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Faculty Trustee Report

CSU Board of Trustees Meeting – Nov. 14-16, 2022

Hereby I respectfully submit a summary of the Board of Trustees meeting. My report is largely based on the agenda materials provided to the trustees and to the public, on my personal notes, my memory, and a partial review of the archived livestream of the meeting accessible at www.calstate.edu/csu-system/board-of-trustees/Pages/agenda.aspx.

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

The Board of Trustees met at the Chancellor's Office in Long Beach. The public was invited to comment live at the beginning of the meeting (either in person or via audio) or to submit their comments in writing.

In this report, I presume that the topics of the greatest interest to the faculty would be the latest data on the Graduation Initiative 2025 (item 6.b), the report and discussion on Academic Preparation [a 4th year of quantitative reasoning as a CSU admission requirement] (item 6.c) as well as the Reports (item 3.b) at the beginning of the meeting.

I wish you a smooth ending of the fall semester and a relaxing winter break,

Romey Sabalius

San José, CA – Nov. 30, 2022

Faculty Trustee Report

CSU Board of Trustees Meeting: November 14-16, 2022

On November 14-16, the meeting of the Board of Trustees of the California State University was held in Long Beach at the Hilton Hotel on Monday and at the Chancellor's Office on Tuesday and Wednesday.

On Monday, November 14, at 9:00 am,

the **Board of Trustees** convened in **Closed Session** on *Executive Personnel Matters*.

After interviewing the finalists for the position of President at San José State University, the Board decided to hire Cynthia Teniente-Matson, currently President of Texas A&M University-San Antonio [see also item 9.f].

On Tuesday, November 15, at 8:00 am,

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

The **Public Meeting** of the **Board of Trustees** started at 10:50 am.

3. At the beginning of the meeting of the **Board of Trustees**, Chair Fong announced the resignation of Trustee Adam Day in order to avoid a conflict of interest in his future business negotiations.

a. **Public Comment.**

More than 50 speakers provided their input in person or live via audio. Additionally, comments were submitted in writing.

A large group of students and faculty from CSU Long Beach demanded adequate funding, facilities, and staffing for the campus' School of Art. Other students from CSULB demanded a better location for the African American Resource Center, which is currently located "in the basement of the library."

Representatives for the CSUEU (Employee Union) called for salary reform as proposed in the comprehensive Staff Salary Study sponsored by the California legislature.

Surprisingly, the California Faculty Association's (CFA) presence at this meeting was not as strong as usually, and members spoke to a variety of items (no singular theme).

Members of Students for Quality Education protested some campuses' outsourcing of mental health counseling to an online provider located in Texas (Timey MD). As at previous Board meetings, many students demanded more full-time mental health counselors.

Several students from CSU Dominguez Hills raised a variety of concern about the campus' food provider (Aramark), ranging from "food that made students sick," to "discrimination against student workers," and the company's relations with the "industrial prison complex."

The trustees received a rare compliment from leaders of the Campaign for College Opportunity and The Education Trust–West for planning to abandon the proposed requirement of a 4th year of quantitative reasoning for admission to the CSU.

After a lunch break, the **Board of Trustees** received the following

b. Reports

Wenda Fong, *Chair of the Board of Trustees*

–commemorating Veterans Day– expressed her gratitude to veterans, their families, and those in the CSU that support them [see also item 6.d].

She reflected on the past year, which was an "extremely challenging period" for the CSU, which required "immediate evaluation, action, and reform" to "rebuild trust and confidence in our leadership." As one of the measures "to build the overall strategic and operational effectiveness" of the Board, Chair Fong announced the appointment of Michelle Kiss as the Associate Vice Chancellor and Chief of Staff in the Office of the Board of Trustees. In order to improve the Board's communication practices, she also pleaded "Board representation at every Statewide Academic Senate [ASCSU] meeting."

Chair Fong listed significant policy changes to institutional employment practices that the Board enacted over the past year, including the revision of retreat rights for senior executives, the practice of providing letters of recommendation, and executive transition programs [see item 9.c+d]. The Board "also hired the law firm Cozen O'Connor to conduct a comprehensive, systemwide assessment of our Title IX practices across our universities and at the Chancellor's Office."

