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Faculty Trustee's Report

CSU Board of Trustees Meeting – May 20-22, 2019

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, on my personal notes, on my memory, and on a partial review of the archived live-stream of the meeting.

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 Board agenda items.

At the time of writing this report, I am still waiting to hear from the Governor's Office whether I will be appointed to a second term or whether this will be my last report. During my first term, I managed to visit 21 campuses in an official capacity and I took part in the hiring of seven new presidents. At the end of this academic year, I attended commencement ceremonies at San Marcos, San Diego, Cal State LA, Stanislaus, San José, and San Francisco.

I wish you a productive, yet relaxing summer,

Romey Sabalius
Faculty Trustee

San José, CA – June 5, 2019

Faculty Trustee's Report

CSU Board of Trustees Meeting: May 20-22, 2019

On May 21 and 22, 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.

On May 20, prior to the Board meeting, the trustees selected two new presidents in **Closed Session**. From a diverse and highly qualified group of finalist, Tom Jackson, Jr. was chosen as president for Humboldt State and Lynn Mahoney as president for San Francisco State.

On May 21, at 8:30 am

1. The **Board of Trustees** met in **Closed Session** to discuss Executive Personnel Matters and Pending Litigation.
2. The **Committee on Collective Bargaining** met in **Closed Session**.
[Note: The Faculty Trustee cannot take part in deliberations of the Collective Bargaining Committee].

The **Public Meeting** started at 9:15 am.

3. The **Committee on Educational Policy** began with Public Comments. Ejmin Hakobian, a former student at Cal State LA, was listed as speaker to address every single committee of the Board (nine in total), and Garrick Wilhelm, a student about to graduate at San Francisco State, spoke to seven committees. They voiced their personal criticism on a wide variety of topics.
 - a. The committee received a report on Graduate Education in the CSU. Approximately 10% of CSU students are master's, credential, or doctorate students. "The CSU offers 25 distinct types of master's degrees. ... Within these 25 distinct master's degrees are 1,632 individual master's degree programs. ... The CSU has 74 sites in addition to the 23 campuses. At these 74 sites, a total of 111 master's degree programs are offered. Additionally, the CSU also offers 95 online master's programs." In 2016-2017, the CSU awarded 25% of all master's degrees in California, compared to 15% from the UC, with the remaining 60% attained at private institutions.

There are 21 active joint Ph.D. programs and two joint Ed.D. programs, and the CSU is authorized to offer four independent professional doctoral degrees (an additional Doctor of Occupational Therapy is awaiting legislative approval – AB829). The administration expects continued growth in both master's and doctorate studies. The CSU supports doctorate studies with the California Pre-Doctoral Program and the CSU Chancellor's Doctoral Incentive Program. In fall 2017, 39,836 students were enrolled in a master's program and 2,122 were enrolled in a doctoral program.

Trustee Sabalius pointed out that the possibility to earn these three degrees has not changed since the founding of western universities about 800 years ago, and he expressed his wish to see new and more flexible post-baccalaureate degree options such as credentials, certificates, micro degrees, stackable degree modules, etc. Alison Wrynn, Interim Assistant Vice Chancellor for Academic Programs and Faculty Development, responded that many CSU campuses offer some of these options through their colleges of professional and continuing education, but she agrees that more could be done to make these opportunities more visible.

Trustee McGrory was surprised to hear that –unlike the UC– the CSU needs legislative approval to offer independent professional doctorates and independent Ph.Ds, and he encouraged the pursuit to become more independent in this regard. Loren Blanchard, Executive Vice Chancellor for Academic and Student Affairs, conveyed that two CSU campuses [presumably San Diego and San José] are exploring the possibilities of offering independent Ph.Ds.

Trustee Carney wishes that more lottery funds would be funneled into the Chancellor's Doctoral Incentive Program.

