

**CAMPUS REENGINEERING COMMITTEE
MARCH 21, 2008**

MEMBERS PRESENT:

Larry Furukawa-Schlereth, Chair
Ruth Burke
Erik Dickson
Peter Flores
Ben Ford
Ian Hannah
Lori Heffernon
Bill Ingels
Nate Johnson
Paul Lange
Laura Lupei
Rich Marker
Bill Poe for Catherine Nelson
Gloria Ogg
Katie Pierce
Robert Rosen
Sam Scalise
Tim Wandling
Xiaodong Zhu

Melinda Barnard
Jenifer Crist
Christopher Dinno
Dolly Freidel
Bennett Hall
Sue Hayes
Tyson Hill
Carol Ingerman
Kelley Kaslar
Rick Ludmerer
Kelly Estrada for Perry Marker
Neil Markley
Eduardo Ochoa
Janice Peterson
Anna Reynolds-Smith
Floyd Ross
Kathleen Spitzer
Jason Wenrick

MEMBERS ABSENT:

Letitia Coate
Whitney Diver
Susan Kashack
Mike Kiraly
Elaine McDonald
Peter Neville
Tim Tiemens

Dan Condron
Timothy Dondero
Tristan Kelley
Matthew Lopez-Phillips
Scott Miller
Chuck Rhodes
Erica Wilcher

GUESTS PRESENT:

Dee Dee Brannan
Pam Su

Ryan Ernst

AGENDA

- I. APPROVAL OF THE MINUTES
- II. VICE-PRESIDENT'S REPORT
- III. FINANCIAL AFFAIRS
- IV. PERIODIC REVIEW OF ADMINISTRATORS
- V. CAMPUS NOTIFICATION SYSTEM
- VI. HOUSING ASSISTANCE PROGRAM
- VII. CODE OF ETHICS
- VIII. ALCOHOL POLICY REVISIONS – SECOND READING
- IX. SUSTAINABILITY INITIATIVES
- X: FACULTY TRANSITION INITIATIVE

I. APPROVAL OF THE MINUTES

(Please refer to the March 21, 2008 agenda packet for related documents)

Laurence Furukawa-Schlereth called the meeting to order at 12:26 pm. Schlereth introduced Kelley Estrada who will be serving as a proxy for Perry Marker. Schlereth also introduced Ben Ford from the Mathematics department who is replacing Beez Schell as the representative from Science and Technology. Schlereth added that Bill Poe would be serving as proxy for Catherine Nelson for the Spring semester as the Faculty Representative at Large. Pam Su from Rec Sports and Ryan Ernst the Marketing Director in Administration and Finance are also joining the committee as guests.

Schlereth asked for a motion to approve the minutes from the February 8, 2008 meeting. Floyd Ross moved; Sue Hayes seconded. The minutes were approved unanimously with abstentions from those who were not in attendance at the February meeting.

II. VICE-PRESIDENT'S REPORT

(Please refer to the March 21, 2008 agenda packet for related documents)

CRC Communication to Senate and ASI

Schlereth explained that the Academic Senate Budget Committee has requested to be copied on the CRC agenda, especially items that are related to budget. Schlereth asked the committee for advice on this issue, but noted that, according to the consultation principles, he would like to ask the Academic Senate representatives to provide this information to their constituent committees. Tim Wandling said that providing information to as many people as possible is a good thing and this is sometimes difficult with the changeover in Senate leadership. Schlereth replied that he feels that somewhat relieves the representatives of their responsibility. Eduardo Ochoa added that there is a cost to providing information. Schlereth continued that the committee really needs to determine how to best do governance. Logistically, it is very difficult for Schlereth to tell everyone everything that is going on. Gloria Ogg added, that if Schlereth was distributing the information, people with questions would then go to Schlereth instead of their representatives. Melinda Barnard said that, when she was Senate Chair, she used to give a report back to the senate to quickly review the items that were being discussed in CRC. She added that email lists of constituents may help representatives distribute the information. Erik Dickson added that the Associated Students and Student Union

have a shared drive where information is put by the student representatives on the various committees.