In closing, Chair Fong thanked President Hutchinson from Chico State and President Nelson from Sacramento State, who had announced their retirement, for their dedication and service to the CSU. She announced the timelines for the multiple open searches for a Chancellor (to commence in early spring and conclude in July) and Presidents (Cal State LA in progress and to conclude in March / Chico and Sacramento to commence in early Feb. and conclude in May / Sonoma State to commence in late spring and conclude in fall 2023).

Jolene Koester, *Interim Chancellor*,

reiterated her "four priorities:" to restore trust, to improve the structures and processes within the Chancellor's Office, to lay the groundwork for the next regularly-appointed Chancellor by identifying and addressing the CSU's most critical operational and strategic challenges, and to collectively and powerfully advocate for the necessary resources to advance our mission. She acknowledged that "the Board has acted quickly and decisively to advance these priorities."

Interim Chancellor Koester announced that next year the CSU expects to be more than 25,000 full-time equivalent students or almost 7% below its funded enrollment target. “The good news is that first-time, first-year enrollment has increased to more than 65,000 students and is back to pre-pandemic numbers, but the number of new transfer students is down by almost 12,000 students from its peak in the fall of 2020.”

“A sustained decline in enrollment will result in losses of tuition and campus fees as well as negative financial impacts to campus auxiliaries, for example campus housing. [...] It is a time when we need to call upon ourselves as effective leaders and effective institutions to adopt to this set of circumstances. [...] Declining enrollment is not unique to the CSU, but rather is a national trend, and demographic changes, which were previously in motion, have been compounded geometrically by pandemic impacts.”

Interim Chancellor Koester shared that it is predicted, “that California is poised to overtake Germany to become the world’s fourth largest economy. [...] Again and again, we have heard from industry leaders that one of the primary drivers of this state’s economy is its educated and diverse workforce. [...] And just as California’s educated and diverse workforce drives the state’s economy, the CSU drives that workforce.”

Beth Steffel, *Chair of the Academic Senate CSU (ASCSU)*, reported that the ASCSU passed eleven resolutions during its November plenary. She highlighted the following three: approval of the Cal-GETC transfer pattern [a singular lower-division general education pathway in the Community Colleges for admission to both the UC and the CSU] as recommended by the Intersegmental Council of Academic Senates (ICAS); requesting an extension of WASC Senior College and University Commission (WSCUC) authorization of remote teaching to spring 2023; and the adoption of gender-inclusive language and titles in CSU records, materials, and communications.

Chair Steffel further shared that Interim Chancellor Koester, Executive Vice Chancellor for Academic and Student Affairs Sylvia Alva, and Trustees Firstenberg, Gilbert-Lurie, and Vargas participated in the ASCSU plenary and answered questions from the faculty representatives. The ASCSU also met with Acting Vice Chancellor for Human Resources Leora Freedman “to discuss the ongoing Title IX and discrimination, harassment, and retaliation assessments of the campuses and how to create space for faculty, staff, and student voices.” She further noted that the ASCSU received “a presentation from the Mercer firm on the Faculty Salary Study that is currently being conducted.”

Krishan Malhotra, *President of the California State Student Association (CSSA)*, reported that at the October plenary, CSSA passed their policy agenda with the following four priorities: “addressing the total cost of attendance, ensuring that students have access to high-quality wellness and mental health support services, ensuring the academic success and holistic educational experience of all students, and fostering inclusive engagement for students to find agency on their campus.”

President Malhotra articulated concerns that students have about access to counseling and psychological services on campuses, which are “long wait times for an appointment, limited number of sessions, not being able to receive after-hours care, and counselor diversity.” Students demand that online mental health counseling should not

supplant in-person counseling, but it can be used to expand after-hours care, increase the number of counseling sessions, provide flexibility from where to attend sessions, and it can address the diversity issue.

Jeremy Addis-Mills, *President of the Alumni Council*, reported that last week was the inaugural meeting of the Special Committee on Mentorship. It is supposed to “create strategic and meaningful engagement between students and alumni, [... which] can have a huge impact on reducing the equity gap, boosting graduation rates, and improving student and career success.” This first systemwide alumni committee is staffed with representatives from the Alumni Council, CSSA, ASCSU, Student Affairs, Career Services, Strategic Communications and Public Affairs, and Information Technology Services. President Addis-Mills assured the Board that “our over 4 million alumni want to engage with students in impactful ways and give back to the university.”