- b. The committee gratefully recognized the S. D. Bechtel, Jr. Foundation's Investment in Educator Preparation. Over the past decade, the Bechtel Foundation has made grants to the CSU totaling more than \$20 million. Trustee Steinhauser, who is the superintendent of the Long Beach Unified School District, shared that in his school district alone 72,00 students and 3,600 teachers benefitted from the support of the Bechtel Foundation. He further opined that “closing the achievement gap is the greatest civil rights issue of our lifetime, ... and that we are transforming lives for generations to come.” After presenting a Board of Trustees resolution of profound appreciation to representatives of the Bechtel Foundation in attendance, Chancellor White added that “there is talent everywhere, but there is not opportunity everywhere,” and that “we are in the business of closing that gap.”
- c. The committee received a report on the CSU Institute for Palliative Care. The institute is housed at CSU San Marcos in partnership with Fresno State. “Approximately half of all Americans live with at least one chronic illness, and ... in California alone, 21.6 million individuals had at least one chronic disease in 2015.” Trustee Firstenberg remarked that she “cannot think of anything more important that we can do as a system than to support and extend this program ... and lead the nation,” because “all of us are impacted throughout our lives by moments when we really need this program.” Furthermore, she urged “every single campus to embrace this program and really make it part of the entire CSU.”

4. The Committee on Institutional Advancement

- a. approved the Naming of the Shiley CSU Institute for Palliative Care. “The proposed naming recognizes cumulative commitments of \$6 million by Mrs. Darlene Marcos Shiley and The Shiley Foundation.” “At the request of Mrs. Shiley, CSUSM will seek approval to additionally honor President Haynes in the naming following the requisite two-year period post retirement.”

- b. approved the *Naming of the Carolyn Campagna Kleefeld Contemporary Art Museum – CSU Long Beach*. “The proposed naming of the facility recognizes the \$10 million contribution by Carolyn Campagna Kleefeld to CSULB’s College of the Arts.”
- c. approved the *Lam Family College of Business – San Francisco State University*. “The proposed naming recognizes the transformative gift of \$25 million made possible by alumnus Mr. Chris Larsen, his spouse Ms. Lyna Lam, and RippleWorks.” Since the gift was made in crypto currency, Lieutenant Governor Kounalakis was curious how the value compared to dollars was assessed, what constraints there are regarding the conversion, and about the implications of validating a currency that does not belong to a nation state. It was reported that the campus already gradually liquidated about \$18 million and that the total value of the gift is expected to exceed the guaranteed minimum of \$25 million by a large margin.
- d. received a report on *Systemwide and Campus-based Communications*. “As part of the University Relations and Advancement division, the Communications department is comprised of three teams: Creative Services, Web Services and Public Affairs. These teams work closely with campus colleagues to build awareness of –and preference for– the CSU and its 23 campuses. The spectrum of work produced by the Communications department covers a broad spectrum of tactics, including printed collateral, video production, web design and content, social media posts and media relations work.”

Trustee Morales inquired to what extend these materials are also available in Spanish. They are, at request, especially in the area of outreach, where materials in 12 languages are available. There is also a Spanish option in CalStateApply, and for over 10 years the CSU has cooperated with the television station Univision to reach the Spanish speaking community.

- 5. The **Committee on Finance** began with *Public Comment*. Jennifer Eagan, President of the California Faculty Association (CFA), talked about the union’s lobbying efforts in Sacramento. She reported that both the Senate and the Assembly plan to allocate \$35 million for tenure-track hiring and an additional \$23 million for enrollment growth. She lamented that in recent years the Board increasingly talked about “shrinking the scope and mission of the system,” rather than to “build the CSU system and to defend it as the path to opening doorways to so many students’ dreams.”
 - a. The committee received the *Quarterly Investment Report* by consent. At the end of 2018, the CSU had investments in the amount of \$4.16 billion. Of that amount, 90% is placed in a Liquidity Portfolio (SWIFT), which “objective is safety of principal and liquidity.” 8.34% is invested in a Total Return Portfolio (TRP), which goal is “to achieve a prudent return within a moderate risk level.” “As of May 6, 2019, the TRP has a positive return since inception of \$23.7 million or 7.4%.” The goal is to increase the funds invested in the TRP up to 30% of the total CSU investments.
 - b. The committee approved to *Issue Trustees of the CSU Systemwide Revenue Bonds and Related Debt Instruments for Projects at San Bernardino and San Luis Obispo* by consent. San Bernardino plans a renovation and expansion of their student union (\$91.3 million) and SLO aims to build a Science and Agriculture Teaching and

Research Complex (\$125 million total cost, but with only \$37 million in proposed debt).