University Audited Financial Statements

Schlereth provided the committee with the opinion of the KPMG auditors who performed the 06/07 financial audit on the University financial statements. The full audit will be available in the expenditure plan which will be published shortly. Schlereth noted that this a very good report and thanked and congratulated all those involved.

A-133 Audit

The Board of Trustees have issued a report of the results of the A-133 audit. This is a system-wide audit of all federal grant awards. The report generated findings of questionable costs at Long Beach of about \$7,500 and at Sonoma of over \$800,000 associated with CIHS. The actual findings were provided for the committee in the packet.

State Controllers Office Audit

Beginning Monday, the State Controller's Office will be performing an audit of all General Fund expenditures for the last two years. This audit is associated with the new guidelines implemented with the Revenue Management Program. This review will provide an independent external audit to ensure that the University is expending the General Fund in a way consistent with the law and the education code. Sonoma is the second CSU to be audited. There will be a visiting team of six auditors. They will also be reviewing our systems of internal control. We should receive a report from them sometime in May or June. This is an important and rather time consuming audit for our Financial Services staff. This will be the thirteenth visit from an external audit team in the last twelve months reviewing the activities of our accounting department.

Information Security Audit

A CSU Trustee audit on campus information security will most likely begin in May. Campus information security has been identified as a key area of risk in the system as a whole and Sonoma would be a pilot campus to undertake this audit. Schlereth added that Sam Scalise believes that the campus has some vulnerabilities in this area. If there are findings in this audit of areas that need to be remedied, these solutions are likely to become unfunded mandates. Information security will most likely emerge as an issue in the foreseeable future. Barnard asked if this audit was on physical or electronic information and Schlereth responded that it should be both. He continued that PeopleSoft is secure but we have many hard copies and shadow systems that may be problematic.

Information Technology Assessment

The assessment of IT began on Monday. This is a part of the ongoing assessment activity that began with Human Services and then Entrepreneurial Activities. IT is the third area to undergo assessment. Schlereth noted that there would be a dialogue in CRC about ways to better our IT area as more information is provided through the assessment process.

Entrepreneurial Activities

Schlereth received the second draft of the Entrepreneurial Activities assessment report yesterday. More information should be available soon.

Police Services Accreditation

Schlereth announced that there is also assessment activity occurring in Police Services and asked Nate Johnson to talk about that process. Johnson explained that Police Services is going through the process to be accredited by the Commission Accreditation for Law Enforcement Agencies (CALEA). CALEA is a national association that reviews law enforcement agencies on aspects of their policies and procedures, internal operations, field operations and other aspects of their operations. SFSU just completed their accreditation and was the third CSU to be accredited. Sonoma plans to be the fourth. The presentation to the CALEA board will occur in Summer 2009. Schlereth added that all of these assessments are in preparation for the WASC accreditation. The goal is to be able to provide a body of evidence of administrative effectiveness in addition to educational effectiveness.

ATI

The Division of Administration and Finance is responsible for implementing Priority 3 of the Accessible Technology Initiative. This requires a review of all product purchases to ensure compliance. This will require a new full-time staff position that is devoted to determining that the product being procured meets the correct standards. In order to fill this need, Dustin Mollo has been reassigned in IT. Schlereth added that this new requirement will also slow the procurement process.

Diversity Initiatives

Diversity is a goal area in the draft University Strategic Plan. Schlereth would like to move forward with some diversity initiatives throughout the University. Though this is difficult to do in bad budget times, Schlereth believes that there are many things that could be done at minimal cost or could be accomplished with the existing resource base. For example, one suggestion may be to go through the process with the Human Rights Commission to get rated. Also, in discussions with Pat Fuscaldo, the men's basketball coach, he made it clear that he would like to make the Ron Logsdon tournament an annual event to celebrate diversity. A committee has been created to explore this idea. Schlereth asked the committee members, as well as his management team, to provide ideas on diversity initiatives that this Division could do. Please provide the suggestions to Dee Dee.

Service Dog Training

There has been a request to consider developing a blue paper policy on whether or not employees can be service dog trainers while working. Several employees have asked permission to do this. Schlereth noted that there could be several issues to work through which should be discussed. A committee has been created with Kathleen Spitzer chairing the committee. Schlereth asked for volunteers to assist Spitzer in developing a policy. A number of committee members volunteered including Sue Hayes, Dolly Freidel, Paul Lange, Carol Ingerman, Ogg, and Xiaodong Zhu. Johnson also volunteered Missy Wynes.