4. The Committee on Collective Bargaining – Open Session

- a. adopted as an action item in consent the *Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 6, Teamsters Local 2010.*

5. The Committee on Audit

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

“For the current year 2022-23 audit plan, assignments were made to execute individual campus audit plans and conduct financial, operational, compliance, and information technology audits; use continuous auditing techniques and data analytics tools; provide advisory services; support intergovernmental audits; and perform investigation reviews, as needed.

Follow-up on current and past assignments is being conducted on approximately 41 completed campus reviews. [...]

Assurance audits of the 23 CSU campuses and Chancellor’s Office for 2022-23 are in-progress. Twenty-one campus audits are currently in process and four audit reports have been finalized.”

Trustee Faigin assumed that completed audit reports are posted on the campuses’ websites and available to the public. Vlad Marinescu, Vice Chancellor and Chief Audit Officer, confirmed that to be the case.

6. The Committee on Educational Policy

- a. received as an information item the *Recommended Amendments to Title 5 Regarding the Doctor of Public Health.*

“Recent changes in legislation amended the California Education Code to add Education Code Section 66044 and 66044.1 which grants the California State University (CSU) the authority to offer the doctoral degree in public health, called the Doctor of Public Health (DrPH) degree effective January 1, 2023. [...]

Correspondingly, additions of the following Title 5 sections are recommended:

- **§ 40519.2. The Doctor of Public Health Degree.**

This addition will establish the DPH degree program scope and the minimum number of degree units.

- **§ 40519.3. The Doctor of Public Health Degree: Requirements.**

This addition will establish the minimum requirements for completion of the program.

- **§ 41025. Admission to Doctor of Public Health Programs.**

This addition will establish admission requirements for the degree program.

An item will be presented at the January 2023 meeting for board action to adopt the following recommended additions to Title 5.”

Trustee Sabalius pointed out that the CSU “will not receive differential funding from the state” for the higher costs to operate a doctoral program, and he wondered what the expected tuition is estimated to be. Alison Wrynn, Associate Vice Chancellor for Academic Programs, Innovations and Faculty Development, referenced the tuition at UC Berkeley of \$15,640 as a benchmark.

- b. received as an information item an update on the *Graduation Initiative 2025*.

“This information item on Graduation Initiative 2025 provides detailed information on the California State University’s systemwide graduation rate data for 2022 and the university’s ongoing efforts to address existing gaps between underserved students and their peers.”

	(2015)	(2022)	(2025)
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- the 4-Year-Graduation rate improved from 19% to 35% with a goal of 40%
- the 6-Year-Graduation rate improved from 57% to 62% with a goal of 70%

For Transfer Students

- the 2-Year-Graduation rate improved from 31% to 40% with a goal of 45%
- the 4-Year-Graduation rate improved from 73% to 80% with a goal of 85%

Equity gaps

- for Pell Grant students grew by 0.8% this year and currently stands at 11.0%
- for underrepresented minority students dropped by 0.5% and stands at 11.9%

For the first time since the inception of the Graduation Initiative 2025, the CSU reported disaggregated data for underrepresented minority (URM) students with the following results in comparison to non-URM students:

6-Year First-Time Student Graduation Rates

Black and African American	49%
Native American	51%
Latinx	57%
Pacific Islander	49%
<hr/>	
Asian	71%
White	71%

A long conversation ensued among the trustees [almost 40 minutes].

Trustee Sabalius opined that –given the massive impact of the pandemic– the mere stagnation in the CSU’s graduation rates can be considered positive, and he hopes that a COVID dip will not appear with a time-lag in future data, a concern echoed by Trustee Arambula.

Trustee Lopez agreed with Trustee Sabalius in respect to the steady graduation rates during the pandemic. Furthermore, she (as other trustees) appreciates the disaggregated data. However, she also would like to see a breakdown by gender in future reports, because there is also a gap in male graduation vs. female, especially among Pell Grant students.