- c. The committee granted Conceptual Approval of a Public-Private Partnership for the Central Utility Plant Replacement Project at Fresno. A public-private partnership to build a utility plant is new for the CSU. The “developer partner team will design, engineer, procure, finance, construct, maintain, and upgrade designated components of the project over the life of the agreement.” The preliminary project cost ranges between \$130 to \$170 million, depending on the chosen developer and the specifics of the contract. “However, the bulk of the project cost will be funded through alternative financing by the developer.” In turn, the private enterprise will receive “periodic performance-based payments.” This public-private partnership will allow the campus to replace very old facilities at a faster pace.

Trustee Sabalius spoke about his astonishment when seeing the age and condition of the existing facilities (cooling tower, boiler, pumps, etc.) at a recent campus visit. He was especially appalled that the entire system runs on an old desktop computer with Windows 95 software. President Castro confirmed the dire state of the facilities as well as Trustee Kimbell’s observation that the boilers have names of cheeses on it because they were purchased second-hand from an old cheese factory.

- d. The committee received the 2019-2020 Operating Budget Update. Ryan Storm, Assistant Vice Chancellor for the Budget, summarized Governor Newsom’s May Revision. The state stands to collect \$3.2 billion more in revenues compared to the anticipated amount in January. The May Revision reiterated the Governor’s January commitment of \$300 million in recurring and \$262 million in one-time augmentations. Additionally, \$6.5 million of recurring funds are proposed for emergency student housing and \$1 million for the Project Rebound program. \$740,000 are proposed as one-time funds for foster youth student support services. The Senate Budget Proposal is even more generous with additional \$53 million in recurring funds and full funding for the Graduation Initiative 2025, a plus of \$40 million. It also would provide funds for the enrollment of 10,000 new students or approximately a 3% enrollment growth in total. The just released Assembly Budget is nearly identical. If the negotiations between the governor, the assembly speaker (both CSU trustees ex-officio), and the senate pro-tem go well, the final state allocation might almost fully fund the Board’s budget request.

Trustees had various specific questions on particular line items, and Trustee McGrory reiterated the prevailing desire of the Board and the Chancellor’s Office for a multi-year budget plan for more consistent and reliable financial planning for both the system and the campuses.

- e. The committee heard the Admission Application Fee Proposal. The Chancellor’s Office proposed to increase the fee from \$55 to \$70 per application. “The application fee was last raised from \$45 to \$55 in 1989.” Typically, college application fees across the nation range from \$50 to \$90.

A longer discussion among the trustees ensued. Despite the increase, the generated revenue still would not cover the full cost of processing the applications. The \$15 increase per application is meant to fund a) improvements in the new online

CalStateApply system, b) an increase in fee waivers from currently 46% to 50%, c) the cost of redirection, and d) an offset of current fee waiver imbalances among the campuses, which range from 23% to 71%. Nonetheless, trustee Hinton cautioned that even a \$15 increase could constitute an additional financial barrier for low-income students to access the CSU. Yet, Trustee Taylor pointed out that more students will be able to receive a fee waiver.

- f. The committee received a presentation on the CSU Financial Transparency Portal. “The new portal provides five years of actual revenue and expenses that can be viewed by year, campus, and fund.” The portal can be accessed via the CSU website (<https://www2.calstate.edu/csu-system/transparency-accountability/financial-transparency-portal>).

6. **The Committee on Campus Planning, Buildings and Grounds** began with Public Comments. Two Associate Student (ASI) representatives from San Diego State spoke in support of the Aztec Recreation Center renovation and expansion.

- a. The committee approved the San Diego State Aztec Recreation Center Expansion. However, Trustee Sabalius expressed his reluctance to approve a \$77.6 million expense for an existing recreation center when student leaders are constantly concerned about financial barriers to broad access to the CSU, the level of tuition, and the high cost of living, and while they advocate for more essential student needs, such as more mental health counselors and the mitigation of student housing and food insecurity. In that light, he was surprised that the students at San Diego voted to increase their student fees by almost \$200 and thereby nearly doubling them. Trustee Sabalius expressed his desire for greater Board oversight of the approval of student fees. His comment sparked strong statements in support of recreational facilities from Chancellor White, Chair Day, Trustee Taylor, Trustee McGrory, and Student Trustee Hinton.