Services to Students – Evenings and Weekends

Schlereth announced that there has not yet been a meeting on this item which was raised at the last CRC.

International Student House

The group tasked with working on this item is still finishing up work on the Faculty in Residence Program and so has not met on the International Student House yet.

Strategic Planning Update

Schlereth announced that there will be a campus wide meeting on April 3rd in Schulz 3001 to discuss and ask questions about the draft University Strategic Plan. Schlereth added that he will be asking the CRC to take a position on the Plan in May. From a Division perspective, it is the time of year for each cluster to develop initiatives for the upcoming year. Anyone who has thoughts on this can contact the appropriate Senior Director. Schlereth will bring a draft Division strategic plan to the May CRC meeting.

Open Computer Lab Refresh

Schlereth noted that some of the computer labs are badly in need of an equipment refresh. This item has never been a part of the base budget, so Schlereth has decided to direct \$100,000 of salary savings from this Division to provide funding for replacing this machinery.

Globalization Study Group

Schlereth explained that, after consultation with the CSUEU and the CSU General Counsel, he has been advised to cease meeting with the Globalization Study Group. His participation as an administrator could create the perception that the group is engaged in activity that could constitute bargaining. Schlereth is meeting with Art Warmouth, the study group Co-chair to determine how to proceed with the topic without the committee. Schlereth would like to continue to honor the spirit in which the study group was undertaken.

Emergency Preparedness

The campus will have an emergency preparedness exercise on April 30th. This will be an exercise on an active shooter incident. The campus is required by the CSU to undertake this exercise and a report must be provided to the CO by May 20th. Johnson noted that he has read the emails on Senate-Talk and Staff-Link and he understands the campus concerns and is confident that Police Services is well-prepared and has a good plan in place.

Grants and Contracts Post Award Administration

There has been a lot of campus dialogue about Grants and Contracts Post Award administration in the last year. The A-133 audit provided a number of recommendations on how to improve post award administration processes. Schlereth has met with Ochoa and the deans to determine the departments' costs for handling this process. It is also necessary to understand the costs in the A&F Financial Services department for providing good oversight. The goal is to provide funding to bring these areas into a balanced position so that all areas involved in this important role feel that they have the adequate level of support and resources.

Schlereth added that the campus is responsible for putting in place an independent, centralized monitoring system for all grant administration. The University will most likely need to make a decision as an institution to support Grants and Contracts as an instructional activity. Lori Heffernon added that, in addition to educational benefits, grants activity is a good program to advertise and increase diversity.

Campus-Based Internal Audit

The A&F Division will proceed with hiring an internal auditor to assist in performing the centralized monitoring activities. The Trustees are requiring a more rigorous program of internal review and compliance.

III. FINANCIAL AFFAIRS

(Please refer to the March 21, 2008 agenda packet for related documents)

General Fund 08-09 Planning

Schlereth noted that the Campus Forum - Budget Summit meeting had occurred the day prior to discuss the impact of the proposed Governor's CSU budget reduction and the advocacy movement. Schlereth was encouraged by the unified effort to support the CSU advocacy effort. The major thrust of the campus effort in the coming weeks is to support the advocacy effort. At the same time, the campus would be malfeasant, if we were not preparing for the potential cuts. In Administration and Finance, a number of positions have been frozen and few positions are being filled. Administration and Finance is trying to plan for about a \$1.1 million reduction to its base budget. Schlereth thanked all of his managers and staff for their resiliency in accepting these changes. Barnard noted that it is important to provide information on which positions are being frozen so that faculty feel that cuts are hitting evenly across the campus. Ochoa replied that the freeze itself is a means to an end, which is the across the board cut. Friedel asked how the funding being provided for the lab refresh money from salary savings plays into the cut. Schlereth replied that this is a good question that does not yet have a clear answer.

