

AGENDA

COMMITTEE ON ORGANIZATION AND RULES

Meeting: 11:00 a.m., Tuesday, March 8, 2016
Glenn S. Dumke Auditorium

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

Consent Item

Approval of Minutes of the Meeting of January 27, 2016

Discussion Item

1. Revision of Standing Orders – Delegation of Capital Outlay Project Approval and Schematic Design Approval, *Information*

**MINUTES OF MEETING OF
COMMITTEE ON ORGANIZATION AND RULES
Trustees of The California State University
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

January 27, 2016

Members Present

Lillian Kimbell, Chair
Steven G. Stepanek, Vice Chair
Douglas Faigin
J. Lawrence Norton

Trustee Kimbell called the meeting to order.

Approval of the Minutes

The minutes of the November 17, 2015 meeting were approved as submitted.

Action Item

Trustee Kimbell introduced one action item on the consent agenda, an amendment to the California State University Board of Trustees' 2016 Meeting Dates, and commented that a change was proposed to move the November 2016 meeting dates to November 15-16, 2016 so as not to conflict with the national election on November 8, 2016. All other meeting dates would remain unchanged. The committee recommend approval of the proposed resolution.

(ROR 01-16-01)

Trustee Kimbell adjourned the Committee on Organization and Rules.

COMMITTEE ON ORGANIZATION AND RULES

Revision of Standing Orders – Delegation of Capital Outlay Project Approval and Schematic Design Approval

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

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

Summary

This item presents a revision to the California State University Board of Trustees' Standing Orders to increase authority delegated to the chancellor to approve capital outlay project budgets and schematic designs for projects of a total estimated cost of \$5,000,000 or less. The proposed change to the Standing Orders is noted in *italics* on page 1 of Attachment A.

Background

The Board of Trustees has statutory authority to approve the California State University budget, including the capital outlay program and its associated projects. The Standing Orders define the delegation of authority from the trustees to the chancellor and other officials in the California State University.

The last significant amendment to the Standing Orders as they pertained to capital outlay projects was in September 1999 when the Board of Trustees increased the authorization to the chancellor, or designee, to approve the schematic design of projects from \$1 million to \$3 million to reduce the number of small projects coming forward to the board for approval. The chancellor had previously been delegated authority to approve schematic plans on all remodel and utilitarian projects, regardless of cost, unless the design is architecturally significant or the project has unavoidable significant environmental impacts. Examples of utilitarian projects include site development, utilities, outdoor physical education facilities excluding stadiums, interior remodels, minor additions, structural strengthening, heating and cooling facilities, landscape

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projects, and surface parking. Architecturally significant projects are presented to the board for approval.

In July 2004, the trustees approved a complete re-write of the Standing Orders in an effort to restate existing authority in a manner that would be easier for the public to read and understand, and to include accepted delegations to system officials which had not been included in the Standing Orders at the time. When the Standing Orders were streamlined in 2004, details pertaining to the chancellor's delegated authority over the design of capital projects of \$3 million or less and all remodel and utilitarian projects was omitted, resulting in a lack of clarity.

Proposal

Consistent with the actions taken in 1999, this proposal aims to add clarity to the chancellor's delegation and eliminate the smaller transactions brought forward to the board for approval. The proposed change to Standing Orders Section II(f) includes:

1. *Authorize the chancellor to approve the capital outlay budget and scope of projects with a value of \$5 million or less.* Currently, all projects with a proposed budget more than \$656,000 (value of a minor capital outlay project, recently increased) come forward to the trustees for approval as the chancellor had previously been delegated authority to establish a minor capital outlay program.
2. *Authorize the chancellor to approve the schematic design of projects with a value of \$5 million or less.* The chancellor, or designee, is already authorized to approve the schematic design of projects valued at \$3 million or less.
3. *Authorize the chancellor to approve the schematic design of all remodel and utilitarian projects, regardless of cost, unless the design is architecturally significant or includes significant unavoidable environmental impacts.* The Board previously delegated this authority to the chancellor, but specific mention of this authority was omitted when the Standing Orders were streamlined in 2004.

In order to keep the board informed of the results of the proposed delegation, an annual report on the approved projects and approved schematic designs will be provided to the board beginning in July 2017. An annual report to the trustees on delegated environmental actions is currently provided.

This item is introduced for information and will be on the board's agenda for action in May 2016.

STANDING ORDERS OF THE BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

I. PURPOSE

The Standing Orders delegate authority from the Board of Trustees to the Chancellor and others within the California State University.

