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Faculty Trustee's Report

CSU Board of Trustees Meeting – January 29-31, 2018

Hereby I respectfully submit a summary of the Board of Trustees meeting. My report is largely based on the preparatory materials provided to the trustees, on my personal notes from the meeting, and on my memory.

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).

Since the primary audience of this report is the faculty of the statewide academic senate (ASCSU), the focus is stronger on educational policies, legislative matters, and state appropriations than on other BoT agenda items.

Romey Sabalius
Faculty Trustee

San José, CA – Feb. 14, 2018

Faculty Trustee's Report

CSU Board of Trustees Meeting: January 29-31, 2018

On January 29, the CSU Board of Trustees met in **Closed Session** in the Hilton in Long Beach to interview the finalists for the position of *President at San Diego State University*. After the interviews and subsequent deliberations, the Board of Trustees decided to appoint Adela de la Torre. The outcome of the search was covered extensively in the media and viewed very favorably.

On January 30 and 31, the CSU Board of Trustees meeting was held at the Chancellor's Office of the California State University at 401 Golden Shore in Long Beach, California.

1. The Board of Trustees' **Subcommittee on Honorary Degrees** met on Tuesday morning in **Closed Session** to discuss this year's *Nominees for Honorary Degrees*. Subsequently, also in **Closed Session**, the **Committee on Educational Policy** presented the *Honorary Degree Nominations* for approval to the entire Board.
2. The Board of Trustees (BoT) continued in **Closed Session** to discuss *Executive Personnel Matters, Pending Litigation, and Collective Bargaining*.
3. At 10:00 a.m. Chancellor White delivered the **State of the California State University** address from the plenary of the BoT meeting.
4. The **Committee on Institutional Advancement** approved the *Naming of The Ernest E. Tschannen Science Complex* (Sacramento) and the *Oppenheimer Family Riding Pavilion, Oppenheimer Family Stallion Barn and Oppenheimer Family Foaling Barn* (San Luis Obispo) to recognize a \$9 million pledge and a \$20 million gift respectively. The committee also approved the *Annual Report on Donor Support for 2016-1017*. **It was a successful year "with a record-breaking \$501 million in new gift commitments" and "more than 30 percent increases in both alumni and parent giving."**
5. The **Committee on Finance** began with *Public Comments*. Comments were received from union members (CFA and CSUEU) and from various members of Students for Quality Education (SQE). Union members lamented the gender pay-inequity in the CSU, the hiring of outside contractors when CSU employees are willing to do the work, and the underfunding of the CSU by the state. Students appreciated the postponement of a potential tuition increase and reiterated their opposition to further increases.
 - a. Cal State LA and CSU Maritime Academy received *Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments* to finance the construction of Parking Structure E (Los Angeles) and the Motel 6

Property Acquisition (Maritime Academy) to be converted to student housing costing \$65 million and \$ 8.5 million respectively.

- b. The BoT received a report on *University Operational Effectiveness Initiatives*. The CSU entered leveraging consortia agreements with the University of California and California Community Colleges to achieve unprecedented cost savings. Other initiatives were presented that resulted in significant cost savings or cost avoidance (among others in the area of information technology, library acquisitions, and “Affordable Learning Solutions to assist in reducing the cost of textbooks and other learning resources to students”). The CSU’s commitment to “sustainable procurement” was reiterated and future cost-saving initiatives were introduced (among others the expansion of cloud services and the pursuit of multi-campus opportunities).

Personal Comment: The governor and legislators should really recognize and appreciate this. Governor Brown remarked during the introduction of his budget that the CSU has “to live within their means,” and he demanded that we explore greater efficiencies and cost-savings opportunities.

- c. The *2018-2019 Operating Budget and Consideration of Expenditure and Revenue Options* were introduced as an information item. The insufficient budget allocation proposed by the governor leaves the CSU with a predicted annual deficit of \$171 million. There is broad consensus that every entity of the CSU should lobby legislators intensively for more funding. However, ultimately, this is out of the control of the CSU and—after having engaged in strong advocacy—we can only hope for the best. To close the deficit, the Chancellor’s Offices sees primarily two options: a tuition increase or a reduction of academic and non-academic programs and services.

A long and lively debate among trustees followed the presentation. It was quite apparent that a tuition increase was not regarded favorably. Trustees criticized the “false dichotomy” (Sabalius) and “wicked choices” (Simon) and one trustee commented that “by creating the rainy day fund, the governor is creating a rainy day for the CSU” (Nilon). Should a tuition increase be absolutely inevitable, a multi-year plan with gradual increases is preferred over sudden and larger increases. I spoke in support of a multi-year plan with gradual tuition steps. However, I proposed a decrease in tuition in years when the state has a budget surplus. This would shift the responsibility to the legislators to appropriately fund the CSU according to ‘their means.’

