

Board of Trustees
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BERNADETTE CHEYNE
CSU FACULTY TRUSTEE

REPORT OF THE MEETING OF THE BOARD OF TRUSTEES March 19-20, 2013

[As with the January Board meeting, the March meeting was live-streamed via internet. The audio/video recording can be accessed online for up to 12 months after the meeting. The March meeting is available at the following link: <https://www.calstate.edu/bot/agendas/mar13/>. In addition, the Board's agenda and attachments are available at that link, which also includes links to many of the PowerPoints and other presentations that were made during the various committee meetings. In the past I have included specific links for each of the committee meetings, and attached relevant documents to my report, however you now can access some of them at the URL supplied above. When this is not possible, I will attach the document to my report or make it available upon request. When presentations or documents are available at the URL I will make a note in the text, eg. "see Presentation 1."]

After closed session of the Committee on Collective Bargaining at 9:30 a.m., the open session was called to order by Chair Bob Linscheid at 10:35 a.m.

Noted that we need to move the agenda along today since we started somewhat late and there are many items to be discussed, all of which are important.

Committee on Collective Bargaining – Open Session: Minutes of the January 22, 2013 meeting were approved as submitted.

Discussion Item:

1. Ratification of the Successor Collective Bargaining Agreement with the International Union of Operating Engineers (IUOE – Unit 10 Maritime Academy), *Action.* AVC Gail Brooks offered background on the item and encouraged approval. Noted one significant change which raises the amount of dental benefits to achieve parity with other bargaining units.

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

Public Comment:

- **Mike Geck (CSUSM, VP for Organizing CSUEU):** Thanked Chancellor White for his visits to campus, and noted that people really appreciate the opportunity to meet with him, and that they particularly like his dance moves. Asked that he continue to hold the town hall meetings. Indicated that he and others were wearing black arm bands as an indicator of the stagnation and erosion of conditions in the CSU as well as benefits for staff. Discussed the new key to key shared services initiative and expressed concern at how it might affect staff jobs. Asked that staff be included as discussions move forward both to provide their expertise and to assist staff in moving through the transition as easily as possible. Expressed importance of having staff representation on the Board.
- **Tessie Reese (SDSU, Chair of Unit 2 CSUEU):** Reiterated the importance of staff on campuses. Spoke of mental health grant and indicated that staff need training since they often are first line of defense for students who are in crisis. Expressed concern about health care reform; how it will be handled and how it will affect people. Will health centers remain operational? Asked that they remain informed.
- **John Orr (Chair, Unit 7 CSUEU):** Addressed compensation, no raises in 6-7 years, but really started 17 years ago when the CSU stopped giving step-raises and went to in-range progressions. This is not working since the way it is set up it takes 20 years for every staff member to get a raise of 3-5%. Indicated that if health care benefit costs rise, many staff members will be unable to make ends meet. As staff experience increases in workload, there is not necessarily an increase in compensation. Need to make sure that all categories of employees make enough to survive. Compensation system must be fixed.
- **Rich McGee (Chair, Unit 9, CSUEU):** CSUEU has been receiving many proposals for change that are being discussed on individual campuses when they are issues that all campuses have in common. Asked that we use synergy for meet and confer issues that are of this nature.
- **Alesandra Brewer (VP for Representation CSUEU):** Expressed hope that she can meet with the Chancellor when he comes to Sonoma State. Referenced the broken compensation system and that it needs to be fixed. More and more contracting-out is occurring. Need to address a number of issues that relate to cost and morale.
- **Andy Merryfield (Chair, Collective Bargaining Committee, CFA):** Looks forward to meeting Chancellor White at Sonoma State. Offered appreciation to the Chancellor for his commitment to fund equity increases for some

faculty. Feels encouraged that this may presage an improved relationship among the faculty, the Chancellor and the Board.

The agenda item was passed unanimously by members of the committee.

Committee on Audit: Minutes of the January 22, 2013 meeting were approved as presented.

Discussion Items:

1. Status Report on Current and Follow-up Internal Audit Assignments, *Information.* University Auditor Larry Mandel presented this item. It includes new assignments to conduct reviews of:
 - Auxiliary Organizations
 - High-risk Areas: International Programs, Sensitive Data Security, Centers and Institutes, Hazardous Materials Management, Student Health Centers, and Conflict of Interest
 - High Profile Area: Sponsored Programs – Post Awards
 - Core Financial Area: Credit Cards
 - Construction

The report also includes follow-up on past assignments. An attachment available at the URL cited in the first paragraph of this report provides more specific information on these assignments. Mandel indicated that the audits are proceeding well and that all should be completed by the end of the fiscal year.

2. Status Report on Corrective Action for the Findings in the California State University A-133 Single Audit Reports and Auxiliary Organization Audit Reports for the Fiscal Year Ended June 30, 2012, *Information.* Controller George Ashkar spoke to this item. One item related to student aid application information for Federal awards at six campuses, and the other five items related to auxiliary organizations at three campuses. He indicated that in all cases corrective action has been taken and completed.

Committee Chair Mendoza thanked and congratulated Mandel and Ashkar for the fine work in doing their job and following up on corrective needs when they arise.

Committee on Governmental Relations: Minutes of the January 22, 2013 meeting were approved as submitted.

Discussion Items:

1. 2013-2014 Legislative Report No. 1, *Action.* VC Garrett Ashley presented this item, noting that February 22 was the last day to introduce bills, which totaled 2100 (400 less than last year). Last week the Chancellor, CO staff, presidents,

faculty, staff, students and alums lobbied in Sacramento on behalf of the CSU. There will be another such lobbying effort in May advocating for the CSU budget. AVC Karen Zamarripa then discussed some specific bills as well as the change in climate with the significant turnover of legislators that occurred after the last election. Regarding these changes, there are 39 new members, but this changes regularly as there are special elections going on throughout the state. Advised that there are fewer legislators now that are CSU graduates than ever before, with a growing number coming from the UC and the private sector. This will require educating members regarding the CSU. Further noted that the super-majority in both houses will have an impact that could prove either positive or negative. Some legislative leaders will be termed out after this session and this has led to speculation. The significant changes in the legislature present both opportunities and challenges, and the CSU team in Sacramento now are being more proactive and engaging in advocacy and networking.

In terms of legislation, they are tracking many bills that do not appear in the written report included in the agenda. The legislature has until the end of April to move any bills that could have a fiscal impact, and the rest must be moved by the end of May. She provided a brief description of how the CSU advocacy team deals with each of the bills that may affect higher education. The trends in the bills that have been introduced relative to higher ed have been outlined in the agenda report, including tuition/fee freezes, veteran fee waivers, restoration of financial aid programs, and on-line learning. In the latter case, there are 12 bills that deal with this topic, four of which stand out: AB 336 and AB 387 (Levine), SB 547 (Block) and SB 520 (Steinberg). More work is needed before they will know which bills will require our greatest attention. Trustee Faigin spoke to the issue of bottleneck courses and expressed his concern regarding our current status in this regard, as well as the lack of consultation by Steinberg with educators when framing his bill. Chancellor White indicated that the CO will do better in the future in terms of reporting on this issue. SJSU President Qayumi and SDSU President Hirshman offered brief updates of the on-line efforts currently underway at their campuses, indicating that the CSU has had considerable success in this area. It was noted by several trustees that the CSU must be more assertive in getting the word out regarding the efforts that are currently underway and that have been in place for many years regarding the use of technology and on-line initiatives. Also, the diversity and complexity of our student body must be considered when looking at the efficacy of technology and on-line initiatives. It also was noted that additional dialogue would be important and valuable regarding the bills related to veteran's financial aid.

