

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

California State University
Office of the Chancellor—Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, CA 90802

Agenda January 22-23, 2019

Time*	Committee	Location ¹
<i>TUESDAY, JANUARY 22, 2019</i>		
7:30 a.m.	<u>Call to Order</u>	
7:30 a.m.	<u>Committee on Educational Policy</u> <u>Subcommittee on Honorary Degrees—Closed Session</u> Government Code §11126(c)(5)	Munitz Conference Room
8:00 a.m.	<u>Committee on Educational Policy</u> <u>and Board of Trustees—Closed Session</u> Government Code §11126(c)(5) <i>Action</i> 1. Honorary Degree Nominations and Subcommittee Recommendations	Munitz Conference Room
8:30 a.m.	<u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126(a)(1) Pending Litigation Government Code §11126(e)(1) City of Hayward v CSU, et al.	Munitz Conference Room
9:00 a.m.	<u>Committee on Collective Bargaining—Closed Session</u> Government Code §3596(d)	Munitz Conference Room
9:30 a.m.	<u>State of the California State University</u>	

¹ All committees meet in the Dumke Auditorium unless otherwise noted.

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TUESDAY, JANUARY 22, 2019 (cont.)

10:15 a.m. Committee on Institutional Advancement

Consent

- Action* 1. Approval of Minutes

Discussion

- Action* 2. Naming of Milton A. Gordon Hall – California State University, Fullerton
- Action* 3. Naming of the Ronald H. Silverman Fine Arts Gallery – California State University, Los Angeles
- Action* 4. Annual Report on Donor Support for 2017-2018

11:00 a.m. Committee on Campus Planning, Buildings and Grounds

Consent

- Action* 1. Approval of Minutes

Discussion

- Action* 2. California Polytechnic State University, San Luis Obispo—Science and Agriculture Teaching and Research Complex

11:30 a.m. Joint Committees on Finance and Campus Planning, Buildings and Grounds

Consent

- Action* 1. Approval of Minutes

Discussion

- Action* 2. Final Approval of a Public-Private Partnership Student Housing Development Project at California State University, Sacramento

12:00 p.m. Luncheon

1:00 p.m. Committee on Finance

Consent

- Action* 1. Approval of Minutes
- Action* 2. 2019-2020 Lottery Budget and Report

Discussion

- Information* 3. 2019-2020 Operating Budget Update

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TUESDAY, JANUARY 22, 2019 (cont.)

2:00 p.m. Committee on Governmental Relations

Consent

- Action* 1. Approval of Minutes
Action 2. Statement of State Legislative Principles for 2019-2020

Discussion

- Action* 3. Sponsored State Legislative Program for 2019
Action 4. Federal Agenda for 2019-2020

3:00 p.m. Committee on Educational Policy

Consent

- Action* 1. Approval of Minutes

Discussion

- Information* 2. Associate Degree for Transfer
Information 3. Student Financial Aid
Information 4. The Wang Family Excellence Awards

WEDNESDAY, JANUARY 23, 2019

8:30 a.m. Committee on University and Faculty Personnel

Consent

- Action* 1. Approval of Minutes

Discussion

- Information* 2. Recommended Revisions of Title 5, California Code of Regulations,
Article 4.2, Catastrophic Leave Donation Program

9:00 a.m. Committee on Audit

Consent

- Action* 1. Approval of Minutes

Discussion

- Information* 2. Status Report on Current and Follow-up Internal Audit Assignments
Action 3. Calendar Year 2019 Audit Plan

9:30 a.m. Committee on Organization and Rules

Consent

- Action* 1. Approval of Minutes
Information 2. Proposed California State University Board of Trustees Meeting Dates
for 2020

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9:45 a.m. Board of Trustees

Call to Order

Roll Call

Public Speakers

Chair's Report

Report of the Academic Senate CSU: *Chair—Catherine Nelson*

Report of the California State Student Association: *President—Mia Kagianas*

Report of the California State University Alumni Council: *President—Manolo P. Morales*

Consent

Action 1. Approval of the Minutes of the Board of Trustees Meeting of November 14, 2018

Action 2. Approval of Committee Resolutions as follows:

Committee on Institutional Advancement

2. Naming of Milton A. Gordon Hall – California State University, Fullerton
3. Naming of the Ronald H. Silverman Fine Arts Gallery – California State University, Los Angeles
4. Annual Report on Donor Support for 2017-2018

Committee Campus Planning, Buildings and Grounds

2. California Polytechnic State University, San Luis Obispo—Science and Agriculture Teaching and Research Complex

Joint Committees on Finance and Campus Planning, Buildings and Grounds

2. Final Approval of a Public-Private Partnership Student Housing Development Project at California State University, Sacramento

Committee on Finance

2. 2019-2020 Lottery Budget and Report

Committee on Governmental Relations

2. Statement of State Legislative Principles for 2019-2020
3. Sponsored State Legislative Program for 2019
4. Federal Agenda for 2019-2020

11:00 a.m. Board of Trustees—Closed Session

Executive Personnel Matters

Government Code §11126(a)(1)

Munitz Conference Room

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Addressing the Board of Trustees

Members of the public are welcome to address the Board of Trustees. Every committee provides an opportunity for members of the public to directly address the committee on each agenda item before or during the committee's discussion or consideration of the item. Comments made at committee meetings must relate to an item on the committee's agenda. Members of the public may also address the full Board of Trustees during the plenary session on any non-agendized topic that is related to the University. The public may also address the full board on agenda items, but only if an opportunity to address the agenda item was not provided when it came before the relevant committee, or if the agenda item has substantially changed since the committee heard the item. Written comments are also welcome and will be distributed to the members of the board. The purpose of public comments is to provide information to the board, and not to evoke an exchange with board members. Questions that board members may have resulting from public comments will be referred to appropriate staff for response.

Members of the public wishing to speak must provide written or electronic notice to the Trustee Secretariat no later than **two working days before the committee or board meeting** at which they desire to speak. The notice should identify the agenda item the speaker wishes to address, or if the speaker wishes to address the full Board in the plenary session, the notice should state the subject of the intended presentation.

In fairness to all speakers who wish to speak, and to allow the committees and Board to hear from as many speakers as possible, while at the same time conducting the public business of their meetings within the time available, the committee or board chair will determine and announce reasonable restrictions upon the time for each speaker, and may ask multiple speakers on the same topic to limit their presentations. In most instances, speakers will be limited to no more than three minutes. Ceding, pooling or yielding remaining time to other speakers is not permitted. The totality of time allotted for public comment at the board meeting will be 30 minutes, and speakers will be scheduled for appropriate time in accord with the numbers that sign up. Speakers are requested to make the best use of the public comment opportunity and to follow the rules established.

Note: Anyone wishing to address the Board of Trustees, who needs any special accommodation, should contact the Trustee Secretariat at least 48 hours in advance of the meeting so appropriate arrangements can be made.

Trustee Secretariat
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802
Phone: 562-951-4020
Fax: 562-951-4949
E-mail: trusteesecretariat@calstate.edu

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AGENDA

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Meeting: 10:15 a.m., Tuesday, January 22, 2019
Glenn S. Dumke Auditorium

Jean P. Firstenberg, Chair
Rebecca D. Eisen, Vice Chair
Debra S. Farar
Wenda Fong
Jack McGrory
Hugo N. Morales
J. Lawrence Norton
Romey Sabalius

- Consent** 1. Approval of Minutes of the Meeting of November 13, 2018, *Action*
- Discussion** 2. Naming of Milton A. Gordon Hall – California State University, Fullerton, *Action*
3. Naming of the Ronald H. Silverman Fine Arts Gallery – California State University, Los Angeles, *Action*
4. Annual Report on Donor Support for 2017-2018, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON INSTITUTIONAL ADVANCEMENT
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

November 13, 2018

Members Present

Jean P. Firstenberg, Chair
Rebecca D. Eisen, Vice Chair
Debra S. Farar
Wenda Fong
Jack McGrory
Hugo N. Morales
J. Lawrence Norton
Romey Sabalius
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Firstenberg called the meeting to order.

Approval of Minutes

The minutes of September 11, 2018, were approved as submitted.

Naming of Don Miller and Ron Simons Rose Float Laboratory – California State Polytechnic University, Pomona

Mr. Garrett Ashley, vice chancellor for university relations and advancement, reported that the proposed naming recognizes the \$1 million irrevocable pledge by Butch and Vivien Lindley to support building costs for the Rose Float Laboratory replacement facility, which will be 5,800 gross square feet to house an enclosed float construction laboratory, staging and testing spaces, a workshop, storage and restrooms.

The Lindleys requested that the naming be in honor of Don Miller and Ron Simons, who were instrumental in Cal Poly Universities' 70-year Tournament of Roses legacy.

Mr. and Mrs. Lindley were present, and Cal Poly Pomona President Soraya M. Coley and Chancellor Timothy P. White thanked them for their generosity and leadership to the university.

The committee recommended approval by the board of the proposed resolution (RIA 11-18-05) that the Rose Float Facility Replacement Laboratory Building at California State Polytechnic University, Pomona, be named the Don Miller and Ron Simons Rose Float Laboratory.

Naming of the JUSTIN and J. LOHR Center for Wine and Viticulture – California Polytechnic State University, San Luis Obispo

Mr. Ashley and Cal Poly San Luis Obispo President Jeffrey D. Armstrong reported that the proposed naming recognizes the \$2.5 million irrevocable pledge by the Resnick Foundation and the \$1 million gift and \$1.5 million irrevocable pledge by Jerry Lohr. The funds will be used to fund the new wine and viticulture center, which will provide a 15,600 square foot winery; a 12,000 square foot grange hall; crush, fermentation, barrel, sensory, bottling, enology and viticulture rooms; teaching and research labs; a bonded winery; offices; and community and industry meeting spaces.

The committee recommended approval by the board of the proposed resolution (RIA 11-18-06) that the newly constructed agricultural facilities at California Polytechnic State University, San Luis Obispo be named as the JUSTIN and J. LOHR Center for Wine and Viticulture.

Trustee Firstenberg adjourned the meeting.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Naming of Milton A. Gordon Hall – California State University, Fullerton

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Fram Virjee
President
California State University, Fullerton

Summary

This item will consider naming University Hall at California State University, Fullerton as the Milton A. Gordon Hall.

This proposal, submitted by Cal State Fullerton, meets the criteria and other conditions specified in the Board of Trustees Policy on Naming California State University Facilities and Properties, including approval by the system review panel and the campus academic senate.

Background

The proposed naming recognizes the donation of two Rohnert Park, CA properties to endow the Milton A. Gordon and Margaret F. Gordon Endowed Scholarship at Cal State Fullerton. The appraised value of the properties is \$1,056,500. Dr. Margaret F. Gordon and the campus have entered into a formal gift agreement for the irrevocable transfer of the properties on or before March 31, 2019.

The proposed naming recognizes the significant contributions and personal service of Dr. Milton A. Gordon to higher education in general, the California State University, and Cal State Fullerton specifically. Dr. Gordon served as provost and vice president for Academic Affairs at Sonoma State University and as the fourth president of Cal State Fullerton. His 21-year tenure as president of Cal State Fullerton was marked by the transformative growth of a flagship institution in the CSU. University Hall was the first major construction project completed during President Gordon's tenure during which he subsequently lead a dramatic expansion of university facilities.

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Recommended Action

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that University Hall at California State University, Fullerton be named as the Milton A. Gordon Hall.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Naming of the Ronald H. Silverman Fine Arts Gallery – California State University, Los Angeles

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

William A. Covino
President
California State University, Los Angeles

Summary

This item will consider naming the Fine Arts Gallery at California State University, Los Angeles as the Ronald H. Silverman Fine Arts Gallery.

This proposal, submitted by Cal State LA, meets the criteria and other conditions specified in the Board of Trustees Policy on Naming California State University Facilities and Properties, including approval by the system review panel and the campus academic senate.

Background

The proposed naming recognizes the \$1 million irrevocable pledge by Cal State LA alumni Jeff Silverman ('77) and Amelia Perez-Silverman ('76) in honor of Mr. Silverman's late father, Ron Silverman ('55). This twenty-year Charitable Lead Annuity Trust will result in \$1.39 million and will be used to establish an endowment for the Fine Arts Gallery as well as the Jeffrey and Amelia Silverman Endowed Distinguished Lecture series.

Ron Silverman was alumnus and faculty emeritus of Art at Cal State LA. He was a member of the university faculty from 1955 to 1988, and was a recipient of the Outstanding Professor Award in 1977. Throughout his career, he authored and edited books on art education. He established the Ronald Silverman Endowed Scholarship Fund, which continues to provide financial support to art education students at Cal State LA. Ron passed away in October 2017.

Jeff Silverman is corporate vice president for Technical Operations at Celgene Americas. Jeff is a second-generation Cal State LA alumnus with a bachelor of science in biochemistry in 1977, and was honored as the 2010 Distinguished Alumnus of College of Natural and Social Sciences.

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He received his MBA from Claremont Graduate University. He and his wife, Amelia Perez-Silverman, are passionate about Cal State LA's Minority Biomedical Research Support – Research Initiative for Scientific Enhancement (MBRS-RISE) that falls under the umbrella of the Minority Opportunities in Research Program (MORE). Jeff currently serves on the Advisory Board of Cal State LA's LA BioSpace.

Recommended Action

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Fine Arts Gallery at California State University, Los Angeles be named as the Ronald H. Silverman Fine Arts Gallery.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Annual Report on Donor Support for 2017-2018

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Lori A. Redfearn
Assistant Vice Chancellor
Systemwide Advancement

Summary

This item presents information on donor support to the California State University from July 1, 2017 to June 30, 2018. Section 89720 of the Education Code requires that an annual gift report be submitted to the California Joint Legislative Budget Committee and the California Department of Finance.

A full report is available at <http://www.calstate.edu/philanthropic>.

Overview

With \$482 million in new gift commitments (gifts received and pledges), 2017-2018 was another very good fundraising year for the California State University. Sixteen campuses and the Chancellor's Office had increases in giving. An additional 9,000 donors made gifts compared to the prior year.

Gifts Received

Donors are passionate about making a difference and see themselves in the enduring legacy of campus life and success of our students. Their generosity resulted in \$309 million in new gifts and pledge payments received for 2017-2018. Of that total, less than 3% or \$8 million was unrestricted.

Endowments grew by \$61 million in new contributions, which will provide support in perpetuity. More than half of endowment gifts are designated to scholarships.

For long-term capital projects, campuses received \$22 million for major facility construction and renovation.

Donor designated support for current operations of \$206 million included:

- \$78 million for faculty support and academic enrichment
- \$42 million for public service programs
- \$26 million for student scholarships
- \$17 million for athletics
- \$6 million for equipment and facility improvements
- \$37 million for additional university priorities

Donors committed an additional \$12 million in irrevocable deferred gifts.

Performance Benchmarking

Gift receipts are the national standard used the Council for Advancement and Support of Education to compare fundraising results across universities. National peer groups are based on classification groups developed by the Carnegie Commission on Higher Education.

Among public master's institutions across the nation, CSU campuses in the top twenty for fundraising include: San Luis Obispo (second), Long Beach (fifth), San José (sixth), Sacramento (15th) and Northridge (18th). San Diego State ranked fifth among high research activity (R2) public doctoral institutions. Fresno State, CSU Fullerton and San Francisco State ranked third, seventh and eighth respectively among public doctoral institutions with moderate research activity (R3). CSU Maritime Academy ranked second among maritime academies.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Annual Report on Donor Support for 2017-2018 be adopted for submission to the California Joint Legislative Budget Committee and the California Department of Finance.

AGENDA

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: **11:00 a.m., Tuesday, January 22, 2019**
Glenn S. Dumke Auditorium

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Jane W. Carney
Wenda Fong
John Nilon
Christopher Steinhauser
Peter J. Taylor

- Consent** 1. Approval of Minutes of the Meeting of November 13, 2018, *Action*
- Discussion** 2. California Polytechnic State University, San Luis Obispo—Science and Agriculture
Teaching and Research Complex, *Action*

**MINUTES OF THE MEETING OF THE
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

November 13, 2018

Members Present

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Jane W. Carney
Wenda Fong
John Nilon
Christopher Steinhauser
Peter J. Taylor
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Rebecca D. Eisen called the meeting to order.

Public Speakers

Public comments were made relating to the construction of parking on the California State University, Los Angeles campus and potential use of instructional funds for deferred maintenance purposes.

Consent Agenda

The minutes of the September 11, 2018 meeting of the Committee on Campus Planning, Buildings and Grounds were approved as submitted.

Sale of the State University House

The Board of Trustees was informed of the intent to sale to the CSU's state university house and use proceeds from the sale to provide the chancellor with a monthly living allowance. This decision was made in light of the projected maintenance costs of the property over the next ten years. Proceeds of the sale will be deposited into the existing housing endowment.

California State Polytechnic University Pomona, Transfer of Real Property

An update on Cal Poly Pomona's acquisition of the Lanterman Development Center was provided. As part of the agreement with the state, the campus agreed to accommodate space needs for the California Highway Patrol (CHP). The campus and CHP have come to an agreement on the location, and details were presented.

Humboldt State University, Acceptance of Interest in Real Property

Information about an intended joint transaction between the City of Arcata and Humboldt State University for the acceptance and purchase of significant forest land from a private owner was presented.

Following the presentation, Trustee Eisen expressed support of the public-public partnership and the benefits to Humboldt State's academic program.

Trustee Eisen adjourned the meeting.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

California Polytechnic State University, San Luis Obispo—Science and Agriculture Teaching and Research Complex

Presentation By

Steve Relyea
Executive Vice Chancellor and Chief Financial Officer

Jeffrey D. Armstrong
President
California Polytechnic State University, San Luis Obispo

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This agenda item requests the following actions by the California State University Board of Trustees with regard to the California Polytechnic State University, San Luis Obispo Science and Agriculture Teaching and Research Complex:

- Adopt the Final Initial Study/Mitigated Negative Declaration dated January 2019
- Approve Schematic Plans

Science and Agriculture Teaching and Research Complex

Project Architect: ZGF Architects

CM at Risk Contractor: Gilbane

Background and Scope

California Polytechnic State University, San Luis Obispo (Cal Poly) proposes to design and construct the Science and Agriculture Teaching and Research Complex (#181) to provide general-purpose classrooms, student research laboratories, collaboration space, and faculty offices to foster interdisciplinary teaching and research between the College of Science and Math, the College of Agriculture, Food and Environmental Sciences, and the College of Liberal Arts in support of Cal Poly's 'learn by doing' philosophy. The four-story building (71,000 assignable square feet (ASF)/102,900 gross square feet (GSF)) will be located along North Poly View Drive between Erhart Agriculture (#10), English (#22), Science North (#53), and the Warren J. Baker Center for Science and Mathematics (#180).

The project will be comprised of two adjacent buildings: the westerly building, Building A, will consist of 87,900 GSF. The easterly building, Building B, will consist of 15,000 GSF. Building A will house classrooms, research laboratories, faculty offices, a computer lab, and project space organized around a main atrium. The classrooms will be designed to be flexible and serve multiple lecture types. Building B will provide additional research laboratory space. The two-building design approach will allow the project to be constructed in phases if the total project funding is not available at the start of construction.

