

Executive Committee Meeting

April 19, 2007

3:00 – 5:00 Sue Jameson Room

Present: Elaine McDonald Newman, Tim Wandling, Elizabeth Stanny, Edith Mendez, John Wingard, Elizabeth Martinez, Catherine Nelson, Doug Jordan, Art Warmoth, Eduardo Ochoa, Ruben Armíñana, Larry Furukawa-Schlereth

Absent: Mary Halavais, Carlos Ayala

Guests: Steve Wilson, Jim Morgan, Russell Martin, Courtney Best, Melinda Barnard

Approval of Agenda – items added: **APC resolution on name change of Schools to Colleges and Constitution and By-Laws Revision: inclusion of VP of SAEM and rep from CFA – Approved.**

Minutes emailed out early same day. Not timely for approval.

No report from Chair.

President's Report – R. Armíñana

R. Armíñana reported that the article in the Press Democrat recently (4/19/07) concerning CIHS was accurate. He said the article talked about financial review of three contracts and a few minor ones, all in CIHS. In addition, there is a special audit being done by the CSU auditor, which he requested. He thought that audit would last two or three weeks, and now, it is in its ninth week. He did not know when it would be completed. The audit will be public, given to the Trustees and the campus will not have input on the audit report. This particular audit has initiated a criminal investigation. He did not have details. Today they were informed that beginning April 30th through May 4th, there will be a team from the Office of the Head Start fiscal integrity unit that will come to campus. He read the letter from the office stating what they wanted to do on campus. The President said this is not an audit in the classical Inspector General sense, but it could lead to that. He said at the end of the day, there will be no heroes and no fall guys, but there will be documented, unfortunately, a pattern of willful, purposeful violation of rules, regulations, procedures and, perhaps, the law. At no point was there any inducement, request, or encouragement for anybody to commit those acts. They were done to satisfy certain interests and to benefit certain individuals. He was not basing his statement on the State auditors' work or criminal investigation, of which he had no information. His comments were based on statements made by individuals involved. He said he had made the following dictum – “there is no future in this institution for anybody who knowingly, purposefully allows their names to be put in contracts for which they did not actually work.” This is one of the issues. Another issue was that the procedures for contracts over \$50,000 were purposefully not followed. In a number of instances people were put on payrolls of contracts that didn't work on the contracts at all. Time and effort forms for federal contracts were falsified. He said there was no excuse for that. He gave examples. He said that if anyone knowingly puts their name on a contract and does not do any work for that contract, they have

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no future at SSU. Any grant or contract in the future has to have a direct, implicit, intrinsic relationship to the academic mission of the University. There are two easy tests for that: Is there a permanent faculty member involved in the contract? Are students involved in the contract? If neither of those two questions is answered positively, he did not see how it was appropriate for the University. We are not a consulting, contracting or social welfare agency. He said this had nothing to do with IDC. He noted the campus has about \$2.5 million in disallowances and expenditures where there is no funding source. This \$2.5 million will be financed over a number of years to have the least impact on the day-to-day operations. While it is a significant amount, he did not think it would cripple the campus. He then said at the end when this is all over, altruism plays a very small piece of the rationale. This was done for personal benefit, directly or indirectly.

The Chair asked to dispatch some business first before questions about the President's report. No objections.

Resolution from APC on changing Schools to Colleges – A. Warmoth

A. Warmoth introduced the item and asked if it was ready to go forward to the Senate. He gave a brief rationale behind the resolved clauses. There were a few questions and clarifications. **MSP for the Senate agenda.**