There was also broad consensus among the trustees that a structural change of funding for higher education would be welcomed, to provide us with the “ability for long-term budgeting” (Carney) and avoid “to ride this rollercoaster from boom to bust” (Kimbell).

Already before the Board convened, it was decided to postpone any decision on tuition increases until the BoT meeting in May to take expected additional allocations of the May Revise of the state budget into account.

6. The **Committee on Governmental Relations** began with a *Public Comment* by Kevin Wehr, Secretary of CFA. He proclaimed that the budget is a “moral document” and that the state’s “disinvestment has harmed and continues to harm students.” He accused the BoT of being complicit in the disinvestment because their budget request was not asking for adequate funding. According to an open letter distributed to trustees, CFA wanted to see a budget request that would fund a 5% enrollment increase.

The *State Legislative Update* presented Senate Bills and Assembly Bills that may have an impact on the CSU and outlined the CSU’s position towards these proposed bills.

The *Federal Update* summarized successes (Year-Round Pell Grants) and challenges (Tax Reform) that resulted from our lobbying efforts in Washington. The report stressed yet again the CSU’s support for the DACA program and the protection of “Dreamers.” Our advocates also support the Reauthorization of the Higher Education Act.

Chancellor White (who is an ex-officio trustee) reiterated the importance of “telling our story.” Yet, he also submitted that our “expectations must be both aspirational and realistic.” He maintained that “the visible effort is just the tip of the iceberg,” with a lot of work as the foundation below the surface. He believes in a “long-term strategy” to continuously build “respectful relationships” with legislators.

7. The **Committee on Educational Policy** began with *Comments from the Public*. Two department chairs from CSU Northridge lamented the lack of shared governance and the “disempowering of faculty” due to “vertical decision making in a corporate style.”
 - a. The committee received a report on *Enrollment Management*. “The 2017-18 California state budget act requires the CSU Board of Trustees to adopt policies, by May 15, 2018, that are designed to mitigate against the effects of impaction by: (i) requiring campuses to give priority to local CSU-eligible applicants seeking to enroll in impacted programs; and (ii) redirecting all CSU-eligible applicants to non-impacted campuses if not initially admitted.” The report proposes to “provide first priority to local applicants,” and to redirect “*all* CSU-eligible undergraduate applicants who have not been admitted to a CSU campus.” “Currently, the CSU is only required to redirect Associate Degree for Transfer (ADT) applicants as established by Senate Bill 440.” However, “in fall 2017, of the 16,577 redirected ADT applicants who were admitted, less than one percent chose to attend (112 students).” **In an attempt to make redirection more successful and to increase the acceptance rate, the report proposes to give redirected applicants the opportunity “to select their first and second choices among non-impacted campuses.”**
 - b. The next information item was a *Recommended Amendment to Title 5 Regarding Exemption from Nonresident Tuition*. The changes in the law would widen the scope of students who qualify for nonresident tuition to include learners at California adult schools and to those who have fulfilled the minimum transfer requirements at a California Community College.

- c. Lastly, the winner of *The Wang Family Excellence Awards* were announced and honored. Awards of \$20,000 each were bestowed on faculty in the categories of "Teaching," "Innovation in Student Success," "Scholarship," and "Service." In addition, one administrator was awarded the "Staff Performance Award."
8. On Wednesday, the **Committee on University and Faculty Personnel** set the *Executive Compensation* for the newly appointed president at San Diego State (\$428,645), the 18-months term president at CSU Fullerton (\$356,431), and the new Executive Vice Chancellor and General Counsel (\$340,505). In all three cases, the new appointees will receive the same salary as their predecessors.

Personal Comment: While the presidential compensation may seem high to students, faculty, and some members of the public, it should be noted that at SDSU it stands at 91% of peer salaries at comparable institutions and only at 74% at Fullerton.
9. The **Committee on Campus Planning, Buildings and Grounds** approved the *CSU Maritime Academy Master Plan Revision and Real Property Acquisition* (a Motel 6 plus parking lot to be converted to student housing), the *CSU Chico Siskiyou II Science Replacement (Seismic) Building* (updated teaching labs for the sciences and associated spaces—the building will provide a total capacity for 879 FTES for a net increase of 52 FTES), the *CSU East Bay Master Plan Revision* (measures to prepare for the construction of additional student housing and a parking structure), and the *CSU San Bernardino Master Plan Revision for the Palm Desert Off-Campus Center* (to enable the campus to accommodate 8,000 full-time equivalent students in the long-range development of the campus).
10. The **Joint Committee on Finance and Campus Planning, Buildings and Grounds** approved *Systemwide Revenue Bonds ... for the Extended Learning Building and Parking Structure Project at CSU San Marcos*.