Through the presence of each of three colleges within the building, cross-major collaboration will invigorate student learning. Many of the labs will be dedicated to undergraduate research, a use that is currently underserved by existing facilities. Two unique spaces that will be located in this facility for the College of Agriculture, Food and Environmental Sciences are the Culinary Lab Suite and Sensory Laboratory. In these spaces, students will get hands-on experience researching the taste and sensory effects of different food production processes.

The new building will be a combination of concrete and steel structural framing and include a basement in Building A to accommodate the sloped site. The exterior envelope will be constructed to provide good thermal performance while allowing for ample daylighting by combining masonry and glazing systems. A series of angled fins will act as external shading devices around windows.

As part of the scope of this project, the existing Plant Conservatory and Vivarium greenhouses (#53A) located on the eastern side of the site will be relocated to the north and west side of Village Drive, respectively.

This project is aiming to achieve Leadership in Energy and Environmental Design (LEED) Platinum, and currently set to achieve LEED Gold certification. To reduce the energy demands, the building has been designed with an optimized energy performance system, providing reduced energy costs for the campus. Energy conservation measures include an optimized building envelope, natural ventilation in offices and atrium, lighting reductions, daylighting, and active chilled beams to supply ventilation to the labs. The building is also expected to promote responsible stewardship of water resources with its inclusion of low-flow restroom fixtures.

This project will include landscape enhancements surrounding the site with improved pedestrian connections to other buildings. As part of this project, several subterranean utility lines underneath the proposed building footprint will be relocated.

Timing (Estimated)

Preliminary Plans Completed	February 2019
Working Drawings Completed	May 2019
Construction Start	June 2019
Occupancy	August 2021

Basic Statistics

Gross Building Area	102,900 square feet
Assignable Building Area	71,000 square feet
Efficiency	69 percent

Cost Estimate – California Construction Cost Index (CCCI) 6840¹

Building Cost (\$764 per GSF)	\$78,628,000
<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>
a. Substructure (Foundation)	\$ 55.11
b. Shell (Structure and Enclosure)	\$ 203.46
c. Interiors (Partitions and Finishes)	\$ 88.11
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 245.43
e. Built-in Equipment and Furnishings	\$ 38.45
f. General Requirements	\$ 47.41
g. General Conditions and Insurance	\$ 86.13
Greenhouses Relocation	\$3,693,000
Site Development	<u>7,190,000</u>
Construction Cost	\$89,511,000
Fees, Contingency, Services	<u>28,466,000</u>
Total Project Cost (\$1,145 per GSF)	\$117,977,000
Fixtures, Furniture & Movable Equipment	<u>7,023,000</u>
Grand Total	<u>\$125,000,000</u>

Cost Comparison

The project's building cost of \$764 per GSF is higher than the \$705 per GSF for the Siskiyou II Science Replacement Building project at CSU Chico (approved in January 2018), the \$646 per GSF for Science II Replacement Building at CSU Sacramento (approved in January 2017), and the \$657 per GSF for the Center for Science and Innovation at CSU Dominguez Hills (approved in November 2016), all adjusted to CCCI 6840.

The higher cost can be attributed to complexity of the soil conditions, site terrain and proximity to existing buildings, driving increased foundations and shell costs. The higher building services cost is due to multiple heating and cooling systems, as the lab spaces will utilize chilled beams and

¹ The July 2018 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

conditioned air, and office spaces will utilize natural ventilation and radiant heat. This requires a higher initial cost, but will result in a lower lifecycle cost in operating the building. General requirements are higher than similar projects as there is a premium for locating project trailers and staging materials further away due to the constrained site.

Funding Data

The SATRC will be funded from campus reserves, donor funding and systemwide revenue bonds. At the time of award, if full funding is not available, the campus will award the construction of Building A and the sitework for Building B. Completing the sitework for Building B is proposed due to the constrained site, and optimal grading given the sloped site. The construction of Building B will occur when funds are in hand.

California Environmental Quality Act (CEQA) Action

An Initial Study/Mitigated Negative Declaration was prepared to analyze the potential significant environmental effects of the proposed project in accordance with the requirements of CEQA and State CEQA Guidelines. The public review period began on October 23, 2018 and ended on November 21, 2018. No written comment letters were received at the close of the public review period. As there were no potential significant environmental impacts resulting from the project, the Final Mitigated Negative Declaration for the project was approved under delegated authority to the chancellor. The Final Mitigated Negative Declaration is available online at: <https://afd.calpoly.edu/facilities/docs/cal-poly-satrc-mnd.pdf>.

A minor master plan revision relocating the site of the future greenhouse buildings was approved under delegated authority to the chancellor.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Final Initial Study/Mitigated Negative Declaration been adopted pursuant to the California Environmental Quality Act and State CEQA Guidelines. The California Polytechnic State University, San Luis Obispo Science and Agriculture Teaching and Research Complex is consistent with the Final Initial Study/Mitigated Negative Declaration and that the effects of the project were fully analyzed in the Final Initial Study/Mitigated Negative Declaration.
2. The schematic plans for the California Polytechnic State University, San Luis Obispo Science and Agriculture Teaching and Research Complex are approved at a project cost of \$125,000,000 at CCCI 6840.

AGENDA

JOINT COMMITTEES ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 11:30 a.m., Tuesday, January 22, 2019
Glenn S. Dumke Auditorium

Committee on Finance

John Nilon, Chair
Peter J. Taylor, Vice Chair
Jane W. Carney
Douglas Faigin
Emily Hinton
Jack McGrory
Hugo N. Morales
Lateefah Simon
Christopher Steinhauser

Committee on Campus Planning, Buildings and Grounds

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Jane W. Carney
Wenda Fong
John Nilon
Christopher Steinhauser
Peter J. Taylor

- Consent** 1. Approval of Minutes of the Meeting of November 13, 2018, *Action*
- Discussion** 2. Final Approval of a Public-Private Partnership Student Housing Development Project at California State University, Sacramento, *Action*

**MINUTES OF THE JOINT MEETING OF THE
COMMITTEES ON FINANCE AND
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University
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Long Beach, California**

November 13, 2018

Committee on Finance

John Nilon, Chair
Peter Taylor, Vice Chair
Jane W. Carney
Douglas Faigin
Emily Hinton
Jack McGrory
Hugo N. Morales
Lateefah Simon
Christopher Steinhauser

**Committee on Campus Planning,
Buildings and Grounds**

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Jane W. Carney
Wenda Fong
John Nilon
Christopher Steinhauser
Peter J. Taylor

Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee John Nilon called the meeting to order.

Public Comment

Comments were made about California State University, Los Angeles' administration.

Approval of Minutes

The minutes of the November 15, 2016 joint committees meeting were approved as submitted.

**Approval of the 2019-2020 through 2023-2024 Five-Year Capital Plan and Multi-Year
Financing Authorization**

The five-year capital plan and multi-year financing authorization were presented for approval.

Following the presentation, the trustees asked clarifying questions about the one-time requests and determination of what projects go on the Capital Outlay list. They also asked about the timing and term of potential general obligation bonds, debt financing structure, and interest payments over time.

The committee recommended approval of the proposed resolution (RFIN/CPBG 11-18-02).

Approval to Issue Board of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Amend the 2018-2019 Capital Outlay Program for the Acquisition of Real Property for Sonoma State University

Information about a proposed real property acquisition by Sonoma State University was presented for approval. The property will help meet campus workforce housing needs and future student demand for housing.

Following the presentation, the trustees commented on the need to provide affordable housing for faculty and staff. Trustee Jack McGrory recused himself from voting on the item, due to a potential conflict of interest.

The remaining members of the committee recommended approval of the proposed resolution (RFIN/CPBG 11-18-03).

Trustee Nilon adjourned the meeting.

**JOINT COMMITTEES ON
FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Final Approval of a Public-Private Partnership Student Housing Development Project at
California State University, Sacramento**

Presentation By

Steve Relyea
Executive Vice Chancellor and Chief Financial Officer

Robert S. Nelsen
President
California State University, Sacramento

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

This agenda item requests the following actions by the California State University Board of Trustees with regards to the South Campus Student Housing project at California State University, Sacramento:

- Adoption of the Final Initial Study/Mitigated Negative Declaration dated January 2019.
- Approval of the Final Development Agreement.
- Approval to amend the 2018-2019 Capital Outlay Program for the South Campus Student Housing development project.
- Approval of the Schematic Design for the project.

In September 2017, the Board of Trustees approved the conceptual plan authorizing the campus, through University Enterprises, Inc. (“UEI”), a recognized campus auxiliary organization in good standing, to pursue a public-private partnership to construct a student housing development on 11.5 acres of land purchased by UEI from the City of Sacramento adjacent to the CSU Sacramento campus. The campus will lease an adjacent 1.5-acre site to UEI for inclusion in the project for parking.

Background

In October 2017, the campus and UEI initiated a request-for-qualifications process to evaluate prospective development teams. In January 2018, five interested firms submitted statements of qualifications, of which three were shortlisted and invited to submit proposals through a competitive bid process. A campus-wide committee and colleagues from the Chancellor's Office conducted a thorough review of the proposals, held meetings and interviews with the respective development teams, and completed final scoring of the proposals.

In February 2018, based upon unanimous recommendation from the committee, the campus selected Education Realty Trust, Inc. (EdR) to be the development partner on the project. EdR was selected based upon its strong expertise in student housing development and management, financial strength and capability, favorable financial considerations, and the long-term commitment to maintaining project ownership, investment, and partnership with the campus and UEI. Since being selected, EdR was acquired by Greystar Real Estate Partners, LLC in September 2018.

Project Description and Scope

The City of Sacramento owns 11.5 acres of land along the southeast boundary of the Sacramento State campus, adjacent to one of its main entry points. UEI plans to purchase the site from the city for \$2,300,000 and use it for the proposed student housing development.

The land is currently leased to a youth and senior men's baseball league, who previously made improvements to the site, at their own expense, with construction of two baseball fields. In order to take formal possession of the site from the city, UEI is required to first construct replacement baseball fields of similar quality at the Army Depot Park, an alternative site granted by the city at no charge to the campus and UEI. After constructing the replacement fields UEI will exercise its purchase option and construction of the student housing project will begin at the 11.5-acre site.

There is also a 1.5-acre parcel of campus owned property immediately adjacent to the 11.5-acre site that will be incorporated into the project for parking. The campus parcel has a small storage building and an electronic billboard, and is also used for surge parking. There is a drainage easement running through the parcel, which will be maintained, and an easement for the billboard. The Campus Master Plan does not have any buildings planned for this parcel.

The project will be approximately 360,000 square feet with 284 apartment style units for a total of 1,100 beds in six four-story housing buildings with a one-story amenity building and 546 parking spaces. The building and site design will be consistent with the design guidelines of the Campus Master Plan. The current cost of the project is estimated to be \$163.9 million, which will be financed 100 percent with developer equity.

The unit breakdown for the 284 apartment units is as follows:

- 212 four bedroom (4 beds per unit)
- 60 two bedroom (4 beds per unit)
- 12 Studio units (1 bed per unit)

The 546 parking spaces provided for the housing units will be located along the south edge of the property adjacent to Highway 50, on the state property. The buildings will be wood framed with stucco exteriors and shingled roofs. The community building will include the housing offices, a small retail space, fitness, vending, and package delivery areas, and a community meeting room with attached catering kitchen. The grounds will be landscaped with several outdoor recreation areas and a pool.

Summary of Key Agreement Terms

- UEI will be reimbursed by the developer in the amount of \$5,671,204 for the costs associated with the acquisition of the 11.5 acres from the City (\$2.5 million) and other transaction costs.
- Total cost of construction of the replacement baseball fields is valued at \$9 million, of which \$5 million will be funded by the developer and \$4 million by UEI.
- UEI will lease the land to the developer for a term of 85 years with no options to extend.
- The developer will retain 100 percent interest in the buildings until lease expiration and will operate and maintain the project for the lease term.
- Main Ground Lease terms are outlined below:
 1. Base ground rent calculated at 7.25 percent of total revenues, which is projected to be approximately \$950,000 in the first year of operations.
 2. Base ground rent is paid from operating expenses and unsubordinated to any developer return thresholds.
 3. All vacancy risk is retained by the developer.
 4. UEI has the right to purchase the facility via a Right of First Refusal or Right of First Offer.
 5. California prevailing wage requirements apply to the development.
- 100 percent equity financial structure provided by the developer.
- The developer will be responsible for funding, constructing, operating and maintaining the facility in good condition during the term of the lease.
- The project will revert to the auxiliary at the expiration of the lease.

Educational Benefits

The campus strongly believes the project will fulfill the high demand from upper-division and transfer students for apartment style units in a tight housing market. The proposed project will complement the core campus housing, and replace the Upper Eastside Lofts, a 400-bed upper-division student housing complex operated by UEI, when that master lease expires in 2022. This new housing community will support academic success and graduation initiatives by bringing students closer to the academic, social, and support resources of the campus. The project will also strengthen connections to the campus with the upper-division and transfer student populations that have not had sufficient access to pedestrian-friendly housing. Students who reside in campus housing experience enhanced faculty and peer interactions, which are linked to better learning outcomes and academic success.

Amend the 2018-2019 Capital Outlay Program

Sacramento State wishes to amend the 2018-2019 Capital Outlay Program for the design and construction of the South Campus Student Housing Project. The project will develop apartment-style housing with 1,100 beds for upper-division students on a 13-acre site southeast of the campus. The development will consist of 11.5 acres of auxiliary land and 1.5 acres of state land.

South Campus Student Housing Schematic Design

Collaborative Design-Build Contractor: Sundt Construction, Inc.

Architect: Steinberg Hart

Developer: Greystar Real Estate Partners LLC

Timing (Estimated)

Preliminary Plans Completed	September 2018
Working Drawings Completed	December 2018
Construction Start	May 2019
Occupancy	May 2021

Basic Statistics

Gross Building Area	361,285 square feet
Assignable Building Area	289,028 square feet
Efficiency	80 percent

Cost Estimate – California Construction Cost Index (CCCI) 6840¹

Student Housing Building Cost (\$304 per GSF) \$109,901,000

<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>
a. Substructure (Foundation)	\$ 6.55
b. Shell (Structure and Enclosure)	\$ 81.90
c. Interiors (Partitions and Finishes)	\$ 72.98
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 85.84
e. Built-in Equipment and Furnishings	\$ 3.33
f. Special Construction and Demolition	\$ 0.51
g. General Requirements	\$ 5.64
h. General Conditions and Insurance	\$ 47.44

Site Development \$8,650,000

Construction Cost \$118,551,000

Fees, Contingency, Services, Replacement ballfield \$40,630,000

Total Project Cost (\$441 per GSF) \$159,181,000

Fixtures, Furniture & Movable Equipment (Housing and dining) \$4,729,000

Grand Total \$163,910,000

Cost Comparison

The project's building cost of \$304 per GSF is slightly lower than the \$359 per GSF for the Student Housing Phase II project at Sacramento State approved in March 2015, and the \$358 per GSF for New Student Housing at CSU San Bernardino approved in November 2015, both adjusted to CCCI 6840. The slightly lower cost for this project is related to construction type and the larger scale of the project.

California Environmental Quality Act (CEQA) Action

A Draft Initial Study/Mitigated Negative Declaration (IS/MND) was prepared for the proposed project to analyze the potential significant environmental effects of the project in accordance with the requirements of California Environmental Quality Act (CEQA). The Draft IS/MND was made available to the public for review and comment for 30 days, from August 24, 2018 to September 25, 2018.

¹ The July 2018 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

The Final IS/MND has been prepared and is presented to the Board of Trustees for review and adoption. The Final IS/MND found that the project will not result in any significant unavoidable impacts. The final documents, including the comment letters and responses to comments, Mitigation Monitoring and Reporting Program, are available online at: https://www.csus.edu/aba/facilities/CSUS_ISMND_20180822.pdf.

Issues Identified Through Public Participation

Seven comment letters were received: Central Valley Regional Water Quality Board, City of Sacramento Department of Utilities, Sacramento Metropolitan Utilities Department, City of Sacramento Department of Public Works, State of California Governor's Office of Planning and Research, and two from local residents. A summary of key responses is provided below:

Central Valley Regional Water Quality Board/City of Sacramento Department of Utilities

The Central Valley Regional Water Quality Control Board (CVRWQB) indicated that the project must comply with wastewater policies and construction stormwater pollution prevention requirements. In addition, the City of Sacramento Department of Utilities requested that measures to reduce stormwater after construction be addressed.

CSU Response: In response, the project will comply with such policies mentioned by CVRWQB and develop a Stormwater Pollution Prevention Plan. In addition, the Campus Master Plan provides for the utilization of measures to reduce peak stormwater after construction.

Sacramento Metropolitan Utilities Department (SMUD)

SMUD indicated that the project should acknowledge impacts to SMUD's existing infrastructure, the effect upon its electrical load requirements and its compliance with energy efficiency.

CSU Response: In response, the IS/MND notes there is no re-routing, relocation or removal of SMUD equipment outside of the project site. The project developer has been in contact with SMUD to address what new SMUD facilities will be required by the project and what impacts the project will have on existing facilities. The IS/MND notes that the project is designed to comply with California Green Building Standards Code requirements.

City of Sacramento Department of Public Works

The City of Sacramento Public Works Department mentioned that access to an adjoining future development in the area of E.A. Fairbairn and College Town Drive should not be precluded. In addition, the City of Sacramento Public Works Department indicated that the project would increase pedestrian and bicycle activity and necessitate improvements including the addition of a northbound lane to State University Drive between Folsom Boulevard and College Town Drive.

CSU Response: In response, the project developer is in communication with the adjacent property owner to explore the possibility of facilitating access to the adjoining future development in the vicinity of E.A. Fairbairn Street and College Town Drive. In terms of State University Drive, the IS/MND traffic study indicates that the project will reduce vehicular traffic at State University Drive intersections. A widening of State University Drive would worsen conditions for pedestrians by increasing the width of the road they must cross and encounter increased vehicle flow. Mitigation measure TRA-1 is proposed which would increase the capacity of the intersection to safely accommodate increased pedestrian traffic without adding an additional lane of traffic.

State of California Governor's Office of Planning and Research

The comment noted that the Negative Declaration complies with the State Clearing House review requirements.

CSU Response: No additional response required.

Local Residents

The letters from local residents included a concern on the loss of the existing baseball fields and the effect upon traffic due to implementation of the project.

CSU Response: In response, replacement fields of similar quality are being provided on another site. In addition, the provision of additional on-campus housing would reduce the number of students commuting to the campus, thereby reducing vehicle commuter trips.

Recommendation

The following resolutions are presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Final Initial Study/Mitigated Negative Declaration has been prepared to address any potential significant environmental impacts and mitigation measures associated with approval of the California State University, Sacramento South Campus Student Housing project and all discretionary actions related thereto, as identified in the Final Initial Study/Mitigated Negative Declaration.
2. The Final Initial Study/Mitigated Negative Declaration was prepared pursuant to California Environmental Quality Act and State CEQA Guidelines.
3. The Final Initial Study/Mitigated Negative Declaration is adopted pursuant to the requirements of Section 21081.6 of the Public Resources Code and Section 15074 of the State CEQA Guidelines which require the Board of Trustees to make findings prior to the approval of a project.

