

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
May 19-20, 2015

Time*	Committee	Place
<u>Tuesday, May 19, 2015</u>		
8:30 a.m.	Call to Order	Dumke Auditorium
	Board of Trustees—Closed Session	Munitz Conference Room
	Executive Personnel Matters	
	Government Code §11126(a)(1)	
	Pending Litigation	
	Government Code §11126(e)(1)	
	Keller v. CSU	
	Alliance of SLO Neighborhoods v. CSU	
	Anticipated Litigation – One Item	
	Committee on Collective Bargaining—Closed Session	
	Government Code §3596(d)	
12:00 p.m.	Luncheon	
1:00 p.m.	Committee on Institutional Advancement	Dumke Auditorium
	1. Naming of an Academic Program – San Diego State University, <i>Action</i>	
	2. Naming of a Facility – California State Polytechnic University, Pomona, <i>Action</i>	
1:15 p.m.	Committee on Audit	Dumke Auditorium
	1. Status Report on Current and Follow-Up Internal Audit Assignments, <i>Information</i>	

*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.

1:30 p.m. Committee on Governmental Relations Dumke Auditorium
1. Legislative Update, *Information*

2:00 p.m. Committee on Campus Planning, Buildings and Grounds Dumke Auditorium
Consent

1. Amend the 2014-2015 Capital Outlay Program for California State University, Stanislaus, *Action*

Discussion

2. Approve the 2015 Campus Master Plan Revision and the Amendment of the 2014-2015 Capital Outlay Program for the Engineering and Interdisciplinary Sciences Complex for San Diego State University, *Action*
3. Acceptance of Interest in Real Property for California State Polytechnic University, Pomona, *Action*
4. Certify the Final Environmental Impact Report and Approve the Campus Master Plan 2015 for California State University, Sacramento, *Action*
5. Drought Response Water Conservation, *Information*

2:45 p.m. Committee on Finance Dumke Auditorium

1. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at San Francisco State University and San Diego State University, *Action*
2. Approval to Extend the Bond Anticipation Note and Bond Sale Dates for an Auxiliary Project at California State University, Fullerton, *Action*
3. Report of the 2015-2016 Support Budget, *Information*
4. California State University Auxiliary Organizations, *Information*

3:30 p.m. Committee on Collective Bargaining—Open Session Dumke Auditorium

1. Adoption of Initial Proposals for Re-Opener Contract Negotiations with Bargaining Unit 3, California Faculty Association (CFA), *Action*

Wednesday, May 20, 2015

8:00 a.m. Committee on University and Faculty Personnel Dumke Auditorium

1. Executive Compensation—President of California State University, Sacramento, *Action*

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|------------------|--|-------------------------|
| 8:30 a.m. | Committee on Educational Policy
1. Cal State Online Initiative: Update, <i>Information</i>
2. Academic Efficiencies and Effectiveness, <i>Information</i> | Dumke Auditorium |
| 9:15 a.m. | Board of Trustees

Call to Order and Roll Call

Public Comment

Chair's Report

Chancellor's Report

Report of the Academic Senate CSU: <i>Chair—Steven Filling</i>

Report of the California State University Alumni Council: <i>President—Kristin Crellin</i>

Report of the California State Student Association: <i>President—Devon Graves</i> | Dumke Auditorium |

Board of Trustees

Consent

1. Approval of the Minutes of the Board of Trustees Meeting of March 23-25, 2015
2. Approval of Committee Resolutions as follow:

Committee on Institutional Advancement

1. Naming of an Academic Program – San Diego State University
2. Naming of a Facility – California Polytechnic University, Pomona

Committee on Campus Planning, Buildings and Grounds

1. Amend the 2014-2015 Capital Outlay Program for California State University, Stanislaus
2. Approve the 2015 Campus Master Plan Revision and the Amendment of the 2014-2015 Capital Outlay Program for the Engineering and Interdisciplinary Sciences Complex for San Diego State University
3. Acceptance of Interest in Real Property for California State Polytechnic University, Pomona
4. Certify the Final Environmental Impact Report and Approve the Campus Master Plan 2015 for California State University, Sacramento

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Committee on Finance

1. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at San Francisco State University and San Diego State University
2. Approval to Extend the Bond Anticipation Note and Bond Sale Dates for an Auxiliary Project at California State University, Fullerton

Committee on University and Faculty Personnel

1. Executive Compensation—President of California State University, Sacramento

Committee on Committees

1. Election of the Chair and Vice Chair of the Board of Trustees for 2015-2016
2. Committee Assignments for 2015-2016

Discussion

1. Conferral of Title of President Emeritus –Alexander Gonzalez, *Action*
2. Conferral of Title of Student Trustee Emerita—Talar Alexanian, *Action*

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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
Fax: 562-951-4949
E-mail: lhernandez@calstate.edu

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AGENDA

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Meeting: 1:00 p.m., Tuesday, May 19, 2015
Glenn S. Dumke Auditorium

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

Consent Items

Approval of minutes of meeting of March 25, 2015

Discussion Items

1. Naming of an Academic Program—San Diego State University, *Action*
2. Naming of a Facility—California State Polytechnic University, Pomona, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON INSTITUTIONAL ADVANCEMENT
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

March 25, 2015

Members Present

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

Trustee Faigin called the meeting to order.

Approval of Minutes

The minutes of January 27, 2015, were approved with one correction. Trustee Hugo Morales was not in attendance at that meeting.

Naming of an Academic Entity – San Diego State University

Mr. Garrett P. Ashley, vice chancellor for university relations and advancement, reported that the proposed naming recognizes Susan and Stephen Weber, and the \$1 million contribution by Darlene Shiley, Trustee for the D-D Shiley Trust. The gift will be used to fund scholarships for students enrolling in the Honors College and, as available, will provide faculty fellowships for exceptional faculty who lecture in the Honors College.

The committee unanimously recommended approval by the board of the proposed resolution (RIA 03-15-03) that the Honors College at San Diego State University, be named The Susan and Stephen Weber Honors College.

Naming of a Facility – California State University, Long Beach

Mr. Ashley reported that the proposed naming recognizes the \$1.4 million irrevocable bequest by Bob and Barbara Ellis to the California State University, Long Beach College of Education. This bequest will fund a scholarship endowment in support of College of Education credential students.

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Dr. Marquita Grenot-Scheyer, Dean of the College of Education, and Chancellor White thanked Mr. and Mrs. Ellis for their generous support.

The committee unanimously recommended approval by the board of the proposed resolution (RIA 03-15-04) that the ED-1 Building at California State University, Long Beach, be named the Bob and Barbara Ellis Education Building.

Naming of a Facility – California State University, Sacramento

Mr. Ashley reported that the proposed naming recognizes combined gifts of \$375,000 in cash, securities and real estate as well as an \$8.1 million bequest gift intention by Leslie and Anita Harper. The current gift helped contribute to the success of CSU Sacramento's Alumni Campaign by providing resources that will be used to support scholarships, programs and the center.

The committee unanimously recommended approval by the board of the proposed resolution (RIA 03-15-05) that the Alumni Center at California State University, Sacramento, be named The Leslie and Anita Harper Alumni Center.

Trustee Faigin adjourned the meeting.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Naming of an Academic Program– San Diego State University

Presentation by:

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Summary

This item will consider naming the Brazil Program at San Diego State University the J. Keith Behner and Catherine M. Stiefel Brazil Program. This proposal, submitted by San Diego State University, meets the criteria and other conditions specified in the Board Policy on Naming California State University Academic Entities, including approval by the system review panel and the campus university senate.

Background

Catherine M. Stiefel graduated from San Diego State in 1992 with a bachelor of science degree in accounting. She had a successful 20-year accounting career at Deloitte, Science Applications International Corporation, and Petco. J. Keith Behner graduated from San Diego State in 1971 with a bachelor of arts degree in political science. He most recently served as planning director for the community of Rancho Santa Fe. They both have philanthropic interests in positively impacting education in the local community through scholarships and mentoring. In 2010, they contributed \$100,000 to Barrio Logan College Institute, an organization that promotes higher education for underserved students through after-school programs.

The proposed naming of the Brazil Program recognizes an additional \$2.5 million dollar commitment from J. Keith Behner and Catherine M. Stiefel. In 2013, J. Keith Behner and Catherine M. Stiefel launched the Brazil Program with a gift of \$325,000. The Brazil Program, located in the Center for Latin American Studies in the College of Arts and Letters, seeks to become a national leader in Brazilian Studies by emphasizing the key areas of research that differentiate San Diego State from other university programs and that highlight our faculty expertise. This will be accomplished by creating focused event programming and expanding academic programs. The gift will allow for research specialization in the areas of health, environmental science, international business and urban development, while also allowing for growth in other areas of research inquiry as new faculty and students enter the Brazil Program.

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Furthermore, the College of Arts and Letters intends to develop a minor in Brazilian Studies, emphasis in Brazil, at the undergraduate and graduate levels and a professional certificate in Brazilian Studies. The strategy is to create a program that features the components of research, academics, outreach and collaboration.

Recommended Action

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Brazil Program at San Diego State University, be named The J. Keith Behner and Catherine M. Stiefel Brazil Program.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Naming of a Facility – California State Polytechnic University, Pomona

Presentation by:

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Summary

This item will consider naming one half of building 73 of the expansion project for The Collins College of Hospitality Management at California State Polytechnic University, Pomona as the Marriott Learning Center.

This proposal, submitted by Cal Poly Pomona, meets the criteria and other conditions specified in the Board of Trustees Policy on Naming California State University Facilities and Properties including approval by the system review panel and the campus academic senate.

Background

The proposed naming of the facility recognizes the leadership and generosity of The J. Willard and Alice S. Marriott Foundation's \$2,059,000 investment in the expansion of The Collins College of Hospitality Management. In 2011, the Marriott Foundation was one of the lead donors with their \$2 million pledge. The expansion at The Collins College of Hospitality Management is designed to meet the needs of the rapidly expanding college. Behind the walls of building 73 are innovative learning spaces that promote an interactive, high-tech education. The portion of the building pertaining to this naming consists of two undergraduate flexible classrooms, an exterior arcade/colonnade, a grab-n'-go café with a portion of the student commons, and one set of restrooms.

The Marriott Foundation was established in 1966 by the late Alice and J. Willard Marriott. The Marriotts founded the Marriott Corporation (which became Marriott International in 1993), the parent company of one of the largest hospitality, hotel and food service companies in the world. Their son, John Willard Marriott, Jr., is the current executive chairman of Marriott International.

Under the current direction of J.W. Marriott, Jr. and Richard E. Marriott, the Marriott Foundation is dedicated to helping youth secure a promising future, especially through education on the secondary and higher education levels, mentoring and youth leadership programs. Equally important are organizations that help provide relief from hunger and disasters, support people

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with disabilities, and create gainful employment opportunities for vulnerable youth and adults. For over two decades, the foundation has been a lead supporter of innovative hospitality programs within colleges and universities across the United States.

Recommended Action

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that The Learning Center at The Collins College of Hospitality Management at California State Polytechnic University, Pomona be named the Marriott Learning Center.

AGENDA

COMMITTEE ON AUDIT

Meeting: 1:15 p.m., Tuesday, May 19, 2015
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 March 24, 2015

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**

March 24, 2015

Members Present

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

Trustee Eisen called the meeting to order.

Approval of Minutes

The minutes of the meeting of January 27, 2015, were approved as submitted.

Status Report on Current and Follow-Up Internal Audit Assignments

Mr. Larry Mandel, vice chancellor and chief audit officer, and Ms. Janice Mirza, senior director, presented the item by providing a status report on the 2015 audit plan and follow-up on past audit assignments.

Ms. Mirza presented the Status Report on Current and Follow-Up Internal Audit Assignments. She 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. She reported that the campuses and the CSU Chancellor's Office continue to do a good job completing recommendations on a timely basis. She noted that the Sacramento campus has one long-outstanding recommendation pertaining to the Auxiliary Organizations audit that is due to a delay in software implementation; however, the recommendation is expected to be completed by the May 2015 Board meeting. Ms. Mirza stated that some of the 2015 audit assignments are currently in process, namely, Auxiliary Organizations, Information Security, Clery Act, College Reviews, and Information Technology Procurement. She added that other audit subjects would be initiated throughout the year.

Status Report on Corrective Actions for the Findings in the California State University Single Audit Report of Federal Funds for the Fiscal Year Ended June 30, 2014

Mr. George Ashkar, assistant vice chancellor/controller for financial services, stated that as reported at the January 2015 Board meeting, there were no audit findings in the university's systemwide Single Audit Report of Federal Funds related to the financial statements for the system. Also, for the first time, there were no audit findings related to financial aid programs. There was one audit finding related to controls of non-financial aid federal awards; specifically, controls ensuring compliance with federal procurement, suspension and debarment requirements were deemed ineffective. However, no breach occurred as a result of the deficiencies in the controls process. Mr. Ashkar reported that corrective action has been taken to strengthen processes and controls to improve compliance with federal guidelines for competitive bidding and to add a certification clause to the CSU procurement general contract provisions where contractors will certify that they are not debarred, suspended or otherwise ineligible. Mr. Ashkar reminded the trustees that there were 16 audit findings for the auxiliary organizations and other financially reported component units that are 92 in total. These findings included three material weaknesses and 13 significant deficiencies involving ten auxiliary organizations at six different campuses. In addition, 12 of the findings were related to preparation of financial statements, and four findings were related to administration of federal awards. Mr. Ashkar stated that based on the review of campus and auxiliary documentary evidence by both the office of audit and advisory services and financial services staff, corrective action has been confirmed as completed.

Trustee Eisen asked for verification from the office of audit and advisory services as to whether corrective action has been completed.

Ms. Mirza responded that the office of audit and advisory services reviewed all campus and auxiliary documentary evidence supporting corrective action taken for the findings reported in the Single Audit Reports and confirmed that the corrective action is complete.

Report on Compliance with National Collegiate Athletic Association Requirements for Financial Data Reporting

Mr. George Ashkar stated that colleges and universities with intercollegiate athletic programs in the National Collegiate Athletic Association (NCAA) have two NCAA requirements for reporting financial data. Members of the NCAA are subject to agreed-upon procedures reports of financial data related to athletic programs conducted by a qualified independent accountant. These reports are due to campus presidents on or before January 15 following the fiscal year end. In addition, campuses must report financial data to the NCAA online. Mr. Ashkar indicated that the NCAA reviews the financial data of Division I and Division II campuses as it relates to athletics, including student-athletic aid; coach salaries, bonuses, and benefits; recruiting; team travel; equipment, uniforms and supplies; game expenses; fundraising; medical expenses; and other administrative support. Mr. Ashkar stated that based on the review of the submitted reports, all Division I and Division II campuses are in compliance with NCAA reporting requirements.

Trustee Eisen asked for verification from the office of audit and advisory services as to whether campuses are in compliance with NCAA reporting requirements.

Ms. Mirza responded that the office of audit and advisory services reviewed the NCAA agreed-upon procedures reports and confirmed that all campuses are in compliance with NCAA reporting requirements.

The meeting was adjourned.

COMMITTEE ON AUDIT

Status Report on Current and Follow-up Internal Audit Assignments

Presentation By

Larry Mandel
Vice Chancellor and Chief Audit Officer
Office of Audit and Advisory Services

Summary

This item includes both a status report on the 2015 audit plan and follow-up on past assignments. For the 2015 year, assignments were made to conduct reviews of Auxiliary Organizations, high-risk areas (Information Security, Clery Act, Information Technology Procurement, Payment Card Industry Data Security Standards, Admissions, Cloud Computing, Scholarships, and Student Activities), a high profile area (College Reviews), and Construction. In addition, follow-up on current/past assignments (Special Audit, Auxiliary Organizations, Sensitive Data Security, Sponsored Programs, Student Health Services, Conflict of Interest, Lottery Funds, Accessible Technology, Executive Travel, Information Security, and Continuing Education) was being conducted on approximately 34 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 267 staff weeks of activity (25.8 percent of the plan) would be devoted to auditing internal compliance/internal control at eight campuses/31 auxiliaries. Report writing is being completed for two campuses/seven auxiliaries, and one campus/four auxiliaries report is awaiting a campus response prior to finalization.

High-Risk Areas

Information Security

The initial audit plan indicated that approximately 37 staff weeks of activity (3.7 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. Five campuses will be reviewed. Report writing is being completed for two campuses.

Clery Act

The initial audit plan indicated that approximately 50 staff weeks of activity (4.8 percent of the plan) would be devoted to a review of campus Clery Act policies and procedures to ensure compliance with CSU and federal requirements; review and testing of processes to compile required disclosures and statistics for the Annual Security Report (ASR); verification of the availability of educational programs for security awareness, and the prevention and reporting of crime; review and testing of ASR dissemination to required parties; review of campus good-faith efforts to comply with changes to the Clery Act imposed by the Violence Against Women Reauthorization Act (VAWA) for the 2014 ASR and progress in meeting the changes by the July 2015 deadline; and review of content and delivery of training. Six campuses will be reviewed. Report writing is being completed for four campuses, and fieldwork is being conducted at one campus.

Information Technology Procurement

The initial audit plan indicated that approximately 34 staff weeks of activity (3.3 percent of the plan) would be devoted to a review of policies and practices related to information technology procurement. Specific goals will include determining whether administration and management of information technology procurement activities provide an effective internal control environment, adequate local policies and operational procedures, current written delegations, and observance of good business practices in compliance with CSU policy. Five campuses will be reviewed. Report writing is being completed for two campuses, and fieldwork is being conducted at one campus.

Payment Card Industry Data Security Standards

The initial audit plan indicated that approximately 14 staff weeks of activity (1.4 percent of the plan) would be devoted to a review of campus and auxiliary compliance with regulations specific to Payment Card Industry (PCI) Data Security Standards related to the security and protection of credit cards systems and data. The review would specifically include compliance with the new PCI 3.0 standard. Two campuses will be reviewed.

Admissions

The initial audit plan indicated that approximately 50 staff weeks of activity (4.8 percent of the plan) would be devoted to a review of the evaluation of student records, including residency determination; processing admission applications, including use of supplemental admission criteria for impacted majors or campuses, transfer students, and redirection of eligible applicants; security of applicant data; application fee processing and granting of fee waivers; and compliance with state legislation and CSU requirements. Six campuses will be reviewed.

Cloud Computing

The initial audit plan indicated that approximately 11 staff weeks of activity (1.1 percent of the plan) would be devoted to a review of campus and/or auxiliary activities pertaining to cloud computing, including review of policies and procedures to ensure compliance with CSU and other agency requirements; review of campus administration and oversight including but not limited to service availability, data ownership and backup and recovery, establishing contractual relationships with third-party service providers, and if sensitive data is maintained by a third party, review of involvement of campus information security personnel in the decision process; documentation of campus expectations for handling and securing the data; contract language covering security expectations; and monitoring third-party performance. One systemwide report will be issued.

Scholarships

The initial audit plan indicated that approximately 43 staff weeks of activity (4.2 percent of the plan) would be devoted to a review of campus and/or auxiliary activities pertaining to scholarships, including establishing student eligibility, awarding, and recordkeeping and protection of sensitive information; coordination between the financial aid department and awarding departments; and review of disbursement procedures for awarded scholarships. Six campuses will be reviewed.

Student Activities

The initial audit plan indicated that approximately 50 staff weeks of activity (4.8 percent of the plan) would be devoted to a review of activities relating to social and co-curricular programs, recreational sports, student clubs and organizations; review of policies and procedures to ensure compliance with CSU and other agency requirements; review of campus administration and oversight of student activities; review and appropriate testing for compliance with charters, bylaws and/or other governing documents for selected student organizations, clubs and other programs; review and testing to ensure appropriate staffing of student programs by qualified

individuals and volunteers, including student leaders; and assessment to determine that required policies regarding non-discrimination, alcohol and drugs, and hazing are monitored and enforced. Six campuses will be reviewed.

High Profile Area

College Reviews

The initial audit plan indicated that approximately 49 staff weeks of activity (4.8 percent of the plan) would be devoted to a review of college/department administrative and financial controls, such as handling of cash and cash equivalents, expenditure processing, contracting activities, acquisition and tagging of sensitive equipment, and use of trust funds; and review of faculty assigned time, release time and special payments. Six campuses will be reviewed. Report writing is being completed for five campuses.

Construction

The initial audit plan indicated that approximately 47 staff weeks of activity (4.6 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. Six projects will be reviewed. Report writing is being completed for one project, one report is awaiting a campus response prior to finalization, and fieldwork is being conducted for one project.

Advisory Services

The initial audit plan indicated that approximately 216 staff weeks of activity (20.8 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.

Technology Support

The initial audit plan indicated that approximately 14 staff weeks of activity (1.3 percent of the plan) would be devoted to technology support for non-information technology specific audits and advisory services reviews. The provision of support is 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 participate on committees such as those related to information systems implementation and policy development, and to perform special projects. Special projects for 2015 will include the implementation of automated working papers in the Office of Audit and Advisory Services. Forty staff weeks have been set aside for this purpose, representing approximately 3.8 percent of the audit plan.

Follow-ups

The audit plan indicated that approximately 15 staff weeks of activity (1.5 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 34 current/past assignments (Special Audit, Auxiliary Organizations, Sensitive Data Security, Sponsored Programs, Student Health Services, Conflict of Interest, Lottery Funds, Accessible Technology, Executive Travel, Information Security, and Continuing Education) 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. Eight staff weeks have been set aside for this purpose, representing approximately 0.8 percent of the audit plan.

Administration

Day-to-day administration of the Office of Audit and Advisory Services represents approximately 4.3 percent of the audit plan.

Status Report on Current and Follow-Up Internal Audit Assignments
 (as of 4/24/2015)

2015 ASSIGNMENTS											FOLLOW-UP PAST/CURRENT ASSIGNMENTS				
Aux Orgs	Info Security	Clery Act	College Reviews	IT Procure	PCI	Adm	Cloud Comptg	Scholar	Student Activity	Special Audit	Auxiliary Organizations	Sen. Data Sec./Protect.			
										*Recs **Mo.	●No. *Recs **Mo.	*Recs **Mo.			
BAK											4	32/35	7		
CHI			RW								3	25/25	-		
CI											3	32/32	-	8/8	
DH											3	19/19	-	9/9	
EB		FW									3	31/31	-		
FRE	RW										6	5/36	6		
FUL				RW							4	28/28	-		
HUM		RW									4	30/30	-		
LB	RW										4			6/6	
LA		RW									4	18/18	-		
MA											2	4/4	-		
MB											2	0/23	2		
NOR			RW								5	22/22	-		
POM			RW								2	11/11	-		
SAC			RW								5	40/41	12		
SB	AI										4			14/14	
SD		RW									4	21/21	-		
SF	RW										3			10/10	
SJ		RW								17/18	8				
SLO		RW									3	8/11	5		
SM											4	22/22	-		
SON				RW							3	5/5	-		
STA											4	14/14	-		
CO				FW							2	5/5	-	12/12	
SYS											2			1/2	
														8	

* 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.

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 4/24/2015)

FOLLOW-UP PAST/CURRENT ASSIGNMENTS											
	Sponsored Programs *Recs **Mo.	Student Health Svcs. *Recs **Mo.	Conflict of Interest *Recs **Mo.	Lottery Funds *Recs **Mo.	Accessible Technology *Recs **Mo.	Executive Travel *Recs **Mo.	Information Security *Recs **Mo.	Continuing Education *Recs **Mo.			
BAK				2/2	-		0/10	5			
CHI	6/6		3/3				0/21	3			
CI	0/1	5			6/6	-					
DH					6/6	-					
EB				2/2	-				3/3	-	
FRE			1/1	3/3	-						
FUL	10/10	-	2/2						0/2	5	
HUM				1/1	-		4/4	-			
LB		6/6				3/3					
LA					5/5	-					
MA	7/7	-									
MB	3/3	-	1/1								
NOR	8/8	-							3/5	5	
POM	3/3	-			7/7	1/4	4				
SAC		9/9	5/5								
SB									7/7	-	
SD		14/14			7/7	0/6	5				
SF	4/4	-			1/1	-					
SJ		17/17				9/9	-				
SLO	7/7	-									
SM					4/4	-					
SON	0/0	-		1/1	-						
STA	6/7	9							0/3	3	
CO			1/1	7/7	-						
SYS		2/4	4/6	0/2	5						

* 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.