Committee on Campus Planning, Buildings and Grounds: Minutes of the January 22, 2013 meeting were approved as submitted.

Discussion Items:

1. Status Report on the 2013-2014 State Funded Capital Outlay Program, *Information.* AVC Elvyra San Juan presented this item and offered a PowerPoint (copy attached as “2013-14 Capital Outlay Status Report”). The Governor’s budget would complete the funding for four of the requested projects:

- Bakersfield – Art Center and Satellite Plant \$533,000
- Maritime Academy – Physical Ed Replacement \$1,295,000
- Fresno – Faculty Office/Lab Building \$393,000
- San José – Spartan Complex Renovation (Seismic) \$1,428,000

For the May revise, the CSU is requesting additional funding approval for the following four projects:

- Bakersfield – Seismic Upgrade, Dore Theatre \$1,784,000
- Channel Islands – West Hall \$2,258,000
- Systemwide – Infrastructure Improvements \$22,800,000
- Pomona – Administration Repl. Facility (Seismic) \$76,500,000

San Juan discussed the shifting of debt service to the CSU and that this would represent a significant change in the funding formula which potentially would have both positive and negative impacts. It will require planning on the part of the CSU in order to address the potential complications that will result from this change. It was noted by trustees and CO staff that this will be a critical issue that must be addressed with dispatch.

2. Approval of Schematic Plans, *Action.* The appropriate campus president and AVC San Juan spoke to a PowerPoint on three projects: CSU Northridge Student Housing, Phase II; SFSU Recreation and Wellness Center; and SSU Weill Commons/MasterCard Pavilion (copy attached as “Schematic Presentations”). M/S/P to approve all three projects.

Committee on Finance: Minutes of the January 22, 2013 meeting were approved as presented.

Discussion Item:

1. Report on the 2013-2014 Support Budget, *Information.* EVC Quillian provided background on this item. He noted that the CSU budget request called for an increase of \$441.8 million, but that the Governor’s budget allows for only a \$125.1 million increase. This proposal takes this reduction into consideration and offers the following:
 - Using technology to address curricular “bottlenecks:” \$10 million

- Mandatory costs: \$48.2 million (the majority of these funds would go toward employee health benefits, the rest to maintenance of newly constructed space, and energy)
- Employee compensation pool: \$38 million
- Enrollment growth: \$21.7 million (this will fund approximately 6,000 additional students, including first-time freshmen, transfer and graduate students)
- Student access and success initiatives: \$7.2 million (including reducing time to degree, closing the achievement gap, improving graduation rates, providing enhanced advising)

In addition, there was discussion of a number of cost-saving initiatives that are on-going in order to help alleviate the fiscal challenges. Access also remains a great concern, with applications far outstripping our ability to serve all those who qualify.

Public Comment:

- Carol Shubin (CSU Northridge): Dr. Shubin provided a written copy of her comments to the Board (attached as “Shubin Comments”). In brief, Dr. Shubin focused upon the issue of politics and how that has compromised the CSU’s ability to improve access and maintain quality.

There was considerable discussion as to how the \$10 million allocated for technology-related courses would be spent. It was clear that there was a breadth of opinion on this topic, and ultimately Committee Chair Hauck requested that EVCs Quillian and Smith offer a specific plan and breakdown of how this money will be allocated.

2. List of Factors for Future Considerations of Fee Changes per AB 970, *Action*. AVC Turnage indicated that this item was created in response to a provision in AB 970 which required a list of factors to be considered when discussing possible fee adjustments, with a deadline of April 2 to provide such a list. He indicated that, as required by the legislation, the list of factors was arrived at in consultation with the students, and that it essentially contains the principles that have historically been considered when fee increases are under discussion. A letter was received from the bill’s author, Paul Fong, asking that the item either be substantially amended or postponed (copy attached as “Fong Letter”) based upon his belief that the list of factors goes beyond that which is required by AB 970 and is inconsistent with its intent. The Chancellor and Chair Linscheid, after consultation, determined that the list of factors was consistent with the legislation and past practice, and was arrived at with appropriate consultation.

Scott Silvierra of CSSA confirmed that they had been consulted and approved of the list of factors currently before the Board, and further requested that the Board adopt the list of factors. M/S/P to approve this item.

3. California State University Annual Debt Report, *Information*. Committee Chair Hauck thanked AVC Ashkar for the significant savings that have been realized by the CSU through his work and that of his colleagues. Ashkar then presented a report on the Systemwide Revenue Bond (SRB) program. This program provides capital financing for revenue-generating CSU projects such as student housing, parking facilities, health centers, etc. As of December 31, 2012, the SRB debt was approximately \$3.6 billion. Taking advantage of low interest rates, bonds were refunded for a savings of \$52.7 million which will benefit 17 campuses.
4. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Student Housing Project at California State University Northridge, *Action*. AVC Ashkar presented the item which was described in detail during discussion by the Committee on Campus Planning, Buildings and Grounds. A fairly extensive handout was provided that lays out the particulars of this project. A copy can be forwarded upon request. M/S/P to approve the item.

Committee on Educational Policy: Minutes of the January 23, 2013 meeting were approved as submitted.

Discussion Items:

1. Academic Planning, *Action*. AVC Chris Mallon presented this item, including a PowerPoint (see Presentation 1). This item covered five areas of academic planning activity:
 - Program projections proposed for addition to campus academic plans and to the CSU Academic Master Plan: Campuses submitted 21 degree programs this year for Board approval
 - Reducing total units required for a bachelor's degree: 18% of CSU degree programs exceed the 120/180 unit limit, for a total of 495 programs
 - Program discontinuations: 13 program discontinuations are planned which is about average
 - Summaries of WASC accreditation activity: WASC re-accreditation confirmations have been received for Bakersfield, Dominguez Hills, Fullerton and San Luis Obispo; the 5-year WASC review has been completed for five of the seven "first wave" EdD programs, which received praise from WASC (Fresno, Fullerton, Long Beach, Sacramento, San Diego); San Bernardino and San Francisco EdD programs will be reviewed as part of the campus WASC review

- Accredited CSU degrees and programs: An attachment was provided that lists all accredited degrees and programs in the CSU

Trustee Cheyne questioned whether the number of programs identified as exceeding the 120/180 limit includes those which are exempted under Title 5. The 495 figure does include the exempted programs. M/S/P to approve the changes to the Academic Master Plan as outlined in Attachment A.