4. The Board of Trustees finds that the mitigated project as approved will not have a significant impact on the environment, will be constructed with the recommended mitigation measures as adopted in the Mitigation Monitoring and Reporting Program and will benefit the California State University.
5. The development of the student housing project through a public-private partnership, on the campus of California State University, Sacramento as described in Agenda Item 2 of the January 22-23, 2019 meeting of the Joint Committees on Finance and Campus Planning, Buildings and Grounds is approved, and that the chancellor, the executive vice chancellor and chief financial officer, and their designees are authorized to execute the agreements necessary to complete the transaction.
6. The chancellor or his designee is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the project.
7. The California State University, Sacramento South Campus Student Housing project is consistent with the Campus Master Plan approved in May 2015.
8. The project will benefit the California State University.
9. The 2018-2019 Capital Outlay Program is amended to include \$163,911,000 for preliminary plans, working drawings, construction, and equipment for the California State University, Sacramento South Campus Student Housing project.
10. The schematic plans for the California State University, Sacramento South Campus Student Housing project are approved at a project cost of \$163,911,000 at CCCCI 6840.

AGENDA

COMMITTEE ON FINANCE

Meeting: **1:00 p.m., Tuesday, January 22, 2019**
 Glenn S. Dumke Auditorium

John Nilon, Chair
Peter J. Taylor, Vice Chair
Jane W. Carney
Douglas Faigin
Emily Hinton
Jack McGrory
Hugo N. Morales
Lateefah Simon
Christopher Steinhauser

- Consent** 1. Approval of Minutes of the Meeting of November 13, 2018, *Action*
 2. 2019-2020 Lottery Budget and Report, *Action*
- Discussion** 3. 2019-2020 Operating Budget Update, *Information*

**MINUTES OF THE MEETING OF THE
COMMITTEE ON FINANCE**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

November 13, 2018

Members Present

John Nilon, Chair
Peter J. Taylor, Vice Chair
Jane W. Carney
Douglas Faigin
Emily Hinton
Jack McGrory
Hugo N. Morales
Lateefah Simon
Christopher Steinhauser
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee John Nilon called the meeting to order.

Public Comment

There were nine requests for public comment. A representative of Education Trust West expressed support for the \$15 million budget request for student basic needs. Several students commented on the need to increase inclusivity efforts and mental health resources on campuses. They also spoke in favor of ethnic and gender studies. Representatives of the California Faculty Association made comments about a budget that reflects true needs and the additional money received from the state for enrollment and tenure-track faculty hiring. Representatives of the CSU Employees Union expressed concern over the availability of student mental health service resources and the contracting out of other services.

Approval of Minutes

The minutes of the September 11, 2018 meeting of the Committee on Finance were approved as submitted.

2018-2019 Student Fee Report

Information about the CSU's systemwide tuition and fees and campus-based mandatory fees was provided. CSU tuition and fees remains below the comparison institutions' average. Additional information on affordability, including grants, financial aid, and student loan debt was also presented.

Following the presentation, the trustees spoke about student success fees and the true cost of attendance, which includes more than just tuition and fees. They discussed out-of-state tuition and requested that the task force assigned to review revenue opportunities consider changes to out-of-state tuition rates.

2017 Systemwide Hate Violence Report

Information about criminal and non-criminal acts of hate violence on CSU campuses was presented.

Following the presentation, the trustees asked questions about the difference between criminal and non-criminal acts, prior year reported instances, and how the CSU compares to other institutions. Chief George Hughes, of Cal Poly San Luis Obispo responded and clarified that only instances occurring on campus property were included in the CSU report and that incidents occurring off campus would be reported by the public agency with jurisdiction over that area. He added that generally the CSU trends with the State of California.

The trustees requested to hear more information during the next annual report from the campus presidents about how they deal with and prevent similar incidents. They also asked questions about the process for students to report incidents.

California State University Annual Investment Report

Information about the CSU's annual investments was reported.

Following the presentation, the trustees commented on the benefits of having increased investment authority and how the higher earnings will help reduce our deferred maintenance backlog.

Approval of the 2019-2020 Operating Budget Request

The 2019-2020 CSU Operating Budget Request was presented for approval. The request totals \$554.3 million of new funding, \$456 million from the state's general fund and \$98.3 million in new tuition revenue from a five percent enrollment growth. Individual components of the request include funding for year three of the Graduation Initiative 2025, five percent enrollment growth, employee compensation increases, academic facilities and infrastructure, and mandatory cost

increases. Given the state's ability to provide one-time money, the request also includes one-time funding requests of \$15 million for student basic needs partnerships and \$250 million for deferred maintenance.

Following the presentation, the trustees discussed the level of funding requested for deferred maintenance and basic needs. They also asked questions about enrollment growth and associated revenue, and requested information on student persistence and its possible effects on new enrollment.

The committee recommended approval of the proposed resolution (RCPBG 11-18-04).

Trustee Nilon adjourned the meeting on Finance Committee.

COMMITTEE ON FINANCE

2019-2020 Lottery Budget and Report

Presentation By

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

This item requests that the California State University Board of Trustees approve the 2019-2020 lottery budget. In accordance with CSU lottery guidelines, this item also contains a report of actual lottery fund expenditures in 2017-2018.

Background

The Lottery Act allows for the expenditure of lottery receipts for public education. The Lottery Act requires that funds are “exclusively for the education of pupils and students” and the CSU has adopted guidelines to ensure that lottery funds are used only in support of instruction or instruction-related purposes. Non-instructional purposes, such as the acquisition of real property, construction of facilities, or financing research are not permissible uses of lottery funds.

To date, the CSU has received \$1.3 billion in lottery funds from the state. Over the past five years, annual CSU Lottery Fund receipts have averaged \$55.5 million. Approximately 84 percent of lottery resources are allocated directly to the campuses for instructionally-related programs and activities. Remaining funds are allocated to four systemwide programs; DREAM Loan program, Doctoral Incentive Program, Pre-Doctoral Program, and Summer Arts. The Chancellor’s Office uses approximately 1.4 percent of lottery resources to centrally manage lottery fund operations and meet reporting requirements.

Each year, the Board of Trustees adopts a systemwide lottery budget that incorporates CSU guidelines and adheres to Lottery Act provisions. The plan includes estimates of CSU lottery receipts for the budget year and the program areas for allocation of those anticipated receipts, including an expenditure allowance for the general management of lottery fund operations and reporting requirements.

The trustees have delegated to the chancellor oversight of the lottery budget, including the deposit, control, investment, and expenditure of lottery funds.

2019-2020 Lottery Budget Proposal

The System Budget Office estimates total lottery receipts available to the CSU in 2019-2020 will be \$52.8 million. After setting aside \$5 million as a reserve to assist with cash-flow variations in quarterly lottery receipts and other economic uncertainties, the \$47.8 million 2019-2020 lottery budget proposal remains principally designated for campus-based programs and four systemwide programs that have traditionally received annual lottery funding support. The proposed budget includes a \$218,000 increase for the California Pre-Doctoral Program and a \$19,000 increase for administration of the Lottery Fund and administration of systemwide programs. The proposed budget also includes a \$3 million decrease to the campus Early Start Program for financial aid as the program changes priorities in light of changes in college readiness policy. The \$3 million decrease is offset in the budget with a \$3 million increase to campus-based programs.

Systemwide Programs

Under the proposed budget, approximately \$7.2 million would be allocated to the four systemwide programs and administration costs:

- DREAM Loan Program (\$2.0 million) provides loans to students who satisfy specified academic, enrollment, and high school graduation requirements.
- Chancellor's Doctoral Incentive Program (\$2.0 million) provides financial assistance to graduate students to complete doctoral study in selected disciplines of particular interest and relevance to the CSU.
- California Pre-Doctoral Program (\$1,038,000) supports CSU students who aspire to earn doctoral degrees and who have experienced economic and educational disadvantages.
- CSU Summer Arts Program (\$1.5 million) offers academic credit courses in the visual, performing, and literary arts.
- Administration of Lottery Fund and system programs (\$637,000) provides Lottery Fund and program administration functions.

Campus-Based Programs

The remaining \$40.6 million of anticipated 2019-2020 lottery receipts would be used to fund campus-based programs and the Early Start Program. \$35.6 million would be allocated directly to campuses, allowing presidents flexibility to meet unique campus needs. Traditionally, projects receiving lottery funds have included the replacement and purchase of library materials and instructional equipment, curriculum development, and scholarships.

The proposed lottery budget would provide \$5 million to the Early Start Program for campus-based financial aid. An eligible student may receive a need-based fee waiver to ensure that financial hardship is not a barrier to enrollment in the Early Start summer curriculum. The program serves first-time freshmen students who need additional college preparation in math or English and take courses during the summer term prior to matriculation at any of the CSU campuses.

As stated, the proposed budget sets aside \$5 million as a reserve to assist with cash-flow and economic uncertainties. If quarterly lottery receipts remain strong, the Chancellor's Office will work with campuses during 2019-2020 to allocate the \$5 million reserve for innovative campus-based programs that support Graduation Initiative 2025 efforts.

The CSU Lottery Budget proposed for 2019-2020 is as follows:

2018-2019 Adopted and 2019-2020 Proposed Lottery Budget		
	2018-2019 Adopted Budget	2019-2020 Proposed Budget
Sources of Funds		
Beginning Reserve	\$5,000,000	\$5,000,000
Receipts	47,576,000	47,819,000
Total Revenues	\$52,576,000	\$52,819,000
<i>Less Systemwide Reserve</i>	<i>(5,000,000)</i>	<i>(5,000,000)</i>
Total Available for Allocation	\$47,576,000	\$47,819,000
Uses of Funds		
<i>System Programs</i>		
Chancellor's Doctoral Incentive Program	\$2,000,000	\$2,000,000
California Pre-Doctoral Program	814,000	1,038,000
CSU Summer Arts Program	1,500,000	1,500,000
DREAM Loan	2,000,000	2,000,000
	<u>\$6,314,000</u>	<u>\$6,538,000</u>
<i>Campus-Based Programs</i>		
Campus Programs	\$32,644,000	\$35,644,000
Campus Early Start Financial Aid	8,000,000	5,000,000
	<u>\$40,644,000</u>	<u>\$40,644,000</u>
<i>Lottery Fund & System Programs Administration</i>	<u>\$618,000</u>	<u>\$637,000</u>
Total Uses of Funds	\$47,576,000	\$47,819,000

Reporting Requirement

In accordance with the CSU lottery guidelines, the CSU annually reports past year actual lottery expenditures to the Board of Trustees. This section of the agenda item satisfies that requirement. In 2017-2018, similar to prior years, the majority of lottery funds were spent on instruction and instruction-related programs and services that supplement the CSU operating budget. The following table summarizes how available lottery revenues were spent in 2017-2018:

2017-18 Lottery Expenditures		
Program Support Area	Expenditures	Percentage of Total Expenditures
Doctoral Incentive Program	\$0	0.0%
California Pre-Doctoral Program	973,605	1.8%
DREAM Loan Program	0	0.0%
CSU Summer Arts Program	1,525,670	2.8%
Campus Programs	44,744,203	81.1%
Campus Early Start Financial Aid	7,245,339	13.1%
Lottery Fund & System Programs Admin.	671,467	1.2%
Total	\$55,160,284	100.0%

Note: The DREAM Loan Program was funded through a one-time state General Fund allocation of \$2 million, which came after \$1 million was budgeted.

Note: The Doctoral Incentive Program is a revolving educational loan program. The budget included \$2 million for any net increase in program participation, but funds were unnecessary as existing loan repayments supported the issuance of new loans to new participants.

Carry forward balances from prior years were also used in 2017-2018 to fund several systemwide and campus programs, such as library services, early assessment program support, and technology initiatives.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that the 2019-2020 lottery budget totaling \$52.8 million be approved for implementation by the chancellor, with the authorization to make transfers between components of the lottery budget and to adjust expenditures in accordance with receipt of lottery funds; and be it further

RESOLVED, that the chancellor is hereby granted authority to adjust the 2019-2020 lottery budget approved by the Board of Trustees to the extent that receipts are greater or less than budgeted revenue to respond to opportunities or exigencies; and be it further

RESOLVED, that a report of the 2019-2020 lottery budget receipts and expenditures be made to the Board of Trustees.

COMMITTEE ON FINANCE

2019-2020 Operating Budget Update

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

This item informs the California State University Board of Trustees of the latest developments on the state and CSU budget plans for 2019-2020. In short, state tax revenue is expected to grow over the next two years, and the governor's budget proposes \$562 million of new investments that specifically align with the priorities of the 2019-2020 CSU budget request. The governor's administration proposed a \$300 million increase in recurring funding for Graduation Initiative 2025, new student enrollment, employee compensation, and mandatory costs and a \$262 million increase in one-time funding for deferred maintenance and basic needs partnerships. Governor Newsom's budget proposal is the single largest proposed investment by any governor in the history of the CSU.

The CSU is appreciative to Governor Newsom and his administration for the investments proposed for 2019-2020.

CSU Funding Progress since the Great Recession

Since the state began reinvesting in the CSU in 2013-2014, the CSU has been able to do more for students and the state by making improvements to many key student success areas. Graduation and retention rates, the number of graduates, average unit loads, and average time to degree are at record levels. Many students have taken advantage of increased offerings to save time and money by finishing their degrees a term earlier than would have been possible during the Great Recession. With their degrees in hand, students and CSU alumni benefit from greater earnings potential over the course of their professional careers. The state and the CSU investment of \$271 million (\$198 million recurring and \$73 million one-time funds) in student success and completion initiatives like the Graduation Initiative 2025 has been a primary factor. The CSU anticipates that more can be accomplished if the multi-year, recurring investment in the initiative continues.

Another example is additional student access. Since the economic recovery, the CSU has increased funded student enrollment by over 31,000 full-time equivalent students, which is equivalent to creating two new CSU campuses the size of CSU San Bernardino and CSU Chico. This increase helps California in at least two ways. First, as more students across California complete the A-G requirements for CSU and UC eligibility, and more transfer students complete the Associate Degree for Transfer, the CSU can serve more of these Californians who have the goal of attending a four-year university. Second, additional student access translates to more Californians with degrees—a critical need of the state, as suggested in the Public Policy Institute of California’s anticipated 1.1 million degree drought.

One final example is faculty and staff salary enhancements. Since 2013-2014, CSU has regularly provided annual salary increases to all employees. This helps employees deal with the effects of inflation, improves morale and retention, and aids in recruitment of qualified faculty and staff who teach, support, and care for students. Between 2008-2009 and 2012-2013 this was not possible. No salary increases occurred during that stretch and in 2009-2010 all employees were furloughed two days per month, equivalent to a ten percent salary reduction.

California’s Fiscal Outlook

CSU’s progress since the Great Recession has the potential to continue because the state’s fiscal outlook is positive for 2019 and 2020. Since the November 2018 Board of Trustees meeting, three reputable entities have published forecasts for California’s economy and the resulting effect on the state budget – the Legislative Analyst Office (LAO) California Fiscal Outlook in November 2018, the University of California, Los Angeles Anderson Forecast in December 2018, and the Department of Finance 2019-2020 Governor’s Budget in January 2019. All three forecasts conclude that economic growth will persist, but taper from now through 2020. These conclusions are due to a mix of factors, unemployment is low, there is steady personal income growth, job and housing growth is still positive, but recent stock market and international trade developments are a concern. Altogether, there is an expectation of greater tax receipts primarily in personal income taxes in 2019 and 2020, however all three reports caution that current growth rates will slow.

To illustrate the short-term positive fiscal trajectory, the LAO’s California Fiscal Outlook noted it is difficult to overstate how good the California budget is today, but the state’s fiscal condition can change quickly. The LAO estimates discretionary resources could grow \$5.7 billion, reaching \$14.8 billion in available new resources in 2019-2020 (most of which is one-time in nature). This projection is very high by historical standards. In a more cautious recession scenario, the economy begins to trend downward in the third quarter of 2020, leading to recommendations of caution on new investments in 2019-2020.

Similarly, the short-term fiscal trajectory provided by the Department of Finance in the release of the Governor's Budget reported revenue growth of \$8.1 billion since this past summer, reaching \$21.4 billion in available new resources in 2019-2020 (most of which is one-time in nature).

In May 2019, revisions to these revenue estimates will be updated, but it appears likely the state still will have a significant amount of new revenue at the end of the budget cycle to be used for discretionary purposes such as investments in the CSU. The university stands ready to build additional educational opportunities and capacity for California for the long run.

In past recessions the state had little or no reserves as it entered these economic downturns. For the next recession, whenever that comes, the state already has approximately \$13.8 billion in its rainy-day fund, which would grow to \$15.3 billion under the governor's latest proposal. This reserve should significantly soften the blow of the next recession.

Regardless of some differences in the economic forecasts today, the state is on track to receive more tax revenue in 2019 and 2020, a large surplus is at hand, and a substantive reserve is available to mitigate the risk of any challenging economic times. These conditions are likely to mean continued increases in state program expenditures, like the CSU.

Governor's Budget Proposal - State Overview

The Governor's Budget proposal anticipates a budget surplus of \$21.4 billion and proposes to dedicate \$16.6 billion to eliminate debts, build reserves (including more into the rainy-day fund) and pay down unfunded retirement liabilities for the state and K-12 schools. Overall, the governor's proposal reports dedicating 86 percent of the budget surplus for one-time uses and 14 percent to recurring purposes—a prudent approach for 2019-2020.

CSU Budget Plan and the Governor's Budget Proposal

The CSU 2019-2020 operating budget plan calls for continued and increased state investment in the CSU. This budget plan, which totals \$554.3 million in new resources, would address necessary new investments in the CSU and build on the momentum of recent years. The budget plan is comprised of a request of \$456.0 million in state general fund and \$98.3 million of tuition revenue from enrollment growth. The five areas of investment are:

- \$75 million for the third year of Graduation Initiative 2025;
- \$147.8 million for significant funding for compensation increases for all employee groups;
- \$206.1 million for enrollment growth of five percent, or 18,207 full-time equivalent students;
- \$80 million investment in critical infrastructure; and
- \$45.4 million for mandatory cost increases for health care, minimum wage and retirement.

Additionally, \$250 million of one-time funding for deferred maintenance and \$15 million of one-time funding for basic needs partnerships are included in the request.

Altogether, the budget request contains recurring and one-time state general fund investments that total \$721 million.

Through the budget proposal, the governor demonstrated his significant commitment to the university. Governor Newsom's January proposal for the CSU operating budget is the single largest proposed investment by any governor in the history of the CSU. The proposal totals \$562 million of recurring and one-time investments that align with the priorities of the CSU budget request. The below table includes the areas of investment and the governor's proposed increases in each area.

Investment Area	Funding (in millions)	Funding Type
Compensation Increases	148.0	Recurring
Mandatory Cost Increases	45.0	Recurring
Graduation Initiative	45.0	Recurring
2% Increase in Resident Enrollment	62.0	Recurring
Deferred Maintenance Backlog	247.0	One-Time
Basic Needs Partnerships	15.0	One-Time
Total	\$562.0	

Conclusion

Since the end of the Great Recession, the CSU has made significant gains in bolstering student success, improving time to degree, improving student access for first-year and community college students, providing faculty and staff with necessary and well-deserved salary increases, and addressing infrastructure needs and the deferred maintenance backlog.