Status Report on Current and Follow-Up Construction Audit Assignments
 (as of 4/24/2015)

Project No.	Project	Contractor	Construction Cost	Start Date	Comp. Date	Managed By	Current *	Campus Follow-Up		CPDC Follow-Up	
								RECS	*MO.	**RECS	***MO.
2014	SLO-149	Center for Science									
		Gilbane Building Co.	\$82,794,636	10/10/2010	Jan-14	Campus	AC	2/2	-		
	SM-1032	University Student Center									
		PCL Const. Services	\$37,671,543	2/8/2012	Dec-13	Campus	AC			1/1	-
	STA-164	Science 1 Renovation Seismic									
		Acme Construction	\$10,918,079	1/3/2012	Nov-13	Campus	AC	3/3	-		
	SO-768	University Center									
		Sundt Construction	\$54,231,279	12/5/2011	Mar-14	Campus	AC	1/1	-		
	SD-1023	Aztec Center Student Union									
		Sundt Construction	\$72,549,422	8/21/2011	Apr-14	Campus	AC	0/0			
2015	BAK-230	Art Center and Satellite Plant									
		Rudolph and Sletten	\$14,290,932	5/27/2013	May-14	Campus	AI				
	POM-1039	Recreation Center									
		C W Driver	\$42,076,290	8/20/2012	Jan-15	Campus	RW				
	SD-623	Storm/Nasatir Halls Renovation									
		C W Driver	\$52,972,562	6/27/2012	Sep-14	Campus	FW				

*FW = Field Work in Progress; RW = Report Writing in Progress; AI = Audit Incomplete (awaiting formal exit conference and/or response); AC = Audit Complete
 **The number of recommendations satisfactorily addressed followed by the number of recommendations in the original report.
 ***The number of months that recommendations have been outstanding.

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: **1:30 p.m., Tuesday, May 19, 2015**
 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 March 25, 2015

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**

March 25, 2015

Members Present

Douglas Faigin, Chair
Talar Alexanian
Debra S. Farar
Margaret Fortune
Lillian Kimbell
Lou Monville, Chair of the Board
J. Lawrence Norton
Steven G. Stepanek
Timothy P. White, Chancellor

Trustee Faigin called the meeting to order.

Approval of Minutes

The minutes of January 27, 2015, 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 over 2,000 legislative measures have been introduced for this session, and the majority of these bills will move through policy hearings by the end of April. The budget subcommittees will begin their work between now and the end of May.

Ms. Zamarripa provided an overview of advocacy activities and current bills in the state legislature:

AB 819 (Irwin) Public postsecondary education: alumni associations: This bill would allow the CSU and the University of California to continue offering alumni affinity programs.

SB 462 (Wolk) Alcoholic beverages: tied house restrictions: Sonoma County: This bill would expand non-state funding opportunities to support the Green Music Center at Sonoma State University and its programming for the campus and community at large.

SB 634 (Block) Postsecondary education: interstate reciprocity agreement: This bill would authorize California to join the national State Authorization Reciprocity Agreement (SARA), providing consumer protections for students taking advantage of distance education. Once enacted, each CSU campus would independently decide whether to join SARA.

The CSU has been working closely with faculty, staff and students to advocate for the \$97 million budget request. Between now and April 9, the CSU community will work together to ask for commitments of support from members of the legislature.

In the context of ongoing work with SB15 (Block), Speaker Toni Atkins asked the CSU for an objective evaluation of the Middle Class Scholarship.

Trustee Faigin adjourned the meeting.

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 provides an update on budget advocacy and a status report on our sponsored bills and those bills identified by the Advocacy and State Relations (ASR) team to be of interest to the CSU. All bill statuses are updated as of May 1 when the report was prepared for the agenda. Updates will be provided at the meeting.

Background

At this point, all bills that have potential fiscal impact to the state have been considered by a policy committee. If passed, these bills will then be considered in the Appropriations Committee.

In addition to managing the hundreds of bills now being tracked by the CSU, the system and campus representatives have been working hard to get the Board of Trustees' 2015-16 budget request fully funded by the state. On April 7, campus legislative advocacy teams came to Sacramento to help tell the CSU story and urge their representatives to Stand with CSU for additional funding. The teams were joined by the Senate Pro Tem Kevin de Leon, Assembly Member Jose Medina, Student Trustee Talar Alexanian and Chancellor Timothy P. White in the morning to kick off the day and encourage advocates. With the work of the campuses and their teams, the CSU has successfully obtained the signatures of 80 of the 120 legislators on a support letter urging their leadership to make the \$97 million for the CSU a priority in final negotiations with the Governor.

Working with our partners, which include faculty, staff and students, we will continue through the budget season to advocate for our budget request. We look forward to campus leadership coming back to Sacramento on May 26 for Budget Advocacy Day, where campus presidents and

influential local leaders will meet with their local legislators to ensure that each elected official understands the impact this funding has on their campus.

Board of Trustees' Sponsored Legislation

AB 819 (Irwin) - California State University and University of California Alumni Affinity Programs

This measure seeks permanent authority for the CSU and the University of California (UC) to participate in affinity programs, which benefit the campuses and their alumni associations. The current statutory authority for affinity programs sunsets in January 2016.

Status: The measure passed out of the Assembly Higher Education Committee and now goes to the Appropriations Committee.

SB 462 (Wolk) - Sonoma State Green Music Center Ad/Sponsorship Allowances

This measure would allow local wineries and beer manufacturers to purchase ad space, donate products for sale, or provide sponsorship for events at the Sonoma State University Donald and Maureen Green Music Center.

Status: The measure passed out of the Senate Governmental Organization Committee and now goes to the Senate Floor.

SB 634 (Block) - State Authorization Reciprocity Agreement (SARA)

Federal regulations require every campus that offers online programs to be authorized to do so in every state where enrolled students reside. In response to the new federal regulations, accrediting agencies throughout the country have developed a collaborative, known as the State Authorization Reciprocity Agreement (SARA) to facilitate common standards and access for students and universities. This measure provides the statutory authorization necessary for California to enter into SARA through the Western Interstate Commission for Higher Education (WICHE).

Status: The measure was scheduled to be heard in the Senate Education Committee on April 22. However, opposition has emerged from consumer advocates who want the state to regulate out-of-state, for-profit institutions in the same way they regulate those institutions physically located in California. This is a major issue that has been highly controversial for decades. The measure is now a two-year bill.

CSU Investment Authority

This proposal would increase the system's investment earnings on its funds through a broader range of investments. The goal is to provide the CSU with similar investment authority and flexibility to UC, increasing the system returns.

Status: The CSU is continuing conversations with the Department of Finance, the State Treasurer's office and the legislature about addressing this matter in budget trailer bill language this spring.

Initial Review of Key Measures for the CSU

AB 38 (Eggman) - California State University: New Campuses

This measure would request the Legislative Analyst's Office (LAO) to conduct a study to assess the need for new CSU campuses.

CSU Position: NO OFFICIAL POSITION

Status: The measure passed out of the Assembly Higher Education Committee and was heard in the Appropriations Committee. As required by the LAO for this study, the CSU provided and confirmed new costs associated with data and analyses. It was placed on the suspense file.

AB 42 (Kim) - Postsecondary Education Mandatory Fee Freeze

This measure would prohibit the CSU, California Community Colleges (CCC) and the UC from increasing mandatory tuition and fees until fiscal year 2018-19, when the temporary taxes established by Proposition 30 expire. It would also require new student fees be approved by a majority of the student body on or after January 1, 2016 and within the preceding 48 months, potentially impacting several campuses that enacted student fees in the last four years.

CSU Position: OPPOSE UNLESS AMENDED

Status: The author withdrew the bill from the Assembly Higher Education Committee, making this a two-year bill.

AB 147 (Dababneh) - Animal Research

This measure would require California's higher education institutions that conduct scientific research on domestic dogs or cats to offer the animals to animal rescue operations after they are no longer needed.

CSU Position: NO OFFICIAL POSITION

Status: The measure passed out of the Assembly and will be heard next in the Senate Education Committee. UC and private institutions are impacted

much more significantly than the CSU and are actively opposing the measure.

AB 340 (Weber) - Campus Climate Report

This measure requires the CSU, CCC and the UC, beginning in 2017-18, to provide a biannual report to the legislature on new developments and efforts being undertaken around campus climate. The report would be submitted to the legislature, Governor and Attorney General.

CSU Position: SUPPORT IF AMENDED

Status: The measure passed out of the Assembly Higher Education Committee and now goes to the Appropriations Committee. ASR is working with the author's staff to remove language which requires reporting on the amount of money CSU campuses are spending on campus climate.

AB 716 (Low) - California State University Special Sessions

This measure would place into the Education Code the definition of "supplanting," included in the CSU executive order on this subject; specifically, that supplanting results when the number of state-supported course offerings decreases while the number of self-supporting versions of that course increases. The measure would also require, to the extent possible, that any course offered as a condition of completing an undergraduate degree should be offered as a state-supported course.

CSU Position: NO OFFICIAL POSITION

Status: The measure passed the Assembly Floor and now awaits referral in the Senate.

AB 967 (Williams) - Postsecondary Education: Sexual Assault

This measure would mandate institutions that receive state financial aid establish a uniform process for sexual assault disciplinary proceedings that treats all students in the same manner, regardless of their major or their participation with an athletic program. It also would specify forms of discipline for violations including expulsion, suspension, loss of aid and housing privileges, effectively creating determinant sentencing for student code of conduct violations. The measure also requires annual reporting on sexual assault cases, including the number of cases they have each year and resulting outcomes.

CSU Position: TO BE DETERMINED

Status: The measure passed out of the Assembly Higher Education Committee and now goes to the Appropriations Committee. ASR is working with the author's staff on the measure, specifically to narrow the scope to only violations of campus conduct related to sexual activity without affirmative consent and on the reporting language found in the bill.

AB 968 (Williams) - Postsecondary Education: Transcripts

This measure would mandate that a student's suspension or expulsion be included on their transcript for as long as the prohibition is in place. This is consistent with current CSU policy.

CSU Position: SUPPORT

Status: The measure passed out of the Assembly Higher Education Committee. It was heard in the Appropriations Committee and was placed on the suspense file.

AB 1000 (Weber) - California State University: Student Success Fees

This measure codifies the recently adopted Board of Trustees' policy on Category II Student Success Fees. It would also require a report from the Chancellor on all fees adopted and rescinded in each academic year to the Department of Finance and the legislature.

CSU Position: OPPOSE

Status: The measure passed out of the Assembly Higher Education Committee and was referred to the Appropriations Committee. ASR is working with the author to come to an agreement on language that retains the authority of the Board of Trustees over campus-based fees while responding to the state's interest in oversight.

AB 1317 (Salas) - Executive Officer Compensation

This measure would prohibit salary increases for CSU executive officers if systemwide mandatory fees were increased within the last four years. Per the language, this would include the chancellor, vice chancellors, executive vice chancellors, general counsel, trustees' secretary and the 23 campus presidents. This bill would also request the UC system to adopt a similar salary policy.

CSU Position: OPPOSE

Status: The measure passed out of the Assembly Higher Education Committee and will be heard by the Appropriations Committee on May 6.

AB 1349 (Weber) - California First Act

This measure would require the university to guarantee undergraduate admissions to a CSU campus, though not necessarily at a campus or in a major of the applicant's choice, to all California residents who apply on time and satisfy the undergraduate admissions eligibility requirements of the university regardless of state funding levels.

CSU Position: TO BE DETERMINED

Status: The measure passed out of the Assembly Higher Education Committee and will be heard by the Appropriations Committee on May 6. In

discussions with the author's staff, it has become clear that they want the CSU to create a formal redirection policy for students not accepted to their first choice campus, similar to the UC. Given the differences between the two segments' application/admission processes and student body, ASR is working with Academic Affairs to determine what may be possible.

SB 8 (Hertzberg) - The Upward Mobility Act

Presently, this measure is only legislative intent language that would extend sales tax on service-based industries. It would also examine the impact of lowering and simplifying the personal income tax California currently uses. The bill intends to generate an estimated \$10 billion in new revenues that would be directed as follows: \$3 billion for K-14 education; \$3 billion for local government services; \$2 billion for low-income tax credits; and \$1 billion each for the UC and the CSU.

CSU Position: TO BE DETERMINED
Status: The measure was referred to the Senate Governance and Finance Committee but has not been set for hearing.

SB 15 (Block) - Postsecondary Education Financial Aid

This measure is Senate pro Tem de León's higher education proposal to provide \$180 million in additional funds to the CSU. It also makes other investments in UC and state financial aid programs. The CSU has been working with the author and staff to increase enrollment, course offerings, student support services, and a new completion incentive program encouraging CSU students to complete at least 30 units a year towards their degree.

CSU Position: SUPPORT
Status: The measure was passed out of the Senate Education Committee on a unanimous vote and will be heard in the Senate Appropriations Committee on May 11.

SB 42 (Liu) - California Commission on Higher Education Performance and Accountability

This measure would recast and revise the currently unfunded California Postsecondary Education Commission (CPEC) as the Commission on Higher Education Performance and Accountability. This new commission would serve many of the same purposes as CPEC, but would not include representation from the higher education segments on the governing board.

CSU Position: SUPPORT IF AMENDED
Status: The measure was passed out of the Senate Education Committee and will be heard by the Senate Appropriations Committee on May 11. The CSU

and all other segments believe it is critical that they be part of this new body as they were with CPEC.

SB 247 (Lara) - Dream Centers

This measure would allow high schools, CCC, CSU and UC campuses to establish on-campus “Dream Centers” to assist undocumented students with student support services, including financial aid.

CSU Position: NO OFFICIAL POSITION
Status: The measure was passed out of the Senate Education Committee and will be heard by the Appropriations Committee on May 11.

SB 668 (Leyva) - Sexual Assault: Counselor-Victim Privilege

This measure would require all campuses to contract out with a sexual assault center, like the California Coalition Against Sexual Assault (CALCASA) to provide sexual assault counseling to our students on campus.

CSU Position: WATCH
Status: The author has deferred action on this bill until 2016 given concerns expressed by CSU and others.

SB 669 (Pan) - California State University Personal Service Contracts

This measure would restrict the CSU’s authority to manage its employees and subject the campuses to the same contracting out restrictions and constraints imposed on state civil service.

CSU Position: OPPOSE
Status: This measure is very similar to last year’s SB 943, which died in its first policy committee. It was referred to the Senate Education Committee and was scheduled to be heard on April 22, but was pulled by the author and is now a two-year bill.

SB 707 (Wolk) - Gun-Free School Zone

This measure would prohibit a person with a concealed weapon permit from bringing a firearm onto K-12 school grounds or higher education campuses, including the CSU.

CSU Position: SUPPORT
Status: This measure was heard in the Senate Public Safety Committee and referred to the Appropriations Committee, where it was placed on the suspense file. The measure is sponsored by the California College and University Police Chiefs Association.

AGENDA

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: **2:00 p.m., Tuesday, May 19, 2015**
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 March 24, 2015

1. Amend the 2014-2015 Capital Outlay Program for California State University, Stanislaus, *Action*

Discussion

2. Approve the 2015 Campus Master Plan Revision and the Amendment of the 2014-2015 Capital Outlay Program for the Engineering and Interdisciplinary Sciences Complex for San Diego State University, *Action*
3. Acceptance of Interest in Real Property for California State Polytechnic University, Pomona, *Action*
4. Certify the Final Environmental Impact Report and Approve the Campus Master Plan 2015 for California State University, Sacramento, *Action*
5. Drought Response Water Conservation, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON CAMPUS 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**

March 24, 2015

Members Present

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

Trustee Lawrence Norton called the meeting to order.

Approval of Minutes

The minutes of January 28, 2015 were approved as submitted.

Trustee Norton invited public speaker, Mr. James DeStefano, City Manager for the City of Diamond Bar, to address the Board of Trustees regarding Information Item 4, Acceptance of Interest in Real Property for California State Polytechnic University, Pomona. Mr. DeStefano acknowledged that Diamond Bar and Cal Poly Pomona have enjoyed a good relationship for many years. However, when Diamond Bar expressed its interest to Cal Poly Pomona in developing 40 acres of the Lanterman Developmental Center property for a public park in October 2014, only then did the city learn of the university's efforts and planning for the possible transfer of the property to the campus. In March 2015, the campus provided the city with a packet of project-related material regarding the possible property transfer, with documents dated as early as August 2013 outlining potential use of the land. Mr. DeStefano requested the university have more open meetings with the City of Diamond Bar regarding the potential transfer and reuse of the Lanterman Developmental Center property.

Amend the 2014-2015 Capital Outlay Program for California State Polytechnic University, Pomona and California State University, Sacramento

Assistant Vice Chancellor Elvyra F. San Juan presented agenda Item 1 to amend the 2014-2015 capital outlay program with two projects: Parking Structure for the Administration Replacement Building, at California State Polytechnic University, Pomona and Chemistry Labs Renovation, at California State University, Sacramento. Staff recommended approval.

The committee recommended approval of the proposed resolution (RCPBG 03-15-04).

Approval of Schematic Plans for California State University, Fullerton, California State Polytechnic University, Pomona and California State University, Sacramento

Presidents Mildred García, Soraya M. Coley and Alexander Gonzalez, respectively, along with Ms. San Juan presented the item for approval of schematic plans for California State University, Fullerton—Titan Student Union Expansion, California State Polytechnic University, Pomona—Administration Replacement Building and California State University, Sacramento—Student Housing, Phase II.

The committee recommended approval of the proposed resolution (RCPBG 03-15-05).

Categories and Criteria for the Five-Year Capital Improvement Program 2016-2017 through 2020-2021

Ms. San Juan presented the categories and criteria which establish priorities for funding of the budget year 2016-2017 and the five-year capital improvement program, 2016-2017 through 2020-2021.

The committee recommended approval of the proposed resolution (RCPBG 03-15-06).

Acceptance of Interest in Real Property for California State Polytechnic University, Pomona

President Soraya M. Coley, along with Ms. San Juan presented Item 4, an information item on the potential transfer of the Lanterman Developmental Center to Cal Poly Pomona. President Coley provided the campus' vision for the Center should it become a part of the university. The Center property offers an opportunity to expand programs where enrollment demand exceeds capacity, while allowing remaining programs to expand into vacated space on current campus land. The campus is performing due diligence on the property and preparing estimated transition and operational costs for the board's consideration of the real property acceptance.

Trustee Steven Stepanek stated he has toured the Lanterman Developmental Center property and it is an exciting prospect.

Chair Lou Monville inquired what are the limitations regarding the potential property transfer. Ms. San Juan stated that the property transfers for Stockton Off-campus Center and California State University Channel Islands received more flexibility. Cal Poly Pomona is exploring such options as part of its due diligence and business plan preparation.

Trustee Norton adjourned the meeting.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Amend the 2014-2015 Capital Outlay Program for California State University, Stanislaus

Presentation By

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

Summary

The California State University (CSU) Board of Trustees approved the 2014-2015 Capital Outlay Program at its November 2013 meeting. This item allows the board to consider the increased scope and budget of a previously approved capital outlay project included in the 2014-2015 Capital Outlay Program.

California State University, Stanislaus

Physical Education Pool Renovation and Infrastructure Upgrade PWC¹ \$4,238,000

California State University, Stanislaus wishes to proceed with the renovation and infrastructure upgrade of the existing Physical Education Pool Facility (#40²), which was constructed in 1977 and has never been renovated. A pool study prepared after the initial project approval of November 2013 determined the original scope would not address Americans with Disabilities Act (ADA) compliance, Title IX requirements for National Collegiate Athletic Association standards, or improve energy and chemical consumption.

This item requests approval to use campus operating funds (\$1,540,000) to add this scope to the original repair/renewal project. The balance of the project cost (\$2,698,000) will be financed through the CSU Systemwide Revenue Bond program. CSU funds (under the new financing authority) will be used to repay the bonds.

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

² Facility number shown on master plan map and recorded in Space and Facilities Database

CPB&G
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May 19-20, 2015
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Recommendation

The following resolution is presented for approval:

RESOLVED, By the Board of Trustees of the California State University, that the 2014-2015 Capital Outlay Program be amended to include \$4,238,000 for preliminary plans, working drawings and construction for the California State University, Stanislaus Physical Education Pool Renovation and Infrastructure Upgrade.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Approve the 2015 Campus Master Plan Revision and the Amendment of the 2014-2015 Capital Outlay Program for the Engineering and Interdisciplinary Sciences Complex for San Diego State University

Presentation By

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

Summary

The California State University Board of Trustees requires that every campus has a long range physical master plan, showing existing and anticipated facilities necessary to accommodate a specified academic year full-time equivalent student enrollment. Each master plan reflects the ultimate physical requirements of academic program and auxiliary activities on the campus. By board policy, significant changes to the master plan and approval of a project's schematic design require board approval, while authority for minor master plan revisions or schematic designs for projects that are not architecturally significant, utilitarian in nature, or have a cost of \$3,000,000, or less, are delegated to the chancellor or his designee.

The board approved the 2014-2015 Capital Outlay Program in November 2013. This item allows the board to consider the scope and budget of a project not included in the previously approved capital outlay program.

This agenda item requests the following actions by the trustees with regard to San Diego State University:

- Approval of the proposed campus master plan revision dated May 2015.
- Approval of the amendment of the 2014-2015 Capital Outlay Program for the Engineering and Interdisciplinary Sciences Complex.

Attachment A is the proposed campus master plan. Attachment B is the existing campus master plan approved by the board in May 2011.

Master Plan Revision

The board last approved the campus master plan in May 2011 and certified the respective Final Environmental Impact Report. The proposed campus master plan revision will address critical challenges and create a much-needed science complex to support the Science, Technology, Engineering and Mathematics (STEM) disciplines at San Diego State by creating facilities that support interdisciplinary teaching and research; provide flexibility for changing research and teaching methodologies; and provide sufficient and functional space to meet the needs of current and future engineering and science students, as well as support increasing enrollment in Engineering.

Recent years have seen dramatic changes in these disciplines, including increasingly sophisticated technologies, a shift towards experiential learning and undergraduate research, and a significant trend toward interdisciplinary education and research. These changes cannot be accommodated in existing 50 year-old buildings with limited space and inadequate infrastructure. The project also includes the demolition of 47,000 gross square feet (GSF) of deteriorated space that would otherwise require \$14 million of deferred maintenance and \$1.8 million in accessibility improvements.

Proposed master plan changes noted on Attachment A include:

Hexagon 1: Engineering and Interdisciplinary Sciences Complex (#114¹) (*changed footprint*)

Removal: Engineering Laboratory (#5)
Industrial Technology (#9)
Computer Aided Mechanics Lab (#22)
Physical Plant Shops (#201)

Amendment of the 2014-2015 Capital Outlay Program

San Diego State University wishes to amend the 2014-2015 Capital Outlay Program to include \$79,656,000 for the design and construction of the Engineering and Interdisciplinary Sciences Complex (#114), a new three- to five-story instructional building located south of the existing Engineering Building (#19). The new 81,900 GSF facility will house teaching and research laboratory space and provide for a landscaped quadrangle/courtyard which will link the new complex with the existing historic buildings and also provide event space. The project will connect the new facility to the existing Engineering Building (#19) on one or more floors.

¹ Facility number shown on master plan map and recorded in Space and Facilities Database

The demolition of the existing Engineering Laboratory (#5) and Industrial Technology (#9) buildings was previously approved by the board in November 2014 and will make way for the new Engineering and Interdisciplinary Sciences Complex. Once the new complex is completed, the Computer Aided Mechanics Lab (#22) and Physical Plant Shops (#201) buildings (located to the north of the existing Engineering Building) will be demolished and a small plaza for accessible parking will be constructed as part of the project scope. The schematic design is scheduled to be presented to the board at its July 2015 meeting, with demolition starting in June 2015 and projected completion in January 2018.

Funding Data

The project will be financed through the CSU Systemwide Revenue Bond program (\$50,000,000), auxiliary reserves (\$25,000,000), plus an additional \$4,736,000 from campus reserves and/or under the new capital financing authority from the 2015-2016 Capital Outlay Program. Financing for this project will be presented for approval during the meeting of the Committee on Finance. The San Diego State University Research Foundation, a campus auxiliary organization, will finance and lease the project to the campus, which will utilize the facility for academic and research purposes. Additionally, the campus is planning an active campaign to raise \$30 million in donor funds to help reduce the financing for the project.

California Environmental Quality Act (CEQA) Action

An Initial Study/Mitigated Negative Declaration (IS/MND) was prepared to analyze the potential significant environmental effects of the proposed project in accordance with the requirements of California Environmental Quality Act (CEQA) and state CEQA Guidelines. The IS/MND is presented to the board for review and adoption as part of this agenda item. The public review period began on February 24, 2015 and closed on March 25, 2015. The IS/MND and all related materials are available for review at www.sdsu.edu/eis.

Two comment letters were received during the review period. One letter was received from the San Diego County Archaeological Society which indicated concurrence with the impact analysis and proposed mitigation measures. The other letter was received from the City of San Diego and indicated that the project may result in a significant impact; however, the letter did not include any supporting evidence. More specifically the city conveyed that the transportation analysis may be inadequate if it relied upon the 2005 San Diego State Master Plan Environmental Impact Report (EIR), and therefore did not appropriately mitigate impacts and acknowledge significant impacts. The city also conveyed that the project would create additional demand for fire-rescue services and a fair share contribution may be required.

