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Faculty Trustee's Report

CSU Board of Trustees Meeting – March 19-21, 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, state appropriations, and comments from the public than on other BoT agenda items.

If you do not have enough time to digest the full 7-page report, you can just glance at the committees that interest you. Alternatively, you can read my bold highlights, which try to summarize and assess the most pertinent issues.

Romey Sabalius
Faculty Trustee

San José, CA – April 30, 2018

Faculty Trustee's Report

CSU Board of Trustees Meeting: March 19-21, 2018

On March 19, 2018, the CSU Board of Trustees met in **Closed Session** at the Hilton in Long Beach to interview the finalists for the position of *President at CSU Bakersfield* and *President at CSU Dominguez Hills*. After the interviews and subsequent deliberations, the Board of Trustees appointed Lynnette Zelezny, current Provost at Fresno State, to the presidency at Bakersfield and Thomas Parham, current Vice Chancellor for Student Affairs at UC Irvine, to the presidency at Dominguez Hills.

With this round of presidential appointments, the CSU will have a majority of female presidents for the first time in its history. 12 of our 23 campuses will be led by female presidents.

On March 20 and 21, 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** met on Tuesday morning in **Closed Session** to
 - a. finalize the list of this year's *Nominees for Honorary Degrees*
 - b. discuss *Executive Personnel Matters*
 - c. review *Pending Litigation*.
2. The **Committee on Collective Bargaining** met in **Closed Session**.
Note: The Faculty Trustee is excused from deliberations of the Collective Bargaining Committee.
3. The **Public Meeting** started on Tuesday, March 20 at 10:00. The **Committee on Finance** began with *Public Comments*. Comments were received from six union members (CFA) and from five members of Students for Quality Education (SQE). Jennifer Eagan, President of CFA, invited the trustees to "get on the [CFA] bus" to Sacramento for joint advocacy. Other CFA speakers called for a "moratorium on tuition and fees." Students also invited the trustees for joint advocacy: "come to Sacramento with us." Other speakers opposed a tuition increase in the face of housing insecurity (10%) and food insecurity (40%) among CSU students. One student reported to "work 50 hours a week to fund the dream."
 - a. The committee received the *CSU Annual Debt Report*. "As of June 30, 2017 and December 31, 2017, the outstanding SRB [System Revenue Bond] debt of the CSU was approximately \$5.8 billion and approximately \$5.7 billion respectively." About 5% to 6% of the budget is allocated to debt service.
 - b. The committee discussed the *Tuition Rate for the Doctor of Audiology Program*. The first program will start at Cal State LA in fall 2018, followed by Northridge and Sacramento in fall 2019, and San José in fall 2020. The proposed tuition rate is

\$7,371 per term. The total program cost over 4 years and 11 terms (including three summer terms) would be \$81,081. While the tuition is high by CSU standards, Trustee Kimbell opined that when “relating tuition to future salary” it is an “acceptable proposition.”

- c. The committee received the *Status of the Sustainable Financial Model Task Force Report Recommendations*. “15 of the Task Force recommendations have been implemented or are considered annually as part of the budget process. 2 recommendations are in progress. 4 recommendations warrant ongoing reconsideration.” Lieutenant Governor Newsom asked “what the next step is” and he “hope[s] that we do not lose momentum.” Trustee Taylor suggested to the chancellor to “reconvene the task force to assess where we are.” Student Trustee Reyes Salinas asserted that “CSSA should have a seat on this task force.”
- d. The committee received the *2018-2019 Operating Budget and Consideration of Expenditure and Revenue Options*. The presentation was interrupted repeatedly by loud student chants from the gallery against a tuition increase. The insufficient budget allocation proposed by the governor leaves the CSU with a deficit of \$171 million. That is \$61 million short of the increase in our obligatory expenses (salaries, benefits, etc.).

For the short term (2018-19), the Chancellor’s Office (CO) sees three **revenue options** to close the deficit: additional support from state legislators, a tuition increase, or a combination of state appropriation and tuition. For the long term (2019-20 and beyond), the CO would like to see a multi-year budget plan, an expansion of public-private partnerships (PPPs), and an increase in philanthropic donations. A multi-year tuition plan could also be an option.

The proposed **expenditure options** in the short term (2018-19) are the deferral of hiring faculty and staff, the adjustment of financial aid (Student University Grants), and to forego new operating budget investments in the Graduation Initiative, increased enrollment, and infrastructure. In the long term (2019-20 and beyond), the CO envisions adjustments to retirement and post-employment health programs, to freeze or reduce enrollment, as well as program alignment and eliminations.