It also received a *Summary of CSU Public-Private Partnerships*. "In total, there are presently twenty public-private or public-public partnership projects in the CSU that are in operation." Thirty more are under evaluation. "Total revenues to CSU campuses and auxiliaries generated from public-private partnerships currently in operation are approximately \$4.4 million per year."
11. The **Committee on Organization and Rules** presented the *Proposed CSU Board of Trustees' Meeting Dates for 2019* and the *Delegation of Capital Outlay Project Approval, Schematic Design Approval, and Financing Approval*, which would delegate to the chancellor the approval of such projects to a cost of up to \$40 million. "The request would reduce the number of agenda items that are transactional in nature thereby freeing up time for the Board of Trustees to consider policy issues and other matters." "Notwithstanding the authority delegated to the chancellor, any project with issues or concerns that should be brought to the attention of the board will be presented to the board for approval."

12. The **Committee on Audit** received a *Status Report on Current and Follow-up Internal Audit Assignments* by Larry Mandel, Chief Audit Officer (CO). It also approved the *Calendar Year 2018 Plan for Audits, Advisory Services, and Investigations*. It further received a *Report of the Systemwide Financial Statements and Single Audit of Federal Awards Including the Report to Management* presented by Steve Relyea, Executive Vice Chancellor and Chief Financial Officer.

13. The **Committee on Collective Bargaining** started with *Public Comments*. All of the 20 scheduled speakers were members of a union involved in prior bargaining. Due to the large number of speakers, only one minute was allotted for each comment. Some speakers pooled their time to be able to express their concern. Workers repeatedly stressed the underfunding and understaffing. It was claimed that the CSU has the same staffing level as in 2006, while today we have more students, more administrators, more square footage, and also higher tuition.

Personal Comment: The argument that continuous deferred maintenance creates not only more work and higher costs, but also security risks was especially compelling.

The Committee ratified three *Successor Collective Bargaining Agreements* (CSUEU, APC, IUOE). **To sum it up concisely, all three contracts run until June 30, 2020 and all employees receive an approximately 3% salary increase each year.**

The committee also adopted *Initial Proposals for a Successor Collective Bargaining Agreement* (SUPA).

14. At 11:15 a.m., the BoT started its **Plenary Session**.

- a. It began with a long list of *Public Speakers*. William Blischke, President of the CSU Emeritus and Retired Faculty Association (CSU-ERFA), reported on the activities of his organization. He stressed the fact that retirees provide a lot of money to the CSU. He also informed the Board that ERFA plans to include retired staff members. Several members of the CSU Employees Union criticized outsourcing and the replacement of employees. They are concerned that workers with less familiarity and experience on our campuses might not be able to adequately respond to a crisis and they warned about a potential catastrophe. Members of CFA (East Bay and LA) urged the constituents of the CSU to work together in advocating for an increase in budget allocations. Representatives of Students for Quality Education demanded protection for DACA students in accordance with Assembly Bill 21.
- b. In her *Chair's Report*, Rebecca Eisen made an emotional appeal to find a timely legal solution to replace the DACA program to end the excruciating uncertainty that so many of our students, faculty, and staff must endure.
- c. There was no *Chancellor's Report* because Timothy White had presented the State of the CSU Address on the day before.
- d. In her *Report of the Academic Senate CSU*, Chair Christine Miller reported on progress in the conversations between the Executive Committee of the Academic

Senate and the leadership of the Chancellor's Office in regards to consultation and shared governance. She also presented the senate's resolution on the "Project Rebound Program" "assisting formerly incarcerated CSU students." Lastly, she spoke about various first reading resolutions, most notably on the senate's "Call for Continued Advocacy for Adequate Funding of the California State University in Lieu of a Tuition Increase." Chair Miller closed her report by saying that "without adequate funding, excellence in education not only suffers, but is sacrificed."

- e. *CSSA President* Maggie White called for a united opposition to a tuition increase. She bemoaned that "the state has become comfortable with underfunding the CSU."
- f. The *Alumni Council President* Manolo P. Morales reported on activities of his organization, stressing its size of 3.4 million alumni with 100,000 more each year.
- g. Lastly, the BoT *Commended President Mildred García* for her dedication and leadership at CSU Fullerton, CSU Dominguez Hills, and the California State University. President García had assumed the leadership of the American Association of State Colleges and Universities earlier this year.

15. At 12:30, the BoT retreated into **Closed Session** to discuss *Executive Personnel Matters*.

The meeting was adjourned at approximately 1:45 pm.