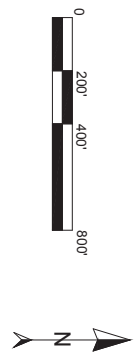
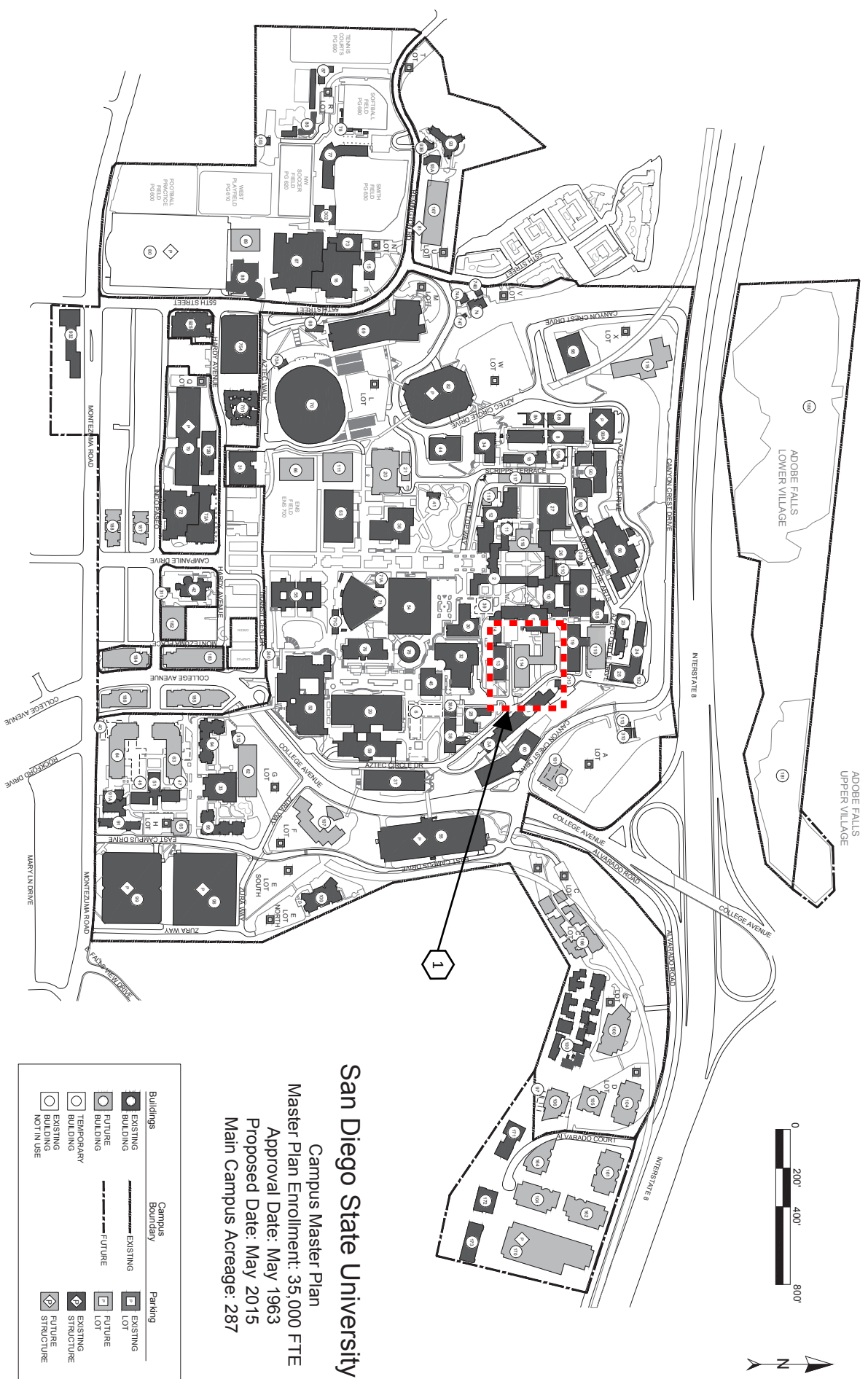
In response to a letter from the City of San Diego, the campus clarified that the analysis of traffic impacts attributable to the project did not rely upon information from the 2005 Master Plan EIR, and that the implementation of an alternative transportation program during construction should reduce any short-term traffic impact to a less than significant level. The campus response also indicated that the project will result in only a marginal increase in fire-rescue needs and would not result in a potentially significant impact to fire protection such that no mitigation is required.

Recommendation

The following resolution is presented for approval:

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

1. The Final Initial Study/Mitigated Negative Declaration has addressed any potentially significant environmental impacts, mitigation measures, comments and responses associated with approval of the San Diego State University Engineering and Interdisciplinary Sciences Complex Master Plan Revision and all discretionary actions related.
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 require 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 San Diego State University Engineering and Interdisciplinary Sciences Complex Master Plan Revision and all discretionary actions related thereto as identified in the Final Initial Study/Mitigated Negative Declaration for this project.
5. The San Diego State University Campus Master Plan Revision, dated May 2015, is hereby approved.
6. The 2014-2015 Capital Outlay Program is amended to include \$79,656,000 for preliminary plans, working drawings, construction and equipment for the San Diego State University Engineering and Interdisciplinary Sciences Complex.



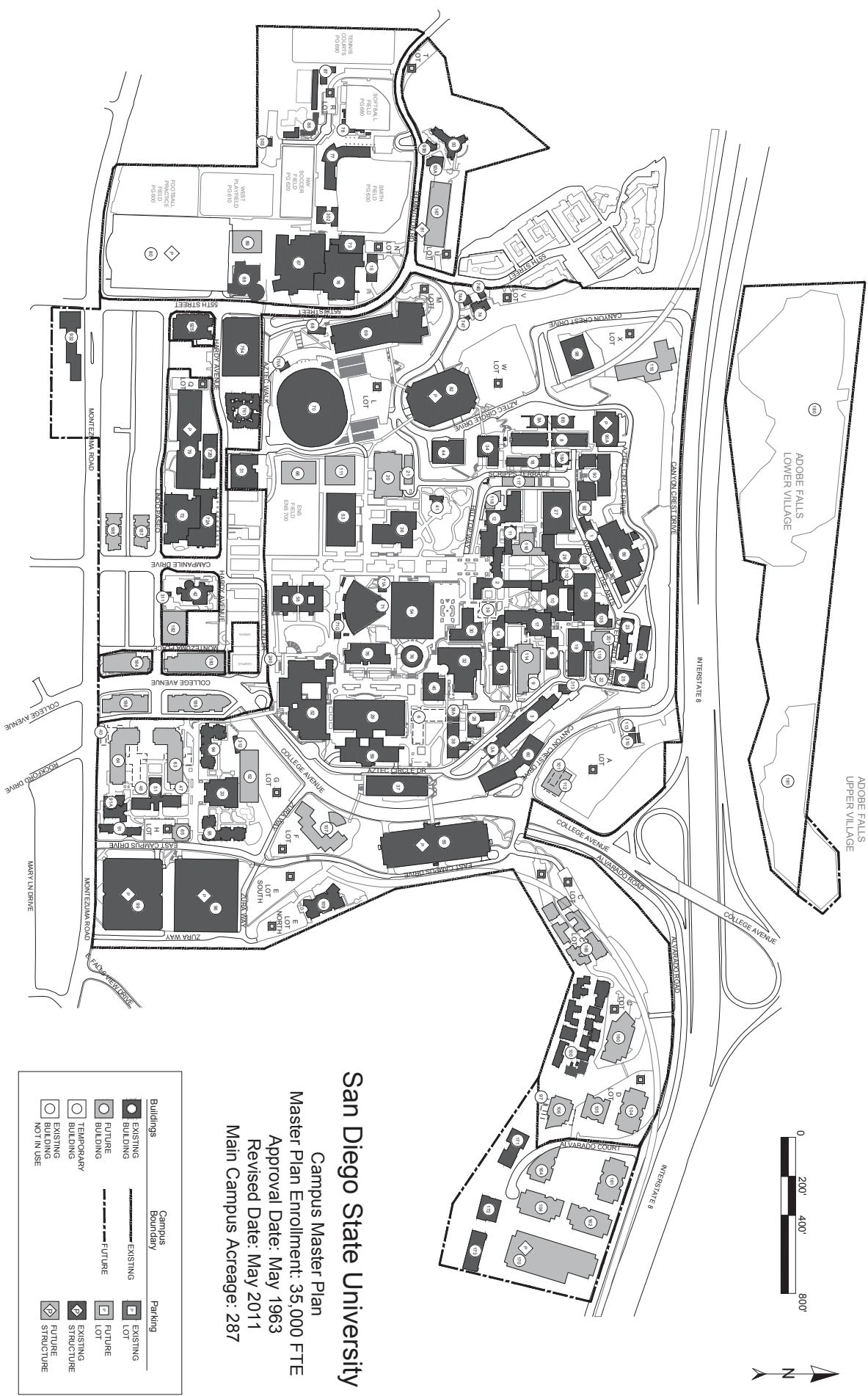
San Diego State University
 Campus Master Plan
 Master Plan Enrollment: 35,000 FTE
 Approval Date: May 1963
 Proposed Date: May 2015
 Main Campus Acreage: 287

Buildings	Campus Boundary	Parking
EXISTING BUILDING	EXISTING	EXISTING LOT
FUTURE BUILDING	FUTURE	FUTURE LOT
TEMPORARY BUILDING		EXISTING STRUCTURE
EXISTING BUILDING NOT IN USE		FUTURE STRUCTURE

Master Plan Enrollment: 35,000 FTE

Proposed Master Plan: May 2015

1. Art - South	72b. Extended Studies Center	187. Plaza Linda Verde Building 6
2. Hepner Hall	73. Racquetball Courts	188. Plaza Linda Verde Building 7
3. Geology - Mathematics - Computer Science	74. International Student Center	208. Betty's Hotdogger
3a. Geology - Mathematics - Computer Science Addition	74a. International Student Center Addition - A	240. Transit Center
6. Education	74b. International Student Center Addition - B	302. Field Equipment Storage
8. Storm Hall	74t. International Student Center - temporary	303. Grounds Storage
8a. Storm Hall West	76. Love Library Addition/Manchester Hall	310. EHS Storage Shed
8b. Charles Hostler Hall	77. Tony Gwynn Stadium	311. Substation D
10. Life Science - South	78. Softball Stadium	312. Substation B
11. Little Theatre	79. Parking Structure 2	313. Substation A
12. Communication	80. Parking Structure 5/Sports Deck	745. University House (President's Residence)
13. Physics	81. Parking Structure 7	932. University Towers
14. Physics - Astronomy	82. Parking Structure 4	
15. Public Safety	86. Aztec Aquaplex	
16. Peterson Gymnasium	87. Aztec Tennis Center	
17. Physical Sciences	87a. Tennis Center Lockers	
18. Nasatir Hall	88. Parma Payne Goodall Alumni Center	
19. Engineering	89. Basketball Center	
20. Exercise and Nutritional Sciences Annex	90. Arts and Letters	
21. Exercise and Nutritional Sciences	90a. Parking Structure 8	
23. Physical Plant/Boiler Shop	91. Tenochca Hall (Coeducational Residence)	
24. Physical Plant	91a. Tula Hall	
25. Cogeneration Plant	92. Art Gallery	
26. Hardy Memorial Tower	93. Chapultepec Hall (Coeducational Residence)	
27. Professional Studies and Fine Arts	93a. Cholula Hall	
28. Geography Annex	93b. Aztec Market	
29. Student Services - West	94. Tepeyac (Coeducational Residence)	
30. Administration	95. Tacuba (Coeducational Residence)	
31. Calpulli (Counseling, Disabled and Student Health Services)	96. Parking Structure 6	
32. East Commons	97. Rehabilitation Center	
33. Cuicacalli (Dining)	98. Business Services	
34. West Commons	99. Parking Structure 3	
35. Life Science - North	100. Villa Alvarado Hall (Coeducational Residence)	
36. Dramatic Arts	101. Maintenance Garage	
37. Education and Business Administration	102. Cogeneration/Chill Plant	
38. North Education	104. Academic Building A	
38a. North Education 60	105. Academic Building B	
39. Faculty/Staff Club	106. Academic Building C - Education	
40. Housing Administration	107. College of Business	
41. Scripps Cottage	109. University Children's Center	
42. Speech, Language and Hearing Sciences	110. Growth Chamber	
44. Physical Plant/Chill Plant	111. Performing Arts Complex	
45. Aztec Shops Bookstore	112. Resource Conservation	
46. Maya Hall	113. Waste Facility	
47. Olmecca Hall (Coeducational Residence)	114. Engineering and Interdisciplinary Sciences Complex	
51. Zura Hall (Coeducational Residence)	115. Physical Plant/Corporation Yard	
52. Conrad Prebys Aztec Student Union	116. School of Communication Addition A	
53. Music	117. School of Communication Addition B	
54. Love Library	118. School of Communication Addition C	
55. Parking Structure 1	119. Engineering Building Addition	
56. Art - North	135. Donald P. Shiley BioScience Center	
58. Adams Humanities	160. Alvarado Hotel	
59. Student Services - East	161. Alvarado Park - Academic Building 1	
60. Chemical Sciences Laboratory	162. Alvarado Park - Academic Building 2	
62. Residence Hall Phase I (800 bed)	163. Alvarado Park - Academic Building 3	
63. Residence Hall Phase II (800 bed)	164. Alvarado Park - Academic Building 4	
64. Residence Hall Phase III (800 bed)	166. Villa Alvarado Hall Expansion	
65. Housing Administration	167. U-Lot Residence Hall	
66. Conference Center	170. Parking Structure 9	
67. Fowler Athletics Center/Hall of Fame	171. Alvarado Park - Research Building 1	
68. Arena Meeting Center	172. Alvarado Park - Research Building 2	
69. Aztec Recreation Center	173. Alvarado Park - Research Building 3	
70. Viejas Arena at Aztec Bowl	180. Adobe Falls Lower Village - Residential	
70a. Arena Ticket Office	181. Adobe Falls Upper Village - Residential	
71. Open Air Theater	182. Plaza Linda Verde Parking Building 3	
71a. Open Air Theater Hospitality House	183. Plaza Linda Verde Building 1	
71g. Open Air Theater Ticket Booth	184. Plaza Linda Verde Building 2	
72. KPBS Radio/TV	185. Plaza Linda Verde Building 5	
72a. Gateway Center	186. Plaza Linda Verde Building 4	
		<p>IMPERIAL VALLEY Off-Campus Center, Imperial Valley Campus - Calexico Master Plan Enrollment: 850 FTE Master Plan approved by the Board of Trustees: February 1980 Master Plan Revision approved by the Board of Trustees: September 2003</p> <ol style="list-style-type: none"> North Classroom Building Administration Building Art Gallery Auditorium / Classrooms Classrooms Building Library Library Addition Physical Plant Computer Building Faculty Offices Building East Faculty Offices Building West Student Center Classroom Building/Classroom Building East Classroom Building South Student Affairs (temporary) Classroom Building (temporary) <p>IMPERIAL VALLEY Off-Campus Center, Imperial Valley Campus - Brawley Master Plan Enrollment: 850 FTE Master Plan approved by the Board of Trustees: September 2003</p> <ol style="list-style-type: none"> Initial Building (Brandt Building) Academic Building II Academic Building III Library Computer Building Auditorium Administration Academic Building IV Student Center Energy Museum Faculty Office Agricultural Research <p>LEGEND: Existing Facility / Proposed Facility</p> <p>NOTE: Existing building numbers correspond with building numbers in the Space and Facilities Data Base (SFDB)</p>



San Diego State University
 Campus Master Plan
 Master Plan Enrollment: 35,000 FTE
 Approval Date: May 1963
 Revised Date: May 2011
 Main Campus Acreage: 287

Buildings		Campus Boundary		Parking	
	EXISTING BUILDING		EXISTING		EXISTING LOT
	FUTURE BUILDING		FUTURE		FUTURE LOT
	TEMPORARY BUILDING				EXISTING STRUCTURE
	EXISTING BUILDING NOT IN USE				FUTURE STRUCTURE

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Acceptance of Interest in Real Property for California State Polytechnic University, Pomona

Presentation By

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

Summary

The State of California proposes to transfer the possession and control of a 287-acre parcel, the Lanterman Developmental Center (currently operated by the California Department of Developmental Services), to California State Polytechnic University, Pomona. The property is located adjacent to the southern end of the campus, an area known as Spadra Farm. This action item is to provide an update to the information provided at the March 2015 California State University Board of Trustees meeting and to request approval for the acceptance of interest in the Lanterman Developmental Center real property.

Background

The Lanterman Developmental Center (Center) was established by the state in 1927 at its present location as an institution for the care and treatment of persons with a variety of developmental disorders. The Center is comprised of 120 existing buildings totaling approximately one million square feet. For several decades, in partnership with the Center, Cal Poly Pomona used portions of the property for academic opportunities ranging from agricultural endeavors to engaging students and faculty in assisting with the Center's clients.

In December 2005, Cal Poly Pomona and the Center initiated discussions regarding the use of a portion of the property for the purpose of building faculty/staff housing, a need that had become critical to the effective recruitment of top-quality personnel. In addition, a programmatic collaboration involving faculty and students from urban/regional planning, mechanical engineering, kinesiology, nutrition and food science departments, and the university's Center for Community Engagement was expanded. However, the plans for faculty/staff housing were put on hold when, in January 2010, the Department of Developmental Services (DDS) announced the closure of the Center facility to occur at a future undetermined time.

In July 2013, the Department of General Services (DGS) issued a “Notice of Availability of Excess State Owned Real-Property.” In response, the California State University formally expressed interest in obtaining the property to accommodate the expansion of its academic programs, develop public-private partnerships, and provide the originally contemplated faculty/staff housing. The Center was officially closed as of December 31, 2014.

In the Governor’s 2015-2016 Budget Proposal, the administration proposed transferring the Lanterman Developmental Center to Cal Poly Pomona. The proposed transfer is contingent on the CSU acknowledging that state funds will not be specifically appropriated for the operation, maintenance or development of the property and that the university will accommodate the needs of other state departments, namely the California Highway Patrol (CHP) and the California Air Resources Board (CARB), on a portion of the land in the area. The campus continues discussions with the Department of Finance on possible site locations for these state agencies.

Plan for the Lanterman Developmental Center

The Center property offers an opportunity to expand programs where enrollment demand exceeds capacity. This can be accomplished by relocating academic programs best suited for the new site, allowing remaining programs to expand into vacated space on campus. The identification of which programs would move to the Center property would be determined once the assessment of the property is complete. Initial thoughts under consideration include the potential relocation of the Agricultural Academic Programs to use existing buildings, and the relocation of the Farming, Grazing and Animal Husbandry Programs to the 115 acres of outdoor area. Prior to utilization of the property, the campus will comply with CSU and state regulations, including the California Environmental Quality Act (CEQA).

A site map depicting the relationship of the Center property and its proximity to the Cal Poly Pomona campus is shown in Attachment A. Preliminary site visits and a condition assessment report from 2010 revealed that many of the existing buildings will require significant upgrades or demolition. Most of the buildings which were constructed between the 1920s and 1960s are not up to code, and will require hazardous material mitigation if renovated or demolished. Some of these buildings may be considered of historical significance, which could restrict options for their replacement or re-use. Cal Poly Pomona staff is collecting and analyzing additional information now that the Center is closed.

Public Process on Governor's Proposal

As a result of concerns of local and state officials, the campus has participated in meetings to provide information on process and potential use of the site. The list below identifies a few of the most recent meetings attended by multiple state and local officials related to the site use and transfer. Meetings held with individual cities and local entities are not noted below.

- March 20, 2015 – Assembly Members McCarty and Rodriguez, Budget Proposal: Lanterman Site Transfer to Cal Poly Pomona, Meeting held at the Center
- April 10, 2015 – Assembly Member Rodriguez, Lanterman Site Transfer to Cal Poly Pomona, Conference Call
- May 7, 2015 – Cal Poly Pomona, Local Official Meeting, Update on Transfer

Transition Plan

A memorandum of understanding (MOU) is being developed between the state and the CSU regarding the transfer of possession and control. It is anticipated the MOU will address the broad terms of the transfer including funding and the accommodation of state entities, along with the DDS completion of the historic analysis and inventory as required by the California State Office of Historic Preservation. The MOU anticipates the CSU will take control of the property as of July 1, 2015.

Once the campus takes possession of the site, it will assume responsibility for security, utilities, maintenance and repair and staffing. Contingent upon operational decisions it is anticipated the annual cost to operate the facility will be approximately \$3.0 – 4.5 million. Three primary sources of funding to support the five-year interim site operation are under consideration and include the university, the Cal Poly Pomona Foundation (Foundation) and the CSU.

In preliminary projections, Cal Poly Pomona anticipates an allocation of approximately \$500,000 in funds from the CSU to help fund the site operations. The Foundation would contribute an increasing share of the funding over the five-year period as public-private partnerships evolve at Innovation Village and Spadra Farm, the latter of which is being studied as the future site of Innovation Village II. As these partnerships are implemented, additional revenues will be generated that will reduce the dependence on campus funding. In addition, there will be a number of one-time costs associated with limited facility/infrastructure repairs and renewal, code compliance upgrades, and fire-life safety improvements that may be necessary for very limited use of the site. The estimated cost of \$15 million over the five-year period for these projected one-time costs may be funded by the CSU should funds permit.

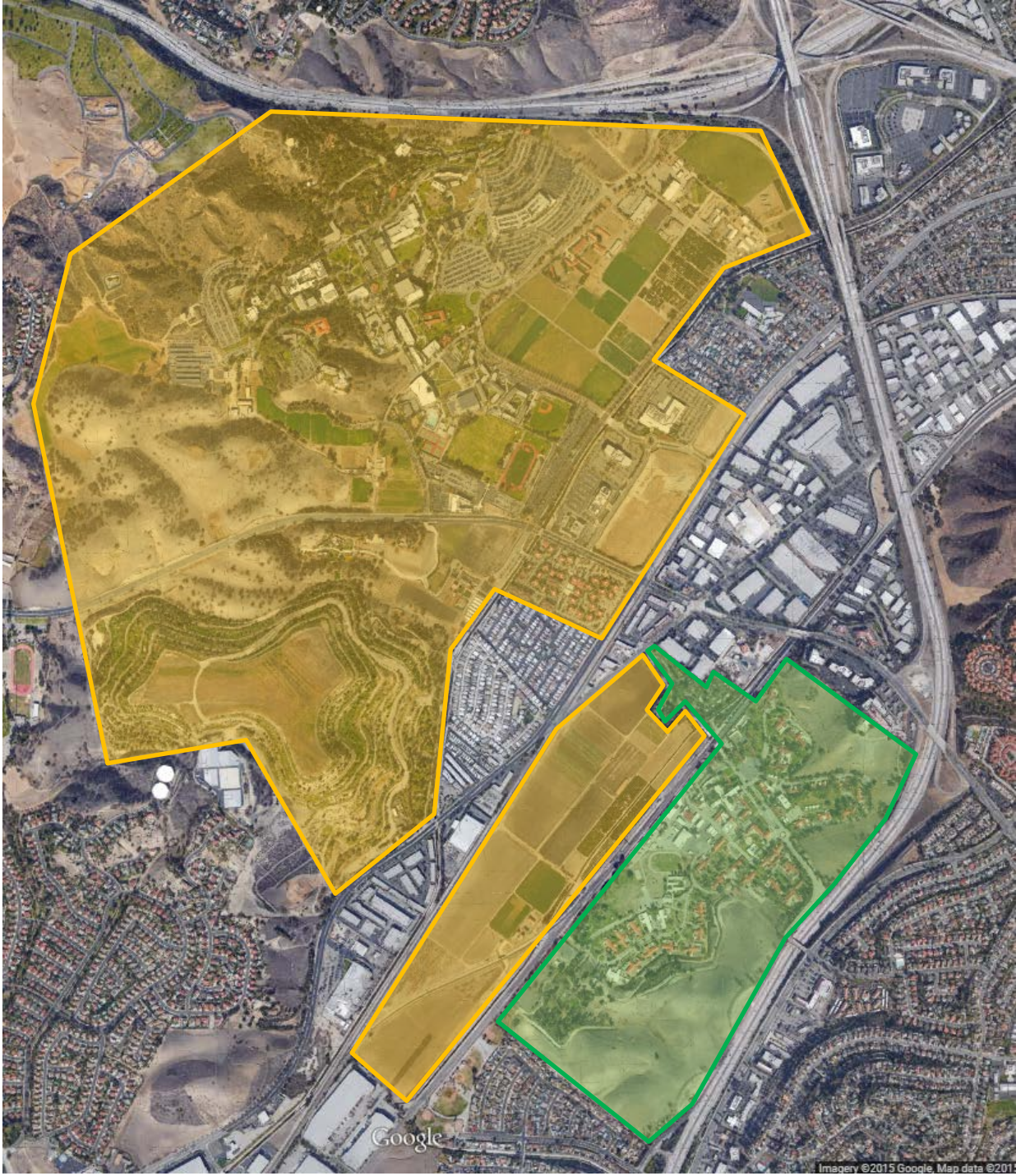
It is anticipated the transfer of the property will occur once due diligence, the historic building assessment and site negotiations with Department of Finance, DGS, CHP and CARB are completed. The trustees are being asked to approve the resolution to give authority to the chancellor to negotiate and execute a memorandum of understanding with the State of California on the terms of the transfer and to accept the property.