2. Update on California State University Troops to College and Veterans Affairs Efforts, *Information*. EVC Smith introduced the outgoing Special Assistant to the Chancellor for Veteran Services, Bucky Peterson, and Casey Roberts who will be replacing him. Mr. Peterson offered a PowerPoint (see Presentation 2) on the “Troops to College” initiative. He noted that the program is not about education, but about careers and creating opportunities. He offered a brief history of the program, which began in 2007 and now consists of a number of ongoing CSU initiatives. Incoming Special Assistant Roberts noted his confidence in the program and its many benefits and expressed his pleasure at taking on this assignment. In response to an inquiry from Chair Linscheid, Mr. Peterson indicated that more work still needs to be done in terms of defining the potential career paths for those who participate in the program. A number of presidents noted that they have excellent Veterans Centers at their universities which offer strong support for these individuals, and the Chancellor added his own remarks regarding the value of the program and asked that the gathering acknowledge the contributions of Bucky Peterson.
3. Proposed Addition to Title 5, California Code of Regulations, Bringing the California State University into Compliance with AB 1899, *Action*. Financial Aid Director Dean Kulju presented this item which brings the CSU into compliance with AB 1899. With this change, students who are victims of trafficking, domestic violence, and other serious crimes who have been granted T or U visa status under Title 8 shall be exempt from paying nonresident tuition if they have attended a California high school for three years and graduated. M/S/P this item.
4. Update on SB 1440: Student Transfer Achievement Reform Act, *Information*. EVC Smith introduced this item, which is an ongoing update on progress regarding the implementation of SB 1440. Senior Director Ken O’Donnell offered a PowerPoint (see Presentation 4) which highlighted the current status of this initiative. A brief background was provided in terms of the intent of the initiative. The third slide ranks the campuses in terms of how many TMCs they have approved. A new category has been added for “pending” degree programs. In addition to the number of programs being approved, they also are focusing upon the number of students being served and they currently are developing

strategies in order to assess this aspect of the initiative. O'Donnell also advised that they are continuing to promote the program on a number of radio stations. Also, proposed legislation SB 440 would assist in facilitating this process. There were numerous questions and comments related to this report. At the request of Trustee Monville, Senate Chair Guerin noted the time and cost involved and that a time/cost analysis would be valuable. Indicated that faculty have engaged seriously in this process and have been quite successful in meeting the goals of the legislation. Other trustees noted the importance of streamlining the process between the CSU and CCC and of getting the message across to the students. In response to a question from Trustee Glazer, a clarification was offered that not all community colleges have developed the approved model curricula reflected in the TMCs. For example, in the LA area there are a number of CCCs that have established programs for only a small number of the approved TMCs, and this remains a challenge for students wishing to take advantage of this program. Trustee Glazer queried as to how we might assist, and perhaps we should invite representatives from the CCCs to meet with the CSU Board to discuss this issue.

5. Recommended Amendment to Title 5 Regarding Transfer Admission, *Information*. This item was withdrawn.
6. Presentation of Apple Distinguished Program to the CalStateTEACH Program, *Information*. EVC Smith provided a brief background on this history of this program. Systemwide Director of CalStateTEACH, Sharon Russell, then presented a video which captured a moment from the beginning of the CalStateTEACH program (this video can be accessed at 02:02:19 of the Day 1, Part 2 video). Development Executive from Apple Education, Jay Matheson, complimented the CSU on this innovative program, noting that it is the only program in the CSU to be so honored and only one of three in California. Director Russell thanked those individuals who have contributed significantly to the success of this program. Mr. Matheson then presented the Apple Distinguished Program award to Chancellor White and Sharon Russell.
7. The Center for Community Engagement: Inquire. Practice. Reflect. *Information*. EVC Smith provided background on the Center for Community Engagement, then introduced its director, Judy Botelho, who offered a PowerPoint (see Presentation 7). She focused her presentation on high impact practices and the six factors that seem most important in supporting student success, that students are: directed, focused, nurtured, connected, engaged and valued. Director Botelho then introduced the Director of the Educational Participation in Communities (EPIC) program, at CSULA, and a student and alumna who have participated in this program. Each offered their unique perspectives on this program and how it has been both personally valuable and

fulfilling, as well as important to those in the community with whom they have been engaged. In response to a question from Trustee Mehas, Director Betelho indicated that each year 85,000 students contribute 1.2 million hours of service through service-learning courses and community partnerships. All told, CSU students contribute 32 million hours of community service annually with an economic impact to the state of \$697 million. In response to another question, she noted that for every \$1 invested in the program, an additional \$3 are raised through grants and other funding sources. A number of trustees offered their thanks for the contributions made by this program and those involved in it.

Committee on University and Faculty Personnel: Minutes of the January 22, 2013 meeting were approved as presented.

Discussion Item:

1. Executive Compensation, Interim General Counsel, *Action*. Chancellor White presented this item which sets the annual salary of Interim General Counsel G. Andrew Jones at \$208,000, effective April 6, 2013, with a vehicle allowance of \$1,000 per month. This salary is below that of the current General Counsel. Jones will serve in this capacity until a search occurs and a permanent replacement is hired. He currently serves as counsel at CSULB. The compensation for the permanent replacement will be based upon current market values, as well as that individual's experience and credentials. M/S/P to approve this item. Trustee Ruddell thanked General Counsel Helwick for her excellent service to the CSU.

Committee on Organization and Rules: Minutes of the May 7, 2012 meeting were approved as submitted.

Discussion Item:

1. Proposed Schedule of Board of Trustees' Meetings, 2014, *Information*. Committee Chair Toney presented the item, noting that the proposed schedule includes one meeting—November 12-13, 2014—that will occur on a Wednesday and Thursday as opposed to the usual Tuesday and Wednesday schedule.

Committee on Institutional Advancement: Minutes of the January 22, 2013 meeting were approved as submitted.

Discussion Items:

1. Measuring Advancement, *Information*. VC Garrett Ashley offered an introduction, noting that each year the chancellor and campus presidents develop annual goals and performance review recommendations. He commented upon

the loss of personnel in key advancement positions, and thanked the presidents and campuses for their exceptional efforts in fundraising during difficult times. AVC Lori Redfearn then gave a PowerPoint presentation entitled “Measuring Advancement” (see Presentation 1) which offers details on fundraising costs and performance. It costs an average of \$.16 to raise \$1 systemwide. She noted that we have fallen short of our goal for the past three years. Additional information was provided in an attachment to the agenda entitled “Campus Plans Dashboards 2012-13,” regarding performance within the three peer groups into which the 23 campuses are divided. The peer groups are determined by a number of factors related to the maturity of the program including number of full time professional fundraisers, endowment market value and the number of individual donors.

2. Council for Advancement and Support of Education Awards, *Information*. VC Ashley congratulated the 11 CSU campuses and the Chancellor’s Office who received Council for Advancement and Support of Education (CASE) Awards. Each year, CASE honors superior achievement in the field of university advancement. This year’s performance by the CSU was quite impressive. VC Ashley highlighted a number of the programs winning these awards. A complete list is available in the agenda.

Committee of the Whole: Minutes of the September 18, 2012 meeting were approved as presented.