According to economic forecasters, the state will continue on its positive fiscal trajectory in calendar years 2019 and 2020, but with increased caution over a looming recession. The Governor's Budget proposal affirms this and strikes a balance between eliminating debts, building reserves, and paying down unfunded retirement liabilities while also dedicating more state revenue to more mandatory and discretionary purposes for 2019-2020.

The governor's January proposal is an outstanding first step of this budget cycle and the CSU greatly appreciates the governor's trust in and commitment to CSU and its mission. CSU advocacy efforts with the state will consistently and effectively continue to make the case that an investment in the CSU is a wise investment in the future of California.

If, during the coming months, the legislature and governor choose to invest more recurring state funding in the graduation initiative, resident enrollment growth and academic facilities and infrastructure, the university stands ready to build those additional educational opportunities and capacity for California for the long run.

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: **2:00 p.m., Tuesday, January 22, 2019**
Glenn S. Dumke Auditorium

J. Lawrence Norton, Chair
Emily Hinton, Vice Chair
Silas H. Abrego
Douglas Faigin
Debra S. Farar
Jean P. Firstenberg
Wenda Fong
Lillian Kimbell
Jack McGrory
Thelma Meléndez de Santa Ana
Romey Sabalius

- Consent** 1. Approval of Minutes of the Meeting of November 14, 2018, *Action*
 2. Statement of State Legislative Principles for 2019-2020, *Action*
- Discussion** 3. Sponsored State Legislative Program for 2019, *Action*
 4. Federal Agenda for 2019-2020, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON GOVERNMENTAL RELATIONS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

November 14, 2018

Members Present

J. Lawrence Norton, Chair
Emily Hinton, Vice Chair
Silas H. Abrego
Douglas Faigin
Jean P. Firstenberg
Wenda Fong
Lillian Kimbell
Jack McGrory
Romey Sabalius
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Norton called the meeting to order.

Approval of Minutes

The minutes of July 24, 2018, were approved as submitted.

State Legislative Update

Mr. Garrett Ashley, vice chancellor for university relations and advancement, reported that the legislature concluded its work for the 2017-2018 legislative session at the end of August. More than 1,200 bills were sent to the governor. While the governor vetoed 201 bills, he approved many high-profile bills, including those that dealt with net neutrality, wildfire liability and mitigation, cash bail, female representation on corporate boards and renewable energy.

Gov. Rel.
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January 22-23, 2019
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Ms. Kathleen Chavira, assistant vice chancellor for advocacy and state relations, provided an update on the governor's final action on key legislation; preparations for the 2019-2020 legislative session, including a review of the Legislative Principles; and fall advocacy activity. The Legislative Principles will be brought back in January for board approval.

Mr. Ashley thanked Ms. Chavira, the Office of Advocacy and State Relations and the campuses for the work they have done this legislative session to advocate on behalf of the CSU.

Trustee Norton adjourned the meeting.

COMMITTEE ON GOVERNMENTAL RELATIONS

Statement of State Legislative Principles for 2019-2020

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Kathleen Chavira
Assistant Vice Chancellor
Advocacy and State Relations

Summary

This item contains the proposed Statement of State Legislative Principles for 2019-2020.

Background

At the beginning of every two-year legislative session, the Board of Trustees adopts a formal Statement of Legislative Principles for the California State University. The principles provide basic parameters to guide positions taken by the chancellor and system representatives on matters pending before the California legislature.

Statement of Legislative Principles

As the state's greatest producer of bachelor's degrees, the California State University plays a critical role in arming future leaders with the skills and knowledge for them to thrive in the workforce, drive the economy and actively contribute to the quality of life in California. The CSU achieves these results by providing affordable, accessible and high-quality education, as outlined in the Master Plan for Higher Education. The system and its leaders, faculty and staff remain committed to this important work for the betterment of today and tomorrow.

The following constitute the core principles guiding recommendations on legislation:

1. Work with the legislature and governor to allow the California State University to continue its oversight of academic affairs and matters relating to the internal governance of the university.
2. Preserve the integrity of the collective bargaining process.

3. Remain neutral on matters in which the state seeks to legislate the general public health and safety while not singling out the California State University.
4. Preserve the integrity of the California State University's budgetary process, and seek adequate funding to serve current and future students, support the work of faculty and staff, provide for ongoing operations, capital outlay and infrastructure needs, and to meet the workforce demands of the state.
 - a. Provide that all funds must be appropriated to the Board of Trustees.
 - b. Proposals for operational, student success and academic programs, and capital outlay needs, must be approved and prioritized by the Board of Trustees.
 - c. Provide the operational authority and flexibility, as well as the necessary tools, for the university to respond to the needs of students and the state.
5. Seek to influence the outcome of issues which, while not affecting the California State University alone, would have a disproportionate impact on the university's activities.
6. Seek to secure representation of the California State University on appropriate boards, commissions, task forces, study groups, etc., whose work may have a significant impact on the system. Representatives to such bodies shall be appointed by the Board of Trustees or the Chancellor.
7. As both the chief administrative officer and a trustee, the chancellor is recognized and designated by the Board of Trustees as the spokesperson for the California State University regarding its positions on state and federal legislative proposals. When practical, the position to be taken on a legislative proposal should be discussed with the chair and vice chair of the Committee on Governmental Relations before that position is communicated to the legislature. Unresolved positions on a legislative proposal will be decided by the chancellor in consultation with the chair of the board. When practical, changes in position on pending legislative proposals will be shared with the chair and vice chair of the Committee on Governmental Relations prior to communication of the change to the legislature. When this is not practical, changes in position will be shared with the chair and vice chair of the Committee on Governmental Relations immediately following communication of the change to the legislature.

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the Statement of Legislative Principles for 2019-2020 be adopted; and be it further

RESOLVED, that the chancellor is authorized to take positions on pending legislation on behalf of the California State University system; but prior to taking or changing such positions on legislative matters, the chancellor shall consult, when practical, with the chair and vice chair of the Committee on Governmental Relations; and be it further

RESOLVED, that any unresolved positions on a legislative proposal will be decided by the chancellor in consultation with the chair of the board; and be it further

RESOLVED, that the chancellor shall keep the Board of Trustees regularly informed of the positions taken and of such other matters affecting governmental relations as deemed necessary and desirable.

COMMITTEE ON GOVERNMENTAL RELATIONS

Sponsored State Legislative Program for 2019

Presentation By

Garrett Ashley
Vice Chancellor
University Relations and Advancement

Kathleen Chavira
Assistant Vice Chancellor
Advocacy and State Relations

Summary

This item contains two proposals for 2019 sponsored measures for the Board of Trustees' consideration.

2019 Legislative Proposals

In August, Chancellor Timothy P. White requested proposals from system and campus leaders for possible inclusion in the Board of Trustees sponsored bill package for the 2019 legislative year. Proposals were analyzed by staff with consideration given to whether there was a clearly identified need, programmatic and fiscal implications, and overall alignment with system initiatives and priorities. The following are recommended for adoption by the Board as sponsored legislation for 2019.

CSU Occupational Therapy Doctorate (OTD) Authority

We recommend the Board of Trustees sponsor legislation to authorize the CSU to offer a doctorate in occupational therapy.

The Accreditation Council for Occupational Therapy Education (ACOTE) has mandated that entry-level degree requirements for occupational therapists will move to the doctoral level by July 1, 2027, and after this date, only students with a doctoral degree will be eligible to take the National Board for Certification in Occupational Therapy Exam. According to the U.S. Department of Labor Bureau of Labor Statistics, California currently ranks 44th in the nation in the level of access to occupational therapists, and employment of occupational therapists is projected to grow 23.8 percent between 2016 and 2026.

Currently, there are only two public occupational therapy master's programs in California, located at San José State University and CSU Dominguez Hills. The CSU's existing master's programs have been extremely successful in preparing students for careers in their field. Graduation rates for the programs are between 98 and 100 percent and graduates have a three-year pass rate of over 97 percent on their professional exams. Over 80 percent of San José State graduates are employed as occupational therapists within six months of graduation.

This authority is needed at this time to ensure that the curriculum changes necessary to transition our current master's programs to doctoral programs can be made with sufficient time so that the first cohort of OTD students, anticipated to be admitted in 2022, can meet the changing professional accreditation standards. The ability of CSU programs to meet the new accreditation requirements is critical to providing health professionals in this field.

Higher Education Facilities Bond Act of 2020

We recommend the Board of Trustees jointly sponsor legislation with the University of California to enact a Higher Education Facilities Bond Act of 2020, which, if approved by voters, would authorize \$8 billion in general obligation bonds, to be equally divided between the CSU and the University of California.

The current CSU Five-Year Capital Outlay Plan identifies a \$10 billion need for academic facilities. At the November board meeting, the Joint Committee on Finance and Campus Planning, Buildings and Grounds presented a multipronged approach to financing the CSU's facilities' needs. This legislative proposal is one element of the overall facilities financing plan presented to the board.

Recent figures show that 56 percent of our academic facilities' gross square feet are over 40 years old, with 15% being over 60 years old. The last bond authorization to include funds for higher education was passed in 2006. Of the \$3 billion earmarked for higher education, the CSU received \$690 million, which has been fully expended.

Adoption of the following resolution is recommended:

RESOLVED, by the Board of Trustees of the California State University, that the state legislative proposals described in this item are adopted as part of the 2019 Board of Trustees' Legislative Program.

COMMITTEE ON GOVERNMENTAL RELATIONS

Federal Agenda for 2019-2020

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

James M. Gelb
Assistant Vice Chancellor
Federal Relations

Summary

This item details the system's federal priorities for 2019-2020.

Background

In September 2018, Chancellor White sent a memo to all California State University presidents and senior system leaders soliciting recommendations and outlining criteria for the system's Federal Agenda during the 116th Congress (2019-2020). The solicitation emphasized that the federal agenda must be consistent with the CSU system's core objectives that contribute to system goals of preserving access, providing quality instruction, preparing students for the workforce and promoting completion of students' educational goals.

This agenda is based on recent priorities, input received from campuses, review by the Chancellor's Senior Leadership Council, and the CSU Office of Federal Relations' assessment of the current political and fiscal landscape in Washington. The core principles outlined below (in bold italic lettering) are designed to provide a broad umbrella under which the CSU can react to the wide range of policy ideas that typically surface throughout a Congressional session; also included are bulleted illustrations of items that are ripe for advocacy in 2019-2020.

Overall, the agenda hews closely to the system's approach in recent years. The CSU can and should continue to promote federal investments in its students and institutions as efficient, productive targets of resources that will strengthen America's economy and well-being. Given the program's benefit to our students, the CSU should also continue to place maintaining a robust Pell Grant program at the top of its priority list. While the CSU will frequently be called upon to respond to proposals made by others, the federal agenda identifies priority areas that should be the subjects of proactive pursuit.

Summary of CSU System Priorities for 2019-2020

The California State University (CSU) consistently provides an outstanding return on federal investments in its students, institutions and research. With 23 campuses and approximately 484,000 students, the CSU is the largest public four-year university system in the nation, providing access and success for unprecedented numbers of underserved and low-income students. Every year, 120,000 new CSU graduates enter the workforce across all economic sectors.

The system's top federal priorities for 2019-2020 are:

- Restore annual cost-of-living increases to the Pell Grant
- Renew the expiring mandatory funding stream that promotes capacity building and STEM education at Minority-Serving Institutions

A full list of CSU system priorities for 2019-2020 follows.

Improve College Access and Timely Completion through Aid to Students: The CSU remains one of the nation's best bargains. Significant state and institutional grants provide vital support to our low-income students. Federal financial aid programs remain critical to these students, including over 221,000 who rely on need-based Pell Grants. Nearly 58,000 Pell recipients earn CSU bachelor's degrees each year.

- Enhance the Pell Grant program by restoring automatic cost-of-living increases to the maximum grant; retain any surplus funds for future program needs or improvements
- Invest in the Supplemental Education Opportunity Grant (SEOG) and Work-Study programs
- Prioritize resources for institutions serving the greatest number of students with need
- Support policies that minimize college debt burden and promote higher education philanthropy

Prepare Students for College Success: The CSU is continuously working to improve K-12 student readiness and measure the performance of CSU-trained teachers. The federal government is a vital partner.

- Provide robust funding for effective pipeline programs like GEAR UP and TRIO, and expand pre-K investments
- Maintain a strong federal partnership with universities to transform the preparation of America's teachers and school leaders, especially for high-need schools

Foster Degree Completion for California's Diverse Population: The CSU provides more than half of all undergraduate degrees granted to California's Latino, African American and Native American students and is a leader in transitioning veterans to the workforce. Federal capacity-building programs and targeted grants help bridge completion and equity gaps.

- Support federal policies that assist California's Dreamers – young people brought to the US as children – and provide them with long-term stability and opportunities
- Maintain strong support for Hispanic- and Asian American and Native American Pacific Islander-Serving Institutions, including the renewal of mandatory funding for minority STEM and capacity-building programs
- Support the needs of veterans on campus and smooth their transition to the civilian workforce
- Promote policies that reduce recidivism by expanding access to a college education

Educate Students for Tomorrow's Workforce: Every year, 120,000 new CSU graduates drive California's and America's economy in the information technology, life sciences, agriculture, business, hospitality, healthcare, education, public administration, entertainment and multimedia industries. Targeted federal programs help propel their success.

- Support science, technology, engineering and mathematics (STEM) fields, including through funding for the National Science Foundation (NSF)'s Louis Stokes Alliances for Minority Participation, Robert Noyce Teacher Scholarship, and Hispanic-Serving Institutions programs
- Invest in USDA's Hispanic-Serving Institutions Education Grants Program

Solve Societal Problems Through Applied Research: In laboratories, at field sites and through programs at the CSU, students, faculty and collaborating scientists advance California's capacity to address key issues of significance to our state and nation. Federal investments are vital to continued progress.

- Maximize opportunities for comprehensive universities to compete for federal resources, including in STEM programs
- Maintain strong funding for NSF, National Institutes of Health, Department of Energy and national security research and training
- Invest in the Non-Land Grant Colleges of Agriculture (NLGCA) program

Enhance Campus Health, Safety and Infrastructure: State-of-the-art facilities and innovative programs help make campuses vibrant and secure for all.

- Promote policies that support students' well-being and basic needs, including housing and food security and mental health

- Fund programs that enhance campus safety and assist campuses with addressing sexual violence
- Support investments in infrastructure and assets that provide campuses opportunities to partner with their communities, improve facilities, and promote job training and strategic economic growth, including those connected with federal maritime responsibilities

The CSU federal agenda process recognizes that priorities may evolve over time. The OFR will continue to work with the campuses and system leaders to refine and develop proposals, and to assist all in working productively with their representatives in Congress and with federal agencies in the year ahead.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Federal Agenda for 2019-2020 be adopted.

AGENDA

COMMITTEE ON EDUCATIONAL POLICY

Meeting: **3:00 p.m., Tuesday, January 22, 2019**
 Glenn S. Dumke Auditorium

Peter J. Taylor, Chair
Jane W. Carney, Vice Chair
Rebecca D. Eisen
Debra S. Farar
Wenda Fong
Emily Hinton
Lillian Kimbell
Thelma Meléndez de Santa Ana
John Nilon
J. Lawrence Norton
Romey Sabalius
Christopher Steinhauser

- Consent** 1. Approval of Minutes of the Meeting of November 13, 2018, *Action*
- Discussion** 2. Associate Degree for Transfer, *Information*
 3. Student Financial Aid, *Information*
 4. The Wang Family Excellence Awards, *Information*

**MINUTES OF MEETING OF
COMMITTEE ON EDUCATIONAL POLICY**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

November 13, 2018

Members Present

Peter Taylor, Chair
Jane W. Carney, Vice Chair
Rebecca D. Eisen
Debra S. Farar
Wenda Fong
Emily Hinton
Lillian Kimbell
Thelma Meléndez de Santa Ana
John Nilon
J. Lawrence Norton
Romey Sabalius
Christopher Steinhauser
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Taylor called the meeting to order.

Approval of Minutes

The minutes of September 11, 2018, were approved as submitted.

Student Mental Health Services

Denise Bevly, director of student wellness and basic needs initiatives, introduced the information item. She noted that the purpose of the presentation was to provide an update on the Basic Needs Initiative and an overview of student mental health services in the CSU. During the presentation she highlighted that campuses are enhancing food pantries, developing meal sharing programs and designating a CalFresh point of contact for students using the \$2.5 million allocated last year in Senate Bill 85.

Dr. Bevly also shared recent National College Health Assessment data showing that student demand for mental health services has increased nationally and in the CSU. Recognizing this growing need for services, campuses have invested in additional counselor positions, at a rate surpassing the growth of student headcount. Campuses continue to offer baseline services – such as counseling and emergency crisis intervention – as well as robust education, outreach and prevention programs. Finally, in cases where a student's needs go above and beyond campus capabilities, partnerships with local and regional agencies and community organizations are critical to ensuring students receive comprehensive care.

Following the presentation, trustees had a number of questions. They asked about the counselor-to-student ratio and whether the CSU had a preferred ratio or had considered a standardized ratio across the system. Staff responded that campuses continue to take steps to improve their ratio, however given the unique needs of the student population at each campus a “one size fits all” benchmark would have unintended impacts. Additionally, trustees highlighted the need to ensure that services are reaching students in need and to talk more about removing the stigma surrounding mental health.

Student Veterans

Loren J. Blanchard, executive vice chancellor for Academic and Student Affairs, introduced the information item. In honor of Veteran's Day, he recognized and thanked the members of the CSU community who had served or were serving in the armed forces.

Marshall Thomas, director of Active Duty and Veterans Affairs presented the item, highlighting that the CSU's military-affiliated population continues to grow. Today, campuses enroll more than 21,000 military-affiliated students, which includes veterans, service members and military dependents. He shared that campuses continue to expand and improve veterans services to meet the needs of these students. For example, all campuses have staff devoted to assisting student veterans and support student veteran organizations. And, nearly all campuses have Veterans Resource Centers, where services are provided to student veterans. Matthew Aldrete, a student veteran from Humboldt State University, also shared his personal journey from the military to the CSU.

Following the presentation, trustees asked about the national concern of veterans' benefit checks not being issued, and if it was a concern at CSU campuses. Staff responded that they continue to monitor the situation closely, but to date it hasn't been widespread in the CSU. Trustees also asked if staff was analyzing persistence and completion rates for military-affiliated students as part of Graduation Initiative 2025. Staff indicated they had not parsed to that level, however with improved data from Cal State Apply there is a desire to do so.

Graduation Initiative 2025

Loren J. Blanchard, executive vice chancellor for Academic and Student Affairs, introduced the information item. He highlighted the Graduation Initiative 2025 Symposium that was held in October, recognizing the success of the event and thanking the participants.

James Minor, assistant vice chancellor and senior strategist for Academic and Student Affairs presented an overview of the final 2018 graduation rate data. For the first time in CSU history, the number of students earning a bachelor's degree surpassed 100,000. For the 2017-18 academic year, 105,431 students earned a bachelor's degree. This record number of degrees represents 6,000 more graduates compared to the prior year. Additionally, for the first time in the last two years, equity gaps for Pell recipients and for students who identify as African-American, American-Indian or Latino began to close. These gains were achieved while enrolling a greater number of students and a greater percentage of students from historically underserved communities.