A long and robust debate ensued among trustees that exceeded the allocated time on the agenda by 45 minutes. Trustees wondered to what extent enrollment cuts could be the solution to the CSU’s underfunding. They requested a more detailed report on that matter for their meeting in May. Trustee Faigin lamented that the Board was being “provided with a fairly narrow option of either cuts or tuition increases,” and he believes that it “seems reductionist” in the context of a \$7 billion operating budget. He also perceives the revenue options as too narrowly defined by just state allocation and tuition, and he called for “more imaginative alternatives” such as e.g. generating revenues through advertising on campuses. He called for “a new mindset, new ideas, and new directions.” Despite the prolonged discussion, it was clear that this topic needs to be further examined during the next meeting in May.

4. The **Committee on Educational Policy** began with *Public Comments*. Several speakers from CFA criticized EO 1100 and EO 1110 for the “lack of consultation” with the faculty and for the short time-lines for implementation. One speaker expressed concern that the CSU education will be “stripped down to the bare employability” and produce graduates that will be “unfit for civic responsibilities.”
 - a. The committee approved *Recommended Amendments to Title 5 Regarding Exemption from Nonresident Tuition*. In essence, the amendment extends the group of students eligible for in-state (resident) tuition to those who have received their education in California, but who are not technically residents. **Lieutenant Governor Newsom questioned “how many students” would be eligible for the lower resident tuition and “how big the revenue loss would be?”** Trustee Sabalius responded that **“it should not matter what the revenue loss will be, since these students are members of our community already, who have lived several years in our state among us, and therefore they should be granted resident tuition.”**
 - b. The committee approved new policies on *Enrollment Management*. The 2017-18 California state budget act requires the CSU to adopt policies that provide first priority to local applicants and to redirect all CSU-eligible undergraduate applicants, who have not been admitted to a campus of their choice due to impactation, to other non-impacted CSU campuses. Students will be given the opportunity to select their first and second choices among non-impacted campuses. Trustee Kimbell bemoaned that this was yet another “unfunded mandate.” Trustee Meléndez de Santa Ana expressed concern about “place-bound students” in areas of highly impacted CSU campuses. Trustee McGrory wondered if this policy would “lower the quality of admitted students” to “high-performing campuses?” The CO’s answer was “yes,” but that this is a “legislative mandate.”
 - c. The committee approved the *Academic Planning* proposal. In sum, 43 new degree programs were approved (13 undergraduate-level majors and 30 graduate-level programs), 19 existing programs suspended admission of new students, and 12 programs were discontinued.
 - d. The committee received a report on a *Recommended Amendment to Title 5 Regarding Doctor of Nursing Practice Degree Programs*. “Assembly Bill 422 [from 2017] ... gave the CSU permanent DNP degree-granting authority. The resulting Education Code changes eliminated four features of the 2010 legislation that temporarily authorized the CSU to award DNP degrees.” The new law eliminates the “temporary pilot status,” “the limitation to only three campuses,” and “the restriction to admitting only applicants with earned master’s degrees in nursing.”
 - e. Lastly, the committee received a report on *Academic Preparation*. The Chancellor’s Office reported on developments regarding EO 1110, which mandates the elimination of remedial courses in the CSU. Assistant Vice Chancellor and Senior Strategist James Minor reported that “collectively, campuses show progress.” A math instructor from Fullerton demonstrated that her campus is “well under way to implement EO 1110,” and she provided a presentation on their “flipped algebra” courses. The trustees were very impressed and Trustee Taylor wondered whether we “can scale up the flipped classroom to the entire system?” He also asked whether the

CO “has hired an outside firm for evaluations?” James Minor responded that “in consultation with the ASCSU,” WestEd has been charged to assess the effectiveness of the reconfigured, credit-bearing English and math classes. **Lieutenant Governor Newsom interjected that he “listened to public comment, and there was not so much enthusiasm. Why the discrepancy?”**

PERSONAL NOTE: According to my observation on campuses and based on responses to my inquiries, English departments are making significant progress towards the elimination of remedial courses. As a matter of fact, some campuses had already abandoned remedial courses prior to the issuance of EO 1110. Progress in math is considerably slower, and Fullerton is probably ahead of all other campuses. However, efforts to implement EO 1110 are under way. That said, there are some campuses that refuse to comply with EO 1110 (Northridge) and some who cooperate reluctantly and with a critical distance (East Bay). Again, these are my personal impression about the development on several campuses, but I do not know the situation on all of them.