II. DELEGATION TO THE CHANCELLOR

The Chancellor is the chief executive officer of the California State University and has authority and responsibility to take whatever actions are necessary, consistent with Trustee policy and applicable law, for the appropriate functioning of the institution, which includes:

- a. Establishment and oversight of all academic programs
- b. Issuance of degrees
- c. Operation of educational opportunity programs
- d. Resolution of claims, settlement of litigation and discharge from accountability
- e. Establishment of policies and procedures for acquisition or sale of services, facilities, materials, goods, supplies, and equipment with the authority to sign agreements
- f. Development and oversight of the budget, including the capital outlay program, *approval of capital outlay projects and schematic designs for projects valued at \$5 million or less, and approval of schematic designs for all remodel and utilitarian projects, regardless of cost, unless the design is architecturally significant or includes significant unavoidable environmental impacts.*
- g. Application, receipt and oversight of grants and loans
- h. Deposit, control, investment, and expenditure of funds
- i. Establishment and oversight of campus fees; establishment, adjustment and oversight of systemwide fees
- j. Oversight of construction, and authority to sign all construction documents
- k. Purchase, sale and exchange of any interest in or use of real property
- l. Approval of minor changes to campus master plans

- m. Appointment of personnel, development and enforcement of personnel programs and discipline and termination of personnel
- n. Appointments to various boards and committees
- o. Development of a legislative program
- p. Acceptance of gifts
- q. Permission to use the name of the CSU
- r. Performance of all acts necessary to qualify for and receive benefits from the federal government
- s. Oversight of the systemwide advancement program

This list is not inclusive, and is not intended to limit the necessary actions of the Chancellor as the chief executive officer of the institution. The Chancellor may delegate his or her authority to others within the California State University. The Chancellor may issue executive orders as are necessary or convenient to the performance of his or her office.

The Chancellor shall regularly report to the Board of Trustees concerning the performance of his or her functions.

III. DELEGATION TO THE GENERAL COUNSEL

The General Counsel is the chief legal officer of the California State University and has full authority and responsibility for the legal affairs of the institution, which includes:

- a. Advice to and representation of the California State University, the Trustees, Chancellor, Presidents, and other officers and employees of the California State University in all legal matters of the institution or that may result from their service to, or employment by, the California State University.
- b. Retention of outside counsel to represent the California State University, who are accountable to the General Counsel for their professional work.
- c. Acceptance of service of process for the California State University, the Trustees, Chancellor and Presidents, for any matter arising out of their service to, or employment by, the California State University.
- d. In consultation with the Chancellor and/or appropriate campus

Presidents, settlement, termination or other resolution of all claims and litigation, and signing all documents relating to such action(s) on behalf of the California State University, the Trustees, Chancellor, Presidents, and those officers or employees of the California State University for whom the Office of General Counsel also provides representation.

- e. As Secretary of the Board, is the custodian of the official seal, which appears below and may be used, at the discretion of the Chancellor, for any official purpose:



This list is not inclusive, and is not intended to limit the necessary actions of the General Counsel as the chief legal officer of the institution. The General Counsel may delegate his or her authority to other members of his or her legal staff.

The General Counsel shall regularly report to the Board of Trustees concerning the status of litigation of institutional significance and other matters of legal import.

IV. DELEGATION TO THE TREASURER

The Treasurer of the Board is responsible for the fiscal affairs of the California State University, which include:

- a. Implementation of a system of internal controls that plan, organize and direct the performance of actions to protect the California State University's assets, ensure records are accurate, promote operational efficiency, and encourage adherence to policies.
- b. Management of the programs that incur external debt on behalf of the

University to ensure projects are financially sound, strategic and essential to the mission of the university to preserve the full faith and credit of the institution.

- c. Placement of investments to obtain the best possible return commensurate with the degree of risk that the University is willing to assume in obtaining that return.

This list is not inclusive, and is not intended to limit the necessary actions of the Treasurer as the chief fiscal officer. The Treasurer may delegate his or her authority to other members of his or her staff.

The Treasurer shall regularly report to the Board of Trustees concerning the performance of these functions.

V. DELEGATION TO THE UNIVERSITY AUDITOR

The University Auditor is responsible for implementing the Board of Trustees' audit program and represents the California State University in all audits conducted by external agencies.

The University Auditor shall regularly report to the Trustees' Committee on Audit concerning the performance of his or her functions.

VI. DELEGATION TO THE PRESIDENTS

The Presidents of the California State University campuses are the chief executive officers for their campuses and have authority and responsibility, with appropriate consultation, to take whatever actions are necessary, consistent with Trustee and Chancellor's policy, and applicable law, for the appropriate functioning of each of their campuses, which includes:

- a. Development of curricular and instructional plans
- b. Academic, administrative and staff appointments
- c. Supervision, discipline and termination of employees
- d. Oversight of business and financial affairs
- e. Oversight of student affairs
- f. Oversight and adjustment of campus fees in accord with applicable policy

- g. Oversight of the campus advancement function, including alumni affairs and community relations
- h. Oversight of and responsibility for campus auxiliary organizations
- i. Use of campus buildings and grounds

This list is not inclusive, and is not intended to limit the necessary actions of the Presidents as the chief executive officers of their campuses. The Presidents may delegate their authority to other officials on their campuses.

The Presidents report to the Chancellor and shall keep him or her regularly informed as to the activities on their campuses.

VII. THE ACADEMIC SENATE

The constitution of the Academic Senate of the California State University has been ratified by the faculties and approved by the Board of Trustees. The Academic Senate is therefore constituted and functions in accord with the provisions of that constitution. Amendments to the Academic Senate constitution become effective when ratified in accord with the requirements of that constitution and approved by the Board of Trustees.

VIII. AMENDMENTS

These Standing Orders may be amended at any regular meeting of the Board of Trustees. Notice and a draft of the proposed amendment is required at the last regular meeting prior to the meeting at which action is taken. This advance notice requirement may be waived by a majority vote for matters that are not controversial and require no further discussion.