Finally, Nathan Evans, chief of staff and senior advisor for Academic and Student Affairs, presented about the CSU's systemwide focus for the 2018-19 academic year. The priorities – identified by cross-representational workgroups – include continuously improving the implementation of the academic preparation policies, systematically improving the quality of advising that students receive, a concerted effort to increase students' average unit load and developing a framework for student engagement and well-being.

Following the presentation, trustees commended the Graduation Initiative 2025 work that led to the progress presented. They also expressed interest in seeing data on the implementation of the new academic preparation policies, once such data are available.

Trustee Taylor adjourned the Committee on Educational Policy.

COMMITTEE ON EDUCATIONAL POLICY

Associate Degree for Transfer

Presentation By

Loren J. Blanchard
Executive Vice Chancellor
Academic and Student Affairs

Alison M. Wrynn
Interim Assistant Vice Chancellor
Academic Programs and Faculty Development

Jane Conoley
President
California State University, Long Beach

Tiana Gripper
Student
California State University, Dominguez Hills

Summary

The California State University (CSU) is committed to providing access to students transferring from a California Community College (CCC). This commitment is consistent with the enrollment management priorities outlined in the California Education Code, which state that the CSU must prioritize enrollment of transfer students before California residents entering at the first year or sophomore levels.

The Associate Degree for Transfer (ADT), also known as “a degree with a guarantee,” places transfer students on a path to earn a baccalaureate degree from the CSU while at a CCC. Students are able to complete 60 semester units on an approved pathway at a CCC and be guaranteed admission to the CSU, though not guaranteed entry to a particular campus or major.

Once enrolled at the CSU, students are guaranteed to complete their baccalaureate degree in 60 semester units, as long as they are enrolled in a “similar pathway,” i.e., a major that has been deemed similar or related to their ADT by faculty at the CSU campus.

Since its creation in 2010, the ADT has steadily grown in participation. Today, there are 40 ADT pathways for students and all CCCs offer ADT programs. Faculty from both segments continue to collaborate to ensure pathways remain up-to-date and are relevant to California's workforce needs. The CCC and the CSU continue to market the ADT as the most effective path to a CSU degree.

It has been five years since the board received a presentation on the Associate Degree for Transfer. As such, this information item provides an overview of the ADT program as well as enrollment, persistence and completion trends for participants. These trends indicate clearly that as the CSU continues to pursue its Graduation Initiative 2025 goals, encouraging students to transfer with an ADT and pursue a major deemed similar to that ADT will be critical to student success.

Overview

In September 2010, the Student Transfer Achievement Reform Act (STAR Act) (SB 1440) was signed into law by the governor. This legislation requires community colleges to grant ADTs to students once they have met specified general education and major requirements for the degree. Once they have completed the ADT, students are eligible for transfer with junior standing into the CSU. In October 2013, subsequent related legislation, SB 440, was signed into law requiring further action by the CCC and CSU.

The requirements from this legislation were added to the Education Code as sections 66745–66749 and require the following of the CSU:

- A student who earns an ADT shall be deemed eligible for transfer into a CSU baccalaureate program when the student meets both of the following requirements:
 - Completion of 60 semester or 90 quarter units that are eligible for transfer to the CSU; and
 - Obtainment of a minimum grade point average of 2.0.
- Guarantee admission with junior status to any California community college student who meets the above requirements.
- Grant a student priority admission to his or her local CSU.
- Provide ADT applicants admission priority over all other community college transfer students.
- Redirect ADT students that are CSU eligible, but were not accepted to the CSU campus where they applied.
- Guarantee admission to the CSU but not to a specific campus or major.
- Admit applicants to a program or major and concentration, as applicable, that meets either of the following:
 - Is similar to the student's ADT as determined by the admitting CSU campus; or
 - May be completed with 60 semester units of study beyond the ADT, with completion ability determined by the admitting CSU campus.

- Take additional courses at the CSU campus so long as the ADT student is not required to take any more than 60 additional semester units or 90 quarter units at the CSU.

Faculty Collaboration

Since the STAR Act became law, the ADT program has been a model for intersegmental collaboration. A joint CCC-CSU implementation committee was developed to implement SB 1440. Curricular elements were delegated to the academic senates of the CSU and CCC.

This senate-led Intersegmental Curriculum Workgroup created a structure, the Transfer Model Curriculum (TMC), and gathered CSU and CCC discipline faculty to design TMCs that would meet the goals of SB 1440 while allowing some flexibility for CCC campuses to design their individual ADT degrees.

Once a TMC is completed, it is provided to CCC campuses to be used to design their ADT degree pathways. Simultaneously, the TMCs are submitted to the appropriate departments in the CSU for evaluation of fit, specifically whether a transfer student prepared as described by the TMC can complete a CSU baccalaureate with 60 additional units.

Pathways

There are currently 40 Associate Degree for Transfer pathways. When reviewing the major preferences of students transferring from a CCC to a CSU, these pathways account for 90 percent of their preferred majors.

- | | |
|------------------------------------|--|
| • Administration of Justice | • English |
| • Agriculture Animal Sciences | • Environmental Science |
| • Agriculture Business | • Film, Television, & Electronic Media |
| • Agriculture Plant Sciences | • Geography |
| • Anthropology | • Geology |
| • Art History | • Global Studies |
| • Biology | • History |
| • Business Administration | • Hospitality Management |
| • Chemistry | • Journalism |
| • Child and Adolescent Development | • Kinesiology |
| • Communication Studies | • Law, Public Policy, and Society |
| • Computer Science | • Mathematics |
| • Early Childhood Education | • Music |
| • Economics | • Nutrition |
| • Elementary Teacher Education | • Philosophy |

- Physics
- Political Science
- Psychology
- Public Health Science
- Social Justice Studies
- Social Work and Human Services
- Sociology
- Spanish
- Studio Arts
- Theatre Arts

Transfer Student Enrollment

The following charts and tables highlight enrollment trends for students transferring to the CSU. Unless otherwise explicitly stated, the charts show the breakdown of transfer students based on four categories:

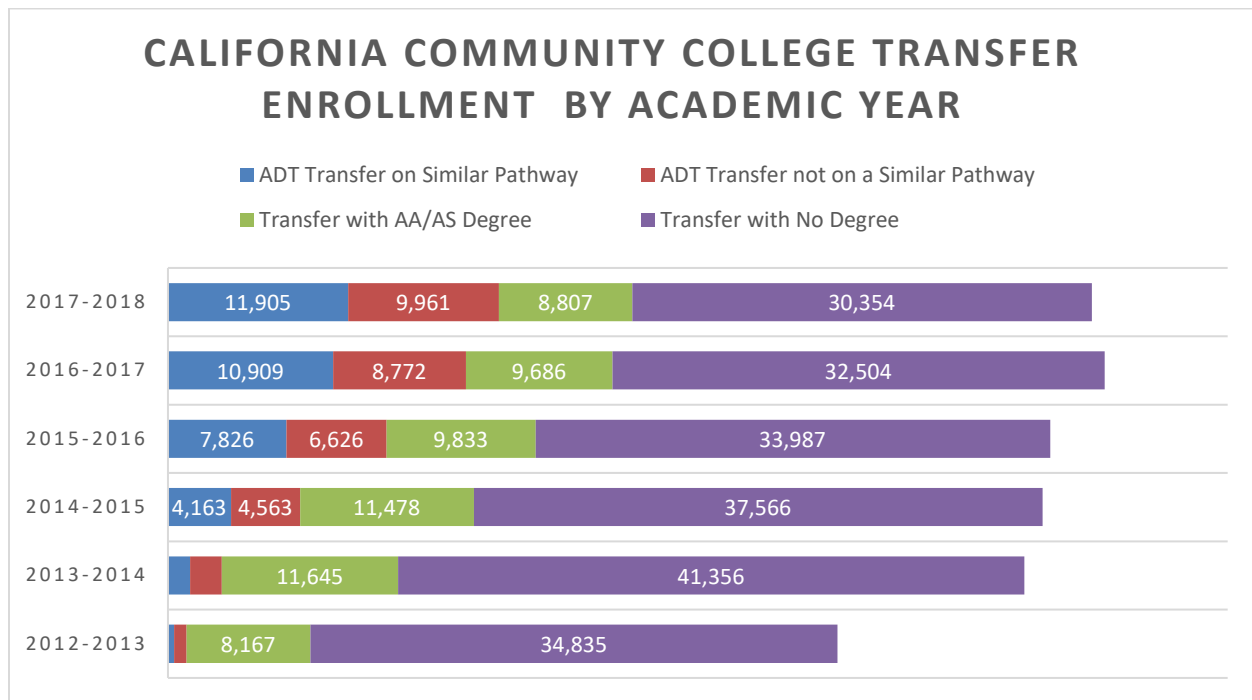
- *ADT Transfer on a Similar Pathway* – These are students transferring to a CSU campus with an ADT and who are enrolling in a major deemed similar or related to their ADT by the faculty at the enrolling CSU campus. These students are guaranteed to earn a degree after completing an additional 60 units at the CSU.
- *ADT Transfer not on a Similar Pathway* – These are students transferring to a CSU campus with an ADT but who are **not** enrolling in a major deemed similar or related to their ADT. As such, they are not guaranteed to earn a degree after earning an additional 60 units.
- *Transfer with AA/AS Degree* – These are students transferring to a CSU campus with an Associate of Arts (AA) or Associate of Science (AS) degree, not an ADT.
- *Transfer with No Degree* – These are students transferring to a CSU campus without a degree from their community college.

Year-Over-Year Enrollment

Since the first transfer students entered the CSU with an ADT in 2012-13, the ADT has quickly grown in popularity. The table below shows the growth in transfer students, by category:

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
ADT Transfer on a Similar Pathway	402	1,464	4,163	7,826	10,909	11,905
ADT Transfer not on a Similar Pathway	832	2,100	4,563	6,626	8,772	9,961
Transfer with AA/AS Degree	8,167	11,645	11,478	9,833	9,686	8,807
Transfer with No Degree	34,835	41,356	37,566	33,987	32,504	30,354
Total	44,236	56,565	57,770	58,272	61,871	61,027

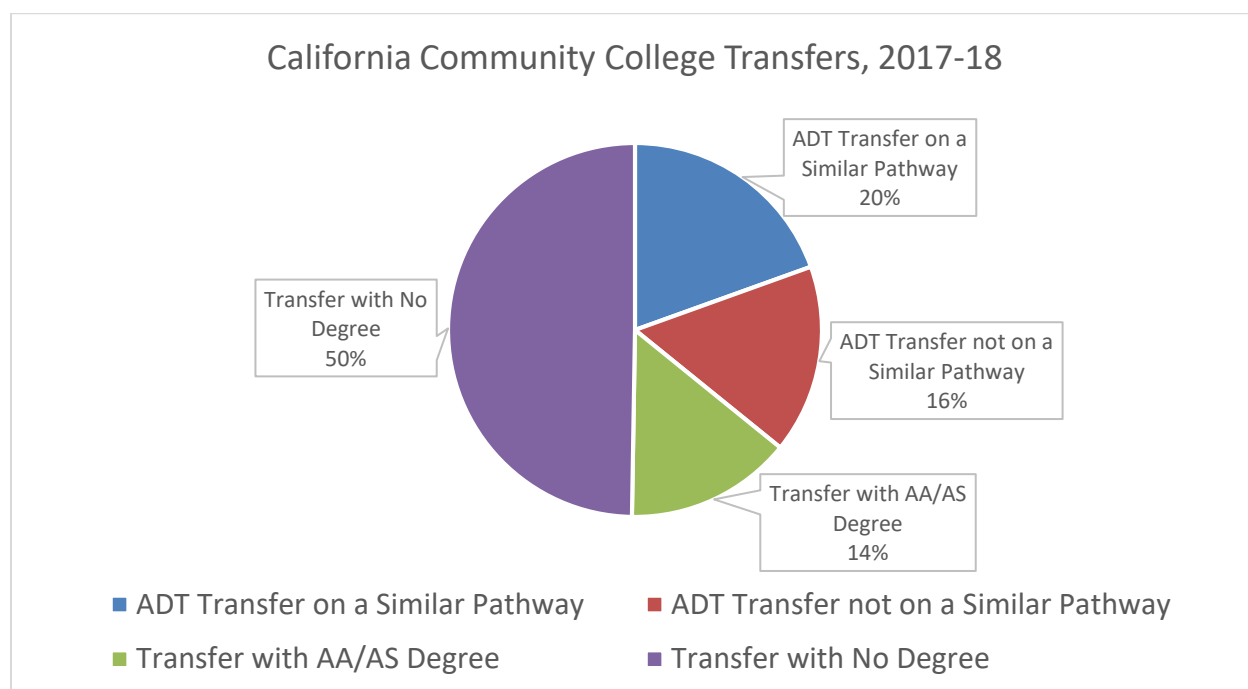
Additionally, these year-over-year enrollment data are reflected in the chart below:



The preceding data highlight that while the total number of transfer students entering the CSU has typically been on a positive trajectory, what is particularly notable is the increase in the percentage of these students who are entering with an ADT. Shown in the graph in blue and red, over the past six years the percent of students transferring with an ADT has increased tenfold, from 3 percent to 36 percent. At the same time, the number of students transferring with an AA/AS degree, or with no degree, has steadily decreased, further highlighting the growing popularity of the ADT.

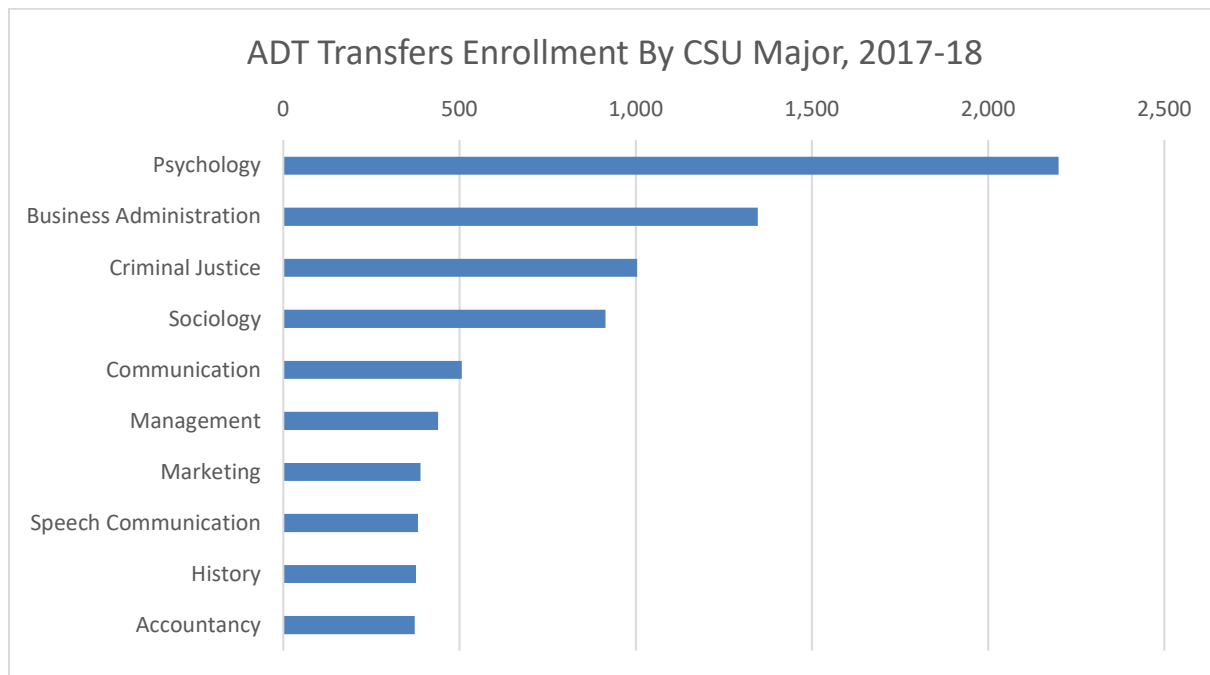
2017-18 Enrollment

For academic year 2017-18, 61,027 students entered the CSU as transfers from a California Community College. Of these students, half transferred with no degree (30,354) while slightly more than one-third enrolled with an ADT (21,866). This is demonstrated in the chart below:



2017-18 Enrollment by CSU Major

The chart below shows the majors that were favored by ADT students transferring to the CSU on a similar or related pathway in academic year 2017-18. The data show that psychology was the most popular major, with 2,200 students enrolling.



2017-18 Enrollment by Campus

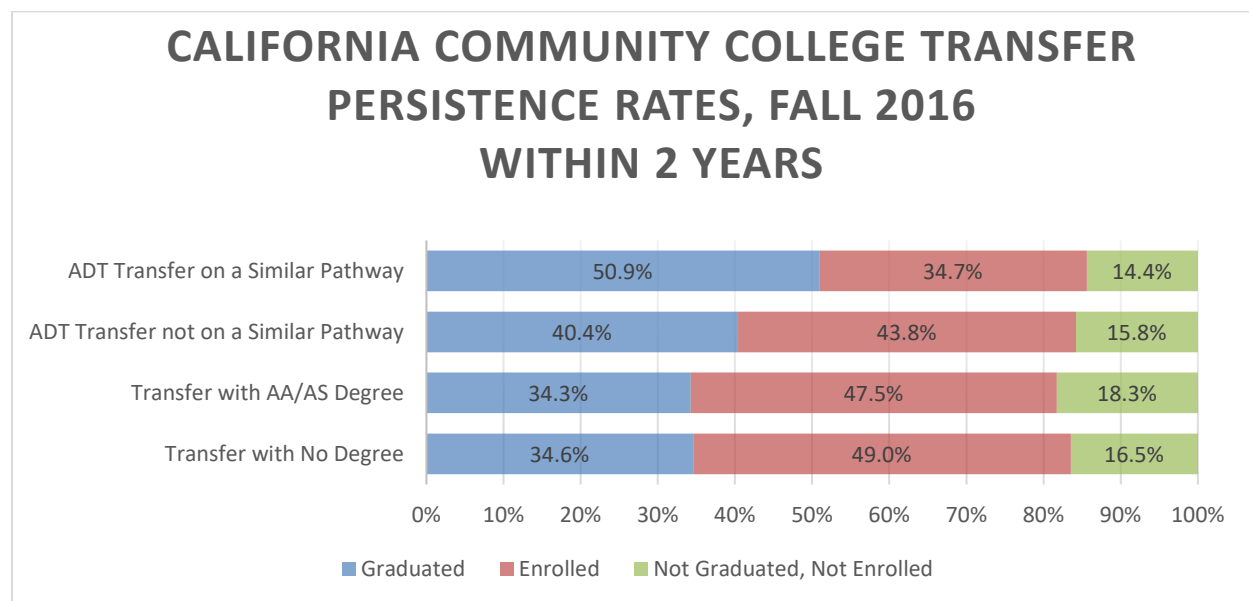
The following chart shows the 2017-18 enrollment of transfer students by campus. The chart also includes a line for “International Programs.” While rare, a student transferring from a CCC to the CSU could opt to go immediately into a study abroad program.