The trustees as well as the Chancellor’s Office administration expressed their unwavering commitment to the closing of the equity gaps and to “not let the foot off the pedal,” but instead “we have to double down on this effort” (Trustee Steinhäuser). Sylvia Alva, Executive Vice Chancellor for Academic and Student Affairs, stated that “COVID and other societal ills are having a differential impact on our students, and we need to lean into and direct more resources to these populations.”

Trustee Sabalius remarked that the year 2025 is not that far away, and he implored system and campus leaders to “involve faculty front and center from the beginning” in the planning for the next CSU initiative, and not to present them with fully developed strategic plans.

- c. received as an information item a report on *Academic Preparation*.

Before the item was presented, Committee Chair Sabalius specified that the topic covers the plan to require a 4th year of quantitative reasoning for admission to the CSU, and that a decision on this matter will be made by the Board at its January meeting.

“Recognizing the pandemic’s disproportionately adverse impacts on California’s most underserved students and the CSU’s demonstrated progress in addressing academic preparation in new first-year students, the CSU will not pursue a Title 5 change to admission requirements and will instead invest in exploring multiple strategies that prepare students with the critical skills necessary for a full range of academic pursuits and professions. The results of this work will communicate high expectations for all students while ensuring that students and teachers have the support and resources needed to meet those expectations. The CSU has begun and will continue to engage faculty, students, campus leaders, PK-12 partners and other stakeholders in this process. Additional updates on these discussions will be presented to the board in the future.”

After a comprehensive report on that item [30 minutes] –including the presentation of data gathered by the mdrc firm– and followed by an extensive discussion [another 30 minutes], the trustees agreed that in light of the disruption by the pandemic and the potentially adverse effects on URM applicants, the CSU should not change its admission criteria, but seek to prepare (or help high schools to prepare) incoming students, and especially URM students, for the rigors of university studies. Hence, the CSU will continue to pursue the initial intention, but use different strategies to achieve it: “same goal, different path.”

- d. received as an information item the *Veterans Affairs Update*.

“Nearly 18,000 military-affiliated students attend the California State University (CSU). These students bring a diversity of life experience to their campuses, enriching the entire CSU community.

All 23 campuses have Veterans Resource Centers (VRCs) to serve military-affiliated students. These dedicated spaces allow student-veterans, servicemembers and dependents better access to a wide range of services provided to support their academic pursuits and other needs.

The last presentation to the CSU Board of Trustees on military-affiliated students was in November 2020. The purpose of this information item is to provide an overview and update of veterans’ programming in the CSU.”

Given the enormous size of the nation’s defense budget, Trustee Sabalius wondered how much the Office of Veteran Affairs contributes to the Veteran Resource Centers. The sobering answer from Marshall Thomas, Director of Veterans Affairs, was “\$15 per student per year.”

7. The Committee on Campus Planning, Buildings and Grounds

- a. approved as an action item the *Update of the Five-Year Capital Plan*.

“This item requests approval by the California State University Board of Trustees of the Five-Year Capital Plan covering the period from 2023-2024 through 2027-2028. The Five-Year Capital Plan totals over \$26.9 billion and is comprised of academic and self-support projects. The five-year total includes \$7.8 billion in Critical Facilities Renewal projects. [...]

The plan contains campus-specific sections with descriptions of each improvement project as well as a five-year summary of requested projects and previously funded projects. [...] Funding for the academic and infrastructure projects is reliant upon approval of additional base operating funds.

The Five-Year Capital Plan also identifies campus requests for Critical Facilities Renewal funding. The CSU is requesting from the state in 2023-2024 one-time funds of \$1.3 billion to address priority needs. [...]

As reported in September, nine campuses received state grant funds as a part of the HESHGP [Higher Education Student Housing Grant Program]. This approved grant funding for the CSU totals \$503 million and is being appropriated in the 2021-2022 and 2022-2023 California State Budgets as outlined in AB 190, the Higher Education Budget Trailer Bill.”

Prompted by a question from Trustee Gilbert-Lurie, Vy San Juan, Assistant Vice Chancellor for Capital Planning, Design and Construction, gave a very brief overview of how campuses can enter their construction priorities into the Five-Year Capital Plan.