Discussion Item:

1. General Counsel’s Report, *Information*. General Counsel Christine Helwick presented a PowerPoint summation of current cases pending in the CSU (copy attached as “General Counsel’s Report”). She noted that there currently are 68 active cases pending in the CSU, two of which have the CSU as the plaintiff. We have had under 100 cases for some time now from an all-time high of over 300 cases. During this reporting period (6 months), 67% of the cases were settled and in 33% the CSU prevailed. There were no cases in which the plaintiff was successful. A more complete listing of significant litigation is available in the agenda item. Trustee Monville thanked GC Helwick for her hard work and her success in significantly reducing the number of active cases. Trustee Glazer questioned regarding the student fee class action case, and whether any contingency plans had been made in the event the students are successful. GC Helwick indicated that in this particular case no money has been set aside in the event the CSU is unsuccessful in its defense. Chair Linscheid echoed the thanks that had been offered, after which the meeting was adjourned for the day.

PLENARY: The plenary was called to order by Chair Linscheid at 8:30 a.m. After the roll was called, the floor was opened to public comment.

Public Comment:

- Tessie Reese (Unit 2, SDSU): Stated that range elevations are the only way that staff receive raises. Urged presidents to make a commitment and put money aside so funds are available to invest in the staff.
- Rich McGee (CSUEU Chair Unit 9): Proposed a television show called “Undercover Boss, the CSU Edition” and offered scenarios which highlighted some of the difficulties that staff currently face in the system. Spoke about the lack of money for training, no in-range progressions, being denied ability to take fee-waiver classes, among others. Asked that the Board and Chancellor address this issue, and make the ending a happy rather than a tragic one.
- Alesandra Brewer (VP for Representation CSUEU): Reiterated theme that staff have had a hard time moving through the ranges for at least the past decade. Noted also that negotiated raises did not occur because of financial difficulties. Need to fix broken compensation system. We are losing the best people in the system.
- Four students from CSULB addressed the Governor’s unit cap proposal. Noted hard work of students to pass Prop 30. One student read a resolution in opposition to Governor Brown’s unit cap of 150 units, which would punish students who are struggling to graduate. Don’t wish to punish the students. Many students would be affected including those in the STEM fields and accounting. Asked that we stand together with the students to oppose the 150 unit cap proposed by Governor Brown and offered a signed copy of the resolution.
- Six students from SJSU, Sac State, and CSUN, all members of Campuses Organizing United for Good Health (COUGH), spoke in favor of a tobacco-free environment at all CSU campuses. At SJSU in a recent survey 65% of students voted in favor of a smoke-free campus. The student senate also passed a resolution in this regard. Students from Sac State acknowledged President Gonzales’ effort to make Sac State a tobacco-free campus, including the task force that was put together to address this issue. The Chancellor was thanked for his support, and the Board was encouraged to adopt a systemwide 100% tobacco-free policy, and to fund a smoking-education initiative. Fullerton was congratulated for being the first campus to become smoke-free. Urged all presidents to implement smoke-free policies on their campuses.

Chair's Report: Chair Linscheid thanked the speakers and reported the following:

- Noted that the confirmation process is moving forward for Morales, Garcia, Norton, Faigin and Eisen for their Board positions.
- Congratulated Trustee Fong on his substantial contribution (\$150,000) to the Hearst Scholarship Fund for students in the STEM fields, particularly for students from traditionally underrepresented groups.
- Spoke of a series of successful Super Sundays throughout the state with participation from Trustees, Presidents, the Chancellor and staff.
- A large team (Hill Team) from the CSU, including Trustees Farar and Glazer, went to Washington, D.C. to visit with legislators. The following day the CSU hosted a tri-state event in NYC which was very well attended.
- Regarding community service, 16 CSU campuses have been named to the National President's Higher Education Community Service Honor Roll.
- Looking forward to hearing from Rebecca Mieliwocki later this morning. She is a two-time CSU graduate, a 7th grade teacher, and last year was named the National Teacher of the Year.
- Acknowledged Trustee Glen Toney who will be leaving the Board, expressed appreciation for his service and noted that he will be missed. Trustee Toney offered a number of comments regarding his term of service on the Board, expressing his appreciation for the opportunity and how much he has learned.
- Acknowledged Trustee Ken Fong who also will be leaving the Board, and noted a number of important contributions that he has made to the CSU. Trustee Fong noted that he will continue to contribute his service to the CSU even though he will no longer be a member of the Board.

Chancellor's Report:

- Congratulated Presidents Karen Haynes and Millie Garcia for receipt of prestigious awards.
- Congratulated Presidents Millie Garcia and Les Wong for their recent investitures.
- Spoke of his campus visits and the opportunities the visits presented to meet the constituencies and understand the unique nature of each campus. Compared the CSU to a quilt that's made up of many unique and different fabrics that is stronger when put together as a whole.
- Spoke of an outstanding turnout at the Super Sunday events in February, and thanked the presidents, vice-presidents, staff and trustees who participated. Found them inspirational in being able to tell the CSU story.
- Spoke of finance issues including allocations for student access and success, employee salaries and mandatory costs. Offered specifics regarding each of the

funding areas. Believes that the budget is reasonable and responsible given our current realities.

- Presidential searches are continuing, with candidate interviews occurring in May.
- Offered a personal commendation to General Counsel Chris Helwick for her distinguished service.

Report of the Academic Senate CSU: *Chair – Diana Guerin:* Chair Guerin offered a PowerPoint which included the following:

- Thanked Chancellor White for his response to the Senate resolution regarding a smoke-free CSU. He plans to begin the process of banning tobacco products and instituting smoking-cessation programs.
- Spoke briefly to the five resolutions that had been passed by the ASCSU last week and which have been distributed to the Board.
- Described the ASCSU 50th Anniversary celebration that had occurred the previous week, discussing some of the attendees and events. Offered thanks to those who contributed and participated, including the Chancellor and Karen White.
- Discussed the environmental sustainability resolution, including commendation of those campuses that have signed commitments to sustainability initiatives.
- Described the C-ID resolution and discussed the value of the CSU becoming equal partners with the CCC in this initiative.
- Noted that the resolution related to AB 67 and SB 58 expresses opposition to these bills unless they include language regarding adequate state support for higher education.
- Spoke to the resolution requesting that a task force be created to study CSU tuition fees and financial aid support.
- Offered information regarding upcoming meetings and anticipated issues to be reviewed and discussed.

Report of the CSU Alumni Council: *President – Guy Heston:*

- Spoke of very successful alumni event earlier this month in New York City. Thanked the presidents, the Chancellor, and trustees who attended.
- Noted launch of the “Working for California” booklet which highlights the work of a number of CSU alumni who are involved in key industries.
- Introduced Rebecca Mieliwocki, a graduate of Northridge and Cal Poly SLO who was selected as the National Teacher of the Year from among the nation’s 3.2 million teachers. Teaches 7th grade at Luther Burbank School but has spent the last year traveling as an ambassador for the profession. Noted that the CSU produces over 50% of the K-12 teachers in California. Mieliwocki offered a

number of comments regarding her experiences in the CSU and as a teacher. Presidents Harrison, Armstrong, the Chancellor and Guy Heston presented her with a commendation on behalf of the Alumni Council.

Report of the CSSA: VP of University Affairs – Scott Silveira: [Several CSSA resolutions were distributed to the Board members at the meeting. Those have been attached as “CSSA Resolutions.”]