Campus	ADT Transfer on a Similar Pathway	ADT Transfer not on a Similar Pathway	Transfer with AA or AS Degree	Transfer with No Degree	Total
Bakersfield	205	225	310	559	1,299
Channel Islands	327	369	174	618	1,488
Chico	387	327	513	901	2,128
Dominguez Hills	219	994	707	808	2,728
East Bay	534	430	705	1,249	2,918
Fresno	1,017	370	-	1,165	2,552
Fullerton	1,933	936	981	1,862	5,712
Humboldt	147	235	246	439	1,067
Long Beach	1,701	544	-	2,438	4,683
Los Angeles	398	701	755	1,376	3,230
Maritime Academy	7	-	7	27	41
Monterey Bay	227	267	256	375	1,125
Northridge	492	1,300	-	3,045	4,837
Pomona	454	495	706	1,591	3,246
Sacramento	1,007	434	3	3,467	4,911
San Bernardino	293	42	579	1,319	2,233
San Diego	777	1	-	2,431	3,209
San Francisco	569	1,019	645	1,910	4,143
San Jose	354	241	983	2,827	4,405
San Luis Obispo	121	215	174	286	796
San Marcos	245	83	535	917	1,780
Sonoma	268	256	208	280	1,012
Stanislaus	215	474	316	452	1,457
International Programs	8	3	4	12	27
All	11,905	9,961	8,807	30,354	61,027

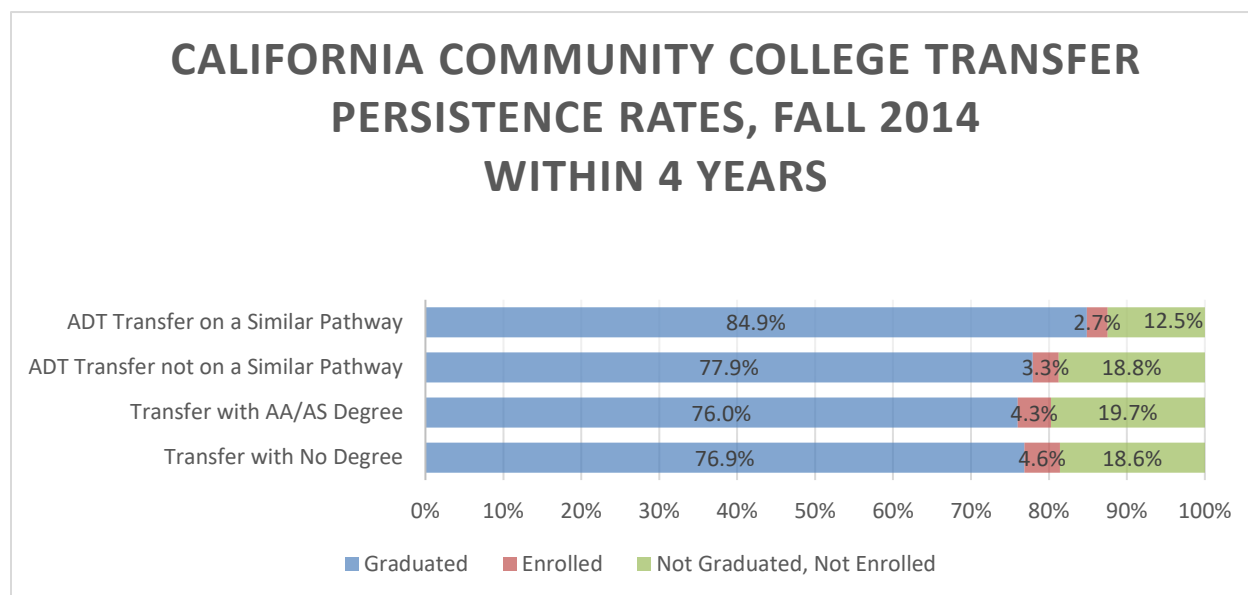
Associate Degree for Transfer Completion and Persistence Rates

The charts below highlight the persistence and completion rates for students transferring to the CSU. Similar to the enrollment charts, these show the breakdown of transfer students by the following categories: ADT Transfer on a Similar Pathway, ADT Transfer not on a Similar Pathway, Transfer with AA/AS Degree and Transfer with No Degree.

Data indicate that students entering the CSU with an ADT – either on a similar pathway or not on a similar pathway – graduate at higher rates than students transferring with a general AA/AS degree or with no degree. For students transferring to the CSU in fall 2016, more than 50 percent of those who earned an ADT and transferred on a similar pathway graduated in two years, compared to 34 percent of students who transferred with an AA/AS degree or with no degree.



Data from fall 2014 show similar trends for transfer students graduating within four years. For students who transferred with an ADT on a similar pathway, 85 percent graduated in four years, compared to 76 percent of students who transferred with an AA/AS degree or with no degree.



Conclusion

Since its creation in 2010, the Associate Degree for Transfer has been an effective pathway for students transferring from a California Community College to earn a baccalaureate degree from the California State University. The enrollment data indicate that it continues to grow in popularity, while the completion data show that these students are graduating at higher rates than their peers who transfer without an ADT.

The CSU continues to work closely with its CCC partners to ensure that ADT pathways are up-to-date, reflect California's workforce needs and match students' preferred academic paths. Additionally, intersegmental collaboration continues to expand opportunities in STEM fields for students interested in earning an ADT. As the program nears its ten-year anniversary, the CSU will also be embarking on an evaluation of the program structure and assessing student outcomes to ensure the program is most effectively supporting transfer students and meeting California's student success goals.

COMMITTEE ON EDUCATIONAL POLICY

Student Financial Aid

Presentation By

Loren J. Blanchard
Executive Vice Chancellor
Academic and Student Affairs

Dean Kulju
Director, Student Financial Aid Services and Programs
Student Academic Services

Blake Sorensen
Student
San José State University

Summary

The California State University (CSU) is committed to providing access and opportunity to California students, regardless of their financial circumstances. To that end, the CSU continues to offer one of the most affordable undergraduate educational programs in the nation.

Student financial aid programs assist students with paying their postsecondary educational expenses. Financial aid is a critical element that enables CSU students to enroll in the university and be successful. Without this assistance, college would likely not be an option for many students.

Based on preliminary data for 2017-18, 81 percent of all CSU students received some form of financial aid. Fifty-nine percent of all undergraduates had the full cost of tuition covered by non-loan aid, in the form of grants, scholarships or waivers. In addition, 51 percent of students graduating with their bachelor's degree graduated with no student loan debt.

This information item provides an overview about the various forms that student financial aid may take at the CSU and how this aid is packaged to meet a student's individual need. As part of the March 2019 Board of Trustees meeting materials, a separate information item will be presented providing a more in-depth look at student financial aid, including a review of state and federal proposals and their potential impact on CSU students.

Cost of Attendance (Estimated Student Expenses)

The cost of attendance is an important component used to determine financial need. Recognition of student expenses is not limited for financial aid purposes to the amount of mandatory tuition and fees that a student pays. Federal Title IV financial aid program regulations require institutions to develop cost of attendance allowances that include mandatory tuition and fees as well as allowances for books and supplies, food and housing, transportation and personal expenses.

Institutions develop these allowances, also referred to as standard student budgets, differentiating among students living at home with their parents, students living in campus residence facilities and students living off-campus, typically in a shared apartment. For context, in 2017-18, 37 percent of CSU students lived at home, 15 percent lived on campus and 48 percent lived off campus.

To determine the estimated cost of attendance, CSU campuses and most other California institutions utilize data from the Student Expenses and Resources Survey (SEARS) that is administered by the California Student Aid Commission. Each year, these figures are indexed for inflation.

For 2018-19, the CSU cost of attendance estimates are shown below. Importantly, these figures are systemwide averages and do not represent the amount paid by any one student.

2018-19 Estimated Average Cost of Attendance

Undergraduate Academic Year Costs (9 months)

	At Home	On Campus	Off Campus
Tuition	\$5,742	\$5,742	\$5,742
Campus-based Fees*	\$1,561	\$1,561	\$1,561
Books and Supplies*	\$1,881	\$1,881	\$1,881
Room and Board*	\$5,369	\$13,762	\$14,072
Transportation*	\$1,394	\$1,179	\$1,408
Personal	\$1,475	\$1,475	\$1,475
TOTAL*	\$17,422	\$25,600	\$26,139

* Systemwide averages, actual amounts vary by CSU campus

Determination of Financial Need

To develop a financial aid package for a CSU student, a campus first determines that student's financial need – the difference between the Cost of Attendance (COA) at a CSU campus and the amount of a student's Expected Family Contribution (EFC). The process of determining the extent to which a student and his or her family are able to contribute toward postsecondary educational expenses is referred to as need analysis. The parameters and formulas in the need analysis for all federal student aid funding are approved by the U.S. Congress as federal methodology.

Applicants for federal student aid must annually complete a Free Application for Federal Student Aid (FAFSA). The State of California utilizes the FAFSA to determine eligibility for Cal Grants, and the CSU uses the FAFSA to determine eligibility for State University Grants and other need-based aid programs administered at the campus level.

The Dream Act application is used by students who qualify for an AB 540 Non-Resident Tuition Waiver to apply for state and institutionally-funded financial aid. The Dream Act application is provided by the California Student Aid Commission and uses the same need analysis as the FAFSA.

Overview of Student Financial Aid Programs

There are four types of financial aid programs: grants (including federal, state and institutional grants), scholarships, loans and work-study. At the CSU, student financial aid programs are authorized and funded by the U.S. Congress, the California State Legislature and governor, campuses and various private entities such as philanthropic organizations, foundations, civic clubs and community groups.

Grants and scholarships do not have to be repaid and are also referred to as “gift aid.” Loans and work-study are often referred to as “self-help aid,” as they require that a student repay the amount from future earnings (for loans) or earn the funding through a subsidized employment program while pursuing an education (for work-study).

Once a student has applied for financial aid, the campus must confirm that certain general eligibility requirements are met. To be eligible for financial aid a student must:

- Be a U.S. citizen or a permanent resident of the U.S. with a valid Social Security Number.
 - Alternately, the California Dream Act makes state and institutional funding available to students who qualify for an AB 540 Non-Resident Tuition Waiver.
- Have a high school diploma or recognized equivalent.
- Be enrolled or accepted for enrollment as a regular student who will be working toward a degree or certificate in an eligible program.

- If male, be registered for the Selective Service.
- Maintain satisfactory academic progress for financial aid.
- Not owe a repayment on a federal grant or be in default on a federal educational loan.
- Demonstrate financial need, except for the Middle Class Scholarship and some federal loans.
- Reapply for aid each year.
- Not have a federal or state drug conviction.

Individual award programs may have their own specific eligibility requirements. Those are covered in the descriptions below.

Federal Grants

Pell Grant

In 2016-17, 52 percent of CSU undergraduate students received a federal Pell Grant. Pell Grants provide a foundation of financial aid to which other aid may be added. They are typically awarded only to undergraduate students who have not earned a bachelor's degree. Under certain conditions, however, students enrolled in a postbaccalaureate teacher credential program may be eligible to receive federal Pell Grants.

For the 2018-19 award year, the maximum award a student can receive is \$6,095. The Pell Grant has a lifetime limit of the equivalent of six years (12 semesters) of full-time enrollment, which allows for part-time enrollment.

Federal Supplemental Educational Opportunity Grant

The Federal Supplemental Educational Opportunity Grant (FSEOG) is restricted to undergraduate students with the greatest financial need. These funds are allocated to institutions, including the CSU, and are awarded by the school to eligible students in accordance with federal regulations.

The availability of FSEOG funds varies among universities. As such, there is no guarantee that every eligible student will be able to receive an FSEOG. The federal grants range from \$100 to \$4,000 per award year; however, as funds are limited, most eligible CSU students do not receive the maximum award.

Teacher Education Assistance for College and Higher Education Grant

In 2016-17, the CSU awarded approximately 1,200 Teacher Education Assistance for College and Higher Education (TEACH) Grants to students. The TEACH Grant program is a federal financial aid program available to students enrolled in eligible programs.

Students who receive a TEACH Grant must agree to teach in a high-need field, at a low-income elementary or secondary school as a highly qualified teacher, full-time for at least four years. For the purposes of the TEACH Grant, a high-need field is defined as mathematics, science, foreign language, bilingual education, English language acquisition, special education, reading specialist or any other field that has been identified as high-need by the federal or state government, or a local educational agency. In California, these additional fields include English/drama/humanities, computer science and self-contained class (i.e. elementary classrooms).

The maximum annual amount a student can receive through the TEACH Grant program is \$4,000.

State Grant

Cal Grant

Cal Grants are awarded to eligible California students by the California Student Aid Commission. Selection is based on financial need, academic performance and other factors. Eligible students may receive up to a maximum of four years of full-time grant payments.

There are multiple types of Cal Grants, including:

- **Cal Grant A Entitlement Award** – Cal Grant A Entitlement Awards are for a maximum of the mandatory systemwide fees at the CSU, which is currently \$5,742 (for the 2017-18 year). These awards are available to students who graduate from high school and achieve a minimum high school grade point average of at least 3.0 on a 4.0 scale. Eligible students must have financial need at least equal to the amount of the award plus \$1,500 and have family income and assets below the established ceilings.
- **Cal Grant B Entitlement Award** – Cal Grant B Entitlement Awards provide grant funds to low-income students for a living allowance of \$1,672 for an academic year. For a student's first year, these funds can be used for books and supplies, transportation expenses and living expenses. With the second and subsequent years of Cal Grant B benefits, students are also eligible to receive an additional amount for tuition and mandatory systemwide fees. At the CSU, the tuition and fee award is currently \$5,742. These awards are available to students who graduate from high school with a minimum grade point average of at least 2.0 on a 4.0 scale. Eligible students must have a minimum financial need of \$700 and have family income and assets below the established ceilings.
- **Cal Grant California Community College Transfer Entitlement Award** – Transfer Entitlement Awards provide grant funds to transfer students. These awards will be either A or B depending on which income and asset ceilings the student falls under. Award levels will be the same as those for the A and B entitlement programs. These awards are for

students who graduated from a California high school, did not receive a Cal Grant Entitlement Award upon high school graduation and are transferring from a California Community College to an eligible four-year institution in California. Students must have a minimum grade point average of 2.4 on all transferrable community college coursework. Eligible students must be under the age of 28 and be pursuing a bachelor's degree in order to be eligible for an award.

- **Cal Grant A and B Competitive Award** – A limited number of Cal Grant awards are available for students who are not eligible to be considered for entitlement awards. These awards are for students who are not graduating high school seniors or recent graduates; eligibility for these awards prioritizes nontraditional students. Students will receive either A or B awards at grant levels referenced above for the entitlement programs. Eligible students must meet all basic eligibility requirements, have financial need and be under the income and asset ceilings.

CSU Grants

State University Grant

The State University Grant (SUG) program provides need-based awards to eligible undergraduate and graduate/postbaccalaureate students who are California residents or are otherwise determined as eligible (e.g. AB 540-eligible students). Based on preliminary data, more than 140,000 CSU students received SUG awards in 2017-18.

For the 2018-19 academic year, SUG funding is approximately \$701 million. Each CSU campus has established local awarding policies and priorities for these funds. Systemwide, the priority is to award a SUG at least equal to the amount of the State University Fee (\$5,742 for undergraduates; \$6,660 for students in teaching credential programs; and \$7,176 for graduate and postbaccalaureate students for 2017-18) to eligible students who apply for financial aid by March 2; who have an EFC of \$4,000 or less; and who are not receiving a Cal Grant or other award designated to cover fees.

The number of units a student has earned also affects SUG eligibility. Undergraduates in most programs may receive SUG for up to 150 units. Transfer students are reviewed for eligibility based on the number of units transferred. Graduate and credential students are also limited based on their program length.

Educational Opportunity Program Grant

The Educational Opportunity Program (EOP) Grant provides need-based awards to eligible undergraduate students who are California residents or otherwise determined as eligible (e.g. AB 540-eligible students). Based on preliminary data, approximately 21,000 CSU students received an EOP award in 2017-18.

The program is designed for students from economically disadvantaged backgrounds who are admitted to the CSU via the EOP program. Each campus receives a fixed allocation, which is awarded to students with the highest financial need (as demonstrated by a low EFC). The determination of “highest financial need” varies by campus, depending on its student profile.

Doctoral Grants

The CSU offers doctoral programs in education, nursing and physical therapy. Students who apply for financial aid through the FAFSA or Dream Act application – and who are enrolled in a doctoral program at a CSU campus – will be automatically considered for a grant in that program. Should a student qualify, they will be notified by their campus.

Middle Class Scholarship

The Middle Class Scholarship is a California program that provides a scholarship to undergraduate students with a maximum annual family income and household asset ceiling of \$171,000 (for 2018-19 awards). To qualify, a student must be enrolled at a CSU or University of California, be a California resident or an eligible AB 540 student and have filed for financial aid.

Students who qualify for a Middle Class Scholarship may be eligible for a scholarship of no less than 10 percent and no more than 40 percent of the mandatory systemwide tuition and fees. Students may receive the scholarship award for up to four years.

Work Study

The Federal Work-Study Program provides jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay for expenses related to their education. The program encourages community service work and work related to a student’s course of study.

Federal Work-Study earnings are equal to or greater than federal minimum wage, depending on the type of work a student is doing and the skills required. A Federal Work-Study award depends on the availability of funding at the institution, the institution's awarding policies for Federal Work-Study, the student’s financial need and their commitment to obtaining a qualified Federal Work-Study position and performing the work required.

Federal Work-Study Program employment may be on campus or off campus. Off-campus opportunities are typically with private nonprofit organizations or public agencies, with the work performed being in the public interest. CSU campuses typically limit a student's work hours to a maximum of 20 hours per week when classes are in session.

Loans

At the CSU, financial aid is packaged to prioritize grants, scholarships, work-study and only then – as needed – loans. Reviewing national data from 2016-17, it is clear that CSU students who do apply for a loan graduate with lower loan debt than their peers at other institutions. For 2016-17, the CSU average loan debt was \$17,367. This amount was significantly lower than the rate for the national four-year public institution average (\$27,293).

Packaging of Financial Aid Awards

Once a student's financial need is determined, the campus works to provide a "package" of financial aid to meet that need. This package takes into consideration a student's eligibility for a federal Pell Grant and a state Cal Grant before the institution adds additional grants, work-study employment and – if needed – student loans.

Financial aid offices at CSU campuses attempt to use all available financial aid program funding in an effort to meet as much of a student's financial need as possible. Each campus establishes its own "packaging" approach within the constraints of award limits that apply to individual aid programs, the funding priorities for the various aid programs, and, where applicable, the allocation of funds available for the program. One of the overriding considerations in the packaging process is to ensure that it provides for the fair and equitable treatment of all potentially eligible aid applicants and ensures that students in like circumstances are awarded in essentially the same manner.

Conclusion

Financial aid is critical to providing California's students access to a high-quality CSU education. By determining a student's financial need and packaging aid in a manner that prioritizes grant awards, campuses are able to provide individualized packages that minimize the financial burden wherever possible while providing aid to the maximum number of students.