- b. approved as an action item the *Gateway Hall Renovation and New Construction for CSU Channel Islands*.

“The project will provide space for Student Services including admissions, financial aid and advising, as well as faculty offices, interdisciplinary classrooms, and teaching laboratory

spaces for the Computer Sciences, Mechatronics, Mathematics, and the Extended University programs.”

The total project cost including fixtures, furniture, and moveable equipment will be \$90 million.

“The project will be funded by CSU Systemwide Revenue Bonds (\$74,992,000), campus designated capital reserves (\$8,953,000) and Extended University reserves (\$6,161,000).”

- c. approved as an action item the CSU Stanislaus Stockton Campus Acacia Replacement Phase 1 Schematic Design.

“California State University, Stanislaus proposes to design and construct a new 43,230 assignable square feet (ASF)/55,170 gross square feet (GSF) Acacia Replacement (#22) Phase 1 at its Stockton Center. The proposed new building will replace most of the functions located in the partially occupied Acacia Court building. The existing 200,000 GSF Acacia Court building was built in multiple phases beginning in the early 1900s and served as part of the Stockton Developmental Hospital until its closure in 1996. [...]

The Acacia Replacement building will be the first new university facility and create a welcoming entry for the CSU Stanislaus Stockton Center. The facility will provide learning spaces to serve modern teaching pedagogies, enhance student and faculty interaction, and provide student support space to encourage innovation and promote community engagement. The new facility will house classrooms, biology labs, applied learning labs, and computer labs.”

The total project cost including fixtures, furniture, and moveable equipment will be \$56.5 million.

“The project will be funded by 2021-2022 State Appropriation (\$54,000,000), campus designated capital reserves (\$1,200,000), CSU Systemwide Revenue Bonds (\$1,000,000), and Stockton Center Site Authority reserves (\$300,000).”

The Board of Trustees adjourned for the day at 5:15 pm. It reconvened on Wednesday, November 16 at 9:00 am.

8. The **Committee on Institutional Advancement**

- a. approved as an action item the Naming of the Singelyn Graduate School of Business at Cal Poly Pomona.

“The proposed naming of the program recognizes the leadership and generosity of David and Ruth Singelyn and their \$12.5 million commitment to support the graduate program of the College of Business Administration. Their total lifetime commitments to the university are \$14.6 million.”

- b. approved as an action item the Naming of the Ernest E. Tschannen Engineering Teaching and Research Building at CSU Sacramento.

“The proposed naming of the Engineering Replacement Building recognizes the \$10 million pledge, \$3 million of which will be donated by December 2027. The remaining \$7 million will be received upon Mr. Ernest E. Tschannen’s passing. The entire gift from Mr.

Tschannen will support the construction costs associated with the Engineering Replacement Building.”

9. **The Committee on University and Faculty Personnel**

- a. approved as an action item in consent the Annual Report on Outside Employment for Senior Management Employees.

“In accordance with the California State University (CSU) Board of Trustees policy on outside employment disclosure requirements, this item presents the outside employment activities of senior management employees that took place during the 2021 calendar year.”

None of the ten executives listed earned a significant amount through outside employment, with the exception of Jose Gomez, Provost and CEO of Cal State LA, who donated his compensation of \$45,810 earned as an Advisory Board Member for the California Casualty Indemnity Exchange.

- b. received as an information item in consent the Annual Report on Vice President Compensation, Executive Relocation, and Executive Transition.

“The chancellor is required to provide an annual report on vice presidential compensation actions, relocation costs for incoming executives, and executive transition programs.”

Vice President Compensation

There were 27 filled vacancies and 29 salary changes for existing executives.

Executive Relocation

“A relocation program is offered to newly hired individuals who are required to relocate. Relocation is approved at the time the Board approves the executive's compensation.”

Dr. Sylvia A. Alva, Executive Vice Chancellor, Academic and Student Affairs, received \$1,121.54, and Dr. Jolene Koester, Interim Chancellor, received \$6,695.56.