- Offered thanks to a number of individuals who supported and participated in the past two CSSA meetings.
- Social Justice and Equity Caucus has met and passed a Gender Inclusion resolution.
- Spoke of legislative bills, and noted that the CSSA is sponsoring SB 326 (Block), thanking those who assisted in putting this together. Indicated that the CSSA position on legislative bills can be found on its website.
- Currently are conducting a search for a new Student Trustee, and will be sending names to the Governor by the end of the month.
- Entered fourth year of the Made in the CSU campaign.

Approval of Minutes of Board of Trustees’ Meeting of January 23, 2013: The minutes of the January 23, 2013 meeting were approved as presented.

Board of Trustees

1. Election of Five Members to Committee on Committees for 2013-2014, *Action*. M/S/P to approve the election of the following trustees to the Committee on Committees for 2013-2014: William Hauck, Chair; Roberta Achtenberg; Debra Farar; Peter G. Mehas; Lou Monville.
2. Appointment of Members to the California State University Headquarters Building Authority, *Action*. The CSU Office of the Chancellor facility is financed and operated through an agreement with the city of Long Beach, and includes a CSU Headquarters Building Authority the consists of two members appointed by the trustees, two by the city, and one by the four members of the Authority. M/S/P to reappoint Ms. Lenore Rozner to this position. She is the former AVC for Business Planning and Information Management at the CO.
3. Appointment of Three Members to the Fullerton Arboretum Commission, *Action*. In 1976 the board and City of Fullerton created the Fullerton Arboretum Authority to which the trustees appoint three members. Fullerton President Garcia recommended the appointment of Dr. José Cruz, provost and VP for Academic Affairs; Greg Saks, VP for University Advancement; and Frank Mumford, ED of Auxiliary Services Corporation, all at CSU Fullerton. M/S/P to accept the recommendations.

4. Conferral of Title of General Counsel Emerita: Christine Helwick, *Action*. M/S/P to approve the item. Chair Linscheid and Chancellor White presented GC Helwick with a framed resolution honoring her 17 years of service to the CSU. After the Chancellor read the resolution, GC Helwick offered remarks regarding her time in the CSU and appreciation of the opportunity to serve.

Committee Reports: The reports of each committee essentially duplicated the information presented above.

The meeting was adjourned at 9:45 a.m.

Status Report on the 2013-2014 State Funded Capital Outlay Program

**Campus Planning, Buildings and Grounds Committee
Board of Trustees
March 19-20, 2013**

Capital Development 2013/14 Governor's Budget

Project	Amount
Bakersfield – Art Center and Satellite Plant	\$533,000 (E)
Maritime Academy – Physical Ed Replacement	\$1,295,000 (E)
Fresno – Faculty Office/Lab Building	\$383,000 (E)
San José – Spartan Complex Renovation (Seismic)	\$1,428,000 (E)
Total	\$3,639,000

2013/14 Capital Program Total (38 projects)

\$519,571,000

CSU May Revision Request

Project	Amount
Bakersfield- Seismic Upgrade, Dore Theater	\$1,784,000 (PWC)
Channel Islands – West Hall	\$2,258,000 (E)
Systemwide – Infrastructure Improvements	\$22,800,000 (PWC)
Pomona – Administration Repl. Facility (Seismic)	\$76,500,000 (PWC)
Total Request	\$103,342,000

- Bond proceeds available for Bakersfield and Channel Islands.
- General Obligation bond request for Infrastructure Improvements.
- Lease Revenue Bond request for Pomona.

Governor's 2013/14 Budget Bill

- CSU (and UC) pay annual debt service on General Obligation and Lease Revenue Bonds.
 - Future Support Budget funding based on 2013/14 debt service payment - \$288.6M.
- Budget Act language allow support appropriations for capital expenditures.
- Major change in the funding of capital outlay.

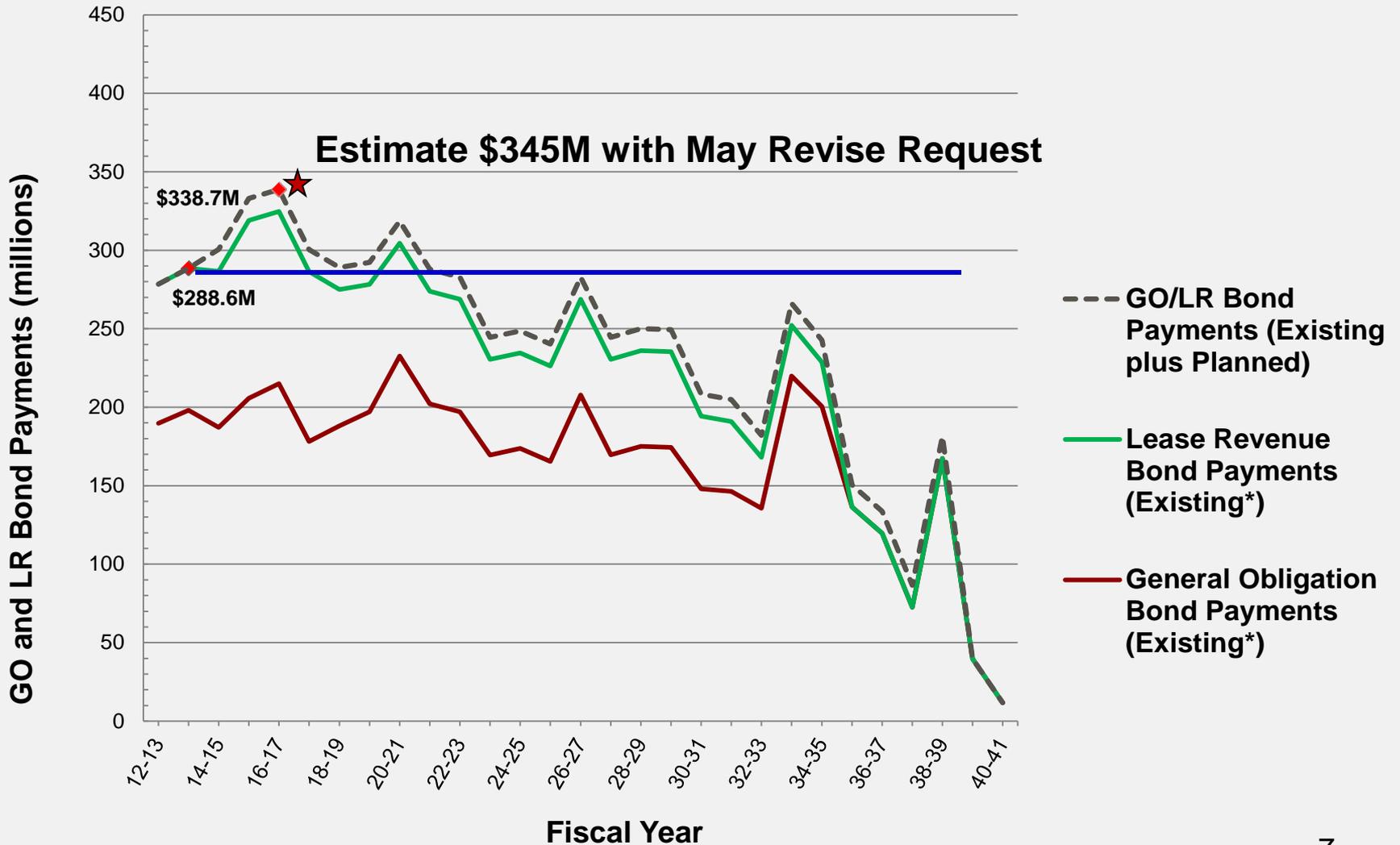
Trailer Bill for New Bond Authority

- Amends Bond Act of 1947
 - 1947 Act authorizes CSU's Systemwide Revenue Bonds.
- New capital financing program for state buildings.