Recommendation

The following resolution is presented for approval:

RESOLVED, By the Board of Trustees of the California State University, that the chancellor or designee is authorized to negotiate and execute the terms of a Memorandum of Understanding with the state to accept on behalf of the Board of Trustees the interest in 287 acres of real property, known as Lanterman Developmental Center, transferred to the California State University from the California Department of General Services.

California State Polytechnic University, Pomona



-  Existing Cal Poly Pomona campus
-  Lanterman Developmental Center

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Certify the Final Environmental Impact Report and Approve the Campus Master Plan 2015 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 requires that every campus have a long range physical master plan, showing existing and anticipated facilities necessary to accommodate a specified academic year full-time equivalent student enrollment. The board serves as the Lead Agency as defined in the California Environmental Quality Act (CEQA) and as such approves significant changes to the master plan and ensures compliance with the California Environmental Quality Act by taking action to certify required CEQA compliance actions.

This agenda item requests the following actions by the Board of Trustees with regard to California State University, Sacramento:

- Certify the final environmental impact report (FEIR) dated April 2015
- Approve the proposed Campus Master Plan 2015 dated May 2015

The Board of Trustees must certify that the FEIR is adequate and complete under CEQA in order to approve the campus master plan revision. Accordingly, because the FEIR has determined that the proposed master plan revision would result in significant and unavoidable effects, a Statement of Overriding Considerations is required to address these significant and unavoidable impacts relating to short-term and intermittent noise and air quality. The FEIR with Findings of Fact and Statement of Overriding Considerations, and the environmental Mitigation Measures are available for review by the board and the public at <http://www.csus.edu/aba/Facilities/>.

Attachment “A” is the proposed campus master plan. Attachment “B” is the existing campus master plan, with the last revision approved by the trustees in January 2004.

Campus Master Plan 2015

The proposed Campus Master Plan 2015 (Plan) revision guides the future physical development of California State University, Sacramento campus through the 2035 planning horizon year and

incorporates guidelines for design, landscape, and sustainability. It does not affect the 25,000 full-time equivalent students (FTE¹) enrollment level established by the current Master Plan.

The Plan provides for the integration of the campus into a framework of eight functional and geographic zones. Future development within the zones will provide space for a broad range of academic and campus life programs by making efficient use of land, limiting use of significant campus open space for new building sites, preserving and expanding campus open space, and preserving and promoting the pedestrian pathway system. In addition, many of the existing facilities have reached the end of their useful life and are in need of renewal or replacement. Therefore, the replacement and provision of remodeled facilities are large components of the Plan.

The major elements of the proposed master plan revision are described below.

Facilities: Addition of 1.3–1.5 million square feet of new academic and administrative facilities. Renovation of seven facilities: Sequoia Hall (#36²), Lassen Hall (#26), Shasta Hall (#9), Capistrano Hall (#35), Eureka Hall (#38), Amador Hall (#39) and, the Library (#40). Expansion of the University Union (#47) and the Well fitness facility (#109). Facilities for informal and intramural sports activities will be provided at the South Green and the Library Quad.

Housing: On-campus student housing directly supports academic excellence and a vibrant campus environment. The proposed master plan includes the replacement of seven older student housing facilities, the construction of four new housing facilities for undergraduate students and four new housing facilities for faculty, staff and graduate students.

Infrastructure: The Plan provides improvements and enhancements to campus infrastructure that will maximize the campus' sustainability features and physical assets. These include a new sustainable central greenway that serves to enhance the campus landscape and manage and clean storm water before it is reintroduced into the American River system, as well as augmentations to the campus utilities systems through the expansion of the campus' central plant and substation.

Connectivity: The Plan provides support for public transit on campus with shuttle connections and bus stops; improvement of on-campus traffic flow by enhancing campus entry roadways and redistributing parking facilities; and, restructuring the pedestrian pathway system and bicycle routes to increase safety and functionality while creating a more integrated and aesthetically-pleasing campus.

¹ Campus master plan ceilings are based on academic year full-time equivalent student (FTE) enrollment excluding students enrolled in such classes as off-site teacher education and nursing, and on-line instruction.

² Facility number shown on master plan map and recorded in Space and Facilities Database.

Proposed Revisions

Proposed significant changes to the existing Master Plan are shown on Attachment A and are noted below:

- Hexagon 1: Relocation of Parking Structure V, #115
- Hexagon 2: New Administration Building, #3
- Hexagon 3: Relocation of Parking Structure VI, #117
- Hexagon 4: New footprint for Student Housing, #67-71
- Hexagon 5: Relocation of Performing Arts Center, #30
- Hexagon 6: New footprint for Student Housing, #72
- Hexagon 7: Relocation of Classroom III, #105
- Hexagon 8: New footprint for Science II Phase II, #56A
- Hexagon 9: New expansion of the University Union, #47A
- Hexagon 10: New Faculty/Staff/Graduate Student Housing, #96, 97, 100, 103, 110, 113-114, 118 and Parking Structure VII, #98, Parking Structure VIII, #106
- Hexagon 11: Relocation of Event Center, #111
- Hexagon 12: Relocation of Child Development Center, #61
- Hexagon 13: New Parking Structure IX, #107
- Hexagon 14: New Expansion of the WELL, #109A

Fiscal Impact

An estimated \$1.2 billion of future funding for new and renovated facilities will be required to address existing building deficiencies and provide needed site and facility improvements as proposed in the Campus Master Plan 2015.

California Environmental Quality Act (CEQA) Action

A Final Environmental Impact Report (FEIR) has been prepared to analyze the potential significant environmental effects of the proposed Campus Master Plan 2015 in accordance with CEQA requirements and State CEQA Guidelines. The FEIR is presented to the Board of Trustees for review and certification. The Draft EIR was distributed for comment for a 45-day period concluding on March 12, 2015. The final documents are available online at: <http://www.csus.edu/aba/Facilities/>.

The FEIR is a “Program EIR” under CEQA Guidelines, Sections 15161 and 15168 and contain no specific individual construction level project analyses. Since the adoption of the campus

master plan excludes the approval of a specific building project, Program EIR is the appropriate CEQA document.

Issue areas are fully discussed and impacts have been analyzed to the extent possible. Where a potentially significant impact is identified, mitigation measures have been proposed to reduce the impact. The Project provides for many environmental benefits with increased on-campus housing and sustainability measures.

As noted however, the FEIR concluded that the Project would result in significant and unavoidable short-term air quality impacts and temporary and intermittent noise impacts from construction of future facilities. Under such circumstances, CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological or other benefits of the Project against its unavoidable environmental risks when determining whether to approve a Project. If the specific benefits of the Project outweigh the unavoidable adverse environmental effects, those effects may be considered "acceptable" and the agency is then required to adopt a Statement of Overriding Considerations in order to approve the project. Accordingly, because the FEIR has determined that the Project would result in significant and unavoidable effects, a Statement of Overriding Considerations is required to address these significant and unavoidable impacts.

Several letters on the Draft EIR were received and two areas of interest are summarized below.

1. Traffic and Circulation: Caltrans requested that a Traffic Impact Study be prepared to analyze freeway (US 50), and that the EIR address queuing that occurs in the eastbound direction during the a.m. peak traffic hour at the Howe Avenue/Hornet Drive off-ramps.
CSU Response: The Caltrans Guide for the Preparation of Traffic Impact Studies does not require that a freeway study be prepared for projects which generate less than 49 peak hour trips. Even though this study is not required, additional analysis was prepared and has been provided in the Response to Comments to the Draft EIR. The analysis concluded that the Campus Master Plan 2015 would have no significant impacts on freeway operations, and in fact, the project will reduce queuing at the Howe Avenue/Hornet Drive off-ramps as the master plan will allow for more students to live on-campus.
2. Traffic and Circulation: The City of Sacramento requested that a different methodology be used to evaluate existing traffic conditions and queuing at intersections.
CSU Response: The analysis in the Draft EIR utilized the methodology identified in the City of Sacramento Traffic Impact Guidelines. In accordance with these guidelines, the Draft EIR analyzed average traffic conditions during the a.m. and p.m. peak traffic hours and concluded that there would be no significant traffic impacts. Although not required by the City's Traffic Impact Guidelines, an additional analysis to address the city's

concerns was performed and included in the Response to Comments to the Draft EIR. The analysis confirmed that the Campus Master Plan 2015 would not have significant traffic impacts. The analysis also indicated that queuing at campus exits during the peak portion of the evening would continue to occur during a limited period of time; however there would not be a significant impact on city streets.

Project Alternatives

The alternatives considered to the Project include the following:

Alternative 1: “No Project” – Continuation of Current Master Plan alternative

The continuation of the current Master Plan is not feasible because it does not provide for the facilities and programs needed to support the university’s academic programs and academic mission. The No Project alternative could also result in new adverse environmental effects as it would not eliminate vehicle trips associated with the commute to campus.

Alternative 2: Smaller Facility Development

This alternative would reduce peak day construction emissions of oxides of nitrogen (NO_x) by roughly 50 percent by eliminating half of the facilities provided for in the campus Master Plan. Thus this alternative would not provide the new and replacement housing to the same extent as envisioned by the master plan revision. As a consequence, this alternative would result in more students commuting to campus, which would generate potentially significant long term impacts associated with additional traffic, air pollution, and greenhouse gas (GHG) emissions.

Alternative 3: More Housing on Campus

Under this alternative, about 1,500 more student beds and 150 more apartments would be provided on campus for students, faculty, and staff; this is an increase of more than 40 percent of on-campus housing. While commuter trips would be further reduced, the amount of the campus core area required to support the additional buildings would also be significantly increased, as would the demand for support infrastructure.

Alternative 4: Increasing the Enrollment Level to 35,000 FTE from current 25,000 FTE

With more students, additional facilities could be required to accommodate the academic program. With more students attending the university, more vehicular commute trips would be generated resulting in greater or additional traffic impacts, along with new air quality and GHG impacts. With construction of additional buildings and site improvements, the significant and unavoidable short-term construction-related air quality impacts would also be greater pursuant to this alternative.

Among the alternatives considered, none of the alternatives discussed is considered clearly environmentally superior to the proposed Project. Each alternative would result in potential impacts, with a number of impacts that may be greater and some impacts that may be lesser than those associated with the proposed Project.

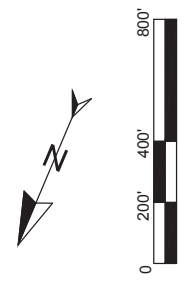
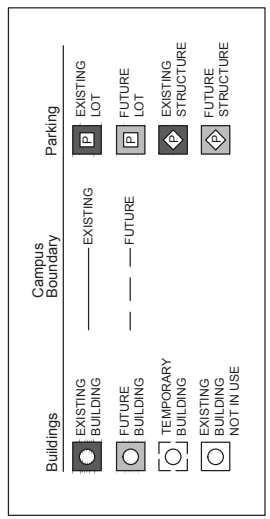
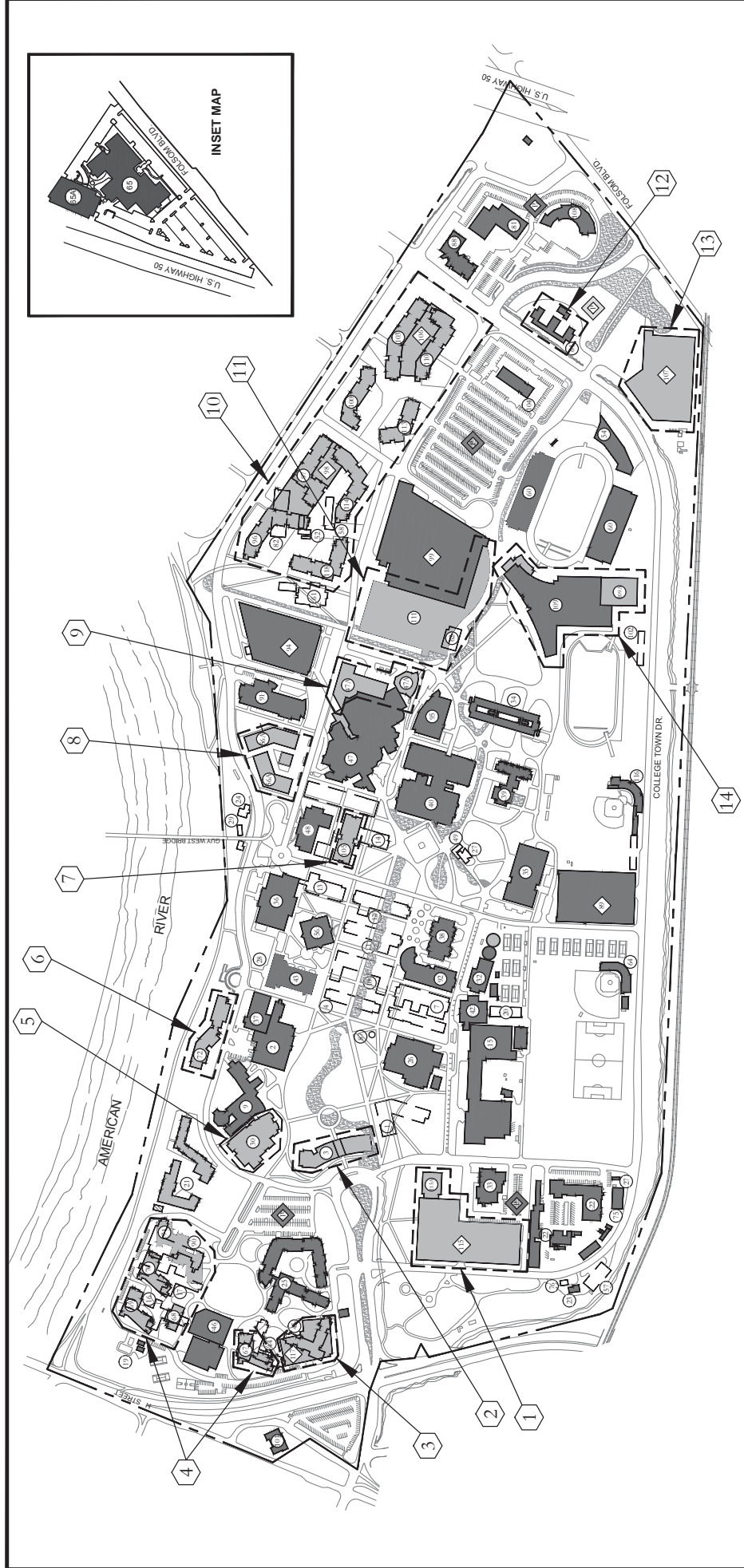
Recommendation

The following resolution is presented for approval:

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

1. The Final Environmental Impact Report (FEIR) for the California State University, Sacramento Campus Master Plan 2015 has addressed any potentially significant environmental impacts, mitigation measures, and project alternatives, comments and responses to comments associated with approval of the proposed campus master plan revision pursuant to the requirements of the California Environmental Quality Act and State CEQA Guidelines.
2. The Final EIR addresses the proposed campus master plan revision.
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 require that the Board of Trustees make findings prior to the approval of a project.
4. The board hereby adopts the Findings of Fact and Mitigation Monitoring and Reporting Program, including all mitigation measures identified therein, for Agenda Item 4 of the May 19-20, 2015 meeting of the Board of Trustees' Committee on Campus Planning, Buildings and Grounds, which identifies the specific impacts of the proposed campus master plan and related mitigation measures, which are hereby incorporated by reference.
5. The board has adopted the Findings of Fact and Statement of Overriding Considerations that outweigh certain remaining significant and unavoidable short-term air quality impacts and temporary and intermittent noise impacts from construction of future facilities.
6. The Final EIR has identified potentially significant impacts that may result from implementation of the proposed campus master plan revision. However, the Board of Trustees, by adopting the Findings of Fact, finds that the

- inclusion of certain mitigation measures as part of the project approval will reduce most, but not all, of those effects to less than significant levels. Those impacts which are not reduced to less than significant levels are identified as significant and unavoidable and are overridden due to specific project benefits to the CSU identified in the Findings of Fact and Statement of Overriding Considerations.
7. Prior to the certification of the Final EIR, the Board of Trustees reviewed and considered the above-mentioned Final EIR, and finds that the Final EIR reflects the independent judgment of the Board of Trustees. The board hereby certifies the Final EIR for the project as complete and adequate in that the Final EIR addresses all potentially significant environmental impacts of the project and fully complies with the requirements of CEQA and the CEQA Guidelines. For the purpose of CEQA and the CEQA Guidelines, the administrative record of proceedings for the project includes the following:
 - a. The 2015 Draft EIR for the California State University, Sacramento Campus Master Plan;
 - b. The Final EIR, including comments received on the Draft EIR, and responses to comments;
 - c. The proceedings before the Board of Trustees relating to the subject master plan revision, including testimony and documentary evidence introduced at such proceedings; and
 - d. All attachments, documents incorporated, and references made in the documents as specified in items (a) through (c) above.
 8. The Board of Trustees hereby certifies the Final EIR for the California State University, Sacramento Campus Master Plan dated May 2015 as complete and in compliance with CEQA.
 9. The California State University, Sacramento Campus Master Plan Revision dated May 2015 is approved.
 10. The chancellor or his designee is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the Final Environmental Impact Report for the California State University, Sacramento Campus Master Plan 2015.



California State University, Sacramento

Proposed Campus Master Plan
 Master Plan Enrollment: 25,000 FTE
 Approval Date: June 1964
 Proposed Date: May 2015
 Main Campus Acreage: 282

California State University, Sacramento

Master Plan Enrollment: 25,000 FTE

Master Plan approved by the Board of Trustees: June 1964

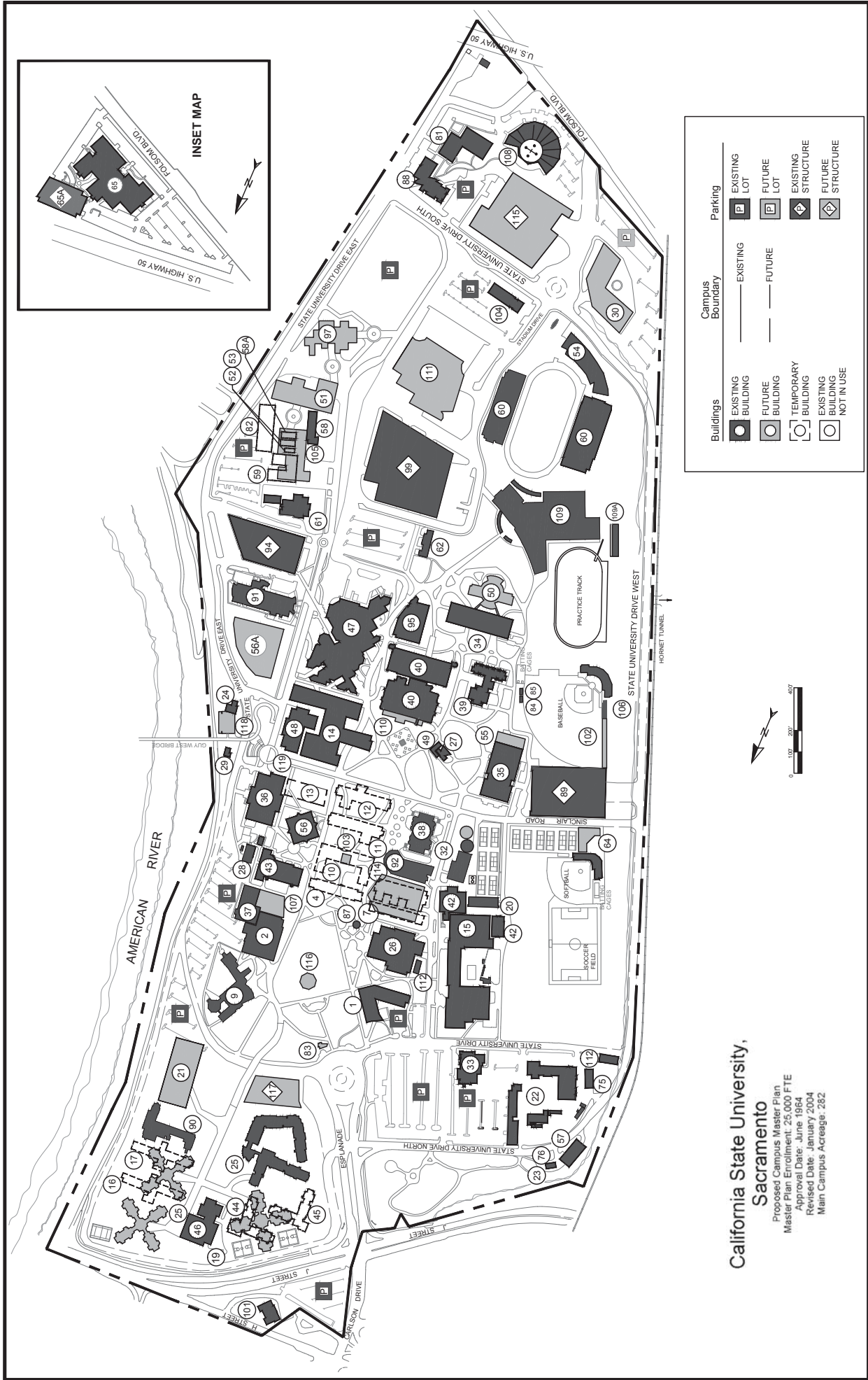
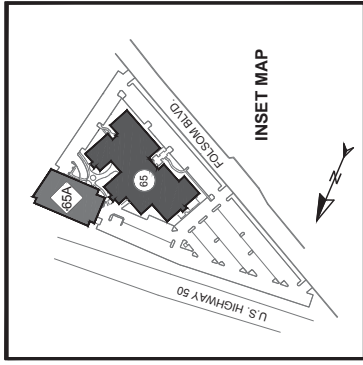
Proposed Master Plan

1. Sacramento Hall *	50. Classroom Laboratory Building (Tahoe Hall)	98. Parking Structure VII
2. Riverfront Center *	51. Art Complex	99. Parking Structure III
3. Administration Building	52. SAC City UFD School District *	100. Faculty/Staff/Grad Housing
4. Douglass Hall *	53. Office of Education *	101. City Fire Station
7. Kadema Hall *	54. Eli and Edythe Broad Athletic Field House	102. Baseball Storage Facility, Phase II
9. Shasta Hall	55. Capistrano Hall Addition	103. Faculty/Staff/Grad Housing
10. Calaveras Hall *	56. Placer Hall	104. Alumni Center
11. Alpine Hall *	56A. Science II, Phase 2	105. Classroom III
12. Brighton Hall *	57. Storage Building *	106. Parking Structure VIII
13. Humboldt Hall *	58. Public Service *	107. Parking Structure IX
14. Santa Clara Hall *	58A. Public Service Annex	108. Capital Public Radio
15. Yosemite Building	59. El Dorado Hall *	109. The WELL
16. Draper Hall *	60. Hornet Stadium	109A. WELL - Expansion
17. Jenkins Hall *	61. Child Development Center	110. Faculty/Staff/Grad Housing
19. Recreational Facility (Housing Complex)	62. Benicia Hall	111. Event Center
20. Handball Courts *	64. Athletic Support - Vending	112. Facilities Annex*
21. Student Housing, Phase II	65. Folsom Hall	113. Faculty/Staff/Grad Housing
22. Facilities Management	65A. Parking Structure IV	114. Faculty/Staff/Grad Housing
23. Corporation Yard Addition	67. Student Housing	115. Parking Structure V
24. Non-Destructive Laboratory *	68. Student Housing	116. Baseball Complex
25. American River Courtyard	69. Student Housing	117. Parking Structure VI
26. Lassen Hall	70. Student Housing	118. Faculty/Staff/Grad Housing
27. Outdoor Theater *	71. Student Housing	119. Outdoor Amphitheater
28. Greenhouses *	72. Student Housing	
29. Geology Optical Laboratory *	75. Receiving Warehouse *	
30. Performing Arts Center	76. Geology Well Field *	
32. Central Heating and Cooling Plant	81. Modoc Hall	
33. Athletics Center	82. Art Sculpture Laboratory *	
34. Tahoe Hall	83. Bus Stop Café	
35. Capistrano Hall	84. Facilities Trailer	
36. Sequoia Hall	85. Construction Manager Trailer	
37. Del Norte Hall	87. Round House *	
38. Eureka Hall	88. Napa Hall	
39. Amador Hall	89. Parking Structure I	
40. Library I/Library II/Media Center	90. Desmond Hall * (Housing Complex)	
42. Solano Hall/Solano Annex	91. Hornet Bookstore/UEI Office Building	
43. Mendocino Hall	92. Mariposa Hall	
44. Sierra Hall *	94. Parking Structure II	
45. Sutter Hall *	95. Academic Information Resource Center	
46. Dining Commons (Housing Complex)	96. Faculty/Staff/Grad Housing	
47. University Union	97. Faculty/Staff/Grad Housing	
47A. University Union Expansion		
48. Riverside Hall		
49. Food Service Outpost *		