7. **The Committee on Audit**

- a. received the Status Report on Current and Follow-up Internal Audit Assignments by consent. “For the 2019 year, assignments were made to develop and execute individual campus audit plans; conduct audits of Information Technology (IT), Sponsored Programs and Construction; use continuous auditing techniques; provide advisory services and investigation reviews; and continue implementation activities for the redesign of Audit and Advisory Services. Follow-up on current and past assignments was also being conducted on approximately 38 completed campus reviews.”
- b. received the Status Report on Corrective Actions for the Findings in the CSU and Auxiliary Organizations Audit Reports for the Fiscal Year Ended June 30, 2018. “The finding on census data requires a more extensive solution with both CalPERS and the State Controller’s Office coordinating with the CSU human resources team.”
- c. passed a resolution on Individual Consequences for Intentional Fiscal Improprieties at the CSU. The discussion from the March Board meeting continued at which level the campus should contact the appropriate prosecuting authorities. The fraud level

was set at \$20,000 or above. In cases below that sum, “the chancellor and campus presidents are [merely] encouraged to present the evidence to the prosecuting authority, if appropriate based on the totality of the circumstances.”

The committee approved the proposed resolution by 3 to 1 votes, with Trustee Morales dissenting because he believes that these incidents should be handled CSU internally (see also Plenary Session).

8. The **Committee on Governmental Relations** began with *Public Comments*. Rocky Sanchez and Tessy Reese, leaders of the CSU Employees Union (CSUEU), spoke in support of legislative bills AB369 (automatic 5% salary increases for staff), AB930 (no executive compensation increases in years when tuition rises) [both opposed by the Board], AB1689 (\$10 million to improve collaborations with county facilities for mental health services) [supported by the Board], and SB660 (requiring a ratio of one health counselor for every 1,500 students) [the Board’s position is pending, depending whether it will be a funded or unfunded mandate]. Furthermore, they encouraged the Board to oppose SB24 (requirement to offer abortion by medication at CSU and UC campuses) [the Board’s position is pending].
 - a. The committee received a *State Legislative Update*. Kathleen Chavira, Assistant Vice Chancellor for Advocacy and State Relations, reported that both CSU sponsored bills, AB829 (Doctor of Occupational Therapy) and SB14 (a state ballot for an \$8 billion bond for educational facilities), are moving with strong bi-cameral and bi-partisan support through the legislative process. She further reported on some of the many bills to reform financial aid.

Trustee McGrory expressed his objection to the process of AB1460, which would mandate a 3-unit Ethnic Studies course as a graduation requirement at all CSU campuses. Although the bill is sponsored by CFA, he perceives it as a violation of the Higher Education Employee Employer Relations Act (HEERA), according to which the curriculum should be developed in a shared governance process by the faculty via the academic senate in collaboration with campus and system administration. He perceives the legislators’ attempt to change the curriculum as a “violation of the integrity of the shared governance process.” Chancellor White stressed that the Board’s opposition to this bill has “nothing to do with the value and importance of Ethnic Studies in our curriculum.” Like the Academic Senate, he “objects to legislative intrusion.” “If that line does get crossed, that would be the beginning of a very difficult period for public higher education,” when we “allow the political process to dictate what the curriculum should be for our students.”

The Board adjourned its Tuesday session at approximately 4 pm.

9. The **Committee on University and Faculty Personnel** began with *Public Comments*. Rocky Sanchez, Tessy Reese, and Neil Jacklin, leaders of the CSUEU, praised the Chancellor’s Office for the expansion of the Catastrophic Leave Donation Program.
 - a. The committee approved the *Executive Compensation: President – Humboldt State*. Newly appointed president Tom Jackson, Jr. will receive an annual salary of

\$336,996, which is the same that the out-going president collects. Additionally, he will be paid an annual housing allowance of \$50,000, as well as an auto allowance of \$1,000 per month.