Trailer Bill for New Bond Authority

- Pros
 - CSU can manage complex debt financing.
 - CSU can restructure existing State Public Works Board Lease Revenue Bond debt.
 - Provides CSU authority to reinvest in infrastructure.

Existing and Planned General Obligation and Lease Revenue Bond Debt Payments



* Pending confirmation from Department of Finance.

- Complete analysis of Budget Bill & Trailer Bill.
- Consider restructuring of lease revenue bond debt.
- Consider impact to capital planning and support budget strategy.
- Legislative hearings April 24-25 (currently).

Hernandez, Leticia

From: Shubin, Carol S <carol.shubin@csun.edu>
Sent: Sunday, March 17, 2013 9:44 PM
To: Hernandez, Leticia
Subject: RE: request to address the finance committee on 1/22/2013

Mrs. Hernandez

I request to speak before the Committee on Finance at the 3/19/2013 Board Meeting.

Comments for the Finance Committee on March 19, 2013

In the past, the governor and legislators only told K-12 not just what to do but how to do it. Now, as their push for more online instruction suggests, they want to “fix” higher education, too. A partly virtual university would not be a horror, despite what traditionalists prophesize. But it will not solve all our financial or enrollment problems. To do that requires realism, honesty, and respect.

The CSU is already one of the most effective and efficient systems in the nation. Can we improve? Yes. Can we offer online programs? Yes. In fact, the CSU has already developed many online courses – without legislation.

The enrollment problem has little to do with technology. It has everything to do with politics. The state cut funding for the CSU sharply since '09. In protest, CSU dropped enrollment. It thereby sacrificed student fees and tuition, deepening the financial hole. Indeed, even if campuses could manage to serve more students, they were “dissuaded”—made offers that they could not refuse, so to speak. More students with less state funds would send the wrong message—efficiency—to a capitol that preached but failed to respect productivity.

Online this or that will achieve little, unless Sacramento and Long Beach align their views about enrollment and funding. Also, they need to incentivize productivity. Legislating a fixed standard or means of productivity, like online, today saddles tomorrow with mediocrity.

Ironically, CSU budget tactics of lowering enrollment now haunt it. We are ordered to serve online courses that, like hamburger helper, will stretch resources to meet demand—demand that could have been served in other ways. Dialogue—before mandate—likely would show that the \$10,000,000 designated for the project would have more immediate impact if spent directly on opening more sections of bottlenecked courses.

This is not an argument for the academic freedom of the university to ignore society in order to do what it wants. It is, rather, an indictment of the posturing, meddling, whining, and gaming that pass as policy today. W. E. Deming, the great industrial thinker who helped to resurrect Japan after WW II, believed that productivity could not be imposed from the top. Wise leaders learned, with humility, how to engage employees in the constant reconstruction of the means of production.

Alas, wisdom might be hoping for too much. Let us begin then with humility and respect for one another’s competency. The CSU has a new chancellor. Surely, he deserves a chance to lead, beyond implementing heedless mandates.

Thanks, Carol Shubin

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PAUL FONG
ASSEMBLY MEMBER, TWENTY-EIGHTH DISTRICT
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COMMITTEES
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HOMELESSNESS
HUMAN RIGHTS, DIVERSITY AND
RACE RELATIONS
PRIVACY

CHAIR: ASIAN PACIFIC ISLANDER
LEGISLATIVE CAUCUS

March 18, 2013

Mr. Bob Linscheid
Chairman
California State University Board of Trustees
401 Golden Shore
Long Beach, CA 90802-4210

Mr. Timothy P. White
Chancellor
California State University
401 Golden Shore
Long Beach, CA 90802-4210

Dear Chairman Linscheid and Chancellor White:

I am writing to express my deep concern and strong opposition to the agenda item before you for action, "List of Factors for Future Considerations of Fee Changes per AB 970," on the California State University (CSU) Board of Trustees' Committee on Finance meeting agenda tomorrow. I write to ask that this item be either amended substantially or tabled for a future meeting to ensure it does not violate the intent or spirit of Assembly Bill (AB) 970 (Chapter 620, Statutes of 2012), a bill I authored and Governor Brown signed into law.

AB 970 addressed the concerns of California's working families across the state that believe student fees at our public colleges and universities have increased at a rapid pace with insufficient advance public notice, minimal consultation and little to no transparency and accountability. Taxpayers and hard working families want to know that their investment has been a wise one and that increases in student fees that may occur from time to time are both absolutely necessary and are accounted for. These principles are embodied in the new law.

While AB 970 states that "*on or before April 2, 2013, the regents and the trustees each shall develop a list of factors that shall be taken into consideration when developing recommendations to adjust mandatory systemwide fees consistent with the policies set forth in this article...*," the proposed list of factors are inconsistent with the intent of the law, and should be amended or tabled for refinement and action at a subsequent Trustees' meeting.

Unfortunately, the proposed list of factors appears to be a self-fulfilling "manifesto" on all the reasons CSU may raise student fees on students and working families. For example, while state funding support is the most common reason used to raise student fees, the proposed list of factors go well beyond that reasoning.

Several of the proposed factors use state-by-state and national comparisons for considering student fee increases. As you know, California is a model for the nation and the world in public higher education.



March 18, 2013
Mr. Bob Linscheid, Chairman
Mr. Timothy P. White, Chancellor
Page Two

Comparing California public higher education student fees to that of other universities across the nation is both misdirected and unwise. Do we really want our students to have a higher level of debt to students in other states or across the nation? Are higher student fees really good for California, its people or our economy? These state-by-state and national comparisons should not be a factor in considering student fee increases at California's public colleges and universities.

In addition, the proposed list of factors appears to suggest that the availability of financial aid is a sufficient reason to raise student fees. The availability of state and federal financial aid is designed to ensure that postsecondary education is within reach for students and families who cannot afford the total costs of a postsecondary education, not to be in inducement to raise student fees. In addition, tax credits, while important, do not cover the upfront costs of a postsecondary education. As you know, student fees are costs that students and their families must bear upfront. As such, tax credits cannot be used as a viable remedy for students and their families in paying student fees.

The last clause in the proposed list is one of the most disconcerting: "*If the state provides stable and predictable increases in funding, consideration shall be given to fee increases that are moderate, gradual, predictable and with ample notice to students.*" This statement suggests that even when the state is providing CSU with stable and predictable increases in funding, the CSU may still raise student fees. As you know, the Governor has proposed a student fee freeze with additional state support for CSU over the next several years. The referenced statement in the proposed list of factors ignores the Governor's proposal and implies that despite stable and predictable increases in state financial support, the CSU may still raise student fees.

Raising student fees should be the last possible option. Other options should be carefully evaluated and considered before increasing costs to students and their families. In this vein, I have enclosed a copy of AB 970 as signed into law in hopes it may help you reconsider the proposed list of factors. Surely, CSU can do better for Californians.