Repairing the Base Initiative

Schlereth provided an update on the Repairing the Base initiative. He has met with all of the areas across the campus. He may still meet with the Academic Senate standing committees and the Associated Students, Inc. When looking at the base, there are some very troubling issues aside from the looming budget cuts. The University is going to need to address these problems on top of the cut or the institution will not be able to viably function in 08/09. Schlereth reassured the committee that he is working with Ochoa to put together a plan for 08/09.

Foundation

Schlereth provided an overview of the projected distribution from the pooled Endowment. This distribution plan was discussed with the Academic Foundation Finance Committee earlier in the week. The 2008-2009 estimated distribution would be the largest annual dollar value ever distributed and sets a base for future years. The Endowment continues to produce good returns and presents an opportunity for us to invest in our philanthropic efforts to further increase this figure. Schlereth added that there is an additional distribution of almost \$200,000 which is distributed from non-pooled endowment funds that are not reflected in this distribution. The Lifelong Learning Institute and the Galbraith Wildlife Preserve are included in this amount. Schlereth emphasized that these figures for distribution are not yet official.

Senate Resolution

Schlereth asked the committee to provide him with some advice on the Academic Senate resolution regarding an independent audit of SSU. This resolution raises a number of questions about the financial affairs of the University. It will be seen if the

Bureau of State Audits will address the resolution. There are serious questions on this resolution that are directed at Schlereth and the financial team. The questions deserve some analysis and comment, but Schlereth asked for advice on how to proceed. One option is to create an ad hoc committee to study the questions and provide a report on whether there is any validity to these concerns, because they have been presented as if they are truthful and valid. Schlereth also wondered what would happen if the Bureau of State Audits does not respond and the questions are left out there with no response.

Ogg asked what the cost to the campus would be to undergo the audit being called for in the resolution. Schlereth responded that he estimates it would cost about \$400,000 in staff support through external consultants. Our financial team couldn't handle this audit along with the other audits. Barnard recommended that Schlereth take seriously the need to answer these questions. The resolution may be frustrating and contentious but some of them are good questions and people outside of these committees don't understand. Also, there are some questions where good answers could be provided and where the process could be outlined. The "qualitative" answers should not be thought of as justifiable, but rather, as a descriptive opportunity.

Schlereth proposed to tackle five questions at a time at the CRC and then share the responses. Barnard replied that she was thinking more of an FAQ format. Wandling added that this resolution document is muddled due to changes and revisions but there is a lot of energy behind it from the contesting accounts of CIHS. Wandling added that, in many ways, Schlereth has answered the questions about CIHS to the best of his abilities. There is also a feeling that these audits are already being done, but it would be good for the Bureau of State Audits to reinforce that idea. Hannah added that many of these questions have already been covered in their proper areas. He worries that a formal response would create even more questions underlying each of these. Barnard responded that it is the job of the CFO to demonstrate how the processes work regardless of the intent behind the questions. Once that is done, if someone wants to claim that the institution is financially unsound, they will need to demonstrate how that is true. Ochoa pointed out that those who requested this audit may not be open to a response from Schlereth. Schlereth added that the broad brush scope of this audit request is perhaps, itself, unauditible.

IV. PERIODIC REVIEW OF ADMINISTRATORS

(Please refer to the March 21, 2008 agenda packet for related documents)

Schlereth explained that last year, about this time, the process of the periodic review of administrators, in conformance with the University's blue paper policy began. Schlereth was one of the administrators to be reviewed. The report on the review was sent to President Armiñana. Schlereth extended his appreciation to the committee for their time and effort in this process. The review committee provided some very valuable input and the process itself provides healthy feedback. Schlereth asked the CRC to provide some advice on what to do with some of the recommendations that have emerged. While the committee found that, overall, Schlereth should be strongly commended for his leadership and contributions to the campus, the one area for improvement was in communications with the faculty. Schlereth would like to improve in communicating with faculty and have a better relationship with the Academic Senate, who do not agree with his priorities. Schlereth asked the committee how he could do better in the coming months, including very specific actions plans.