Executive Transition

“The current Transition II Program (RUF 11-06-06) provides a period of transition for executives who have served five years in an executive position and who separate from their executive position in order to assume previously identified CSU employment. This program is available to individuals appointed into executive positions on or after November 15, 2006.

The following individuals are currently in the program:

Dr. Mary A. Papazian – San José State University

Transition Date: December 22, 2021 – December 21, 2022

Salary: \$290,580

Activities: Preparing for retreat to the faculty when transition program ends in December 2022.

Available to the chancellor as requested.

Dr. Judy K. Sakaki – Sonoma State University

Transition Date: August 1, 2022 – July 31, 2023

Annual Salary: \$254,436 (adjustment in progress due to change in salary effective July 1, 2022)

Activities: Preparing for retreat to the faculty. Service to external organizations as follows: WASC Commissioner; ACE Board; ACE Women's Executive Council; APAHE Board; and Oak Council of the College Board. Available to the chancellor and interim president of Sonoma State as requested.

Dr. Joseph I. Castro – Chancellor's Office

Transition Date: February 18, 2022 – February 17, 2023

Annual Salary: \$401,364

Participated in the Fresno State investigation. Preparing for retreat to the faculty when transition program ends in February 2023. Completion of CSU assigned online training and observing virtually Board meetings to stay abreast of issues facing the university. Available to the board and chancellor as requested.

Dr. Timothy P. White – Chancellor's Office

Transition Date: January 5, 2021 – December 31, 2022

Annual Salary: \$327,744

Activities: Dr. White finished his work as co-chair of the National Task Force on the Transfer and Award of Credit convened by the American Council on Education, with release of the report "Reimagining Transfer for Student Success." During his second transition year, he continued with other activities in California and nationally related to public higher education on behalf of the CSU and other duties mutually agreed upon. For example, he serves as a Trustee of the Keck Graduate Institute and is a member of the National Committee of Advisors to Leon and Sylvia Panetta and the Panetta Institute for Public Policy. He accepted an invitation to deliver a President's Lecture on Leadership at the annual national meeting of the American College of Sports Medicine. He is authoring a chapter for a new book by Ed Ray entitled "A Handbook for Higher Education Leadership;" with a completion date in 2023. He presided over the retirement festivities for President Ochoa at CSU Monterey Bay. And was selected to be a 2022 co-recipient of the 2022 Clark Kerr Award from the Berkeley Division of the University of California in December. Throughout his transition assignment, Dr. White has provided perspective, thoughts and counsel to CSU presidents, chancellor, trustees and vice chancellors, and remains available as requested."

- c. approved as an action item the Executive Transition: Executive Consulting Assignment.

"At the March 2022 meeting of the CSU Board of Trustees, the trustees ceased granting executive transition rights under the Transition II policy (RUF 11-06-06) for newly hired executives until such time as the board considers recommendations of a task force and takes further action (RBOT 03-22-03).

Thereafter, at the July and September 2022 meetings, information items were presented on the findings of the task force and three options were presented for the board's consideration: a new six-month Executive Consulting Assignment (ECA); the reactivation of the Transition II policy; or elimination of any executive transition program prospectively. The trustees provided helpful input and discussion during those meetings.

At the September 2022 meeting, the first option described above, the ECA, was presented to the board. The program was favorably received and appears without substantive modifications [...].

At the September 2022 meeting, Trustee Romey Sabalius proposed that the trustees consider a revision to the proposed ECA [...].”

Trustee Sabalius had suggested that ECAs offered to Chancellors shall be approved by the entire Board, rather than only by the Chair of the Board in consultation with the Chair of the Committee on University and Faculty Personnel. He argued that generally the departure of a Chancellor is a rare event, and it would not place an undue burden on the entire Board to decide on that matter. Instead, it would be more inclusive and transparent than having the decision rest with only two trustees. A motion to that effect was voted on by committee members – the motion failed.

- d. approved as an action item the Executive Transition: Revision to Transition II Program.

“At the March 2022 meeting of the CSU Board of Trustees, the trustees ceased granting executive transition rights for newly hired executives until such time as the board considers recommendations of a task force and takes further action.

At the July and September 2022 meetings, revisions to the current Transition II program were presented for the board’s information and consideration. The amended policy is now being presented during the November meeting for board action. The amended policy [...] is identical in substance to the draft presented at the September 2022 board meeting.