As always, I remain committed to working with you to protect California public higher education and ensure access and affordability for all Californians.

Sincerely,



PAUL FONG
Assemblymember, 28th District

Enclosure: Assembly Bill 970 (Chapter 620, Statutes of 2012)

cc: Trustees of the California State University

Assembly Bill No. 970

CHAPTER 620

An act to add Article 3.7 (commencing with Section 66028) to Chapter 2 of Part 40 of Division 5 of Title 3 of the Education Code, relating to postsecondary education.

[Approved by Governor September 27, 2012. Filed with
Secretary of State September 27, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 970, Fong. University of California and California State University: systemwide student fees.

Existing law, known as the Donahoe Higher Education Act, sets forth the missions and functions of the segments of public postsecondary education in the state. The California State University, which is governed by the Trustees of the California State University (trustees), and the University of California, which is governed by the Regents of the University of California (regents), are 2 of the segments of public postsecondary education. The provisions of the Donahoe Higher Education Act apply to the University of California only to the extent that the regents act by resolution to make them applicable.

Under existing law, the California State University and the University of California are authorized to charge fees to students attending their respective institutions.

This bill would establish the Working Families Student Fee Transparency and Accountability Act as a part of the Donahoe Higher Education Act, and would establish various policies relating to student fees and student financial aid at the University of California and the California State University.

The bill would require the regents and the trustees to comply with prescribed public notice and student consultation procedures prior to adopting an increase in mandatory systemwide fees, and would prohibit them from adopting a mandatory systemwide fee increase before specified dates, except as specified. The bill would require the regents and the trustees, by April 2, 2013, to develop a list of factors that would be required to be taken into consideration when developing recommendations to adjust mandatory systemwide fees.

The bill, commencing with the 2012–13 academic year, would require the trustees and the regents to provide annual reports on expenditures and financial aid to the Legislature, and would require the Legislative Analyst's Office to annually review and report to the Legislature its findings, conclusions, or recommendations regarding the implementation of policies implemented pursuant to the bill.

Because the provisions of the bill would be added to the Donahoe Higher Education Act, they would apply to the University of California only to the extent that the regents act by resolution to make them applicable.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The California 1960 Master Plan for Higher Education declared that a tuition-free higher education is in the best interest of the state and should be continued for all California residents.

(b) The state has long recognized the value of providing broad access to postsecondary education to the state's diverse residents and has demonstrated that commitment by investing in postsecondary education. This act seeks to continue the state's historic commitment to ensuring affordability and access and maintaining quality through the state's public universities, while recognizing the fiscal challenges that confront both the state and postsecondary education.

(c) Despite large increases in the number of high school graduates, state General Fund spending on postsecondary education has declined notably. In 2010–11, the state spent \$1.6 billion less on postsecondary education than it did 10 years earlier. According to the 2012 Public Policy Institute of California report, "Defunding Higher Education," the University of California and the California State University have responded to funding cuts by reducing course offerings and limiting enrollment, as well as increasing tuition and fees.

(d) The state's working families who have children attending the state's public colleges and universities have endured significant increases in mandatory systemwide student fees. While financial aid has alleviated some of the impact from this increase in fees, the increased cost of a college education remains of concern for working families.

(e) A report by the California Postsecondary Education Commission, published in 2011 and entitled "College Costs and Family Income: The Affordability Issue at the UC and the CSU," detailed that rising costs are making an education at California's public universities more of a financial strain for many Californians as their incomes have not kept pace with these increasing costs.

(f) Between 1990 and 2009, costs for a University of California student living on campus rose by 70 percent. Costs for a California State University student living with his or her family rose by over 80 percent. In this period, median family income in California grew by only 16 percent. With rising costs, and flat or falling incomes, the cost of supporting a student is taking an increasing percentage of the incomes of these families.

(g) In 2009, the total cost of attendance for a student living on campus at the University of California was \$27,100, an increase of 18 percent from three years earlier. Costs at the California State University increased by 23 percent, to \$20,100, during that period.

(h) Even with grants and fee waivers, the net cost of a year of attendance at a University of California or a California State University campus is one-third of annual income for a lower income family. Net costs for middle-income families are about one-quarter of annual income. As a result, students may have to work additional hours or increase their debt burden to meet college expenses.

(i) Increased costs can hinder a student's progress toward a degree, forcing students to cut their class load to work more hours, leave for semesters at a time, or drop out of school entirely.

(j) According to the "Student Expenses and Resources Survey" conducted by the Student Aid Commission during the 2006-07 academic year, approximately 74 percent of all undergraduate students in the California State University system worked for pay for an average of 24 hours per week. Fifty-one percent of these students reported working over 20 hours per week on average. In the University of California system, approximately 54 percent of all undergraduate students worked for pay for an average of 17 hours per week, and 23 percent of these students reported working over 20 hours per week on average.

(k) The Institute for College Access and Success, in its report "Student Debt and the Class of 2009," showed that average debt accumulation for California students at public universities has risen by 18 percent since 2005. In California, the average student debt for students who completed a bachelor's degree was \$17,326, and national data show that some of the lowest income students who generally have family incomes under \$50,000 are much more likely to borrow, and borrow more than their higher income peers, impacting job opportunities and choices after graduation.

(l) The Regents of the University of California have raised mandatory systemwide student fees by 68 percent since the 2007-08 academic year, and over 200 percent in the past decade. The Trustees of the California State University have raised mandatory systemwide student fees by 76 percent since the 2007-08 academic year, and over 242 percent in the past decade.

(m) The state does not have a proper accounting of the total costs of educating students at either the University of California or the California State University, or the actual uses of student fee revenues, and it is critical for the state's public colleges and universities to demonstrate transparency and accountability to the general public.

(n) The state, in partnership with the state's colleges and universities, is committed to ensuring that all financially needy students have the financial assistance necessary for them to enroll in institutions of higher education and complete their postsecondary education objectives.

(o) The principles expressed in this act seek to continue the state's historic commitment to ensuring access to the state's public universities for all Californians by ensuring sufficient notification to the general public, students, and the state's working families of any increases in student fees, proper consultation with students, and accountability and transparency with respect to student fee revenue.

(p) Changes in resident student fees or in student financial aid funding or packaging policies should take into consideration the total cost to the student of attending the university, including mandatory campus-based student fees, housing and living expenses, as well as all other expenses associated with university attendance.

(q) Any increases in mandatory systemwide fees should be accompanied by appropriate increases in funding for need-based student financial aid.

SEC. 2. Article 3.7 (commencing with Section 66028) is added to Chapter 2 of Part 40 of Division 5 of Title 3 of the Education Code, to read:

Article 3.7. Working Families Student Fee Transparency and
Accountability Act

66028. This article shall be known, and may be cited, as the Working Families Student Fee Transparency and Accountability Act.

66028.1. For purposes of this article, the following terms have the following meanings:

(a) "Consultation" or "consult" means a meeting between representatives from the University of California or the California State University and their respective statewide student association representatives in which the representatives from the institutions provide, at minimum, all the following information at least five days before the meeting:

(1) A justification for a fee increase proposal, setting forth the facts supporting the fee increase.

(2) A statement specifying the purposes for which revenue derived from a fee increase will be used.