5. The **Committee on Governmental Relations** began with *Public Comments* that expressed concern about the students’ well-being, ranging from health coverage for students to the need for more health counselors.
 - a. 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. In total, 2,293 new bills were introduced, of which the CO tracks 436 that could have an effect on higher education. The main themes of the bills cover topics such as college affordability, student well-being, and prevention of sexual harassment and assault. Obviously, the main concern for the CSU is to receive more state funding, and advocacy efforts are on-going and intensive. Trustee McGrory is “weary of unfunded legislative mandates,” and he believes that if the issues are “important to legislators, then they should fund them.”

PERSONAL NOTE: It is gratifying to see that the various internal stakeholders of the CSU advocate for more funding in Sacramento united and with one voice: the students (CSSA), the faculty (CFA), the statewide academic senate (ASCSU), the campus presidents, the Chancellor’s Office, and the trustees. On a more speculative note: I get the strong impression that our collective voice is being heard and I have high expectations for a much improved budget allocation in the May revise.

6. The **Committee on Institutional Advancement**
 - a. approved the *Naming of The Vincent E. Petrucci Viticulture Building* (Fresno). “Vincent Petrucci’s career in academia began in 1948 as Fresno’s first viticulture professor. His career continued until his passing in 2016 as emeritus faculty and research center director.” Petrucci raised over \$1.5 million for the Viticulture and Enology Research Center, and a fund in his name “stands at more than \$900,000 and yearly gifts continue to be made by alumni and friends.” Cheers!

7. The Committee on Audit

- a. received a *Status Report on Current and Follow-up Internal Audit Assignments* by Larry Mandel, Chief Audit Officer (CO). “For the 2018 year, assignments were made to develop and execute individual campus audit plans; conduct audits of Information Technology (IT), Sponsored Programs and Construction; implement continuous auditing techniques; and to provide advisory services and investigation reviews. Follow-up on current and past assignments was also being conducted on approximately 30 completed campus reviews.”

8. The Committee on Organization and Rules

- a. approved the *CSU Board of Trustees’ Meeting Dates for 2019* and
- b. the *Delegation of Capital Outlay Project Approval, Schematic Design Approval, and Financing Approval*, which authorizes the chancellor to approve such projects to a cost of up to \$40 million. The chancellor had previously received authority to approve the schematic design of projects up to \$5 million. “The [current] action was taken to reduce the number of small design projects coming forward to the trustees for approval.” “Notwithstanding the proposed increase in authority delegated to the chancellor, any project with issues or concerns will still be presented to the board of trustees for approval.”

9. The Committee on Campus Planning, Buildings and Grounds

- a. approved the *CSU Dominguez Hills Student Housing Phase 3* with a cost of \$56 million. “The existing on-campus housing was built for the 1984 Olympic Games and is apartment-style in design. The proposed project will thus be the first student housing project to be built on the campus in nearly 36 year.” It will increase the campus’ capacity by 516 beds.
- b. The committee received a report on *Progress Towards Environmental Sustainability Goals*. A 76-page booklet on “Sustainability in the California State University – The First Assessment of the 2014 Sustainability Policy” was provided to the trustees. It demonstrates impressive progress on most campuses.

10. The Committee on University and Faculty Personnel

- a. set the *Executive Compensation* for the newly appointed presidents at Bakersfield (\$313,044) and at Dominguez Hills (\$324,029). In both cases, the new appointees will receive the same salary as their predecessors. Both presidents will receive a housing allowance (\$50,000 and \$60,000 respectively) and a monthly \$1,000 auto allowance, as well as reimbursement for moving expenses.
- b. The committee also approved a *Revision of Title 5, California Code of Regulation, Section 42909, Vacation Accumulation and Carry-Over*, which “increases the maximum confidential employees’ vacation accrual from 384 hours to 440 hours for more than 10 years of qualifying service.”

11. The Committee on Collective Bargaining started with *Public Comments*. 19 speakers were scheduled, all of them union members. However, only 8 speakers addressed the

Board. They lamented the more than \$2 billion in deferred maintenance, the assumption of staff's work by management, and the outsourcing at several campuses. Again, the issue of inadequate mental health services was articulated. Another speaker reported that TAs on her campus "sleep in cars or their offices," and she criticized that the "CSU is the only system that does not provide full tuition waivers."