- b. The committee approved the Executive Compensation: President – San Francisco State. Newly appointed president Lynn Mahony, current provost at Cal State LA, will receive an annual salary of \$367,690, which is the same that the out-going president collects. Additionally, she will receive an annual housing allowance of \$60,000, as well as an auto allowance of \$1,000 per month.
- c. The committee heard the Recommended Revisions of Title 5, Catastrophic Leave Donation Program. Evelyn Nazario, Vice Chancellor for Human Resources, presented the changes to the program, which would expand the possibility to receive and to donate catastrophic leave time across campuses of the CSU. “This revision would apply to catastrophic leave for natural disasters/state of emergency only.” Currently, donation are only possible within the same campus.

10. The **Committee of the Whole** conferred

- a. a Commendation for John Nilon, out-going alumni trustee
- b. the Title of Student Trustee Emerita on Emily Hinton
- c. the Title of President Emerita on Lisa A. Rossbacher
- d. the Title of President Emeritus on Leslie E. Wong
- e. the Title of President Emerita on Karen S. Haynes

11. The **Plenary Session** began with Public Comments. William Blischke, President of the Emeritus and Retired Faculty and Staff Association (ERFSA), praised the close relationship his organization has with the Chancellor’s Office. A current goal of the organization is to register young voters and to increase participation in the census. Suzanne Till, a high school teacher, lauded the dual enrollment program and encouraged its expansion. Two faculty members and a parent urged the Board to adopt a resolution on indigenous land acknowledgement. Several members of the CSUEU addressed various concerns about the collective bargaining process. They would like an opportunity to “meet and confer,” rather than speaking briefly during the public comments period. Some members praised out-going president Wong for having raised the staff salaries at San Francisco State. [Charmaine Lawson, mother of murdered Humboldt State student Josiah Lawson, was listed as a speaker, but did not appear. She was given the opportunity by Humboldt State to walk at commencement in lieu of her dead son, which was a very emotional experience for her. Chair Day reiterated his willingness to meet with her and the attorney general].

The Board received the following Reports:

- a. The Chair of the Board of Trustees, Adam Day, pointed out that May is Mental Health Awareness Month. He talked about the stigmatization of people in need of mental health counseling, especially within the Latino community. He spoke about continuous efforts of campuses to collaborate with county mental health providers.
- b. Chancellor Tim White reported on changes in admission practices. Six campuses declared impaction for one or several academic programs (SM, CI, EB, Fullerton, SJ) and

all programs at Cal State LA. Two campuses discontinued impaction for some of their programs (SF and Sonoma). Chancellor White described impaction as an undesirable method to deal with resource-based constraints, and he hopes for adequate state funding for additional enrollment.

- c. The re-elected Chair of the Academic Senate CSU (ASCSU), Catherine Nelson, spoke about some of the many resolutions passed at the Academic Senate's May meeting. She affirmed the ASCSU's commitment to Ethnic Studies courses in the CSU, yet not via legislative mandate as proposed by AB1460. She further shared the Academic Senate's concern that systemness is increasingly curtailing campus autonomy and distinctiveness. The General Education Task Force report was addressed in two competing resolutions. One called for the rejection of the report and the other to receive the report and to outline steps forward. Both resolutions were narrowly rejected. Based on this result, the GETF report has no official status, and its future depends on the newly elected senate membership for the next academic year. In closing, Senate Chair Nelson again denounced institutional biases, as well as continuous incidents of "absolutely blatant racism, sexism, ageism, and more."
- d. Mia Kagianas, out-going President of the California State Student Association (CSSA), stressed that shared governance goes both ways. "Your voice at our table is necessary and valuable to our work, just as the students' voice is necessary to yours." She called upon the students to take responsibility and become "consequential leaders."
- e. The new President of the CSU Alumni Council, Michelle Power, reported that the council soon will appoint an interim Alumni Trustee to succeed John Nilon. She made a pitch for the Made in the CSU website, which contains hundreds of profiles of successful alumni.

To close the session, the Board approved all resolutions that were previously passed in the various committees. The resolution of the **Committee on Audit** was taken off the consent agenda by Trustee Morales and opened for discussion. After a brief debate, the Board voted for the resolution with the exception of Trustee Morales, who believes that fraud cases should be handled CSU internally. They should be reported to our insurance providers and not to prosecuting authorities.

The Plenary Session of Board of Trustees was adjourned on Wednesday, May 22, at 11:30 am.

The **Board of Trustees** met in **Closed Session** to discuss Executive Personnel Matters from 11:45-12:30.