(3) A description of the efforts to mitigate the impact of the fee increase on needy students.

(4) The potential impact to students, including, but not limited to, the changes to the minimum workload burden for all students, if applicable, institutional financial aid awards, and the average student loan debt for undergraduates.

(5) Alternative proposals that can be considered in lieu of the proposed net student fee revenue proposal.

(b) "Cost of attendance" means the mandatory systemwide fees, books and supplies, room and board, transportation, and miscellaneous personal expenses for an undergraduate California resident student, as used in determining financial aid eligibility.

(c) "Mandatory systemwide fees" means the fees that resident students enrolled in the California State University or the University of California, as applicable, are required to pay in order to enroll in courses for the academic term pursuant to any law or any policy adopted by the trustees or the regents, as applicable.

(d) "Regents" means the Regents of the University of California.

(e) "Resident" means a student who is exempt from paying nonresident tuition pursuant to Chapter 1 (commencing with Section 68000) of Part 41.

(f) "Trustees" means the Trustees of the California State University.

66028.2. The following state policies apply to student financial aid for resident students, and mandatory systemwide fees charged at the University of California and the California State University:

(a) As any changes in mandatory systemwide fees and financial aid resources are considered, the impact on students should be explained to students, including, but not limited to, changes to the minimum work or loan burden for all students, if applicable, institutional financial aid awards, and the average student loan debt for undergraduate students.

(b) Students should be consulted before increases on mandatory systemwide fees are proposed, so that students can provide input and ask questions regarding the need for any increases in mandatory systemwide fees.

(c) Adequate advance notice should be provided to students regarding any future mandatory systemwide fees, thereby allowing the students and their families greater time to prepare for the mandatory systemwide fees to be assessed.

(d) In order to ensure that access is not precluded for any eligible student, and particularly for financially needy students, all current and prospective students should be provided with timely information concerning student financial aid, including the processes associated with applying for and obtaining student financial assistance.

(e) In order for the general public to maintain confidence in the state's public colleges and universities, every effort should be made to ensure increased transparency in the uses of mandatory systemwide fee revenue and the rationale for implementing mandatory systemwide fee increases.

66028.3. (a) Ten days prior to holding a meeting to discuss or adopt an increase in mandatory systemwide fees, the University of California and the California State University shall provide public notice of the proposed mandatory systemwide fee increase as a discussion item in the public agenda for a meeting of the respective governing board. The public notice shall allow for comments to be received, both verbally and in writing, at the meeting and during the 45-day period required pursuant to subdivision (c). The public notice of the proposed mandatory systemwide fee increase shall, at a minimum, include all of the following:

(1) A justification for the fee increase proposal, setting forth the facts supporting the fee increase.

(2) A statement specifying the purposes for which revenue derived from a fee increase will be used.

(3) A description of the efforts to mitigate the impact of the fee increase on needy students.

(4) The potential impact to students, including, but not limited to, the changes to the minimum workload burden for all students, if applicable, institutional financial aid awards, and the average student loan debt for undergraduates.

(5) Alternative proposals that can be considered in lieu of the proposed net student fee revenue proposal.

(b) The University of California and the California State University shall consult with their respective statewide student associations at least 30 days prior to providing public notice of the proposed mandatory systemwide fee increase. The range of potential mandatory systemwide fees under consideration for the next fiscal year shall be discussed with appropriate student representatives at the time of consultation before public notice of the mandatory systemwide fee increase proposal.

(c) The regents and the trustees shall not act to adopt a mandatory systemwide fee increase until at least 45 days after a public meeting is held to discuss the fee. The regents and the trustees shall provide a summary of the comments received pursuant to subdivision (a) in the public notice provided before the meeting to adopt a mandatory systemwide fee increase.

(d) The regents and the trustees shall not adopt an increase in mandatory systemwide fees after the 90th day prior to the commencement of classes for the academic year. This prohibition shall not apply to an increase in mandatory systemwide fees for a summer session.

(e) (1) In cases where the Governor's proposed budget reduces General Fund appropriations from the prior annual Budget Act for the support of the operations of University of California or California State University, the Legislature enacts or authorizes reduced General Fund appropriations from the prior annual Budget Act for the support of the operations of University of California or California State University, the Legislature enacts a budget reduction for the General Fund support of the operation of the University of California or California State University in the middle of a fiscal year, or the Governor implements a budget reduction for the General Fund support of the operation of the University of California or California State University in the middle of a fiscal year, subdivisions (a), (b), (c), and (d) shall not apply.

(2) In the instances described in paragraph (1), the University of California and the California State University shall discuss with their respective statewide student associations proposals for mandatory systemwide fee increases at least seven days before posting notice of action to increase those fees. An increase in the mandatory systemwide fees at the University of California or the California State University shall not become effective until at least 30 days have elapsed after the date on which the fee increase was adopted.

(f) Following the adoption of an increase in mandatory systemwide fees in accordance with this act, the University of California and the California State University shall notify matriculated students of the mandatory systemwide fees to be assessed in the upcoming academic year or the upcoming quarter or semester. In addition, the respective institution shall simultaneously inform students about the availability of student financial aid and the procedures for obtaining that financial aid in order to assist students with meeting the increased costs of attendance.

66028.4. (a) On or before April 2, 2013, the regents and the trustees each shall develop a list of factors that shall be taken into consideration when developing recommendations to adjust mandatory systemwide fees

consistent with the policies set forth in this article. The factors shall include, at a minimum, the level of state support, total cost of attendance, impact on various categories of students, including historically underrepresented students and low- to middle-income students, as well as efforts to mitigate the impacts.

(b) The factors, and any subsequent amendments to those factors, shall be developed in consultation with the appropriate statewide student body associations and shall be formally adopted by the regents or the trustees in an open and public meeting.

(c) Nothing in this section shall be construed to exempt any increase in mandatory systemwide fees from the requirements of Section 66028.4.

66028.5. (a) The regents and the trustees are urged to maintain their commitment to institutional financial aid program funding by ensuring that at least 33 percent of the revenues of an increase to existing mandatory systemwide fees charged to resident students is set aside by the regents or the trustees, as applicable, for institutional student aid to assist students and families in meeting the total cost of education.

(b) The regents and trustees shall report their compliance with this section in their respective annual reports on institutional financial aid pursuant to Section 66021.1.

66028.6. (a) Notwithstanding Section 10231.5 of the Government Code, commencing with the 2012–13 academic year, the regents and the trustees shall annually provide the Legislature, by February 1 of each year, with detailed information regarding expenditures of revenues derived from student fees and uses of institutional financial aid, and shall provide information regarding the systemwide average total cost of attendance per student. For purposes of meeting the requirements of this section, the regents and the trustees may include this information in their respective annual report on institutional financial aid pursuant to Section 66021.1.

(b) Notwithstanding Section 10231.5 of the Government Code, commencing with the 2012–13 academic year, the Legislative Analyst's Office shall annually review, by March 1 of each year, institutional compliance with the policies set forth in this article, and report, in writing, to the Legislature its findings, conclusions, or recommendations regarding the implementation of these policies. This report shall include an assessment of the information provided by the regents and the trustees pursuant to subdivision (a).

(c) A report submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.