The amended policy supersedes the Transition II program adopted by the board in November 2006 (RUFP 11-06-06) and clarifies the circumstances under which an executive would be ineligible to participate in the Transition II program.

It is recommended that the trustees amend the Transition II program [...] and also formally close the program effective March 22, 2022, as a result of which no executives hired on or after that date could participate in Transition II. Twenty-five (25) current executives (hired prior to March 22, 2022) would remain eligible to participate in the Transition II program provided they meet program eligibility requirements.”

- e. approved as an action item the Revision to Employment Policy Governing Administrator Employees’ Option to Retreat.

“At the July 2022 meeting of the CSU Board of Trustees, the trustees adopted the Employment Policy Governing Administrator Employees’ Option to Retreat (RUFP 07-22-10). This action item presents revisions to Paragraph V of the policy for the board’s consideration. The substantive revisions are in accord with language in the Transition II policy presented to the Board in the previous agenda item (Item 5) and address the limited circumstances under which an administrator may be placed on paid administrative leave pursuant to Section 42729 of Title 5 when a complaint or investigation is pending.”

- f. approved as an action item the Executive Compensation for the President of San José State University.

“This item recommends that Dr. Cynthia Teniente-Matson receive an annual salary of \$474,840 [10% above the salary of the incumbent] effective January 16, 2023, the date of her appointment as president of San José State University. Dr. Teniente-Matson will be

required to live in the university's presidential residence located in San José, California, as a condition of her employment as president. In accordance with existing policy of the California State University, Dr. Teniente-Matson will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- Reimbursement for reasonable actual and necessary travel and relocation expenses in accordance with university policy.

Subject to faculty consultation and approval in accordance with San José State policy, Dr. Teniente-Matson will hold an appointment with the academic rank of full professor with tenure in the Connie L. Lurie College of Education, Ed.D. Leadership Program at San José State."

- g. approved as an action item the Executive Compensation Update for the Interim President of Sonoma State University.

"The appointment and compensation for Dr. Ming-Tung 'Mike' Lee as interim president of Sonoma State University was presented and approved at the July 2022 Board of Trustees meeting (RUFPP 07-22-09). Dr. Lee's appointment was effective on August 1, 2022.

This action item presents an adjustment to the salary of the interim president, from \$324,052 to \$381,409. This is the same salary the Board of Trustees approved for the former president of Sonoma State effective July 1, 2022."

- h. approved as an action item the Executive Compensation: Triennial Performance Reviews – Equity Adjustments.

"One equity adjustment will be recommended resulting from a presidential triennial performance review conducted by the Board of Trustees in September 2022."

President of Sacramento State, Robert Nelson, will receive the following salary increases: 10% (Year 1 Equity Adjustment), 7% (Merit Increase Program), and 7% (Year 2 Equity Adjustment), which will bring his salary from \$343,763 to \$432,932.

10. The Committee on Finance

- a. received as an information item in consent the Annual Systemwide Report on Hate Incidents on Campus.

"For the year ending December 31, 2021, seven reported hate crimes will be published on the California State University and 23 campus web pages as required by California Education Code §67380(a)(5). The table below includes the number of hate incidents reported over the past three years.

Reported Hate Incidents on CSU Campuses		
<u>Year Ending December 31</u>	<u>Hate Crimes</u>	<u>Non-Criminal Hate Violence</u>
2019	5	4
2020	0	1
2021	7	0

The CSU will continue to sustain and expand efforts to prevent hate crimes and hate violence, and respond with care and compassion when incidents occur."

- b. received as an information item the *CSU Annual Investment Report*.

[Before addressing the agenda items, Steve Relyea, Executive Vice Chancellor and Chief Financial Officer, commented that despite the state's estimated budget shortfall of approximately \$7 billion, "we have an expectation that the compact between the state and the CSU will hold."]