Ochoa feels that the recommendation of the committee that Schlereth should meet directly with department chairs in order to better understand academic priorities isn't necessarily the way the institution needs to operate. While it is important for the CFO to be aware of priorities in support of the academic mission, there are structured ways, such as the strategic planning process and existing governance structures, which are the most efficient ways to be engaged with what is needed to advance the mission. Ochoa fears that resorting to a process of periodic meetings with thirty-three departments will be time-consuming and create an overwhelming amount of information. Barnard argued that if Schlereth could engage in these conversations outside of the typical campus processes, it would allow the department chairs to see the other side of the picture and allow Schlereth to be more a part of the academic community. She sees this interaction as the anecdotal counterpart to the more formalized structures of interaction. Wandling asked to speak to the survey results of the Academic Senate which differed from the campus norm. Wandling said that Schlereth's communication with the Academic Senate has been amazing, especially in light of the amount of critique in the last year. Wandling does not view these problems as communication problems, but more of a structural problem. The perception is that Schlereth has too much power on campus to make decisions and that, his role as VP of Administration and Finance requires him to put that organization's needs over the concerns of the academic side. Wandling believes that concerns over distribution of resources should be directed at the President rather than Schlereth.

Schlereth said that he would set up some meetings with deans and department chairs. He would also like to meet with the Senate Executive Committee to get ideas on how to better work with that body. Barnard clarified that overall, the report on Schlereth's performance was glowing and overwhelming positive. The memo focuses on tackling the negative issues head on, but does not fully emphasize the positive aspects of the review. Barnard noted that this emphasis is a testament to Schlereth's dedication to continually improve. Schlereth added that he could be more sensitive to the challenges that faculty face in the classroom.

Ogg noted that underlying all of this is an issue of the distribution of resources. Information has been presented about how the campus is in line with administrative costs at other CSUs but the concerns are still prevalent. Her concern is that the issues are only going to get greater as the budget gets worse. Meeting with the deans and department heads might give the perception that the meetings are focused on fixing issues, which may not be possible given the budgetary environment. This might only lead to further criticism. She added, that this seems to be outside of the normal organizational structure, and this might be a responsibility that belongs in the Provost's area. Bill Poe disagreed that these meetings would be perceived as a way to fix budgetary issues and would be more useful as a way to improve communication with the Academic Senate and get a better perspective of what is going on in the classroom. Ben Ford added that he believes the problem of communication is broader than just with the Academic Senate. There is a perception amongst large amounts of faculty that there is a fundamental conflict of interest in the roles of CFO and as the leader of a major division. Undertaking this activity of meeting with the deans and departments communicates that Schlereth needs to be as familiar with the needs of the Academic Affairs division as he is with A&F in order to be able to make recommendations to the President. Ford noted that this seems to be structurally wrong and that in a perfect world, the role of CFO and VP for A&F would be two separate positions. Perhaps Schlereth should proceed in working more closely with Academic Affairs, but through the

Provost and not directly with the deans and departments. Barnard argued that one of Schlereth's most notable traits are his sense of vision and that many on the academic side could use his visionary perspective and input for facing current and future challenges. Schlereth thanked the committee for their comments and advice.

V. CAMPUS NOTIFICATION SYSTEM

(Please refer to the March 21, 2008 agenda packet for related documents)

Schlereth asked Johnson to provide an update on the campus notification system. Johnson explained that all 23 campuses need to have an emergency notification system and each campus has a different set of needs. Our campus put together a committee of constituents from all over the University to determine what would work best on our campus. The committee listed environmental and practical needs and how to work best with the systems we already have in place. The committee determined that it was important to have multiple methods of communication, off-site hosting of the notification system, and a connection with PeopleSoft. Johnson also added that opt-in programs have a very low success rate, so our campus would like to focus on an opt-out program. The marketing of the program itself is also very important and ConnectEd, the vendor that was chosen, will assist in the marketing piece.