- a. The committee ratified the *Extension of the Collective Bargaining Agreement with Bargaining Unit 6, Teamsters 2010*. In line with previously ratified CBAs, Bargaining Unit 6 employees will receive salary increases between 3% and 3.75% for 2017 to 2019.
- b. The committee also adopted the *Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 11, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)*.

12. The Board of Trustees convened a **Committee of the Whole**.

- a. The committee appointed *Five Members to the Committee on Committees for 2018-2019*. They are trustees Nilon (Chair), Carney, Meléndez de Santa Ana, Norton, and Reyes Salinas.
- b. The committee also received the *General Counsel's Annual Litigation Report*. Currently, there are "106 active litigation files." **Among the active cases, 43% are employment issues, 29% are student related, and 12% are personal injury. The CSU record since February 2017 is impressive: 64% of the cases were settled, 25% dismissed, 11% were judged in favor of the CSU, and 0% were lost.**
- c. The committee received a report by the Public Policy Institute of California on *The Role of Higher Education in California's Future*. "The institute's report Will California Run Out of College Graduates? provides projections of the demand for and supply of workers across all levels of educational attainment to 2030. The primary finding is that California faces a shortage of highly educated workers. Specifically, economic projections to 2030 show that about two in five jobs will require at least a bachelor's degree, while demographic projections suggest only about one in three Californians will have at least a bachelor's degree. This shortfall equates to 1.1 million workers. **To close the gap, all higher education systems will need to increase access and completion.** As the state's leading provider of undergraduate education, the CSU plays the most important role. By increasing enrollments of both first-time freshmen and transfer students and by increasing graduation rates, the CSU alone could close over 40% of the shortfall."

The Graduation Initiative 2025 is seen as a good step towards degree completion. Furthermore, it is essential "to close the degree gap" and to "improve access and success among groups historically underrepresented in higher education – including low-income students, first-generation college students, Latinos and African Americans." To enable broad access it is imperative to keep the CSU affordable.

A long discussion ensued among trustees. A major concern in the conversation was the discrepancy between the state's ambitious expectations vis-à-vis the CSU on the one hand and the insufficient willingness to fully fund our

mission on the other. Trustee Sabalius remarked that “California is among the largest economies in the world. We could definitely afford free higher education for our citizens. In most European nations, higher education is free for its citizens as well as for foreign students. Even countries with smaller economies than ours provide free higher education. It is not the case that California cannot pay for it, we made a collective choice not to do so.”

13. The **Plenary Session** began with a long list of *Public Speakers*. Barry Pasternack, Vice President of the CSU Emeritus and Retired Faculty Association (CSU-ERFA), reported that 10 to 20% of ERFA’s more than 10,000 retirees are interested to help “promote the CSU and volunteer their time and effort ... we are here to help, we just need to be asked.” One speaker recalled that decades ago there were “student protests on campuses when tuition was increased from \$8 to \$11.” Other speakers stressed the point that when tuition goes up, students will have to work more, and it will take them even longer to graduate, and thereby it would run counter to the Graduation Initiative. Renée Byrd, a faculty member from Humboldt State, said that “education cannot be simply sped up like on a conveyor belt.”

The Board received reports from the

- a. Chair of the Board of Trustees, who introduced two of the three newly appointed trustees present (Fong and McGrory, Steinhäuser being absent)
- b. Chair of the Academic Senate CSU (ASCSU), Christine Miller, who presented senate resolutions passed in March and summarized pertinent senate discussions
- c. President of the California State Student Association (CSSA), Maggie White, who criticized that “our legislators ask the CSU to do more with less in good times as in bad times,” and she stressed that “we can do more with more”
- d. President of the CSU Alumni Council, Manolo P. Morales, who pointed to the success of the CSU as reflected by its 3.4 million alumni
- e. Chancellor Timothy White, who reiterated that the CSU’s strategy is to “first and foremost focus on student success – period.” He also complemented the Board of Trustees for having received the John W. Nason Award for Board Leadership by the Association of Governing Boards of University and Colleges (AGB).

To close the session, the Board approved all resolutions that were previously passed in the various committees.

14. The Board retreated into **Closed Session** to discuss *Executive Personnel Matters*.

The meeting was adjourned on Wednesday, March 21, at approximately 1:15 pm.