COMMITTEE ON EDUCATIONAL POLICY

The Wang Family Excellence Awards

Presentation By

Timothy P. White
Chancellor

Background

More than 20 years ago, the Wang Family Excellence Award was established when then-California State University (CSU) Trustee Stanley T. Wang provided \$1 million to recognize the remarkable contributions of four CSU faculty members and one staff member annually over a 10-year period. Each selected recipient received an award of \$20,000.

In 2014, Trustee Emeritus Wang pledged a \$300,000 gift to the CSU to reinstate the Wang Family Excellence Award, continuing this recognition for faculty and staff through 2017. And, at the January 2017 Board of Trustees meeting, Chancellor Timothy P. White announced that Trustee Emeritus Wang had gifted an additional \$2.5 million, allowing the Wang Family Excellence Award to continue in perpetuity.

The Wang Family Excellence Award recognizes and celebrates CSU faculty members who have distinguished themselves through extraordinary dedication and exemplary achievements in their academic disciplines, while significantly contributing to the success of students. A staff administrator is also recognized for extraordinary accomplishments in her or his university assignment.

The selection process for the award begins with each campus president nominating one probationary or tenured faculty member for each of the award categories. The categories were modified in 2018 to reflect performance areas rather than academic disciplines. Award categories are:

- a) Outstanding Faculty Teaching;
- b) Outstanding Faculty Innovator in Student Success;
- c) Outstanding Faculty Scholarship; and
- d) Outstanding Faculty Service.

Campus presidents also nominate one staff administrator from their respective campuses for the Outstanding Staff Performance Award.

Nominations are considered by the Wang Family Excellence Award Selection Committee, appointed by Chancellor White in consultation with Trustee Emeritus Wang. This committee includes two members of the Board of Trustees, the Executive Vice Chancellor for Academic and Student Affairs, the Vice Chancellor for Human Resources, chair of the Academic Senate CSU and a CSU faculty member who was previously awarded the Wang Family Excellence Award.

Nominees are reviewed and considered for selection based on the following criteria:

- Nominees should have made truly remarkable contributions to the advancement of their respective universities and/or the CSU system.
- Nominees should have a demonstrated record of unusually meritorious achievements documented by evidence of superior accomplishments and contributions to their academic discipline or university assignment.
- A nominee's activities must advance the mission of the university, bring benefit and credit to the CSU and contribute to the enhancement of the CSU's excellence in teaching, learning, research, scholarly pursuits, student support and community contributions.

The Wang Family Excellence Awards will be presented during a ceremony at the January 2019 Board of Trustees meeting.

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 8:30 a.m., Wednesday, January 23, 2019
Glenn S. Dumke Auditorium

Hugo N. Morales, Chair
Silas H. Abrego, Vice Chair
Rebecca D. Eisen
Douglas Faigin
Debra S. Farar
Jean P. Firstenberg
Lillian Kimbell

- Consent** 1. Approval of Minutes of the Meeting of November 13, 2018, *Action*
- Discussion** 2. Recommended Revisions of Title 5, California Code of Regulations, Article 4.2, Catastrophic Leave Donation Program, *Information*

**MINUTES OF THE MEETING OF
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

November 13, 2018

Members Present

Hugo N. Morales, Chair
Silas H. Abrego, Vice Chair
Rebecca D. Eisen
Douglas Faigin
Debra S. Farar
Jean P. Firstenberg
Lillian Kimbell
Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Morales called the meeting to order.

Public Comment

The committee heard from four individuals during the public comment period addressing concerns about tuition costs and recent pay increases for executives and presidents; executive performance evaluations referred to in the California State Auditor's report; system-wide management and hiring practices at CSU Los Angeles; and, concerns about campuses that are filling bargaining unit positions with temporary employees and how the practice is becoming more prevalent.

Approval of Minutes

The minutes of the July 24, 2018 meeting were approved as submitted.

Annual Report on Outside Employment for Senior Management Employees

Trustee Morales presented agenda item two as a consent action item. The committee recommended approval of the proposed resolution. (RUF 11-18-08)

Annual Report on Vice President Compensation, Executive Relocation, and Executive Transition

Agenda item three was provided as an information item on the consent agenda.

Executive Compensation: Vice Chancellor of Human Resources – California State University

Chancellor Timothy P. White presented information on the appointment of Ms. Evelyn Nazario as vice chancellor of human resources for the California State University. As cited in agenda item four, an annual salary of \$297,546 was proposed. The committee recommended approval of the proposed resolution. (RUF 11-18-09)

Chancellor's Housing Allowance

Chairman Adam Day recommended a monthly housing allowance for the CSU Chancellor due to the potential sale of the State University House. The housing allowance will be provided through an existing foundation endowment and will be augmented with funds from the sale of the university house. Chair Day proposed the chancellor receive a \$7,917 monthly housing allowance to supplement the cost of a residence. The committee recommended approval of the proposed resolution. (RUF 11-18-10)

Trustee Morales adjourned the committee meeting.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

**Recommended Revisions of Title 5, California Code of Regulations, Article 4.2,
Catastrophic Leave Donation Program**

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

It is proposed that Article 4.2 of Title 5 which addresses the catastrophic leave donation program be revised to: (a) update Section 42930 to include catastrophic leave for natural disasters/state of emergency; (b) update Section 42931 to include the definition of catastrophic leave for natural disasters/state of emergency; (c) update the participation and eligibility requirements as defined in Section 42932; and (d) update the donation criteria as defined in Section 42933.

These revisions to Title 5 are proposed to expand the current Catastrophic Leave Donation Program to include Catastrophic Leave for a Natural Disaster /State of Emergency declared by the Governor. This benefit would be available to an employee who faces financial hardship because the employee has exhausted all accrued personal holiday credits and compensating time off, and has a balance of forty (40) hours or less in each accrued vacation credits and accrued sick leave credits, and is unable to work due to the effect of a natural disaster on the employee's principal residence.

Additionally, it is proposed that Article 4.2 be revised to include that the president of each campus, subject to the approval of the Chancellor, has the authority to make exceptions to the prescribed policy.

It is anticipated that an action item will be presented at the March 2019 Board of Trustees' meeting to adopt the following amendment:

Title 5, California Code of Regulations
Division 5 – Board of Trustees of the California State Universities
Chapter 1 – California State University
Subchapter 7 – Employees
Article 4.2 – Catastrophic Leave Donation Program

§ 42930. Purpose.

An employee who accrues vacation or sick leave credits may voluntarily donate either of those credits to another employee on the same campus, or for employees in the Office of the Chancellor, to another employee in the Office of the Chancellor. To qualify for catastrophic leave for catastrophic illness or injury, the recipient employee shall have exhausted all accrued leave credits due to catastrophic illness or injury as defined in this Article. ~~that has totally incapacitated the employee from work.~~ “Accrued leave credits” include credits for sick leave, vacation, personal holiday and compensating time off. To qualify for catastrophic leave for a natural disaster/state of emergency, the recipient employee whose principle residence has been impacted by a declared natural disaster/state of emergency as defined in Section 42391 shall have exhausted all accrued personal holiday credits and compensating time off, and have a balance of forty (40) hours or less in each accrued vacation credits and accrued sick leave credits.

The president of each campus, subject to the approval of the Chancellor, has the authority to make exceptions to the prescribed policy.

NOTE: Authority cited: Sections 89030 and 89500, Education Code. Reference: Section 89500, Education Code.

§ 42931. Definition of Catastrophic Illness or Injury and Catastrophic Leave for a Natural Disaster/State of Emergency.

A catastrophic illness or injury is one which has totally incapacitated the employee from work. Catastrophic illness or injury may also include an incapacitated member of the employee’s family, if this results in the employee’s being required to take time off for an extended period of time in order to care for the family member and the employee has exhausted all of accrued vacation credits and all accrued sick leave credits which may be used for family care. Only donated vacation credits may be used for such family care catastrophic leave.

Catastrophic leave for a natural disaster/state of emergency is leave for an employee whose principle residence is located in a county where a state of emergency has been declared by the Governor, is unable to work due to the effect of the natural disaster/state of emergency, and who faces financial hardship because the employee shall have exhausted all accrued personal holiday credits and compensating time off, and have a balance of forty (40) hours or less in each accrued vacation credits and sick leave credits.

NOTE: Authority cited: Sections 89030 and 89500, Education Code. Reference: Section 89500, Education Code.

§ 42932. Participation and Eligibility.

An employee, the employees' representative or the employee's family member shall request participation and provide appropriate verification ~~of illness or injury~~ as determined by the employee's appointing authority. The appointing authority shall determine eligibility to receive donations of vacation and sick leave credits based upon the definitions provided in this Article. An incapacitated employee may elect to defer a request to participate during a period of Industrial Disability Leave eligibility.

NOTE: Authority cited: Sections 89030 and 89500, Education Code. Reference: Section 89500, Education Code.

§ 42933. Donation.

(a) Only vacation and sick leave credits may be donated in increments of one hour or more. ~~For catastrophic illness or injury, Employees may donate a maximum of forty (40) hours of leave credits per fiscal calendar year in increments of one hour or more.~~ For catastrophic leave for a natural disaster/state of emergency, there is no maximum limit that an employee can donate as long as the employee maintains a balance of forty (40) hours of vacation leave credits and forty (40) hours of sick leave credits per calendar year. Donations are irrevocable. Donated leave credits may be used to supplement Industrial Disability leave, Non-industrial Disability Insurance or Temporary Disability payments upon the application of these benefit(s) by an eligible employee. The total amount of leave credits donated and used may not exceed an amount sufficient to ensure the continuance of the employee's regular monthly rate of compensation.

(b) The total donated leave credits shall normally not exceed an amount necessary to continue the employee for three calendar months calculated from the first day of catastrophic leave. The appointing authority may approve an additional three-month period in exceptional cases. The leave shall not be deemed donated until actually transferred by the appointing authority's recordkeeper to the record of the employee receiving leave credits. Such transfer shall be accomplished at the end of a pay period, and credits shall be transferred in the order of the dates actually pledged.

(c) For employees whose appointments have not been renewed, donated time may not be used beyond the employee's appointment expiration date in effect at the beginning of the disability.

(d) Unused donated leave credits may not be used to receive service credit following a service or disability retirement.

NOTE: Authority cited: Sections 89030 and 89500, Education Code. Reference: Section 89500, Education Code.

AGENDA

COMMITTEE ON AUDIT

Meeting: 9:00 a.m., Wednesday, January 23, 2019
Glenn S. Dumke Auditorium

Douglas Faigin, Chair
Hugo N. Morales, Vice Chair
Jack McGrory
Lateefah Simon

Consent 1. Approval of Minutes of the Meeting of November 14, 2018, *Action*

Discussion 2. Status Report on Current and Follow-up Internal Audit Assignments, *Information*
3. Calendar Year 2019 Audit Plan, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON AUDIT**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

November 14, 2018

Members Present

Douglas Faigin, Chair
Jack McGrory
Lateefah Simon
Adam Day, Chairman of the Board

Trustee Douglas Faigin called the meeting to order.

Public Comments

Gina Voight of the California State University Employees Union spoke about a California State Auditor report pertaining to health and safety compliance.

Approval of Minutes

The minutes of September 11, 2018, were approved as submitted.

Status Report on Current and Follow-up Internal Audit Assignments

Mr. Larry Mandel, vice chancellor and chief audit officer, provided a status on the 2018 audit plan and follow-up on past audit assignments. Mr. Mandel explained that updates to the status report are displayed in green numerals and indicate progress toward or completion of recommendations since the distribution of the agenda. All but one of the audit assignments for 2018 are currently in process or complete and include a variety of topics. The final audit assignment of the current year audit plan is scheduled to begin in late November.

Mr. Mandel reported that the campuses and the Office of the Chancellor continue to complete recommendations on a timely basis and that Audit and Advisory Services is working with the San Luis Obispo campus to clear the remaining recommendations from their information technology disaster recovery audit. Consultative reviews continue to be offered through the advisory services function, the continuous audit initiative proceeds, and investigations are performed as needed.

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Additionally, Audit and Advisory Services' investigations unit tracks intergovernmental audits conducted by the California State Auditor and other governmental entities, providing support and services to the Office of the Chancellor and campuses undergoing such audits.

Trustee Faigin noted that audit reports are published on the California State University website.

Trustee Faigin adjourned the Committee on Audit.

COMMITTEE ON AUDIT

Status Report on Current and Follow-up Internal Audit Assignments

Presentation By

Larry Mandel
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Summary

This item includes both a status report on the 2018 audit plan and follow-up on past assignments. 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 40 completed campus reviews. Attachment A summarizes the audit assignments in tabular form.

AUDITS

General Audits

The organizational redesign for Audit and Advisory Services provides for individual campus audit plans that are better aligned with campus and auxiliary organization risks. Risk assessments and initial audit plans have been completed for all campuses. Thirty-four campus reports have been completed, report writing is being completed for five campuses, and four reports are awaiting a campus response prior to finalization.

Information Technology Audits

The initial audit plan indicated that reviews of Information Security, IT Disaster Recovery, Cloud Computing, and Decentralized Computing would be performed at those campuses where a greater degree of risk was perceived for each topic. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues. Eleven campus reports have been completed, report writing is being completed for two campuses, and two reports are awaiting a campus response prior to finalization.

Sponsored Programs

The initial audit plan indicated that reviews of both post-award and pre-award activities would be performed. Post-award areas to be reviewed include operational, administrative, and financial controls to determine adherence to both sponsor terms and conditions, and applicable policies, procedures, and regulations. Pre-award reviews emphasize compliance with conflict-of-interest and training requirements. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues relating to sponsored programs activities. Five campus reports have been completed, and report writing is being completed for one campus.

Construction

The initial audit plan indicated that reviews of recently completed construction projects, including activities performed by the campus, general contractor, and selected subcontractors would be performed. Areas to be reviewed include approval of project design, budget and funding; administration of the bid and award process; the closeout process; and overall project accounting and reporting. Four campus reports have been completed, and report writing is being completed for one review.

ADVISORY SERVICES

Audit and Advisory Services partners with management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues. Advisory services are more consultative in nature than traditional audits and are performed in response to requests from campus management. The goal is to enhance awareness of risk, control and compliance issues and to provide a proactive independent review and appraisal of specifically identified concerns. Reviews are ongoing.

INVESTIGATIONS

Audit and Advisory Services is periodically called upon to provide investigative reviews, which are often the result of alleged misappropriations or conflicts of interest. Further, whistleblower investigations are being performed on an ongoing basis, both by referral from the state auditor and directly from the CSU Chancellor's Office. In addition, the investigations unit tracks external audits being conducted by state and federal agencies, acts as a liaison for the CSU throughout the audit process, and offers assistance to campuses undergoing such audits.

CONTINUOUS AUDITING TECHNIQUES

The initial audit plan indicated that continuous auditing techniques for more focused and higher quality audits would be implemented and used to review credit card data for twelve campuses. Continuous auditing uses data analytics tools and techniques to analyze large volumes of data, look for anomalies and trends, and complement the existing risk assessment process. Reviews are ongoing.

COMMITTEES/SPECIAL PROJECTS

Audit and Advisory Services is periodically called upon to provide consultation to the campuses and/or to participate on committees such as those related to information systems implementation and policy development, and to perform special projects.

AUDIT SUPPORT

Annual Risk Assessment

Audit and Advisory Services annually conducts a risk assessment to determine the areas of highest risk to the system, as well as campus-specific risks.

Administration

Day-to-day administration of the Audit and Advisory Services division includes such tasks as scheduling, personnel administration, maintenance of department standards and protocols, administration of the department's automated workpaper system and SharePoint website, and department quality assurance and improvement.

**Status Report on Current and Past
Audit Assignments
(as of 1/17/2019)**

Campus	Audit Topic	Audit Plan Year	Audit Status	Follow-up on Current and Past Audit Assignments	
				*Recs	**Mo.
Bakersfield	Cashiering	2018	AC	7/7	-
	Sponsored Programs - Post Award	2018	RW		
	Information Security	2018	RW		
Channel Islands	Counseling & Psychological Services	2018	AC	0/8	5
	University Auxiliary Services	2018	RW		
Chico	Academic Department Fiscal Review	2018	AC	8/10	7
	Information Security	2018	AC	0/7	4
	Student Health Services	2018	AC	0/6	3
	Centers and Institutes	2018	RW		
Dominguez Hills	Const. - Central Plt. Cooling Twr. & Domestic and Fire Water Line Repl.	2018	AC	0/0	-
	Centers and Institutes	2018	AC	0/6	5
	International Activities	2018	AC	0/9	3
East Bay	International Activities	2018	AC	6/6	-
	Cloud Computing	2018	AC	0/3	3
Fresno	Student Organizations	2018	AC	4/4	-
	Agricultural Foundation	2018	AC	3/3	-
	Fresno Athletic Corporation	2018	AC	3/10	4
	Cloud Computing	2018	AC	0/2	1
Fullerton	Information Security	2018	AC	7/7	-
	Student Health Services	2018	AC	5/5	-
	Const. - One Banting	2018	AC	0/5	4
	Cal State Fullerton Philanthropic Fdn.	2018	AC	0/3	1
Humboldt	Information Security	2018	AC	3/5	6
	Cashiering	2018	AC	1/2	4
	Special Investigation - Procurement Card Purchases	2018	AC	5/5	-
Long Beach	Student Organizations	2018	AC	7/7	-
	Const. - Pkg. Lot 7 Expansion & Psy. Brain Lab Renovation	2018	AC	1/1	-
	Cashiering	2018	AC	1/3	3
	The Forty-Niner Shops, Inc.	2018	RW		
Los Angeles	Police Services	2018	AC	2/2	-
	Decentralized Computing	2018	AC	0/4	1
	Facilities Management	2018	AI		
Maritime Academy	Hazardous Materials Management	2018	AC	9/9	-
	Associated Students	2018	AC	0/5	3
Monterey Bay	Hazardous Materials Management	2018	AC	10/10	-
	IT Disaster Recovery	2018	AC	2/3	5
	Foundation of CSU Monterey Bay	2018	AC	0/8	1
Northridge	Northridge Foundation	2018	AC	2/8	4
	Sponsored Programs	2018	AC	0/5	2

**Status Report on Current and Past
Audit Assignments
(as of 1/17/2019)**

Campus	Audit Topic	Audit Plan Year	Audit Status	Follow-up on Current and Past Audit Assignments	
				*Recs	**Mo.
Pomona	Cashiering	2018	AC	4/4	-
	Information Security	2018	AC	12/12	-
	Special Investigation - Reimb. Claims, Time Rptg. & Add'l Employment	2017	AC	8/8	-
	Associated Students Incorporated	2018	AC	1/4	2
Sacramento	Sponsored Programs - Post Award	2018	AC	2/3	8
	IT Disaster Recovery	2018	AC	0/4	3
	Associated Students of CSU, Sacramento	2018	RW		
	Const. - Student Housing, Phase II	2018	RW		
San Bernardino	Emergency Management	2018	AC	0/5	5
	Const. - Std. Housing & Dining Commons	2018	AC	0/1	2
San Diego	Student Disability Support	2018	AC	7/7	-
	Academic Department Fiscal Review	2018	AC	2/2	-
	Decentralized Computing	2018	AI		
San Francisco	Centers and Institutes	2018	AC	3/4	7
	Sponsored Programs - Pre Award	2018	AC	0/2	4
	Accounts Receivable	2018	AC	0/4	1
	Student Organizations	2018	AI		
San Jose	Decentralized Computing	2018	AC	13/13	-
	Housing and Residential Services	2018	AC	3/9	3
	The Student Union of San Jose State Univ.	2018	RW		
San Luis Obispo	IT Disaster Recovery	2018	AC	3/4	8
	Student Health Services	2018	AC	3/4	8
	Cal Poly Corporation	2018	AC	0/7	2
San Marcos	Student Health Services	2018	AC	7/7	-
	Sponsored Programs - Pre Award	2018	AC	2/3	6
Sonoma	Student Organizations	2018	AC	6/6	-
	IT Disaster Recovery	2018	AC	0/10	4
	Sonoma State Enterprises	2018	AC	0/5	1
Stanislaus	Instructionally Related Activity Fees	2018	AC	0/1	2
	Information Security	2018	RW		
Chancellor's Office	Information Security	2017	AC	9/9	-
	Sponsored Programs - Post Award	2018	AC	0/0	-
	Emergency Management	2018	AC	0/4	3
Systemwide	Student Organizations	2017	AC	0/1	10 ¹
Status FW - Field Work In Progress RW - Report Writing in Progress AI - Audit Incomplete (awaiting formal exit conference and/or campus response) AC - Audit Complete Follow-Up * The number of recommendations satisfactorily addressed followed by the number of recommendations in the original report. ** The number of months recommendations have been outstanding from date of report. ¹ Approved extended completion date of 12/31/18. Numbers/letters in green are updates since the agenda mailout.					