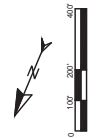
* Temporary Building

LEGEND:
Existing Facility / Proposed Facility

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



Buildings		Campus Boundary		Parking	
	EXISTING BUILDING		EXISTING		EXISTING LOT
	FUTURE BUILDING		FUTURE		FUTURE LOT
	TEMPORARY BUILDING				EXISTING STRUCTURE
	EXISTING BUILDING NOT IN USE				FUTURE STRUCTURE



**California State University,
 Sacramento**
 Proposed Campus Master Plan
 Master Plan Enrollment: 25,000 FTE
 Approval Date: June 1964
 Revised Date: January 2004
 Main Campus Acreage: 282

California State University, Sacramento

Master Plan Enrollment: 25,000 FTE

Master Plan approved by the Board of Trustees: June 1964

Master Plan Revision approved by the Board of Trustees: October 1965, January 1967, October 1967, January 1970, May 1970, February 1971, February 1974, September 1980, May 1983, July 1983, July 1985, September 1986, July 1987, March 1988, September 1990, September 1991, January 1995, September 1999, May 2003, January 2004

1. Sacramento Hall	51. <i>Art Complex</i>	102. <i>Baseball Storage Facility, Phase II</i>
2. Riverfront Center *	52. SAC City UFD School District *	103. <i>Theme Structure</i>
4. Douglass Hall *	53. Office of Education *	104. Alumni Center
7. Kadema Hall *	54. Eli and Edythe Broad Athletic Field House	105. <i>Engineering II</i>
9. Shasta Hall	55. <i>Capistrano Hall Addition</i>	106. Baseball Storage Facility
10. Calaveras Hall *	56. Placer Hall	107. <i>CSUS Foundation Food Service Building</i>
11. Alpine Hall *	56A. <i>Science II, Phase 2</i>	108. Capital Public Radio
12. Brighton Hall *	57. Storage Building	109. The WELL
13. Humboldt Hall *	58. Public Service *	109A. WELL - Support
14. Santa Clara Hall *	58A. Public Service Annex	110. <i>Library Addition/Remodel</i>
15. Yosemite Building	59. El Dorado Hall *	111. <i>Event Center</i>
16. Draper Hall *	60. Hornet Stadium	112. Facilities Management Annex
17. Jenkins Hall *	61. Child Development Center	114. <i>Classroom IV</i>
19. Recreational Facility (Housing Complex)	62. Benicia Hall	115. <i>Parking Structure V</i>
20. Handball Courts *	64. <i>Athletic Support - Vending</i>	116. <i>Gazebo</i>
21. Student Housing, Phase II	65. Folsom Hall	117. <i>Parking Structure VI</i>
22. Facilities Management	65A. Parking Structure IV	118. <i>Café</i>
23. Corporation Yard Addition	75. Receiving Warehouse	119. <i>Outdoor Amphitheater</i>
24. Non-Destructive Laboratory *	76. Geology Well Field	
25. American River Courtyard	81. Modoc Hall	
26. Lassen Hall	82. Art Sculpture Laboratory *	
27. Outdoor Theater	83. <i>Bus Stop Café</i>	* Temporary Building
28. Greenhouses	84. Facilities Trailer	
29. Geology Optical Laboratory *	85. Construction Manager Trailer	
30. <i>Performing Arts Center</i>	87. Round House	
32. Central Heating and Cooling Plant	88. Napa Hall	
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42. Solano Hall/Solano Annex	101. City Fire Station	
43. Mendocino Hall		
44. Sierra Hall *		
45. Sutter Hall *		
46. Dining Commons (Housing Complex)		
47. University Union		
48. Riverside Hall		
49. Food Service Outpost		
50. <i>Classroom Laboratory Building (Tahoe Hall)</i>		

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

Drought Response and Water Conservation

Presentation By

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

Boykin Witherspoon III
Executive Director
Water Resources and Policy Initiatives

Summary

This report will highlight initiatives being implemented by the California State University campuses in support of the CSU Board of Trustees' and Governor Brown's water conservation goals and further efforts planned to help the state.

Background

In February 2013, campuses implemented water reduction strategies to reduce consumption by 20 percent. In May 2014, the trustees approved as part of the updated Sustainability Policy a goal for all campuses to reduce water consumption by 10 percent by 2016 and 20 percent by 2020.

As a result of the continuing drought and severe water shortage, the governor's Executive Order B-29-15 directs the imposition of restrictions to achieve a statewide 25 percent reduction in potable water use by February 2016 as compared to 2013. The order also directs the removal of 50 million square feet of ornamental lawns, along with a number of other provisions.

Drought Response and Water Conservation

In response to Governor Brown's call for water conservation due to the drought state of emergency, Chancellor White met with the CSU Council of Presidents to direct all campuses to further their efforts to enable the CSU system to achieve the 25 percent reduction goal.

Last year, campuses completed water conservation action plans identifying completed, planned, and proposed projects to meet the board's water conservation goals. The CSU's Water Resources and Policy Initiatives (WRPI) staff reviewed the campus plans and incorporated the information

in their *Annual Report Fiscal Year 2013-2014, Special Drought Edition*. This report can be found at <http://www.calstate.edu/water/documents/annualreport1314.pdf>. The report notes the following:

- 90-100% of the campuses are currently enacting basic practices to conserve water
- Over 50% have enacted new practices
- Practices enacted by some campuses are being evaluated by other campuses for implementation, which should result in more water efficiency

Collaboration between facilities operations and WRPI aims to bolster the use of critical faculty and staff based expertise to support California's need for sustainable water resources. WRPI is also able to attract exceptional students interested in using the campus as a living lab to analyze water use data, develop proposed conservation projects, and advance new water technologies.

Campuses are primarily using internal funds to repair plumbing systems, and install efficient fixtures and technological improvements. To help campuses further reduce water use, the CSU system made \$4.75 million available for energy/water conservation projects. In addition, WRPI staff analyzed Proposition 1, the Water Bond, to identify potential sources of funding for the CSU. Proposition 1 provides over \$7.5 billion for managing water supplies, protecting and restoring wetlands, improving water quality, and increasing flood protection. WRPI is hosting a series of webinars on funding opportunities to assist the campuses; their schedule can be found at <http://www.calstate.edu/water/proposition1.shtml>.

Campus water conservation also relies upon behavioral changes of each member of the campus community. Our students are not only conducting research on how to reduce water usage, but are key to reducing the per person usage of a campus. Students are learning more about sustainable practices and working to reduce campus water use. In addition, WRPI would like to work with students and facilities staff from 5 to 6 campuses this next year to review campus consumption, landscaping, and water conservation plans in order to analyze the optimal level of water consumption for the campus.

This joint collaboration between the Chancellor's Office Capital Planning, Design, and Construction staff and WRPI is another example of the faculty, facilities staff, and students working together to further sustainable university operations and more effectively use our limited resources.

AGENDA

COMMITTEE ON FINANCE

Meeting: 2:45 p.m., Tuesday, May 19, 2015
Glenn S. Dumke Auditorium

Rebecca D. Eisen, Acting 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 March 25, 2015

Discussion Items

1. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at San Francisco State University and San Diego State University, *Action*
2. Approval to Extend the Bond Anticipation Note and Bond Sale Dates for an Auxiliary Project at California State University, Fullerton, *Action*
3. Report of the 2015-2016 Support Budget, *Information*
4. California State University Auxiliary Organizations, *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**

March 25, 2015

Members Present

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

Trustee Achtenberg called the meeting to order.

Approval of Minutes

The minutes of January 28, 2015 were approved by consent as submitted.

Public Comments

Trustee Achtenberg introduced seven public speakers. All of the speakers were there to comment on the University Glen Phase II expansion at California State University Channel Islands. In particular, there was concern that an apartment complex could increase traffic congestion, crime and noise. In addition, there was concern expressed about safety in the event of an area evacuation. There was also concern that an outside company may not enforce good behavior for student occupied units and that rent would go up. Mr. Considine, Site Authority chair, commented that there was no intention to change the environment. He stated that the process would be inclusive and collegial and that there will be an opportunity for residents to be a part of the process. He stated that by approving this agenda item today, the board would allow the Site Authority to explore those options.

Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at Sacramento State University, CSU Los Angeles, and CSU Northridge

Mr. Robert Eaton, Assistant Vice Chancellor for Financing, Treasury, and Risk Management presented four projects for which financing through CSU's Systemwide Revenue Bond and commercial paper programs are being requested. He noted that additional action for the first

project was approved during the meeting of the Committee on Campus Planning, Buildings and Grounds earlier this board meeting.

The first project is the Student Housing, Phase II Project at the Sacramento campus. The requested not-to-exceed amount for this project is \$50,200,000, based upon a project budget of just under \$55 million and a reserve contribution of approximately \$11.3 million from the campus housing program. The debt service coverage ratios for this project are good, exceeding the CSU benchmarks for both the campus and the program. Staff recommended approval of financing for the project as presented in the item.

The second project is the refinancing of bonds issued by University Enterprises, Inc., a recognized auxiliary in good standing at the Sacramento campus. He stated that outstanding auxiliary bonds of approximately \$16 million would be refinanced with Systemwide Revenues Bonds in a not-to-exceed amount of \$15,160,000, producing an estimated net present value savings of approximately \$892,000, or 5.6 percent of the prior bonds. He stated staff recommended approval of the refinancing as presented in the item.

The third project is the refinancing of an outstanding commercial loan obligation of Cal State L.A. University Auxiliary Services, Inc., a recognized auxiliary in good standing at the Los Angeles campus. In June 2010, the auxiliary borrowed \$2.2 million from the Cal State L.A. Federal Credit Union to acquire property adjacent to the campus in order to provide space for academic programs in television, film, and media studies. He added that the refinancing of the loan would allow the auxiliary to lower its cost of borrowing, and do so on a longer-term permanent financing basis. He stated this was consistent with the structure originally approved by the board in May 2010. The outstanding loan balance, accrued interest, and other financing costs would be refinanced with Systemwide Revenue Bonds in a not-to-exceed amount of \$1,940,000. The debt service coverage ratios for this project are good, exceeding the CSU benchmarks for both the campus and the project. Staff recommended approval of financing for the project as presented in the item.

The fourth and final project is The University Corporation, 9324 Reseda Boulevard Building Acquisition at the Northridge campus. He stated The University Corporation, a recognized auxiliary organization in good standing at the campus, is seeking financing approval to fund the purchase of off-campus real property. The project would provide long-term space for campus academic programs and short-term lease space to a technology incubator firm, as part of a three-year service agreement with the campus to promote collaborative research and internship opportunities. He stated that upon the expiration of the private lease, the auxiliary would lease the space on a long-term basis to the campus. He added that in November 2014, the auxiliary entered into a purchase and sale agreement with a private seller to acquire the property at a total purchase price of \$3,000,000. At that time, the property was appraised at a fair market value of \$2,600,000. However, he added, the seller had also received a bona fide offer from another party to purchase the property for \$3.1 million, an offer that had been verified by the campus and provided an additional indication of the market value of the property and supported the \$3 million purchase price. Also, based upon a goal of the campus and the auxiliary to expand its

presence on Reseda Boulevard, the \$400,000 premium relative to the appraised value is justified. Capital improvement costs associated with bringing the project in compliance with CSU code is estimated at \$1,400,000. He stated that of the \$4,400,000 dollars required to acquire and improve the project, \$3,400,000 would be funded through Systemwide Revenue Bond financing and the remaining \$1,000,000 would be funded through auxiliary reserves. He stated the purchase is subject to financing approval by the board. He added the requested not-to-exceed amount for this project is \$3,500,000, based upon the \$3,400,000 portion of acquisition and improvement costs plus other financing costs. The debt service coverage ratios for this project are good, exceeding the CSU benchmarks for both the campus and the project. He stated that staff recommended approval of financing for the project as presented in the item.

Trustee Lillian Kimbell asked for a better understanding of auxiliary organizations and how they work. Mr. Relyea responded that auxiliaries are retail and self-funded enterprises that support the mission of the university and have more financial flexibility because they are not funded with state resources. He added that there are currently over 90 auxiliaries in the system and provided examples such as a university bookstore or student housing. Mr. Eaton added that university leadership is involved by serving on auxiliary boards and governing the audits of these entities.

Chair Achtenberg requested an information item on university auxiliaries at a future board meeting. She added that it is extremely important for trustees to understand what they are responsible for and who works for the auxiliaries.

Trustee Peter Taylor asked Mr. Eaton if, as part of the board's approval to issue bonds, authority is delegated to staff to refinance bonds without having to return to the board. Mr. Eaton confirmed that is the case, and allows the CSU to take advantage of changing market conditions.

Trustee Taylor then asked for clarification on the second project that was presented relating to the Sacramento auxiliary bond refinancing. He asked if this refinancing was being presented to the board for approval because stand-alone auxiliary bonds are being refinanced into the Systemwide Revenue Bond (SRB) program. Mr. Eaton responded yes and added that since this stand-alone legal entity issued its own bonds, action is needed to get authorization from the board to refinance the debt into the CSU's SRB program. He stated that after the refinancing of these bonds, there would be one outstanding auxiliary bond in the system that would not be refinanced for some time because it is taxable and has restrictions.

The committee recommended approval to issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for projects at California State University, Sacramento, California State University, Los Angeles, and California State University, Northridge (RFIN 03-15-06).

Conceptual Approval of a Public/Private Partnership Multi-Family Housing Development Project at California State University Channel Islands

Mr. George Ashkar, Assistant Vice Chancellor/Controller for Financial Services, stated that California State University Channel Islands requests the conceptual approval to pursue the first project of the “CI 2025” strategy. He stated that unlike more developed CSU campuses, Channel Islands is challenged to build critically needed facilities to accommodate enrollment expansion. The campus has recognized it is imperative to identify alternative ways to fund and build academic and student support facilities. He stated that the proposed project includes the construction of rental apartments at University Glen on Site Authority leased land and new apartments, retail, and mixed use space at Town Center. It is proposed that the Site Authority enter into a ground lease on the project site with a private developer, who will be responsible for financing, construction, and management of the property during the term of the lease. Analysis of the real estate market in Ventura County supports this strategy. He stated the development of this project, with the expected lease payments under the ground lease, would provide additional revenues to meet Site Authority debt service and reduce or eliminate the financial contributions from the Chancellor’s Office.

CSU Channel Islands President Richard Rush stated he was pleased to present the first project of the CI 2025 vision plan. He added that Channel Islands is the newest campus in the system and the fastest growing public university in the country as identified by the *Chronicle for Higher Education*. He stated that Channel Islands faces challenges regarding how to provide new facilities that serve the academic needs of the campus and is exploring how to develop the facilities using innovative methods that promote local partnerships while reducing the risk to the campus.

He stated that in 1998, SB 623 prompted the transfer of the Camarillo state hospital to the CSU. When the Legislature conveyed the property to the CSU it also enacted legislation that created Channel Island’s Site Authority to provide for the financing and support of the transition of the site.

President Rush concluded by stating that the board’s conceptual approval would enable the campus to pursue an innovative way to develop the campus without having to rely solely on state support as has been traditional in the CSU. It would also enable the Site Authority to reduce the bond debt incurred from infrastructure and construction of University Glen Town Center. He added the Site Authority proposes to partner with a qualified development team to determine the scope of the project and manage its development. This partnership would enable the building of new residences, expand University Town Center for a larger social hub, and reduce space pressure on the campus. He stated that with the improvements in the housing market now is the right time to capitalize on the opportunity to complete University Glen and the Town Center. He stated he is grateful to the staff at the Chancellor’s Office for their support and looks forward to receiving the board’s conceptual approval now and then returning to the board for approval of specific projects as they are developed.

Mr. Ashkar stated that staff would like to request approval of the concept of the public/private partnership and authorize the Chancellor's Office and Site Authority to negotiate terms and additional action items relating to the final plan as outlined in the agenda item.

Trustee Rebecca Eisen asked for clarification as to whether the board was approving the concept of a private/public partnership as a mechanism for financing the development, or if the board was also approving the concept of the development itself. President Rush responded that it would be a conceptual approval of a partnership and added that the details of the development are yet to be determined.

Trustee Eisen supported the notion of the public/private partnership, but requested a slight revision to the resolution language that would not lock in the development to apartments only.

Chair Achtenberg stated she would like to make the amendment to the motion to have it read "Conceptual approval of Public/Private Partnership for residential and retail development."

Trustee Monville thanked President Rush and the Site Authority for the care and work with their neighbors. He also thanked former colleague Mr. Considine for his continued service to the mission of Channel Islands.

Trustee Farar, who sits on the Site Authority, reassured the board that this project has support from the community and encouraged other board members to visit the campus.

The committee recommended Conceptual approval of Public/Private Partnership for residential and retail development at California State University Channel Islands (RFIN 03-15-07).

California State University Annual Debt Report

Mr. Eaton stated that this item provides a report to the board on the CSU's Systemwide Revenue Bond (SRB) program. He reported that the SRB program continued to be strong, providing campuses with reliable access to low cost financing to meet their capital needs. He added that the SRB program is rated Aa2 from Moody's and AA- from Standard & Poor's, with stable outlooks from both rating agencies. These ratings compare favorably to the State of California's ratings of Aa3 and A+ respectively on its General Obligation bonds. Current outstanding SRB debt is approximately \$3.7 billion with a weighted average cost of capital of 4.32%.

Since the last report to the board the CSU has had one issuance of SRB debt which closed in August 2014 and totaled \$748 million. Approximately \$307 million, of that amount, was issued for new money projects at an all-in true interest cost of 3.90 percent. The remaining \$440 million was used to refinance existing SRB and auxiliary debt which produced a net present value savings of \$53 million, or about \$3 million in savings per year across the system. He added that there are plans to sell bonds in late June 2015 or early July 2015 through the SRB program and it is anticipated that the sale would include funding for new money projects of approximately \$450 million, including approximately \$120 million under the new capital financing authorities.

He added that because interest rates are currently low staff also expects to refinance a significant amount of existing SRB debt for savings. The amount of the bonds that would be refinanced and the expected savings are dependent upon rates at the time of the sale.

Trustee Eisen inquired if the refunding of debt is the same as refinancing. Mr. Eaton responded it was the same and is a financing term. Trustee Taylor inquired as to why there was no variable rate debt in the portfolio. Mr. Eaton responded that the structure of our debt program—one that is project or program based as opposed to a centralized bank system—made it difficult to implement a variable rate program. He added, however, that staff will consider variable rate debt as part of the new capital authorities. Trustee Taylor asked if staff had considered a central bank. Eaton noted that while it is something that staff has thought about, it would involve a significant change in how we manage our debt and with the new capital financing authorities, the thinking is to first implement the significant changes required to take advantage of the new capital financing authorities and then turn our attention to the possibility of a central bank structure, which could have benefits to the system. Trustee Faigin asked about references to non-revenue generating projects, to which Mr. Eaton responded that was in regard to projects approved by the Board in the January 2015 meeting for financing under the new capital financing authorities. Those projects, such as deferred maintenance and critical infrastructure do not generate revenues on their own and would be covered by the base of revenues until such time as additional revenues are pledged. Trustee Eisen requested more information on a central bank. Mr. Eaton responded that a central bank is the managing and issuing of debt centrally without regard to the project. He stated that currently, approved projects are put on a list for the next bond sale and the campus receives whatever rate is available at that time. As an example, he added that in 2009 projects were subject to a 5.4 percent interest rate whereas in 2010 it was 4.3 percent. He stated that a central bank would set an internal rate for all projects and the overall debt program would be managed with a cost of capital target below the internal rate. Under a central bank structure, the CSU could take advantage of other types of financing, such as a variable rate program, that could lower the overall cost of borrowing. Chancellor White added that a central bank would increase the predictability for campus projects. Trustee Taylor requested a finance briefing since he was new to the board.

Update on Administrative Efficiency Initiatives

Mr. Steve Relyea, Executive Vice Chancellor and Chief Financial Officer provided an update on the university's administrative efficiency initiatives. He stated that, as mentioned during Chancellor White's State of the CSU address in January 2015, the CSU has \$8,000 less today per degree earned than it did just ten years ago. He added that, over this same time frame, the rate of CSU degrees earned has increased by 20,000 resulting in more educated workers and contributors to society per year, helping to meet the state's economic and social needs. Much of this success can be attributed to the CSU's commitment to efficiency. He commented that the CSU simply cannot serve the increasing student population, increasing transactions, and increasing compliance requirements without finding creative ways to streamline operations, reduce costs, and avoid future costs.

Mr. Relyea shared that campuses are highly motivated to find new ways to work together to streamline operations and avoid costs since the savings stay on the campuses and are critical to the financial stability of campus programs. He stated that campus staff is also working closely with colleagues in the University of California and California Community Colleges to find ways to leverage size and talents. He added that creating a culture that supports and enables continuous improvement of administrative processes is essential and process improvement workshops offered by staff represent this effort. As a result of data collection and brain storming sessions, potential initiatives are identified and prioritized.

Mr. Relyea then provided an overview of current initiatives, stating that common network initiative provides network equipment and related services to ensure that every campus has a robust communications infrastructure. He added that the CSU has avoided \$37 million in costs since fiscal year 2011-2012 as a result of common standards, practices, and sound project management processes. By collaborating with K-12, California Community Colleges, and the University of California for wide area network connectivity, the University has met the high growth in bandwidth needs while keeping the costs for the bandwidth utilization from increasing. He stated that over \$2 million are saved annually by hosting the data center in an offsite cloud facility. He added that by consolidating individual campus enterprise software agreements into a single systemwide contract \$2.5 million of costs have been avoided over five years. In addition, consolidating individual campus financial systems into a single instance and subsequent enhancements to that system has reduced software maintenance costs and eliminated software development costs at the campuses.

Through the effective management of the CSU's debt portfolio, over \$50 million in financing costs had been reduced over the past year. He also added that sound risk management practices have resulted in significant cost avoidance in reduced insurance claims, resulting in a \$4 million reduction in current-year insurance rates and paying \$7 million less in workers compensation claims and program costs through various mitigation programs.

Mr. Relyea stated that in the areas of energy and sustainability, university efficiency projects have avoided \$16 million in costs annually and \$19 million in incentives have been earned from energy efficiency partnerships. Over the past five years, \$18 million in electricity costs have been avoided, and recently-negotiated contracts will avoid \$30 million over the next five years. He stated that coordinating the purchasing of electronic library resources across the system has avoided significant costs each year and consolidating contracts for academic technology systems and standardizing on learning management systems has reduced future costs.

He added that the university is taking advantage of opportunities to share services whenever practical, looking to reduce costs and improve services. Examples include the Long Beach campus handling payroll processing and security services for the Chancellor's Office, the Stanislaus campus processing parking tickets for seven other CSU campuses and two community colleges, the San Jose campus providing police dispatch services for the Cal Maritime campus, and the Fullerton campus providing construction management for the Bakersfield campus.

Fin.

He also stated that the CSU is maximizing its purchasing power through systemwide and collaborative purchasing and has achieved cost reductions on software purchases through a joint CSU and University of California contract that has generated \$8.2 million in savings on office and technology products. He added that leveraging the volume of purchases has created \$1.3 million in savings on facilities maintenance products. In addition, the CSU has generated over \$3 million in savings on medical supplies at student health facilities through a leveraged purchasing agreement with the state.

