship with the community by improving ties with local schools, businesses and governments, supporting community partnerships and grant programs, serving on the Board of Directors of the United Way of Humboldt County and the Board of Directors of St. Joseph's Hospital, and collaborating with the Humboldt County Office of Education on many efforts; and

WHEREAS, President Richmond has been an exemplary partner to local businesses, helping champion development of the California Center for Rural Policy, which provides business development assistance and policy research on the North Coast and establishment of the Office of Economic Community and Business Development, which fosters faculty and student partnerships with local businesses and became the Small Business Association's regional center serving ten Small Business Development Centers in Northern California; and

WHEREAS, President Richmond's continued commitment to diversity has led to more than doubling of the university's population of underrepresented students, resulting in the university qualifying for Hispanic-Serving Institution status, expanded opportunities for international students with the creation of the Dual Degree Program with X'ian University in China, and increased support for former military personnel through the Veterans Enrollment and Transition Services

Office, earning the university recognition as a top school for military veterans several years in a row; and

WHEREAS, amidst many years of state budget cuts and severe reductions, President Richmond diligently worked to secure funding for substantial physical improvements to campus including the LEED-certified Behavioral & Social Sciences building, the Kinesiology & Athletics Building and the College Creek Apartment complex; and

WHEREAS, President Richmond's dedication to fostering alumni support and relations resulted in the establishment of a new Advancement Foundation, a more than doubling of the campus endowment over the last decade and creation of the university's first endowed chair—the Kenneth L. Fisher Chair in Redwood Forest Ecology; now, therefore, be it

RESOLVED, that the Board of Trustees of the California State University confer the title of President Emeritus on President Rollin C. Richmond, with all the rights and privileges pertaining thereto

Conferral of Title of Vice Chancellor Emeritus: Gail E. Brooks (RBOT 07-14-09)

Chair Monville moved the item; there was a second. The Board approved the following resolution:

WHEREAS, Gail E. Brooks, vice chancellor of human resources, has served the California State University for eight years; and

WHEREAS, Ms. Brooks proposed and the Board supported the first CSU Systemwide Human Resources Strategic Vision and Goals setting aspirational goals for the kind of environment where employees can thrive; and

WHEREAS, her leadership brought systemwide and campus personnel together to support our employees, to improve outcomes in the negotiation and administration of labor agreements and to achieve operational efficiencies; now, therefore, be it

RESOLVED, that the Board of Trustees of the California State University confer the title of Vice Chancellor Emeritus on Ms. Gail E. Brooks, with all the rights and privileges pertaining thereto.

Conferral of Commendation on Dr. Donald J. Para (RBOT 07-14-10)

Chair Monville moved the item; there was a second. The Board approved the following resolution:

WHEREAS, Donald J. Para served as the interim president of California State University, Long Beach from July 2013 to July 2014; and

WHEREAS, Dr. Para's vision for California State University, Long Beach has established outstanding academic offerings in the arts, and his leadership in academic affairs has resulted in the University's highly rated programs receiving major support from the National Science Foundation, the National Endowment for the Arts, the Carnegie Foundation, and others; and

WHEREAS, Dr. Para is a respected leader known for strongly speaking out in support of higher education on behalf of underserved communities and in support of increasing access to higher education as well as promoting programs that increase diversity for both California State University, Long Beach and for the CSU system; and

WHEREAS, Dr. Para worked diligently as an innovator for the arts and arts education, is sought after for his record of support and leadership, and is known for his deep commitment to bringing people together through the arts and business, as demonstrated by establishing the MBA/MFA degree in theatre management, making CSU Long Beach only the second university in the nation to offer this terminal degree; and

WHEREAS, Dr. Para was the driving force behind the establishment of the Leadership Fellows Program at CSU Long Beach to develop the next generation of university leaders who can respond systematically to critical issues in higher education; now, therefore, be it

RESOLVED, that the Board of Trustees of the California State University provide this commendation to Dr. Donald J. Para for outstanding service to CSU Long Beach.