COMMITTEE ON AUDIT

Calendar Year 2019 Audit Plan

Presentation By

Larry Mandel
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Background

Education Code Section 89045, enacted by Chapter 1406 of the Statutes of 1969, provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University. Audit and Advisory Services assists university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Additionally, Audit and Advisory Services serves the university in a manner that is consistent with the *International Professional Practices Framework* and the *Code of Ethics* as promulgated by the Institute of Internal Auditors.

Summary

Audit and Advisory Services presents its audit plan for the calendar year at the January meeting of the Board of Trustees, Committee on Audit for review and approval. At the November 2016 meeting of the Board of Trustees, Audit and Advisory Services provided details regarding the implementation of an organizational redesign to be phased in over a four-year period, with implementation activities commencing in July 2016. Implementation activities proceed as planned and include two new auditor positions for fiscal year 2019-2020, which are reflected in the below audit plan. The following item is an audit plan for calendar year 2019, which is year three of the redesign phase-in period.

Audit Plan

AUDITS – 68% of Plan

General Audits (53%)

The newly redesigned organizational structure provides for individual campus audit plans that are better aligned with campus and auxiliary organization risks and systemwide goals and strategies, as well as the implementation of continuous auditing techniques for more focused and higher quality audits. Continuous auditing uses data analytics tools and techniques to analyze large volumes of data, look for anomalies and trends, and complement the existing risk assessment process.

In-person interviews with campus management have been completed to build upon information learned in previous risk assessments in order to identify campus specific/unique topics to be reviewed. While audit plans for the last two years have included a variety of audit topics, the 2019 audit plan includes a lesser variety of audit topics because Audit and Advisory Services has committed to conduct Health and Safety audits at all campuses as a follow-up to the health and safety audits performed by the California State Auditor in 2018. In addition, continuous audit techniques will be used to review credit card data for the twelve campuses not reviewed in 2018 to identify potential risks and to evaluate compliance with policies and procedures.

Information Technology Audits (8%)

The audit plan includes reviews of Information Security and other information technology topics. Areas to be reviewed include, but are not limited to Information Technology Disaster Recovery, Cloud Computing, and Accessible Technology. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues and will be performed at those campuses where a greater degree of risk was perceived for each of these areas.

Sponsored Programs (4%)

The audit plan includes reviews of both post-award and pre-award activities. Post-award reviews will emphasize review of operational, administrative, and financial controls to determine whether processes and expenditures are in accordance with both sponsor terms and conditions, and applicable policies, procedures, and regulations. Pre-award reviews will emphasize compliance with conflict-of-interest and training requirements. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues relating to sponsored programs activities.

Construction (3%)

The audit plan includes reviews of recently completed construction projects, including activities performed by the campus, general contractor, and selected subcontractors. Areas to be reviewed include, but are not limited to, approval of project design, budget and funding; administration of the bid and award process; the closeout process; and overall project accounting and reporting.

ADVISORY SERVICES – 15% of Plan

Audit and Advisory Services will partner with management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues. Advisory services are more consultative in nature than traditional audits and are performed in response to requests from campus management. The goal is to enhance awareness of risk, control and compliance issues and to provide a proactive independent review and appraisal of specifically identified concerns.

INVESTIGATIONS – 7% of Plan

Audit and Advisory Services is periodically called upon to provide investigative reviews, which are often the result of alleged misappropriations or conflicts of interest. Further, whistleblower investigations are performed on an ongoing basis, both by referral from the state auditor and directly from the CSU Chancellor's Office. In addition, the investigations unit tracks external audits conducted by state and federal agencies, acts as a liaison for the system throughout the audit process, and offers assistance to campuses undergoing such audits.

COMMITTEES/SPECIAL PROJECTS – 1% of Plan

Audit and Advisory Services is periodically called upon to provide consultation to the campuses and/or participate on committees such as those related to information systems implementation and policy development, and to perform special projects.

AUDIT SUPPORT – 9% of Plan

Annual Risk Assessment

Audit and Advisory Services annually performs individual campus risk assessments, using management interviews, surveys, audit history, and other factors to score an audit universe of topics in order to determine the topics of highest risk to each campus and the system. Periodically, other audit topics are selected for review due to their high profile nature in order to assure the board that appropriate policies and procedures are in place to mitigate risk to the system.

Administration

Day-to-day administration of Audit and Advisory Services includes such tasks as scheduling, personnel administration, maintenance of department standards and protocols, administration of the department's automated workpaper system and SharePoint website, and department quality assurance and improvement.

The following resolution is recommended for approval:

RESOLVED, By the Committee on Audit of the California State University Board of Trustees that the Calendar Year 2019 Audit Plan, as detailed in Agenda Item 3 of the Committee on Audit at the January 22-23, 2019 meeting, be approved.

AGENDA

COMMITTEE ON ORGANIZATION AND RULES

Meeting: **9:30 a.m., Wednesday, January 23, 2019**
 Glenn S. Dumke Auditorium

Thelma Meléndez de Santa Ana, Chair
Lillian Kimbell, Vice Chair
Silas H. Abrego
Jane W. Carney
Jean Picker Firstenberg
Lateefah Simon
Christopher Steinhauser

Consent 1. Approval of Minutes of the Meeting of March 20, 2018, *Action*
 2. Proposed California State University Board of Trustees' Meeting Dates for 2020,
 Information

**MINUTES OF THE MEETING OF THE
COMMITTEE ON ORGANIZATION AND RULES**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

March 20, 2018

Members Present

Thelma Meléndez de Santa Ana, Chair
Jane W. Carney, Vice Chair
Silas H. Abrego
Douglas Faigin
Lateefah Simon
Rebecca D. Eisen, Chair of the Board
Timothy P. White, Chancellor

Trustee Thelma Meléndez de Santa Ana called the meeting to order.

Consent Agenda

The minutes of the January 31, 2018 meeting were approved as submitted.

Proposed California State University Board of Trustees' Meeting Dates for 2019

Trustee Meléndez de Santa Ana presented agenda item 2 as a consent action item. The committee recommended approval of the proposed resolution (ROR 03-18-01).

Revision of Standing Orders – Delegation of Capital Outlay Project Approval, Schematic Design Approval, and Financing Approval

Trustee Meléndez de Santa Ana presented agenda item 3 as a consent action item. The committee recommended approval of the proposed resolution (ROR 03-18-02).

Trustee Meléndez de Santa Ana adjourned the meeting.

COMMITTEE ON ORGANIZATION AND RULES

Proposed California State University Board of Trustees' Meeting Dates for 2020

Presentation By

Thelma Meléndez de Santa Ana
Committee Chair

Summary

The following schedule of the CSU Board of Trustees' meetings for 2020 is presented for information and will be proposed for action at the March 2019 meeting.

Proposed 2020 Meeting Dates

January 28-29, 2020	Tuesday – Wednesday	Chancellor's Office
March 24-25, 2020	Tuesday – Wednesday	Chancellor's Office
May 12-13, 2020	Tuesday – Wednesday	Chancellor's Office
July 21-22, 2020	Tuesday – Wednesday	Chancellor's Office
September 22-23, 2020	Tuesday – Wednesday	Chancellor's Office
November 17-18, 2020	Tuesday – Wednesday	Chancellor's Office

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, CA 90802

January 23, 2019

Presiding: Adam Day, Chairman

9:45 a.m. Board of Trustees

Dumke Auditorium

Call to Order

Roll Call

Public Speakers

Chair's Report

Report of the Academic Senate CSU: *Chair—Catherine Nelson*

Report of the California State Student Association: *President—Mia Kagianas*

Report of the California State University Alumni Council: *President—Manolo P. Morales*

Consent

- Action* 1. Approval of Minutes of the Meeting of November 14, 2018
Action 2. Approval of Committee Resolutions as follows:

Committee on Institutional Advancement

2. Naming of Milton A. Gordon Hall – California State University, Fullerton
3. Naming of the Ronald H. Silverman Fine Arts Gallery – California State University, Los Angeles
4. Annual Report on Donor Support for 2017-2018

Committee Campus Planning, Buildings and Grounds

2. California Polytechnic State University, San Luis Obispo—Science and Agriculture Teaching and Research Complex

Joint Committees on Finance and Campus Planning, Buildings and Grounds

2. Final Approval of a Public-Private Partnership Student Housing Development Project at California State University, Sacramento

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

Committee on Finance

2. 2019-2020 Lottery Budget and Report

Committee on Governmental Relations

2. Statement of State Legislative Principles for 2019-2020
3. Sponsored State Legislative Program for 2019
4. Federal Agenda for 2019-2020

*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

**MINUTES OF THE MEETING
OF BOARD OF TRUSTEES**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California

November 14, 2018**

Trustees Present

Adam Day, Chairman
Lillian Kimbell, Vice Chair
Silas H. Abrego
Jane W. Carney
Rebecca D. Eisen
Douglas Faigin
Jean Picker Firstenberg
Wenda Fong
Juan F. Garcia
Emily Hinton
Jack McGrory
John Nilon
J. Lawrence Norton
Romey Sabalius
Lateefah Simon
Peter J. Taylor
Timothy P. White, Chancellor

Chairman Day called the meeting of the Board of Trustees to order.

Public Comment

The board heard from the following individuals during the public comment period:

William Blishke, President, CSU Emeritus and Retired Faculty and Staff Association (CSU-ERFSA); Martin Brenner (Vice Chair Bargaining Unit 9 CSUEU); Neil Jacklin (President CSUEU); Sergio Roldan (CSUEU); Benjamin Deutsch (UAW 4123); Cecil Canton (Sacramento - CFA Associate Vice President, Affirmative Action, North); Brittiney Stringer, sister of Keymaan Stringer – campus safety (Humboldt State); Katari (KT) Thompson (former student,

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Humboldt); Naomi Waters (former student, Humboldt); Charmaine Michelle Lawson, mother of David Josiah Lawson - campus safety (Humboldt State); Anthony Lawson, brother of David Josiah Lawson - campus safety (Humboldt State);

Chair's Report

Chairman Day's complete report can be viewed online at the following link:
<https://www2.calstate.edu/csu-system/board-of-trustees/reports-of-the-chair/Pages/november-2018.aspx>

Chancellor's Report

Chancellor Timothy P. White's complete report can be viewed online at the following link:
<https://www2.calstate.edu/csu-system/board-of-trustees/chancellor-reports/Pages/November-13-14-2018.aspx>

Report of the Academic Senate CSU

CSU Academic Senate Chair, Catherine Nelson's complete report can be viewed online at the following link: http://www.calstate.edu/AcadSen/Records/Chairs_Reports/

Report from the California State Student Association

CSSA President Mia Kagianas's complete report can be viewed online at the following link:
<https://www.calstatestudents.org/public-documents/#president>

Report of the California State University Alumni Council

Alumni Council President, Manolo P. Morales' complete report can be viewed online at the following link: <http://www.calstate.edu/alumni/council/bot/index.shtml>

Board of Trustees

The minutes of the meeting of September 12, 2018 were approved as submitted.

Prior to approval of the consent agenda Trustee Hinton requested that Item 5, Approval of the 2019-2020 Operating Budget Request, from the Committee on Finance be removed from the consent agenda for separate discussion. Chancellor White abstained from the vote on Item 5, Chancellor's Housing Allowance, from the Committee on University and Faculty Personnel. Chairman Day asked to move all the remaining consent agenda items for approval. There was a second.

The Board of Trustees approved the following resolutions:

Committee on University and Faculty Personnel

**Annual Report on Outside Employment for Senior Management Employees
(RUF 11-18-08)**

RESOLVED, by the Board of Trustees of the California State University, that the 2017 Senior Management Outside Employment Disclosure Report, as cited in Item 2 of the Committee on University and Faculty Personnel at the November 13-14, 2018 meeting of the Board of Trustees, is approved.

**Executive Compensation: Vice Chancellor of Human Resources – California State University
(RUF 11-18-09)**

RESOLVED, by the Board of Trustees of the California State University, that Ms. Evelyn Nazario shall receive a salary set at the annual rate of \$297,546 effective the date of her appointment as vice chancellor of human resources for the California State University; and be it further

RESOLVED, that Ms. Nazario shall receive additional benefits as cited in Item 4 of the Committee on University and Faculty Personnel at the November 13-14, 2018 meeting of the Board of Trustees.

**Chancellor's Housing Allowance
(RUF 11-18-10)**

RESOLVED, by the Board of Trustees of the California State University, that:

The Chancellor receive a \$7,917 monthly housing allowance of non-state funds to supplement the cost of a residence. These funds are to be paid by the foundation endowment created through an original donor gift to support the housing and hospitality-related functions for the Chancellor of the California State University and supplement by the proceeds of the sale of the State University House located in Long Beach.

Joint Committees on Finance and Campus Planning, Buildings and Grounds

**Approval of the 2019-2020 through 2023-2024 Five-Year Capital Plan and Multi-Year Financing Authorization
(RFIN/CPBG 11-18-02)**

RESOLVED, By the Board of Trustees of the California State University, that:

1. The 2019-2020 through 2023-2024 Five-Year Capital Plan totaling \$16.2 billion is approved.
2. The chancellor is authorized to proceed in 2018-2019 with design and construction to fast-track projects in the 2019-2020 through 2023-2024 Five-Year Plan.
3. The chancellor is requested to explore all reasonable funding methods available and communicate to the Board of Trustees, the governor, and the legislature the need to provide funds to develop the facilities necessary to serve the academic program and all eligible students.
4. The chancellor is authorized to make adjustments to the Five-Year Capital Plan, including the priority sequence, scope, phase, project cost, financing source, and total budget request for the Program and report budget adjustments in the subsequent Five-Year Plan.
5. The chancellor is authorized to make adjustments in the projects to be financed as necessary to maximize use of the limited financing resources and in consideration of the CSU's priorities for funding capital outlay projects.

Furthermore,

Orrick, Herrington & Sutcliffe LLP, as bond counsel, prepared resolutions presented in agenda item 2 on the Joint Committees on Finance and Campus Planning, Buildings and Grounds at the November 13-14, 2018 Board of Trustees meeting that authorize interim and permanent financing for the projects described in the agenda item. The proposed resolutions were distributed at the meeting and will achieve the following:

1. Authorize the sale and issuance of Systemwide Revenue Bond Anticipation Notes, and/or the related or stand-alone sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate amount not to exceed \$1.1 billion and certain actions relating thereto.
2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes, the revenue bonds, and the related debt instruments.

Approval to Issue Board of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments and Amend the 2018-2019 Capital Outlay Program for the Acquisition of Real Property for Sonoma State University (RFIN/CPBG 11-18-03)

RESOLVED, by the Board of Trustees of the California State University, that:

1. The 2018-2019 capital outlay program is amended to include the acquisition of real property for Sonoma State University.
2. The chancellor, or his designee, is delegated the authority to negotiate the final agreement for the purchase of the property contingent on the results of the due diligence.

Furthermore,

Orrick, Herrington & Sutcliffe LLP, as bond counsel, prepared resolutions presented in agenda item 3 on the Joint Committees on Finance and Campus Planning, Buildings and Grounds at the November 13-14, 2018 Board of Trustees meeting that authorize interim and permanent financing for the projects described in the agenda item. The proposed resolutions were distributed at the meeting and will achieve the following:

1. Authorize the sale and issuance of the Board of Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate amount not to exceed \$37,020,000 and certain actions relating thereto.
 2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes, the revenue bonds, and the related debt instruments.
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BoT
Agenda Item 1
January 22-23, 2019

Committee on Institutional Advancement

**Naming of the Don Miller and Ron Simons Rose Float Laboratory – California State Polytechnic University, Pomona
(RIA 11-18-05)**

RESOLVED, by the Board of Trustees of the California State University, that the Rose Float Facility Replacement Laboratory Building at California State Polytechnic University, Pomona be named the Don Miller and Ron Simons Rose Float Laboratory.

**Naming of the JUSTIN and J. LOHR Center for Wine and Viticulture – California Polytechnic State University, San Luis Obispo
(RIA 11-18-06)**

RESOLVED, by the Board of Trustees of the California State University, that the newly constructed agricultural facilities at California Polytechnic State University, San Luis Obispo be named the JUSTIN and J. LOHR Center for Wine and Viticulture.

Prior to the approval of the consent agenda, Trustee Hinton requested that Item 5, Approval of the 2019-2020 Operating Budget Request, from the Committee on Finance be removed from the consent agenda for separate discussion. Trustee Hinton proposed an amendment to the resolution passed in committee to change the request for \$15 million in state funds for basic needs from one-time funds to recurring funds. There was a motion and a second on the proposed amendment. There was discussion. Chairman Day called for a vote on the amendment. The motion did not pass. Chairman Day then called for a vote on the original resolution as passed in committee. There was a second.

The following resolution was approved unanimously.

Committee on Finance

**Approval of the 2019-2020 Operating Budget Request
(RFIN 11-18-04)**

RESOLVED, that the Board of Trustees of the California State University acknowledges and expresses its appreciation to the governor and legislature for their increased budget support; and be it further

RESOLVED, that the Board of Trustees understands there are numerous competing interests for budgetary support given the fiscal constraints and competing policy priorities under which California continues to operate; and be it further

RESOLVED, that the future of California rests on CSU's ability to provide a high-quality, affordable, and accessible education to hundreds of thousands of students; and be it further

RESOLVED, by the Board of Trustees that the proposed CSU 2019-2020 Operating Budget Request is approved as submitted by the chancellor; and be it further

RESOLVED, that the chancellor is authorized to adjust and amend this budget to reflect changes in the assumptions upon which this budget is based, and that any changes made by the chancellor be communicated promptly to the trustees; and be it further

RESOLVED, that copies of this resolution be transmitted to the governor, to the director of the Department of Finance, and to the legislature.