Earlier in the year U.S. News and World Report identified the top ranked colleges for efficiency. The top five regional universities in the western United States included Cal Poly San Luis Obispo, CSU Long Beach, and Cal Poly Pomona. The article, by Robert Morse and Diane Tolis, indicated that these campuses managed their financial resources better than schools that had more state funding, higher tuition, or larger endowments. He stated that while the article did not go beyond the top five institutions, the top ten likely would have included more CSU campuses. He added that another notable ranking of colleges and universities was released this year by Washington Monthly based on a guide written by Jane Sweetland and Paul Glastris titled “The Other College Guide, a Roadmap to the Right School for You” which considered best value based on price, graduation rates and the ability of students to earn enough to pay educational loans. He stated that five CSU campuses were in the top ten and twelve were in the top twenty-five.

He concluded by noting that in order to carry out the academic mission of the CSU and ensure student success, there must be a focus on initiatives such as those just described. Avoided costs and cost savings found through these initiatives allow campuses to utilize available funds for high-priority programs and capital projects and added that the CSU will continue to explore more opportunities to streamline processes, consolidate operations, and reduce costs in order to maximize available resources. The presidents, and their management teams, are committed to these types of initiatives, as is the Chancellor’s Office. However, he stated, resources can only stretch so far, which is why increased support from the state is critical. The only way to stop turning away qualified students and ensure a high quality educational experience is for the state to increase its investment in the CSU.

Trustee Eisen commended Mr. Relyea on an incredible presentation. She added that she believed the partnerships with the University of California and California Community Colleges are great. Trustee Taylor inquired if campuses are mandated to participate in strategic sourcing. Mr. Relyea responded that it depended on the commodity. Trustee Achtenberg added the CSU has had a long standing effort to leverage the size of the system while allowing for unique campus needs. Trustee Fortune inquired as to how the strengths of the campuses were identified. Mr. Relyea responded that this was done by sharing best practices across the system and by looking for common needs and possible areas of collaboration between campuses.

Trustee Steven Stepanek and Trustee Kimbell inquired as to how the \$8,000 per degree savings was calculated. Chancellor White responded that it was calculated by adding tuition collected to state appropriation and then dividing the total by the number of degrees awarded over ten years.

Trustee Kimbell inquired how much is spent per degree. Chancellor White responded that they would provide the amount at a future meeting. Trustee Stepanek stated that savings are often at the cost of campus needs and infrastructure.

Trustee Douglas Faigin stated he was impressed with the presentation and asked about non-economic efficiencies. Trustee Achtenberg inquired about a presentation from the presidents on how campuses are collaborating and sharing best practices academically.

Chancellor White added that efficiencies cannot be the only solution and that quality may be impacted. President Ochoa stated that an analysis showed that only 14 percent of the nation's universities are more efficient than the CSU.

COMMITTEE ON FINANCE

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

Presentation By

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

Background

The Systemwide Revenue Bond (SRB) program provides capital financing for projects of the California State University – student housing, parking, student union, health center, continuing education facilities, certain auxiliary projects, and other projects approved by the CSU Board of Trustees. 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 resulted in strong credit ratings and low borrowing costs for the CSU. Prior to issuance of bonds, some projects are funded through bond anticipation notes (BANs) issued by the CSU in support of its 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 greater financing flexibility and lower short-term borrowing costs during project construction than would be available with long term bond financing. Proceeds from the issuance of bonds are then used to retire outstanding CP and provide any additional funding not previously covered by CP.

Summary

This item requests the CSU 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 \$125,860,000 to provide financing for two 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. San Francisco State University Mashouf Wellness Center Project

The San Francisco State University Mashouf Wellness Center project (previously referred to as the Recreation Wellness Center) was approved by the board in its 2012-2013 Non-State Capital Outlay program and was approved for schematics during the May 2014 Committee on Campus Planning, Buildings and Grounds meeting. The project, approximately 119,000 gross square feet (GSF), consists of a two-story facility with a two-court gymnasium, multi-purpose rooms, weight and fitness space, an elevated jogging track, a natatorium with a recreation pool, lap pool and related support space. Additionally, the project also includes an outdoor recreation field. The project will be located on 6.5 acres at the intersection of Font and Lake Merced Boulevards and will be funded from student body center fees, under the student union program.

The not-to-exceed par value of the proposed bonds is \$67,935,000 and is based on a total project budget of \$86,487,000 with a student union program reserve contribution of \$29,687,000. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$11,135,000), are expected to be funded from bond proceeds. The project is scheduled to start construction in June 2015 with completion in November 2017.

The following table summarizes key information about this financing transaction.

Not-to-exceed amount	\$67,935,000
Amortization	Approximately level over 30 years
Projected maximum annual debt service	\$4,560,050
Projected debt service coverage including the new project: ¹	
Net revenue – San Francisco pledged revenue programs:	1.59
Net revenue – Projected for the campus student union program:	1.40

1. Based on campus projections of 2018-2019 operations of the project with 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 5.45 percent, reflective of adjusted market conditions plus 1.00 percent 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 student union program net revenue debt service coverage of 1.40 in 2018-2019, the first full year of operations, which exceeds the CSU benchmark of 1.10 for the program. When combining the project with projected 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 1.59, which exceeds the CSU benchmark of 1.35 for the campus.

2. San Diego State University Research Foundation – Engineering and Interdisciplinary Sciences Complex Project

The San Diego State University Research Foundation—Engineering and Interdisciplinary Sciences Complex is a new 81,900 GSF project, three- to five-story building consisting of teaching lab and flexible research space for the Colleges of Engineering and the Sciences. The project includes the demolition of 47,000 GSF of deteriorated space that would otherwise require \$14 million in deferred maintenance and \$1.8 million in access improvements. The project also includes a landscaped quadrangle to provide a sense of place and event location for the Science, Technology, Engineering, and Mathematics (STEM) disciplines. The design and schematic plan for this project will be presented for review and approval by the Committee on Campus Planning, Buildings and Grounds during the July 2015 Board of Trustees meeting.

The project is estimated to cost \$79.7 million and will be funded from multiple sources: \$50 million will be financed through the CSU SRB and CP programs; \$25 million will be funded from auxiliary reserves; and \$4.7 million for demolition will be funded from campus reserves and/or the 2015-2016 capital improvement program. Additionally, the campus is planning an active donation campaign with the goal of raising \$30 million to help reduce the financing for the project.

The not-to-exceed par value of the proposed bonds is \$57,925,000 which includes the above mentioned \$50 million plus an estimated \$7,925,000 for additional net financing costs, such as capitalized interest and cost of issuance. The project is scheduled to start demolition in June 2015 and will be completed in January 2018.

The following table summarizes key information about this financing transaction.

Not-to-exceed amount	\$57,925,000
Amortization	Approximately level over 30 years
Projected maximum annual debt service	\$3,888,193
Projected debt service coverage including the new project: ²	
Net revenue – San Diego pledged revenue programs:	1.59
Net revenue – Projected for the auxiliary:	2.43

2. Based on campus projections of 2018-2019 operations of the project with full debt service.

The San Diego State University Research Foundation (the “Foundation”), an auxiliary organization at San Diego State University, will finance and lease the project to the campus, which will utilize the facility for academic and research purposes. On May 8, 2015, the Foundation’s board approved a resolution authorizing financing of the project through the SRB

and CP programs, and a general obligation pledge of all unrestricted net revenues, including lease revenue from the campus for the project's debt service payments.

The not-to-exceed par amount of \$57,925,000, the maximum annual debt service of \$3,888,193, and ratios above are based on an all-in interest cost of 5.45 percent, reflective of adjusted market conditions plus 1.00 percent as a cushion to account for changing for any market rate fluctuations that could occur before permanent financing bonds are sold. Debt service coverages are projected at 1.29 for the project and 2.43 for the Foundation in fiscal year 2018-2019, the first full year of debt service repayment, compared with the CSU benchmark of 1.25 for both the project and auxiliary debt program. When combining the project with 2013-2014 information for all campus pledged revenue programs and the campus' other auxiliary debt programs, the campus' overall debt service coverage is projected at 1.59 in fiscal year 2018-2019, which exceeds the CSU benchmark of 1.35 for the campus.

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 \$125,860,000 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 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 projects as described in this Agenda Item 1 of the Committee on Finance at the May 19-20, 2015, meeting of the CSU Board of Trustees is recommended for:

San Francisco State University Mashouf Wellness Center Project

San Diego State University Research Foundation – Engineering and Interdisciplinary Sciences Complex Project

COMMITTEE ON FINANCE

Approval to Extend the Bond Anticipation Note and Bond Sale Dates for an Auxiliary Project at California State University, Fullerton

Presentation By

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

Background and Summary

Generally, when the California State University Board of Trustees authorizes the issuance of Systemwide Revenue Bonds and the issuance of Bond Anticipation Notes (BANs) for interim financing under the CSU's commercial paper (CP) program, it does so with a three year time limit on the authorization to sell bonds. This three year period provides sufficient flexibility in the timing of a bond sale to take advantage of market conditions, while allowing projects to remain in CP until the sale of bonds.

This agenda item requests board approval to amend the resolutions authorizing the sale of BANs and bonds for an auxiliary project at the CSU Fullerton campus previously authorized by the board in an aggregate not-to-exceed amount of \$14,005,000. The amendment will extend the dates by which BANs and bonds are to be sold. The project is as follows:

California State University Fullerton Auxiliary Services Corporation—Western State University College of Law Acquisition Project

At its September 2012 meeting, the Board of Trustees approved the issuance of BANs and bonds in a not-to-exceed amount of \$14,005,000 for the CSU Fullerton Auxiliary Services Corporation (the "Corporation"), an auxiliary organization, to purchase real property adjacent to the campus to be used for campus academic purposes. The facility is commonly known as Western State University College of Law (the "Project"). Financing for the Project was originally approved with the expectation that the Project would be sold by the seller, Education Management Corporation (EDMC), to the Corporation, which would in turn lease the Project back to EDMC for a term up to three years. This sale-leaseback arrangement enabled EDMC to continue current law school operations while providing EDMC with time to find a suitable replacement site. Because EDMC would be occupying the Project for up to an additional three years, the Project has remained in CP and has not yet been financed on a long term basis in order to preserve the ability to finance the project with tax-exempt bonds.

The current lease is scheduled to expire August 29, 2015. EDMC has requested an extension of the lease, because it has been unable to find a suitable replacement site. Given that the campus is eager to move campus operations into the Project site, an agreement with EDMC has been reached for EDMC to lease space at an alternative site owned by the Corporation. The agreement for the leasing of space at this alternative site is scheduled to be finalized in May 2015, with EDMC expected to remain in the Project site through January 2016.

The Project will remain in CP through that period and likely beyond, until the next bond sale. The current financing authorizations for CP and BANs expire on September 1, 2015. Staff has been advised by bond counsel to obtain the board's approval to extend the financing authorizations to September 1, 2018.

Trustee Resolutions and Recommended Action

Orrick, Herrington & Sutcliffe LLP, as bond counsel, is preparing a resolution to be presented at this meeting for the project described in this agenda item that amends the board's previous authorizations for interim and permanent financing. The proposed resolution will be distributed at the meeting and will achieve the following:

1. Amend previous authorizations for the sale and issuance of Systemwide Revenue Bond Anticipation Notes and the related sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds in an amount not-to-exceed \$14,005,000 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 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 2 of the Committee on Finance at the May 19-20, 2015, meeting of the CSU Board of Trustees is recommended for:

California State University Fullerton Auxiliary Services Corporation—Western State University College of Law Acquisition Project

COMMITTEE ON FINANCE

Report on the 2015-2016 Support Budget

Presentation By

Ryan Storm
Assistant Vice Chancellor
Budget

Background

The California State University Board of Trustees approved the 2015-2016 Support Budget request at its November 2014 meeting. That budget request called for an increase of \$269 million, including \$216.6 million from state funds and \$52.4 million of net student tuition revenues tied to funded enrollment increases. The approved uses of the increase are as follows.

2% Compensation Pool Increase	\$65.5 million
3% Enrollment Demand (10,400 FTES)	103.2 million
Student Success and Completion Initiatives	38.0 million
Academic Facilities Maintenance & Infrastructure Needs	25.0 million
Information Technology Infrastructure Upgrade & Renewal	14.0 million
Mandatory Costs	23.1 million
Center for California Studies—Cost Increases	0.2 million
TOTAL REQUEST	269.0 million

Governor Brown issued his 2015-2016 budget proposal in January 2015. The most significant components of this proposal are: (1) an increase of \$119.5 million that could be used for operating and capital needs of the CSU and (2) a one-time appropriation of \$25 million to address the CSU's most pressing deferred maintenance infrastructure needs. The former component is consistent with the governor's multi-year plan to increase funding for higher education (now in its third of four years).

The discussions on the governor's proposal during the January 2015 CSU Board of Trustees meetings provided the Chancellor's Office important feedback that has helped frame additional budget discussions with the Department of Finance and the legislature. As a result, the Chancellor's Office has implemented an active strategy to obtain \$97.1 million more from the state than proposed by the governor's budget proposal. That amount of funding will bridge the gap between the trustees' general fund request (\$216.6 million) and the governor's January proposal (\$119.5 million).

The development of the 2015-2016 state budget began in summer of 2014 and the state is two months away from completing that budget. Below is what remains:

1. The Department of Finance will release its May Revision on May 14, 2015, which will provide updated revenue estimates for the upcoming fiscal year and will propose how to spend those revenues.
2. The Assembly and Senate will independently hold their post-May Revision budget hearings and will make final decisions on the governor's and their own budget proposals.
3. The houses will hold budget hearings to reconcile differences between their budget plans to create a single budget plan.
4. The legislature will vote on a final state budget in the middle of June.
5. The governor may veto portions of the budget and approve the remainder by June 30.

Legislative Hearings

The budget subcommittees for education finance in the Assembly and the Senate have held several hearings this spring on the governor's higher education budget proposals as well as issues of particular interest to them. So far, they have focused more on policy changes contained in proposed budget bill or budget trailer bill language than on the proposed appropriation amounts. They have given particular attention to the need for new student access, improved access and completion for current students at the CSU, Graduation Initiative 2025, one-time innovation awards for CSU, one-time deferred maintenance for CSU, and CSU's legislative proposal for broader latitude in the types of investments the CSU may choose when investing its funds.

Neither house has made final decisions on any policy or budget proposals.

Possible State Budget Scenarios

In early April 2015, the Legislative Analyst's Office released a report on five possible May Revision scenarios. In the report, the LAO explained that if state revenue collections in the current year outpace earlier estimates, it is likely under several scenarios that Proposition 98 (K-12 schools and community colleges) and Proposition 2 (rainy day fund) obligations would consume the current year revenues and create new, higher Proposition 98 spending levels in the budget year. Holding other factors constant, the analysis concludes that increases to other discretionary General Fund expenditures proposed in the governor's January proposal (e.g. CSU, UC, etc.) may have to be trimmed in 2015-2016 to accommodate K-12 schools and community colleges spending. That said, the governor and the legislature have several statutory and budgetary tools that they could use to avoid such scenarios.

May Revision

To date, the legislative budget subcommittees have refrained from taking action on appropriation amounts for the CSU and the other higher education segments based on an expectation that the Governor's May Revision will identify a substantially altered state revenue picture for 2015-2016. Based on total tax collections through the month of April 2015, the Legislative Analyst's Office reports that the state may end 2014-2015 with \$3.2 billion above the January budget forecast. At the time this agenda item was prepared, however, major uncertainties still existed, including:

- Forecast economic growth and estimated revenues for the 2015-2016 fiscal year.
- The extent to which the state's constitutional spending guarantee for K-12 schools and community colleges (Proposition 98) would claim additional state revenues.
- The extent to which state populations and caseloads will change in the corrections and rehabilitation, health, and social service program areas.

Final CSU Budget Decisions are Dependent on Final State Decisions

With final state budget decisions still to be determined, there will not be enough information to determine a final budget for the CSU at the May 2015 meeting. The governor's funding plan is significantly less than the trustees' budget request. The state's coffers may have positive revenues and there has been significant interest by the legislature to reinvest in the CSU after many years of significant funding reductions and small investments. The legislature may augment the CSU budget. As a result, the Chancellor's Office will await final state decisions, likely to occur by June 30, 2015 before finalizing the CSU budget, pursuant to resolution RFIN 11-14-05, passed in November 2014, which authorizes the chancellor to adjust and amend the support budget to reflect changes in the assumptions upon which the budget is based.

Summary

At the May 19-20, 2015 meeting, the board will receive a full update on the May Revision and any changes affecting the CSU budget.

COMMITTEE ON FINANCE

California State University Auxiliary Organizations

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Summary

California State University (CSU) auxiliary organizations are separate legal entities created to support the educational mission of the university. Auxiliary organizations help ensure student success and the financial strength of the university by providing essential services and activities, increasing student engagement in high impact practices, managing risk and exposure, increasing investment opportunities, and facilitating real estate transactions. Auxiliary organizations include associated student organizations, student unions and recreation facilities, enterprise corporations that run bookstores and food services, and foundations that manage contracts and grants or gifts.

Auxiliaries are authorized under the provisions of Title 5 of the Education Code, the Internal Revenue Code, and the California Corporations Code as 501(c)(3) nonprofit organizations and 509(a)(3) supporting organizations, operating as “public charities” for tax exempt purposes. They are subject to CSU and campus policies with university leadership typically serving on the governing boards. Annual budgets are approved by the university president. They must be fiscally viable with adequate reserves as they do not receive CSU operating funds.

Approved activities of auxiliary organizations are contained within operating agreements with the CSU. The scope of operations and other matters are covered by a memorandum of understanding with the campus. Auxiliary organizations are required to produce independently audited financial statements, file annual tax returns, and follow either Financial Accounting Standards Board (FASB) or Government Accounting Standards Board (GASB) guidelines. The Office of Audit and Advisory Services at the Chancellor’s Office also performs an internal compliance/control review of each auxiliary organization every three years, per board policy.

AGENDA

COMMITTEE ON COLLECTIVE BARGAINING

Meeting: **8:30 a.m., Tuesday, May 19, 2015**
Munitz Conference Room—Closed Session
Government Code §35969(d)

3:30 p.m., Tuesday, May 19, 2015
Dumke Auditorium—Open Session

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

Open Session—Dumke Auditorium

Consent Item

Approval of the Minutes of the Meeting of March 24, 2015

Discussion Items

1. Adoption of Initial Proposals for Re-Opener Contract Negotiations with Bargaining Unit 3, California Faculty Association (CFA), *Action*

**MINUTES OF MEETING OF
COMMITTEE ON COLLECTIVE BARGAINING**

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

March 24, 2015

Members Present

Roberta Achtenberg, Chair
Debra S. Farar, Vice Chair
Rebecca D. Eisen
Lou Monville, Chair of the Board
Hugo N. Morales
Timothy P. White, Chancellor

Trustee Achtenberg called the Committee on Collective Bargaining to order.

Approval of Minutes

The minutes of the January 28, 2015 meeting were approved as submitted.

Public Speakers

The committee heard from the following public speakers.

Jeff Solomon, president of the Statewide University Police Association, expressed his appreciation to the bargaining teams for the successful negotiation of the Collective Bargaining Agreement and emphasized the important contribution university police make to the operation of the university.

Chris Sprofera, vice president of the State Employees Trades Council – United (SETC), noted that negotiations will soon begin on a new SETC contract and emphasized the role that SETC members play in addressing deferred maintenance matters.

California Faculty Association (CFA) Jennifer Eagan, associate vice president – North, East Bay, and Kevin Wehr, political action legislative chair, Sacramento, spoke of campus based equity programs and the upcoming CFA negotiations.

California State University Employees Union (CSUEU) Pat Gantt, president, Chico, thanked Chancellor White and Vice Chancellor Lori Lamb for forming the working group on workplace environment and hoped it would result in systemwide policies and training. Mike Geck, vice

president organizing, San Marcos, stated he appreciated that progress was being made on the issue of workplace bullying, and expressed his support for equity issues and a living wage. Tessy Reese, bargaining unit 2 chair, San Diego, supported the efforts to improve workplace behavior, and expressed her approval of Chancellor White and Vice Chancellor Lori Lamb's setting up a working group on workplace behavior and hoped it would achieve rapid results. Mike Chavez, bargaining unit 5 chair, Stanislaus, defined bullying as a pattern of destructive and deliberate demeaning of co-workers and spoke of its emotional, physical and economic cost. John Orr, bargaining unit 7 chair, Fullerton, spoke of the need for competitive salaries in order to employ qualified people. Susan Smith, bargaining unit 9 vice chair, Fullerton, spoke of workplace conduct, equity, competitive salaries, the "Fight for 15" and pay equality for women. Alisandra Brewer, vice president, representation, Sonoma, spoke about the administration of the In-Range Progression programs and inversion issues.

Trustee Achtenberg indicated the points expressed would be taken under consideration.

Ratification of One Tentative Agreement and Adoption of Two Initial Proposals

Vice Chancellor Lori Lamb presented the three action items to the Committee.

Action Items

The committee then unanimously approved the following action items:

1. Ratification of the Collective Bargaining Agreement Between California State University and Bargaining Unit 8, the Statewide University Police Association.
2. Adoption of Initial Proposals for Successor Contract Negotiations with Bargaining Unit 6, the State Employees Trades Council.
3. Adoption of Initial Proposals for Successor Contract Negotiations with Bargaining Unit 4, the Academic Professionals of California.

Trustee Achtenberg expressed that she found welcoming and very gratifying the improvement in the University's relations with its unions which she has observed.

Trustee Achtenberg then adjourned the meeting.

COMMITTEE ON COLLECTIVE BARGAINING

Adoption of Initial Proposals for Re-Opener Contract Negotiations with Bargaining Unit 3, California Faculty Association (CFA)

Presentation By

Lori Lamb
Vice Chancellor for Human Resources

Summary

The adoption of initial proposals for re-opener contract negotiations with Bargaining Unit 3, California Faculty Association (CFA) will be presented to the Board of Trustees. The initial proposals are attached for review.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the initial proposals for re-opener contract negotiations with Bargaining Unit 3, California Faculty Association are hereby adopted.



Initial Proposals for Re-Opener Contract Negotiations with Bargaining Unit 3 (California Faculty Association)

Article 31 (Salary)

For Fiscal Year 2015/2016, the CSU is proposing a compensation pool of 2% for Bargaining Unit 3 (California Faculty Association) to be distributed through the collective bargaining process.



California Faculty Association

1110 K Street • Sacramento, CA 95814
Phone (916) 441-4848 • Fax (916) 441-3513 • www.calfac.org

May 1, 2015

John Swarbrick
Associate Vice Chancellor for Labor Relations
California State University
401 Golden Shore, 4th Floor
Long Beach, California 90802-4210

Re: Request to Reopen Bargaining on Salary

Dear Mr. Swarbrick,

This letter serves as a formal request to reopen bargaining over salary per Article 31.9 of the parties' current Collective Bargaining Agreement. In addition, CFA seeks to reopen bargaining over Article 40, Extension for Credit Employment on the topic of benefits eligibility pursuant to the terms of the Memorandum of Understanding signed by the parties on December 16, 2014.

Through reopener bargaining, CFA seeks to increase the salaries of Unit 3 members in the 2015-2016 Academic Year and to expand the benefits enjoyed by our members who work in Extension for Credit Employment, many of whom work under conditions lacking in healthcare and other standard CSU employee benefits.

The Race to the Bottom paper series has offered ample evidence of lagging salaries for Unit 3 members, with the attendant costs to our families, our students, and our communities. While the managers of the CSU may be satisfied with their minimal efforts to help the 25,000 faculty in the CSU, faculty members have clearly expressed their dissatisfaction. We take our direction from the faculty we represent, who desire basic economic justice so they can continue to perform the core mission of the CSU: helping the students in the CSU achieve success.

Bargaining over salary and benefits is a task that we are more than willing to undertake because it is the right thing to do. We intend to fight vigorously against the Race to the Bottom that the administration is leading and that is causing such hardship and suffering. Faculty, their families and their students deserve no less.

When we discussed dates by phone recently, you suggested that CFA propose dates to bargain. We will do so within the next few days.

Yours truly,


Kathy Sheffield
Director of Representation

CC: The Trustees of the California State University

AAUP • CTA/NEA • SEIU/CTW



AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 8:00 a.m., Wednesday, May 20 2015
Glenn S. Dumke Auditorium

Hugo N. Morales, Chair
Lillian Kimbell, Vice Chair
Douglas Faigin
J. Lawrence Norton

Consent Items

Approval of Minutes of Meeting of January 28, 2015

Discussion Items

1. Executive Compensation—President of California State University, Sacramento, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

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

January 28, 2015

Members Present

Lillian Kimbell, Vice Chair
Roberta Achtenberg
Douglas Faigin
Lou Monville, Chair of the Board
J. Lawrence Norton
Timothy P. White, Chancellor

Trustee Kimbell called the meeting to order.

Approval of Minutes

The minutes of November 13, 2014, were approved as submitted.