"CSU Investments – Balances, Allocations, and Returns

June 30, 2022

	Balance	% of CSU Investments	12 Month Returns
Liquidity Portfolio (SWIFT)	\$3.575 billion	55.6%	-2.22%
Intermediate Duration Portfolio (IDP)	\$1.251 billion	19.5%	N/A
Total Return Portfolio (TRP)	\$1.374 billion	21.4%	-12.62%
<u>Surplus Money Investment Fund (SMIF)</u>	<u>\$0.228 billion</u>	<u>3.5%</u>	<u>0.35%</u>
CSU Investments	\$6.43 billion	100%"	

Robert Eaton, Assistant Vice Chancellor for Financing, Treasury, and Risk Management, explained that the reduction in 12-months returns are "unrealized losses," because the value of the securities has dropped; yet, they have not been sold, and the expectation is that they will "wash out over time."

Despite the current "market volatility," AVC Eaton is convinced that the Total Return Portfolio is "well positioned to provide long-term value to the CSU as a source of funding to address critical capital renewal."

"The purpose of the TRP is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level. [...]"

In October 2022, the IAC [Investment Advisory Committee] approved the fourth annual TRP distribution to the system of approximately \$48.8 million, bringing total TRP distributions to the system since inception to \$161.8 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with Education Code § 89726, additional moneys earned through investments in the TRP shall be used only for capital outlay or maintenance, and shall not be used for ongoing operations."

Trustee McGrory thanked former Trustee Peter Taylor for setting up the Total Return Portfolio, and he reported that state legislation has passed that will allow the CSU to invest up to 65% of its reserves in the TRP instead of the current limit of 30%.

11. The Committee on Organization and Rules

- a. received as an information item a *Progress Report on the Board of Trustees' Review*.

"The Board of Trustees has commissioned a review of board roles and practices within the university system. It is being conducted by Roberta Achtenberg, Senior Advisor to the CSU for Board Governance and Relations, and Jane Wellman, a special consultant to the board. The review was announced at the May 2022 board meeting and is expected to conclude by May 2023. At the September meeting, the consultants updated the board on their progress, discussed a rebuilt trustee orientation program, outlined plans for a

strengthened Trustee Secretariat office, and previewed the framework for a board retreat planned for November 30, 2022. This item will outline their progress since their last report and describe efforts that are underway to find an appropriate alternative model to provide financial support for students serving as members of the Board of Trustees. [...]

Student trustees are voting fiduciaries of the CSU with the same duties and responsibilities as other trustees and the shared obligation to serve the public interest of the state of California. While undertaking this trustee role, they are also balancing an additional role – that of a CSU student in good standing. Fulfilling both roles simultaneously can make it impractical to undertake additional employment to help meet expenses. The board wants student trustees to have the time and resources necessary to execute their dual responsibilities at the highest level. To maintain outstanding student trustee participation the board must ensure that financial hardship is not a barrier to student trustee service.

Currently, student trustees have their tuition fees waived for the duration of their two-year term on the board, pursuant to California's Education Code. For a full-time student, this amounts to \$5,742 for the academic year. In addition, student trustees are provided –as are other appointed trustees– a \$100 per diem to compensate them for their efforts on days they provide service to the CSU. It is clear that the tuition waiver and per diem are insufficient, in many cases, to ensure that student trustees do not endure financial hardship during their board service. Understanding this, the interim chancellor and board chair have tasked Chancellor's Office staff to form a working group to develop new models for enhanced financial support for student trustees. Their research will include interagency consultation, comparing models in place at other institutions and carefully weighing the benefits and challenges of enhanced financial support models relevant to the CSU. Additionally, they will analyze whether and how enhanced financial support may affect existing financial aid packages and programs, and potential tax consequences for the student and their family. This working group will present its findings within 60 days, and recommendations will be brought to the board at the January 2023 meeting as an information item for proposed adoption at its March 2023 meeting."

At 11:00 pm, Chair Fong called the full **Board of Trustees Meeting** to order.

Before addressing the agenda items, Chair Fong gave the new Trustee Jose Antonio Vargas an opportunity to introduce himself.

The Board of Trustees

- a. approved as an action item in consent all previously passed Committee Resolutions.

The **Public Meeting** of the **Board of Trustees** was adjourned on November 16, at 11:15 am.

---- The next regular meeting of the Board of Trustees will be on January 24-25, 2023 ----