VI. HOUSING ASSISTANCE PROGRAM

(Please refer to the March 21, 2008 agenda packet for related documents)

Schlereth presented the Housing Assistant Proposal to the committee as an action item and asked Spitzer to provide an overview of the proposal. Spitzer explained that the objective is to make the ability to reside in residential housing more affordable for certain students. There are a number of student assistant positions that require being on call 24/7 which would make the rent non-taxable income. These positions would provide services to campus when there are not typically staff available. Ford asked how we are justifying the high pay when we can't pay students in other campus areas. Spitzer replied that these positions require odd hours and specialized skills. Marker pointed out that if a trades worker had to campus during off hours, it would cost anywhere from \$45 to \$65 an hour with a four hour minimum. Ogg clarified that these positions are being funded by the Housing program, who is also receiving the benefit and that these positions are not using General Fund money. Schlereth added that our Resident Advisors (RA's) already hold these type of positions and this program is basically an expansion of the RA program. Wandling pointed out that he thought the positions were going to be more directly linked to need. Spitzer replied that we have to allow equal opportunity to avoid discrimination and the only way to link it to need is to make it a scholarship program. Schlereth explained that Spitzer looked into making it a scholarship program but that approach didn't work. Ogg clarified that students who already have low expected family contribution (EFC) receive grants. The students who need assistance are the middle class students with a high EFC who do not receive grants. If the truly neediest got one of these jobs, they would lose grants, and it is hard to reach the middle group with the scholarship approach.

Schlereth said that, in order to move forward with this program for the Fall term, we would need to begin recruiting. Ross moved to approve the program; Hayes seconded. The committee approved the program with one opposing vote. Schlereth thanked the committee and said that Housing will perform an assessment of the pilot program in the Fall.

VII. CODE OF ETHICS

(Please refer to the March 21, 2008 agenda packet for related documents)

In response to an audit suggestion, Schlereth has drafted a Code of Ethics for financial professionals at the University. This kind of statement is pretty typical. Rather than having a statement which everyone must sign, which would require a meet and confer with the bargaining units, Schlereth plans to issue this as a statement of his expectations of campus financial officers. Schlereth asked the committee if there were any concerns about sending this statement out and providing it to new University employees. Ford asked if this statement would satisfy the audit finding and Schlereth responded that he believes it will. Wandling pointed out that the title should be more specific, perhaps "Code of Ethics in Financial Management". Schlereth agreed. Richard Ludmerer pointed out that this statement enhances our professionalism and is a statement of rules and regulations that already exist, but it is nice to have it all in one document. Schlereth added that there is a Code of Ethics statement for the faculty already. Erik Dickson pointed out that there are a couple of students on campus who are responsible for financial matters, so they should be included as officers of campus based auxiliary organizations. Schlereth agreed to the changes suggested and the committee voiced no further opposition to sending out the statement.

VIII. ALCOHOL POLICY REVISIONS – SECOND READING

(Please refer to the March 21, 2008 agenda packet for related documents)

Schlereth explained that the alcohol policy revisions would expand what alcoholic beverages are served on campus, namely allowing spirits to be served only at the GMC. This is a large change and needs a fair amount of review. Schlereth therefore postponed the discussion of the Alcohol Policy Revisions to the next meeting.

IX. SUSTAINABILITY INITIATIVES

(Please refer to the March 21, 2008 agenda packet for related documents)

Schlereth asked the committee to review the listing of past accomplishments, continuing efforts and future plans in the area of sustainability. Additionally, the committee was provided with a number of new ideas, some of which will work and some will not. Schlereth has asked the Senior Directors to incorporate these ideas as much as possible into next year's objectives.

Request from Sustainability Work Group

The Sustainability Work Group has requested funding support from A&F, ASI and Academic Affairs to create and maintain a webpage and to employ a coordinator. The cost to A&F would be \$400 one time and \$2,500 annually. Discussion ensued and it was determined that the Associated Students had not yet been consulted about this request. The committee suggested that these initiatives should be more centrally coordinated as a part of the University Strategic Plan. Schlereth agreed and said that he would move forward with the first item, but the second item needs further campus-wide discussion.

IX. FACULTY TRANSITION INITIATIVE

Item Deferred.

X. ITEMS FOR THE GOOD OF THE ORDER

Schlereth asked the committee members to look at the demonstration of the new kiosk for Charlie Brown's Café. Barnard asked how these kiosks were being funded. Schlereth responded that SSE was paying for it and it is an extension of the point of sales system.

Schlereth adjourned the meeting at 4:00 p.m.
Minutes prepared by Laura Lupei.