Executive Compensation: Executive Vice Chancellor for Academic and Student Affairs

Chancellor Timothy P. White proposed an annual salary of \$319,300 and a monthly auto allowance of \$1,000 for Dr. Loren Blanchard as Executive Vice Chancellor for Academic and Student Affairs. He noted that Dr. Blanchard will receive standard benefits, including relocation benefits, for executives.

Trustee Kimbell called for a motion and a second which was followed by a discussion.

Trustee Glazer indicated because the salary is slightly higher than the current incumbent, he would be voting no on the resolution. Trustee Faigin asked Chancellor White for clarification on the increased salary proposed. Chancellor White indicated that the duties for the position of Executive Vice Chancellor for Academic and Student Affairs had changed and, therefore, the increase in salary. Trustee Atkins mentioned that she appreciated the thoughtfulness in the process by increasing the duties and would be voting yes on the resolution.

Trustee Glazer voted no, but the Board adopted the item as submitted. (RUF 01-15-01)

California State University Chancellor's Evaluation Policy

Chair Lou Monville presented the California State University Chancellor's Evaluation Policy. He stated that the Board has an obligation to the citizens of the State of California to ensure that

the chancellor is performing at the highest level. Once the process begins, it will take place in closed session, however, to be transparent it was appropriate to bring this topic to the public forum.

Chair Monville provided the board with historical context noting that currently there is no evaluation policy in place nor are there any written criteria. He also stated that the Board could be guided by the process that is in place for evaluation of the presidents, and referred to Attachment A in the board material.

Chair Monville proposed that the evaluation contain a self-assessment related to the major accomplishment of the chancellor, a review of the general criteria, and a formal process of setting goals and/or priorities for future evaluation. He also asked for two amendments to the material presented – Vice Chancellor Lori Lamb seek out a consultant or consultants to assist in this process, and move up the 3-year evaluation to 2017 from 2018, as noted in the report.

Chancellor White commented that he agreed with the evaluation policy and stated that the forthcoming review will help reinforce a pattern of accountability that is part of the DNA of the California State University.

Trustee Kimbell called for a motion to begin the review process as outlined with the amendment that the three-year evaluation would take place in 2017, and a second which was followed by a discussion.

Trustee Eisen commended Chair Monville and Chancellor White for bringing the chancellor evaluation policy forward to the board.

Chancellor White abstained from voting and the Board adopted the item. (RUFPP 01-15-02)

Executive Compensation: Individual Transition Program

Vice Chancellor Lori Lamb provided a brief update on Dr. Michael Ortiz one-year executive transition program. She explained that, consistent with trustee policy, Dr. Ortiz was eligible to participate in the program.

Dr. Ortiz will continue to serve on the Board of the *Hispanic Association of Colleges and Universities* on behalf of the California State University, assist at CSU San Bernardino, as requested by President Tomás Morales, and be available for advice and counsel to Dr. Soraya Coley, the new president of California State Polytechnic University, Pomona.

Dr. Ortiz will be appointed into the Management Personnel Plan and his salary will be set at the annual rate of \$226,987. He will receive the rights and benefits commensurate with all other Management Personnel Plan employees. Ms. Lamb stated his auto allowance and housing arrangement as president were discontinued on December 31, 2014.

Trustee Kimbell adjourned the meeting.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: President – California State University Sacramento

Presentation By

Timothy P. White
Chancellor

Summary

The California State University Board of Trustees named Dr. Robert Nelsen to the position of president of California State University Sacramento at the March 24-25, 2015 meeting of the Board of Trustees. This action item presents the proposed compensation for the newly appointed president.

Executive Compensation

As president of CSU Sacramento, Dr. Nelsen will receive an annual salary of \$303,850 and an annual housing allowance of \$60,000. He is expected to assume the presidency on July 1, 2015. Consistent with Board of Trustees policy RSCPSC 05-12-02, Dr. Nelsen's base salary, paid with public funds, is equivalent to the previous incumbent's pay. The housing allowance is also consistent with the previous incumbent's housing allowance.

In addition and consistent with Board policies, Dr. Nelsen will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- A transition program for university presidents provided he meets the eligibility requirements passed by the Board of Trustees on November 15, 2006 (RUFP 11-06-06);
- Reimbursement for actual, necessary and reasonable moving and relocation expenses; and
- Dr. Nelsen will hold the academic rank of full professor with tenure, subject to faculty consultation, in the College of Arts and Letters.

Chancellor White recommends that the Board of Trustees approve this salary. It is consistent with the existing Board policy on presidential compensation. It is worth noting that the 2014 salary for the president at CSU Sacramento was 41% below the average salary for comparator institutions. Initial review of data from 2015 indicates that the new salary for the president at CSU Sacramento is even further behind the market at 46% below the average of comparator institutions.

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(Comparator institutions include: Georgia State University, Florida International University, Wayne State University, Kent State University, University of Texas at Arlington, Florida Atlantic University, University of Wisconsin at Milwaukee, and University of North Carolina at Charlotte.)

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Robert Nelsen shall receive a salary set at the annual rate of \$303,850 and an annual housing allowance of \$60,000 effective the date of his appointment as president of California State University Sacramento; and be it further

RESOLVED, that Dr. Nelsen shall receive additional benefits as cited in Item 1 of the Committee on University and Faculty Personnel at the May 19-20, 2015 meeting of the Board of Trustees.

AGENDA

COMMITTEE ON EDUCATIONAL POLICY

Meeting: 8:30 a.m., Tuesday, May 20, 2015
Glenn S. Dumke Auditorium

Debra S. Farar, Chair
Margaret Fortune, Vice Chair
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 March 24, 2015

Discussion

1. Cal State Online Initiative: Update, *Information*
2. Academic Efficiencies and Effectiveness, *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**

March 24, 2015

Members Present

Debra S. Farar, Chair
Margaret Fortune, Vice Chair
Roberta Achtenberg
Talar Alexanian
Rebecca D. Eisen
Douglas Faigin
Steven M. Glazer
Lillian Kimbell
Lou Monville, Chair of the Board
J. Lawrence Norton
Steven G. Stepanek
Timothy P. White, Chancellor

Trustee Farar called the meeting to order.

Approval of Minutes

The minutes of January 27, 2015, were approved as submitted.

Academic Planning

Christine Mallon, assistant vice chancellor for academic programs and faculty development, presented the annual report on academic planning for board approval. The report addressed proposed projections for programs that could be started in the next 10 years, summaries of Western Association of Schools and Colleges (WASC) accreditations of which there were none to report this year, assessments conducted as part of regular 5-year program reviews, and a listing of accredited programs.

Twenty-nine new degree program projections have been proposed for trustee planning authorization, just four more than last year and still fewer than before the economic downturn. Dr. Mallon said the ratio of undergraduate to graduate projections was nearly equal this year, reflecting a continuing trend of increasing graduate program offerings as the system matures and as the workforce is expected to have a more specialized, advanced education.

There continued to be increased activity in STEM fields, with 14 STEM projections proposed in programs that will prepare students for some of the most in-demand and highest paying jobs in California, she said. There were 17 programs proposed for discontinuation and removal from the Academic Master Plan and 39 programs have suspended new admissions. Dr. Mallon noted that this may be temporary, or the suspension may be followed by permanent discontinuation. She added that students already enrolled in a suspended or discontinued program are allowed to finish their degrees, but new students will no longer be allowed to declare those majors. When all students have graduated or moved out of that program, the program status then becomes “obsolete.”

Dr. Mallon recognized the years of work by dedicated faculty and administrators that have resulted in bringing down the total units required for CSU bachelor’s programs, with 94 percent of all CSU BA and BS degrees now requiring no more than 120 units for semester campuses and 180 units for quarter campuses. Additionally, seven CSU campuses (Bakersfield, Channel Islands, Humboldt, Monterey Bay, San José, San Marcos, and Stanislaus) have successfully reduced all bachelor’s degrees to require no more than 120 semester or 180 quarter units. In addition to this information, Dr. Mallon noted that the annual report provided to the board in the written agenda item includes an extensive report on assessment activities related to regular, cyclical program review. The program assessment involves faculty measuring how well students achieved the learning goals identified for a degree program and faculty then use that information to make improvements to the curriculum and teaching ensuring improved quality over time. A list of professionally accredited schools, colleges, departments, and degree programs in the CSU is also reported to the board which reflects that the programs meet high, rigorous standards set by national accrediting bodies.

Trustee Morales requested further details regarding the nature of programs not approved by the chancellor and inquired about the criteria for this process. Dr. Mallon said that the Chancellor’s Office follows standard criteria ensuring that the curriculum is appropriately rigorous and coherent, has appropriate resources including faculty research and has a demand from society to ensure jobs for this occupation.

Trustee Eisen said that in a number of meetings ago a sustainability policy was enacted that contained a component asking for sustainability principles to be a part of curriculum. She is referring to issues such as climate change and energy conservation. She inquired about how this was implemented as new programs develop. Dr. Mallon stated that the Chancellor’s Office does not direct content or require development in certain areas. Interested campuses bring the issues forward and ask that it be subjected to the evaluation. Interest in STEM and sustainability have both grown over the past few years, not just in degree programs but also in concentrations. Trustee Faigin asked about the financial impact of program discontinuance versus program approvals. Dr. Mallon stated that decisions about cost are calculated by individual campuses and their presidents.

The committee recommend approval of the proposed resolution. **(REP 03-15-01)**

The California State University Institute for Palliative Care at California State University San Marcos

Trustee Roberta Achtenberg introduced the information item providing context of the need for palliative care. She noted a World Health Organization and California HealthCare Foundation study that predicts 50 percent of the developed world will be chronically ill by 2050. In California, 46 percent of the population has at least one chronic condition, a number that is rising. With all of these increases, it has been projected that California will need an additional one million allied health care workers, doctors and nurses. She stated given this context the need for an Institute for Palliative Care was validated and has been working with California State University San Marcos (CSUSM) President Karen Haynes since fall 2012.

President Karen Haynes and Helen McNeal, Executive Director of the Institute, provided an update on the progress to date. Since the Institute launched in 2012, 17 online programs were introduced to educate current professionals. To educate both future professionals as well as other students at Cal State San Marcos, palliative care curriculum has been integrated into 29 courses. Many of these are in nursing but others are in social work, psychology, health information technology, sociology, Spanish, communicative and speech disorders and kinesiology. An additional Palliative Care Interprofessional Experience was created with faculty across disciplines to help better prepare students for interprofessional practice. Ms. McNeal added community outreach and education is key and the institute has successfully instituted 9 community programs, a comprehensive online web portal, and the “Caring at a Distance” online program. With all these efforts, they have been able to reach and educate 828 current professionals, 870 future professionals, and nearly 2,000 community members. The Institute has recently partnered with six additional CSU campuses including San Francisco, Los Angeles, Fresno, Fullerton, East Bay and Long Beach. Ms. McNeal said the Institute successfully reached many milestones that will help ensure the future sustainability and growth of their work that included completing a three-year strategic plan, establishing a national advisory board, hosting the first annual CSU Palliative Care Symposium, establishing critical state and national partnerships, and ensuring sound fiscal management. The next steps include adding 30 additional online and face-to-face programs, further supporting current campus partnerships, and expanding collaboration with three additional CSU campuses by 2015-2016.

President Haynes recognized Trustee Achtenberg who realized the importance of palliative care early on and championed the creation of the CSU Institute for Palliative Care. Because of her efforts, the CSU Institute for Palliative Care is recognized as a national model and leader in palliative care workforce and community development. Trustee Achtenberg applauded the efforts of all those involved stating the institute came in on budget and is on the verge of being self-sustaining. Trustee Faigin asked for an example of what palliative care would be like for a member of the medical field as opposed to non-palliative care. Executive Director Helen

McNeal stated that palliative care is a holistic approach taking into consideration all the needs of the patient and family members, not just their medical needs.

The Early Start Program and Academic Preparation Update

Executive Vice Chancellor Ephraim Smith introduced the item stating the goals of Early Start when the program was envisioned and adopted by the board in 2009 and officially launched in 2012 was to provide students with an opportunity to become more fully prepared for college-level work in English and mathematics in the summer prior to the start of their first semester of college. Dr. Ed Sullivan, assistant vice chancellor for academic research and resources, presented the update noting the CSU had the largest entering freshmen class in fall 2014, with 54 percent entering college-ready in both English and math. He added that summer 2014 Early Start marked the first time the program was required for all students needing additional college-level preparation in English and/or math. As a result, 59 percent of the Early Start summer 2014 cohort were college ready in both English and math at fall entry. He added this was a five percentage point improvement between high school graduation and fall entry. In the initial two years of Early Start, the improvement between high school graduation and fall entry was 2 and 3 percentage points.

Dr. Sullivan added that since the adoption of Early Start, students have shown improvement in needing additional preparation in only one subject as opposed to both and it is anticipated that 85 percent of these students will meet their preparation requirements by the end of spring term 2015. Students have the opportunity to participate in Early Start through various course offerings, including 1 semester unit (15 hour) introductory courses, 1-2 unit course for those near proficiency, and 3-4 unit courses for those needing more preparation. The majority of Early Start students (87 percent in English and 65 in percent math) enrolled in 15 hour (or 1 semester unit) introductory courses in summer 2014. He concluded by emphasizing that over the past five years, the CSU's entering freshmen classes have continued to increase in size and have come better prepared in college-level English and mathematics from high school graduation. The initial data reveals the Early Start program is successfully providing the additional preparation originally envisioned by the board. As campuses and their faculty continue to learn from Early Start and best practices emerge, it is expected the proficiency rates of entering CSU freshmen in both English and mathematics will continue to improve.

Student Trustee Talar Alexanian asked how online or hybrid courses play a roll with these types of courses as well as how many are offered in this form and if it has hindered student success. Dr. Sullivan did not have exact numbers on hand, but offered to get them for her at a later date. He stated that most of the one-unit courses will be offered online.

Trustee Rebecca Eisen wanted to know what assessment instruments are used to determine placement in Early Start mathematics and/or English. Dr. Sullivan stated that there are a variety of assessment tools. He specifically mentioned the EAP exam which is given in the junior year

of high school, SAT/ACT scores and AP exam thresholds. If all of these are not met, there is also the entry level proficiency exams in math and English.

The California State University Graduation Initiative 2025

Dr. Smith introduced the item reporting the first phase of the Graduation Initiative will commence with graduates this spring and a complete progress report, including final numbers, would be presented to the board in the fall. Ken O'Donnell, senior director for student engagement and academic initiatives and partnerships, provided the update on the targets for the Graduation Initiative 2025 that were discussed in the chancellor's January 2015 State of the CSU address. Mr. O'Donnell provided a brief overview of how graduation rates are calculated through the national Integrated Postsecondary Education Data System (IPEDS) reporting conventions. IPEDS generally uses three metrics including whether a student graduated in four or six years, or not at all. He stated that while these are the conventional reporting metrics used nationally, they can be misleading and that on average CSU students' time-to-degree is approximately 4.7 years. He broke down the initial Graduation Initiative 2009 cohort by ethnicity and presented a graph that showed that under-represented minority (URM) students tended to graduate within the five to six year time frame, though still many others graduated within ten years, but for IPEDS reporting purposes are not calculated. This served to illustrate where the next phase of the Initiative can help to move the bar in terms of time-to-degree with all students, but especially URM students.

Mr. O'Donnell outlined the six metrics for the next phase which included the initial targets to improve the six-year graduation rates from 51 to 60 percent and close the achievement gap by half from 14 to 7 points. The 2025 Graduation Initiative targets also added four new metrics: improving the four-year graduation rate from 16 to 24 percent, reducing the achievement gap based on Pell (socioeconomic status) from 11 to 5 points, and addressing transfer student success with focus on improving the two- and four-year transfer graduation rates to 35 percent and 76 percent respectively.

Trustee Brewer inquired if the 70,000 number of graduates expected, that had been reported in previous Graduation Initiative updates, is based on the 3 percent enrollment growth projected as a system or the 1 percent guaranteed by the governor's budget. Mr. O'Donnell confirmed that it is based on the governor's 1 percent enrollment growth.

Trustee Farar adjourned the Committee on Educational Policy.

COMMITTEE ON EDUCATIONAL POLICY

Cal State Online Initiative: Update

Presentation By

Gerry Hanley
Assistant Vice Chancellor
Academic Technology Services

Background

Prior to Cal State Online, a number of California State University (CSU) campuses have been successfully delivering distance education programs and online degree programs for years. For more than 35 years, CSU Chico has provided customized distance education services to corporations, government agencies and individual clients. CSU Chico initiated the world's first satellite-delivered master's program in computer science and continues its leadership with online degree and certificate programs based on live internet-based video direct to the desktop.

Phase I: Cal State Online

In 2011, the Chancellor's Office pursued a consolidation strategy for online degree programs by standardizing the technology platform, program schedules, business models, and program fees. Cal State Online was established in January 2012. After two and a half years, only seven online degree programs at four campuses were participating in Cal State Online, while the number of fully online degree programs with different concentrations offered by CSU campuses exceeded 110. In July 2014, the Chancellor's Office reorganized the program and re-visioned a design for the Cal State Online Initiative.

Phase II: Cal State Online Initiative

Re-visioning Cal State Online began with the recognition of the exceptional capacity for online education already existing on CSU campuses and asking campuses what they needed to accelerate their growth and improve the quality of their programs. After consultation with every CSU campus and establishing transparent and regular communications with campuses through their Cal State Online Campus Coordinators, Cal State Online is re-emerging as a powerful initiative to achieve the CSU's goal of providing "Access to Excellence." Now, the Cal State Online Initiative is a suite of academic technology services and programs that expand the capacity of CSU campuses to deliver fully- and mostly-online degree, credential, and certificate programs for California, the nation, and the world. The goal of the Cal State Online Initiative is to continue increasing the quality, quantity, and affordability of online education offerings to existing and prospective CSU students, resulting in successful graduation and program completion.

Cal State Online Builds CSU's Capacity to Deliver Online Education

Cal State Online services provide prospective students a convenient and intuitive “one-stop-shop” at its website, www.calstateonline.net, offering CSU's extensive online programs, making it easy to discover, decide, and enroll in their CSU online education opportunities. Cal State Online services for CSU campuses include a range of technologies and consulting services that campuses can purchase at a lower cost through systemwide contracts. The Chancellor's Office is also marketing the collective value and opportunities of the CSU's online programs. Before elaborating on the Phase II strategies, a status of CSU's current offerings of online education will be provided.

Cal State Online showcases a world-class inventory of fully online degree programs. Based on a January 2015 assessment, the collective of CSU campuses offered:

- **118 fully online degree programs** with different concentrations (e.g. MBA in finance, human resources, management etc. concentrations)
- Fully online degree programs **graduated 4,320 students** in 2013-2014

According to national reports, about 70 percent of all online students live within a 100 mile radius of campuses offering their degree program. Consequently, hybrid degree programs, those programs where some of the course requirements require a face-to-face component on the campus, are a viable option for many Californians. Based on a January 2015 assessment, the CSU offered:

- **76 hybrid degree programs** with different concentrations
- Hybrid degree programs **graduated 1,045 students** in 2013-2014

Together, the CSU offered **194 fully online and hybrid degree programs** with different concentrations:

- Serving 10,026 in fall 2014 (unduplicated headcount)
- Graduating 5,365 students in 2013-2014
- Delivered by **124 graduate and 70 undergraduate programs**.

To top off the degree programs, our campuses' Extended Education Divisions offer over 100 fully online certificate programs; frequently designed to serve workforce development needs in the region.

For comparison, UMassOnline was launched in 2001 and is a well-established and successful state university online program initiative. They offer 72 comparable degree programs: 32 bachelor's programs, 38 master's programs, and 2 doctorate programs. Arizona State University Online offers a total of 93 comparable programs: 49 bachelor's programs and 44 master's programs.

Expanding Access to Online Courses

As part of the CSU's strategy to reduce enrollment bottlenecks caused by the Great Recession, the CSU designed and implemented CourseMatch, a cross-campus enrollment program for fully online courses. Each semester/quarter, the CSU offers full-time, qualified students the opportunity to enroll in fully online courses offered by the collective CSU campuses, which have a track record of student success. After the first offering of 34 courses in CourseMatch in fall 2013, offerings have expanded to 77 courses in winter/spring 2015, along with a major effort to automate the application and registration processes. With the online CourseMatch tools, the CSU will now be able to scale access to CourseMatch courses as the demand grows; in fall 2013, about 200 students applied to take CourseMatch courses and that number grew to approximately 300 students in spring 2015. In fall 2015, campuses participating in CourseMatch will hold at least 15 open seats in these courses and the Chancellor's Office will pay campuses for these additional cross-campus enrollments.

CourseMatch has been instrumental in the CSU's response to legislation (AB 386 – Levine) which requires the CSU to provide students a list of all the fully online courses offered by all CSU campuses beginning fall 2015. The goal of the legislation is to provide students access to the available seats in fully online classes that could help them progress toward graduation in a timelier more timely manner. Publishing a list of fully online courses is only one step in providing access and the CSU has taken the additional steps of designing and delivering a scalable strategy to enable the additional enrollment. Through the cooperative efforts of campuses and the Chancellor's Office, full implementation of AB 386 will be ready this fall. Over 3,000 fully online courses are expected to be listed for fall 2015, with an unknown fraction of these courses with available seats.

Cal State Online has developed an additional program to help students graduate in a timely manner: Cal State Online Summer Courses - 2015. Extended Education programs offer a wealth of CSU courses over the summer that cover a wide range of general education and major requirements. In 2014, Cal State Online organized a list of over 700 fully online summer session courses. In 2015, Cal State Online Summer is offering over 900 fully online courses. Approximately 1,400 courses will be offered this summer, but about 500 have already closed to additional student enrollments.

Cal State Online Initiative: Shifts in Strategy

The CSU has broad and deep capacity to deliver high quality online education and is delivering on our promise for "Access to Excellence." The CSU is also building its capacity to expand and strengthen its online education initiatives. Academic Technology Services in the Chancellor's Office is leading the changes from Phase 1 to Phase 2 of the Cal State Online Initiative in collaboration with Extended Education. The changes already underway include:

1. **Campuses choose their Learning Management System.** If campuses choose to use the Phase I platform, they are welcome to do so, under their own campus contract.
2. **Flexibility in course length in self-support programs.** Rather than a fixed eight-week course length, campuses can decide what schedule is most appropriate and effective to achieve their goals and quality standards. State support programs can be part of Cal State Online and the length of courses is determined by Title V and campus policies (semester or quarter schedules).
3. **Flexibility in unit pricing in self-support programs.** Campuses decide on the tuition fees that are most appropriate and competitive to achieve their business and affordability goals.
4. **Flexibility in online delivery formats.** Cal State Online will include fully online and mostly online degree, credential, and certificate programs. Campuses will decide if a limited proportion of the course requirements will include face-to-face activities to achieve the quality standards for their courses. These “mostly online” programs will clearly and completely describe the requirements of the face-to-face activities to prospective students and those enrolling in the mostly online programs will have to confirm their acceptance of these requirements.
5. **Redesign of CalStateOnline.net website:** All fully online and hybrid degree programs offered by all CSU campuses will be presented (vs. 7 programs). The website will enable prospective students to find programs by discipline as well as by campus very easily and direct them to the campuses as quickly and successfully as possible. Cal State Online Summer Courses will also have a designated place on the website. Additionally, customer service information including an 800 number as well as an online request for information will be available on the website for all campuses.
6. **Shared governance and improved communications:** Every campus has a Cal State Online Campus Coordinator and all coordinators meet virtually every month to review and advise on priorities and activities, share exemplary practices, and provide feedback on Cal State Online services. The Chancellor’s Office also established the Commission for Online Education, composed of campus presidents, provosts, CIOs, Director of Academic Technology, Statewide Academic Senators, and students, which provides recommendations on policies and strategies related to online education to the Executive Vice Chancellor for Academic Affairs. CSYou intranet websites for the Commission for Online Education and for the Cal State Online Initiative provide significant transparency to all faculty, staff, and administrators about the planning and activities of these groups.
7. **Systemwide contracts and strategies to support quality, lower costs, and increase enrollment:** Academic Technology Services is managing and implementing a number of systemwide contracts that saves the CSU millions of dollars. The contracts support key pillars of Cal State Online.

- Quality programs require support for faculty developing the various skills and knowledge to teach online successfully. The systemwide contract for Quality Matters, a nationally respected non-profit organization provides training for faculty teaching successfully online and has enabled the CSU to save \$114,000 in training costs for over 700 CSU faculty over the last 10 months.
 - Academic integrity of student performance (i.e. no cheating) in online courses is critical to maintain the quality standards and reputation of our graduates. The CSU currently has a systemwide contract on plagiarism detection that saves \$1.6 million of dollars annually. Academic Technology Services has just released a Request for Proposals (RFP) for “academic integrity services” that will include exam proctoring with technology and other technologies to minimize cheating.
 - Support services for student success in online courses is also critical and Academic Technology Services is preparing an RFP to establish master enabling agreements with vendors who could provide outreach, coaching, mentoring, and tutoring through technology to retain students in the program and graduate.
 - Learning management systems provide a “virtual classroom” for online courses. The CSU’s systemwide contract has saved \$1.73 million for the 10 campuses using Blackboard’s learning management systems and services.
 - Technology tools to quickly, reliably, affordably, and effectively create online materials for online courses. These include SoftChalk (25 percent off unit prices) and TechSmith to create online interactive lessons and videos for flipped classrooms. The TechSmith contract is saving campuses \$1.9 million over three years. Academic Technology Services just announced the intent to award systemwide contracts for online media platforms that enable campuses to stream video reliably and securely.
8. **Systemwide marketing campaigns for Cal State Online** has been re-visioned. The Chancellor’s Office, in collaboration with the campus Cal State Online Coordinators, has focused the Cal State Online marketing messages around the quality and affordability of a CSU degree delivered online. For the first time, a marketing campaign for Cal State Online Summer is being implemented to include radio, digital posters, social media, and blending with campus campaigns. An RFP for a longer-term marketing campaign for Cal State Online will be posted by the start of the 2015-2016 academic year, which will enable marketing campaigns to be a priority in 2015 and 2016.

Conclusion

The Chancellor’s Office has successfully redesigned the Cal State Online Initiative to leverage its system size and campus capabilities to deliver a world class inventory of fully- and mostly-online degree, credential, and certificate programs for California, the nation, and the world. The Cal State Online Initiative is positioned to grow its capabilities and expand its reach providing greater access to a quality CSU education for the citizens of California and beyond.

COMMITTEE ON EDUCATIONAL POLICY

Academic Efficiencies and Effectiveness

Presentation By

Ephraim P. Smith
Executive Vice Chancellor
and Chief Academic Officer

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

Summary

At the March 2015 Board of Trustees meeting, the Committee on Finance heard a report on Administrative Efficiency Initiatives that estimated \$50 million in savings from improved business practices: strategic procurement, simplifying and streamlining administrative processes, and organizing services to meet the increasing demands of compliance and campus growth.

This item responds to board members' request for a similar report from Academic Affairs to the Committee on Educational Policy. In this case efficiency, doing more with the same or fewer resources, is measured in terms other than dollars. Gains are expressed in improved opportunity, quality, and success, and savings in reduced time or units to degree, or fewer repeated courses. These efficiencies are measured differently than those of improved business practice, but are no less significant.

Economies of Scale

Academic efficiencies begin with some of the good business practices as described in the March report, including bulk purchasing and shared support for infrastructure. For example, the board has heard reports on the Affordable Learning Solutions Initiative which has been successful driving down the cost of instructional materials like textbooks. More recently, the California State University (CSU) libraries have agreed to adopt a single virtual platform to catalog their separate collections, bringing millions of books, recordings, and periodicals to every student and faculty member in the system.

The Office of the Chancellor further leverages the CSU's size with shared academic services in faculty professional development (the Institute for Teaching and Learning), international

programs, academic technology, student academic support, and community engagement. It also sponsors entire programs at the state level that otherwise would not exist, including CSU Summer Arts, Cal State TEACH, and the pre-doctoral program to recruit minority students into advanced study, positioning them to join and diversify the faculty. Finally, there are the economies of consolidating course offerings, with online delivery and regional consortia to offer programs that are too specialized or expensive for a single campus to mount. Taken together, such economies of scale enhance the student experience and quality of a CSU education, at relatively little additional cost to the state.

Student Success

In the last several years CSU faculty have focused on two curricular modifications that create more efficient pathways to degree. For students who begin as freshmen, a recent collective effort to reduce the overall units to degree has resulted in a record 94 percent of all CSU bachelor of arts and bachelor of science degrees now requiring no more than 120 semester units (or 180 quarter units) of coursework, which is equivalent to the number of units taken in a full-time, four-year degree program.

For students who begin at California Community Colleges, which represent the majority of CSU graduates each year, the new Associate Degrees for Transfer provide similarly clear and efficient pathways to degree, requiring 60 semester units of coursework at the community college and 60 more at the CSU for the 25 most popular majors.

Faculty work to streamline curriculum is complemented by systemwide efforts to reduce time to degree, in the form of new eAdvising tools, technology to clear course bottlenecks, and student learning communities and peer mentoring for personal guidance and direction. One of the most impactful ways the CSU reduces a student's time-to-degree is by improving learning and thus reducing the incidence of dropped, failed, and repeated courses.

Trustee-led innovations to improve freshman readiness also play a critical role. By testing high school juniors and offering Early Start programs the summer before the freshman year of college, the CSU provides all its students the opportunity to earn full college credit from the first term, positioning them from the start to graduate on time. Of these efforts, the Early Assessment Program (EAP) has drawn particular attention, having been adopted by four other states and influencing nationally developed assessments of the Common Core State Standards curriculum.

The board has heard reports from the Division of Academic Affairs and external supporters, such as the Campaign for College Opportunity, which attempt to relate improved completion rates to savings in tuition, increased and earlier earning power, and reduced living expenses. The dollar figures that result can vary widely by the methodology used, and the profile of the students and geographic region studied. However the savings are counted, reducing the time and units to

degree has inarguable non-monetary benefits: students who feel themselves making progress are likelier to graduate. Families and other communities of support who see a clear, focused path to completion understand better what is involved. Additionally, students who graduate sooner have more years ahead of them to return the state's investment, while improving access for the next cohort.

Improved Effectiveness

This item is titled "Academic Efficiencies and Effectiveness" to underscore an important point: reductions in cost are desirable only when the CSU remains educationally effective. Savings that erode quality would not be efficient but merely short-sighted; so from the perspective of educational policy, trustees should understand exactly what the university does with the resources it saves.

As trustees have heard, the Graduation Initiative emphasizes student engagement as a success strategy in the CSU. Improved rates of completion stand to bring California an additional 30,000 graduates over the course of the initiative solely by reducing attrition—that is, through efficiency rather than additional investment. These gains rely in part on broad and deep support for High-Impact Practices like undergraduate research, community engagement, learning communities, and service learning that apply college learning to real-world settings right away, both to deepen what is being learned and to illuminate its relevance and value.

Applicable college learning in the form of research is of particular importance in the STEM disciplines. Immersive laboratory exercises with authentic research provide students with challenging, active learning that engages intellectual curiosity and brings contextual relevance while ensuring educational quality and relevant skills development within the disciplines. While necessary, these types of laboratory exercises are expensive. Moreover, they need to be updated continuously to keep pace with the technological advancements driving the discipline and workforce needs. A recent survey of campuses indicated that the total externally grant-funded research activity acquired for educational support for STEM students alone was over \$300 million. These external funds, generated solely through faculty grantsmanship, supplement state revenues to provide state-of the art hands-on, laboratory experiences, as well as providing essential supplies, reagents and consumables, laboratory renovations, general and capital equipment, equipment service contracts and other services.

Any report on academic efficiencies and effectiveness should recognize the early nature of the work. Although faculty have always understood that deep engagement, personal as well as intellectual, drives persistence and completion, tools to quantify that impact are only now emerging. Other kinds of academic efficiency, such as the consolidation of class sections, early delivery of remediation, and eAdvising will be easier to measure, but are too early in their implementation for reliable evaluation. As part of Graduation Initiative 2025, the CSU will

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develop better means to precisely measure the impacts of each strategy, whether reported in dollars saved, fewer units or years to degree, or improved educational value.

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

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

May 20, 2015

Presiding: Lou Monville, Chair

9:15 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—Devon Graves*

Board of Trustees

Consent

1. Approval of the Minutes of the Board of Trustees Meeting of March 23-25, 2015
2. Approval of Committee Resolutions as follow:

Committee on Institutional Advancement

1. Naming of an Academic Program – San Diego State University
2. Naming of a Facility – California Polytechnic University, Pomona

*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.

Committee on Campus Planning, Buildings and Grounds

1. Amend the 2014-2015 Capital Outlay Program for California State University, Stanislaus
2. Approve the 2015 Campus Master Plan Revision and the Amendment of the 2014-2015 Capital Outlay Program for the Engineering and Interdisciplinary Sciences Complex for San Diego State University
3. Acceptance of Interest in Real Property for California State Polytechnic University, Pomona
4. Certify the Final Environmental Impact Report and Approve the Campus Master Plan 2015 for California State University, Sacramento

Committee on Finance

1. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Projects at San Francisco State University and San Diego State University
2. Approval to Extend the Bond Anticipation Note and Bond Sale Dates for an Auxiliary Project at California State University, Fullerton

Committee on University and Faculty Personnel

1. Executive Compensation—President of California State University, Sacramento

Committee on Committees

1. Election of the Chair and Vice Chair of the Board of Trustees for 2015-2016
2. Committee Assignments for 2015-2016

Discussion

1. Conferral of Title of President Emeritus –Alexander Gonzalez, *Action*
2. Conferral of Title of Student Trustee Emerita—Talar Alexanian, *Action*

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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**

March 25, 2015

Trustees Present

Lou Monville, Chair
Rebecca D. Eisen, Vice Chair
Talar Alexanian
Toni Atkins, Speaker of the Assembly
Kelsey Brewer
Adam Day
Douglas Faigin
Debra S. Farar
Margaret Fortune
Steven Glazer
Lillian Kimbell
Hugo Morales
J. Lawrence Norton
Steven Stepanek
Peter Taylor
Timothy P. White, Chancellor

Chair Monville called the meeting to order.

Public Comment

The board of heard from several individuals during the public comment period: Lillian Taiz, CFA President, spoke about a series of papers being released by the CFA titled "Race to the Bottom;" Molly Talcott, CFA bargaining team, spoke about the findings of the first CFA paper released regarding salaries; Kevin Wier, Fullerton CFA, chapter president, spoke about the second paper that addressed CSU management prioritizations over the last ten years; Pat Gantt, president, CSUEU addressed the board about a document called, "A Bridge to the Future, Higher Education Planning For The Next Century;" Mike Geck, Vice President, CSUEU organizing San Marcos, spoke about an effort for \$15 minimum wage and provided handouts; Jennifer Monarrez, CSUEU member, spoke on behalf of other CSU custodians asking for a moderate pay raise; Mike Chavez, chair, bargaining unit 5, CSUEU, spoke to the board about outsourcing.

Chair's Report

Chair Monville's complete report can be viewed online at the following URL:

<http://www.calstate.edu/BOT/chair-reports/mar2015.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/150325.shtml>

Report of the Academic Senate CSU

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

http://www.calstate.edu/AcadSen/Records/Chairs_Reports/documents/March_2015_Chairs_BOT_Rept.pdf

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/20150325.shtml>

Report from the California State Student Association

CSSA President Devon Grave's complete report can be viewed online at the following URL:

<http://www.csustudents.org/wp-content/uploads/CSSA-BoT-Report-March-25-2015.pdf>

Board of Trustees

Election of Five Members to Committee on Committees for 2015/2016 (RBOT 03-15-01)

Chair Monville moved the item. The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of The California State University, that the following trustees are elected to constitute the board's Committee on Committees for the 2015-2016 term:

Rebecca D. Eisen, Chair
Debra S. Farar, Vice Chair
Adam Day
J. Lawrence Norton
Lillian Kimbell

Conferral of the Title Trustee Emerita—Roberta Achtenberg (RBOT 03-15-02)

Chair Monville moved the item. The Board of Trustees approved the following resolution:

WHEREAS, Roberta Achtenberg was appointed as a member of the California State University Board of Trustees in 1999 by Governor Gray Davis, was reappointed in 2007 by Governor Arnold Schwarzenegger, and has ably served for 16 years; and

WHEREAS, Trustee Achtenberg, as chair of the Board of Trustees from 2006 through 2008, provided strong direction in the development of the California State University's graduation initiative as well as its strategic plan *Access to Excellence*; and

WHEREAS, Trustee Achtenberg, having led eight of nine standing committees of the board as either chair or vice chair, lent her considerable wisdom and expertise to the deliberation of items before the trustees; and

WHEREAS, Trustee Achtenberg empowered innovation throughout the system, including her instrumental support for the California State University Institute for Palliative Care at California State University San Marcos; and

WHEREAS, Trustee Achtenberg advanced all higher education through her service on national boards, including the National Commission on College and University Board Governance; and

WHEREAS, Trustee Achtenberg served as an excellent ambassador of the California State University in discussions with state and national policymakers; and

WHEREAS, Trustee Achtenberg continues to demonstrate the highest principles of consequential leadership in contribution to the California State University mission of opportunity, quality and success; now, therefore, be it

RESOLVED, by the Board of Trustees of the California State University, that the title of Trustee Emerita be conferred on Roberta Achtenberg, with all the rights and privileges thereto.

Approval of the Minutes of Board of Trustees Meeting

The minutes of the meeting of January 28, 2015, were approved.

Committee Reports

Committee on Collective Bargaining

Trustee Farar reported the committee took the following actions: Ratification of Collective Bargaining Agreement Between California State University and Bargaining Unit 8 (Statewide University Police Association), Adoption of Initial Proposals for Successor Contract Negotiations with Bargaining Unit 6 (State Employees Trades Council), Adoption of Initial Proposals for Successor Contract Negotiations with Bargaining Unit 4 (Academic Professionals of California).

Committee on Educational Policy

Trustee Farar reported the committee heard three information items, The California State University Institute for Palliative Care at California State University San Marcos; The Early Start Program and Academic Preparation Update; and The California State University Graduation Initiative 2025. The committee also heard one action item as follows:

Academic Planning (REP 03-15-01)

Trustee Farar moved the item. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that the amended projections to the Academic Plans for the California State University campuses (as identified in Agenda Item 1 of the March 24-25, 2015 meeting of the Committee on Educational Policy), be approved and accepted for addition to the CSU Academic Master Plan and as the basis for necessary facility planning; and be it further

RESOLVED, that those degree programs proposed to be included in campus Academic Plans be authorized for implementation, at approximately the dates indicated, subject in each instance to the chancellor's approval and confirmation that there exists sufficient societal need, student demand, feasibility, financial support, qualified faculty, facilities and information resources sufficient to establish and maintain the programs; and be it further

RESOLVED, that degree programs not included in the campus Academic Plans are authorized for implementation only as pilot programs, subject in each instance to current procedures for establishing pilot programs.

Committee on Campus Planning Buildings and Grounds

Trustee Norton reported the committee heard one information item, Acceptance of Interest in Real Property for California State Polytechnic University, Pomona and three action items as follow:

Amend the 2014-2015 Capital Outlay Program for California State Polytechnic University, Pomona and California State University, Sacramento (RCPBG 03-15-04)

Trustee Norton moved the item. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that the 2014-2015 Capital Outlay Program be amended to include:

1. \$27,504,000 for preliminary plans, working drawings and construction for the California State Polytechnic University, Pomona Parking Structure for the Administration Replacement Building; and
2. \$4,000,000 for preliminary plans, working drawings, construction and equipment for the California State University, Sacramento Chemistry Labs Renovation.

Approval of Schematic Plans for California State University, Fullerton, California State Polytechnic University, Pomona and California State University, Sacramento (RCPBG 03-15-05)

Trustee Norton moved the item. The Board of Trustees approved the following resolution:

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

1. The Final Mitigated Negative Declaration for the California State University, Sacramento Student Housing, Phase II project was prepared pursuant to the California Environmental Quality Act and State CEQA Guidelines.
2. The California State University, Sacramento Student Housing, Phase II project is consistent with the Final Mitigated Negative Declaration and the effects of the project were fully analyzed in the Final Mitigated Negative Declaration.
3. The schematic plans for the California State University, Sacramento Student Housing, Phase II are approved at a project cost of \$54,935,000 at CCCCI 6151.

Categories and Criteria for the Five-Year Capital Improvement Program 2016-2017 through 2020-2021 (RCPBG 03-15-06)

Trustee Norton moved the item. The Board of Trustees approved the following resolution:

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

1. The Categories and Criteria for the Five-Year Capital Improvement Program 2016-2017 through 2020-2021 in Attachment A of Agenda Item 3 of the March 24-25, 2015 meeting of the Committee on Campus Planning, Buildings and Grounds be approved; and
2. The chancellor is directed to use these categories and criteria to prepare the Five-Year Capital Improvement Program for 2016-2017 through 2020-2021.

Committee on Audit

Trustee Eisen reported the committee heard three information items: Status Report on Current and Follow-Up Internal Audit Assignments; Status Report on Corrective Action for the findings in the Single Audit Reports of Federal Funds for the Fiscal Year Ended June 30, 2014; and Report on Compliance with National Collegiate Athletic Association Requirements for Financial Data Reporting.

Committee on Governmental Relations

Trustee Faigin reported the committee one information item, Legislative Update.

Committee on Organization and Rules

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

Schedule of Board of Trustees' Meetings, 2016 (ROR 03-15-01)

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

Board of Trustees' 2016 Meeting Dates

January 26-27, 2016	Tuesday – Wednesday	Chancellor's Office
March 8-9, 2016	Tuesday – Wednesday	Chancellor's Office
May 24-25, 2016	Tuesday – Wednesday	Chancellor's Office
July 19-20, 2016	Tuesday– Wednesday	Chancellor's Office
September 20-21, 2016	Tuesday – Wednesday	Chancellor's Office
November 8-9, 2016	Tuesday – Wednesday	Chancellor's Office

Committee of Finance

Trustee Eisen reported the committee heard two information items: California State University Annual Debt Report; and Update on Administrative Efficiency Initiatives. The committee also heard two action items as follow:

Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for projects at California State University, Sacramento, California State University, Los Angeles, and California State University, Northridge (RFIN 03-15-06)

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

Orrick, Herrington & Sutcliffe LLP, as bond counsel, prepared resolutions presented in Agenda Item 1 of the Committee on Finance at the March 24-25, 2015, meeting of the CSU Board of Trustees that authorize interim and permanent financing for the projects at California State University, Sacramento, (Student Housing, Phase II); California State University, Sacramento (University Enterprises, Inc.–Auxiliary Organization Bond Refinancing); California State University, Los Angeles (Cal State L.A. University Auxiliary Services, Inc.–Commercial Loan Refinancing) and at California State University, Northridge (The University Corporation–9324 Reseda Boulevard Building Acquisition). The proposed resolutions 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 \$70,800,000 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 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.

Conceptual Approval of a Public/Private Partnership Multi-Family Housing Development Project at California State University Channel Islands (RFIN 03-15-07)

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 Trustees:

1. Conceptual approval of a public-private partnership for a residential and

- retail development and the release of the Request for Qualifications/ Proposals to pursue the first project of CI 2025;
2. Authorize the chancellor and the Site Authority to enter into negotiations for agreements as necessary to develop a final plan as explained in Agenda Item 2 of the March 24-25, 2015 meeting of the Committee on Finance;
 3. Will consider the following additional action items relating to the final plan:
 - a) Certification of Final California Environmental Quality Act (CEQA) documentation;
 - b) Approval of a development and financial plan negotiated by the Site Authority and a developer with the advice of the chancellor;
 - c) Approval of any amendments to the campus master plan and the Site Authority Specific Reuse Plan as they pertain to the project;
 - d) Approval of an amendment to the Non-State Capital Outlay Program;
 - e) Approval of the schematic design.

Committee on Institutional Advancement

Trustee Faigin reported the committee heard three action items as follow:

Naming of an Academic Entity – San Diego State University (RIA 03-15-03)

Trustee Faigin moved the item. The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of the California State University, that the Honors College at San Diego State University, be named The Susan and Stephen Weber Honors College.

Naming of a Facility–San Francisco State University (RIA 01-15-02)

Trustee Faigin moved the item. The Board of Trustees approved the following resolution:

RESOLVED, by the Board of Trustees of the California State University, that RIA 07-08-11 be rescinded, and that the recreation and wellness center at San Francisco State University be named the Mashouf Wellness Center.

Naming of a Facility – California State University, Long Beach (RIA 03-15-04)

Trustee Faigin moved the item. The Board of Trustees approved the following resolution:

RESOLVED, By the Board of Trustees of the California State University, that the ED-1 Building at California State University, Long Beach, be named the Bob and Barbara Ellis Education Building.

Committee on the Whole

Chair Monville reported the committee heard one information item, General Counsel’s Litigation Report.

BOARD OF TRUSTEES

Conferral of the Title President Emeritus – Dr. Alexander Gonzalez

Presentation By:

Lou Monville
Chair

Summary

It is recommended that Dr. Alexander Gonzalez, who will retire on June 30, 2015, be conferred the title of president emeritus for his service.

The granting of emeritus status carries the title, but no compensation.

The following resolution is recommended for approval:

WHEREAS, Dr. Alexander Gonzalez has served for the past 12 years as the 11th president of California State University, Sacramento, capping off a distinguished 36-year career in the California State University system as a faculty member, mentor, academic leader and chief executive, and

WHEREAS, Dr. Gonzalez was appointed in 2003 to serve as president of Sacramento State, and two months after his arrival, he announced *Destination 2010*, a far-reaching plan that transformed the capital campus; and

WHEREAS, *Destination 2010* fostered a vibrant campus life with new student housing, a new bookstore, a state-of-the-art student recreation and wellness center, the construction of the Eli and Edythe L. Broad Fieldhouse, and new academic programs that include an undergraduate Honors Program, an Executive MBA Program, a master's program in stem cell research, a doctoral program in educational leadership and a new home for what is now the School of Nursing with the purchase and renovation of the former CalSTRS building, now Folsom Hall; and

WHEREAS, Dr. Gonzalez, along with students, faculty and staff, created a new six-point university-wide Strategic Plan and, with cooperation and input from the City, a separate facilities Campus Master Plan, both of which lay the foundation for the growth and prosperity of Sacramento State for the next several years; and

WHEREAS, student diversity at Sacramento State has reached a level where the campus is now recognized as both an Asian American- and Hispanic-serving higher education institution, and

BOT

Agenda Item 1

November 12-13, 2014

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initiatives such as the Guardian Scholars Program and the Veterans Success Center are model student support programs; and

WHEREAS, Dr. Gonzalez has set in motion a new initiative, *Redefine the Possible*, which promotes innovation in fostering an atmosphere of intellectual curiosity and academic excellence as well as stronger community engagement, resulting in new initiatives such as the establishment of a doctoral degree in Physical Therapy and the International Business Master's Program; and

WHEREAS, the pride among students, faculty, staff and alumni is stronger than ever, and the University is a full community partner and is recognized as the anchor institution for regional economic and workforce development; and

WHEREAS, the availability of higher education opportunities as well as recreational, art and cultural events contribute to the community's quality of life and are important factors considered by corporations and individuals in seeking new locations; and

WHEREAS, during Dr. Gonzalez's tenure, the Sacramento State Hornets have won 57 conference titles and hosted seven NCAA Championship events, including four track and field championships, two rowing championships and one volleyball championship, as well as the 2004 U.S. Olympic Track and Field Trials and the 2014 U.S. Track and Field Championships, and will serve as a regional host for the 2017 NCAA Men's Basketball Championship first and second rounds, all of which have a positive economic impact on the region; and

WHEREAS, with more than 29,000 students, 3,000 employees and more than 220,000 alumni, Sacramento State plays an integral role in helping the City meet its needs for a highly skilled workforce and economic development; and

WHEREAS, under Dr. Gonzalez's guidance, Sacramento State has become a destination campus, as evidenced in fall 2014 when faculty and staff welcomed the largest freshman class in University history, and today, overall enrollment is at a record high: Therefore, be it

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of President Emeritus on Dr. Alexander Gonzalez, with all the rights and privileges thereto.

BOARD OF TRUSTEES

Conferral of the Title Student Trustee Emerita–Talar Alexanian

Presentation By:

Lou Monville
Chair

Summary

It is recommended that Trustee Talar Alexanian, whose term expires on June 30, 2015, be conferred the title of Trustee Emerita for her service. The granting of emerita status carries the title, but no compensation.

The following resolution is recommended for approval:

WHEREAS, Talar Alexanian was appointed as a member of the Board of Trustees of the California State University in 2013 by Governor Jerry Brown, and since that time has actively served in that position; and

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

WHEREAS, Ms. Alexanian is a strong advocate for service learning and civic engagement, having received countless awards and accolades for her dedication to underrepresented communities in the Los Angeles region; and

WHEREAS, Ms. Alexanian is a trusted advocate for her peers who, in 2013, was elected vice president for Associated Students at California State University, Northridge; and

WHEREAS, Ms. Alexanian served on the committees for Campus Building, Planning, and Grounds, Educational Policy, Finance and Governmental Relations; and

WHEREAS, Ms. Alexanian's 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

BOT

Agenda Item 2

May 19-20, 2015

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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 Student Trustee Emerita on Talar Alexanian, with all the rights and privileges thereto.