Visit from SSU Bookstore Manager Jim Morgan

Jim Morgan introduced himself to the body. He said they were at the Executive Committee to talk about the textbook ordering process and how that can benefit the students. He saw his job as facilitating the educational needs of the students. He then introduced the others that had come with him. Russell Martin, Regional Manager, and Courtney Best, the SSU Textbook Manager. They passed out printouts of power point slides that gave information about textbook ordering. R. Martin reviewed how the book orders went for the Spring. A member asked if the bookstore could provide desk copies or get books to the library for reserve. R. Martin said the publishers will not provide desk copies to bookstores, but they do have all the publisher information to give to faculty to get desk copies. They have not talked to the library yet, but could provide a list of all books adopted for a semester. The Chair asked about an email she received that seemed to say, "we see you are teaching these courses in the Fall and here are the books we are ordering for you." R. Martin said, no, they do not do any orders. They use the ref list to see what people will probably be teaching and show what book they used last year. If they want to order that, great, if not they can put in something else. A member argued that getting a message out to faculty that getting their book orders in early and how that can help students would be the best way to get higher participation. R. Martin reviewed the dates for book orders. J. Morgan presented information about why they had these dates and how their ability to get used books benefits the students. C. Best explained how the textbook orders are processed and ordered. The President noted a bill in the Senate about postsecondary education and publishers authored by Korbit. C. Nelson gave background on the bill and the issues it raises. J. Morgan thanked the body and noted that his card was with the packet and to call him with any other questions.

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Communications Department shift to 4 units – M. Barnard

M. Barnard from the Communications Dept spoke to this item, as M. Halavais was absent. M. Barnard described the reasons the department wanted to move to 4 units. She noted there is very little impact on other departments as they have no GE. The Provost noted that on the signature sheet, the signature of Academic Programs was crossed out by the EPC chair. The Chair said that was a separate issue. It was suggested that the item go forward without the signature sheet. **It was moved and seconded to go on the consent calendar of the Senate without the signature sheet. Approved.**

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Constitution and By-Laws revision: inclusion of VP of SAEM and CFA rep – T. Wandling

T. Wandling introduced the item. He said Structure and Functions wanted the two issues to be voted on separately. He provided the rationale for each change. **MSP to send inclusion of VP of SAEM to Senate.** There were clarifications and questions about the CFA representative inclusion. There was a formal request to have a list of all CSU Senates that have CFA reps on their Senate provided in the Senate packet. **MSP to send inclusion of CFA rep to Senate.**

Revision to Wine Business Masters

E. Stanny spoke to this item, as the Chair of EPC was not present. E. Stanny said it was a new concentration in the MBA program. There were questions. **MSP to send item to the Senate for the consent calendar contingent on the EPC Chair's confirming it passed EPC unanimously.**

Resolution on Virginia Tech Tragedy – L. Holmström

The Senate Analyst brought a resolution to the body that she hoped someone in the body would bring forward to the Senate regarding the shootings at Virginia Tech. C. Nelson agreed to bring it to the Senate. It was suggested to change the rationale to say "more than 30" people killed rather than "33 people killed." **MSP to go to Senate with changes to the rationale.**

Questions regarding the President's Report

A member asked about the newspaper article statement that no general fund money would be used to off set the \$2.1 million. L. Furukawa-Schlereth said we cannot borrow from the general fund. A member asked if the criminal investigation was coming out of the State Auditor's work. The President said it was starting in the CSU. L. Furukawa-Schlereth said it might involve multiple agencies. It would start with our campus police and then they might coordinate with other agencies. L. Furukawa-Schlereth said that \$1.1 million of the money is "unable to be billed," about \$700,000 is in expenses for which there is no funding source and the rest has to do with the administration of the investigation. A member asked if "no identifiable sources" referred to what the President had used as an example. L. Furukawa-

Schlereth said, no, they had found expenses, but could not find a revenue stream that was paying for them. A member asked if there was any precedent in the CSU for this. The President said yes. He and L. Furukawa-Schlereth gave examples. A member asked about how long they thought the activities have been going on. The President said he didn't think it had been going on very long. A large enough contract needed to be present to have the capacity for this to happen. A member said that the rumor in the hallways is that there is a correlation between this activity and the withholding of IDC from CIHS. The President said this activity precedes the change in IDC. L. Furukawa-Schlereth said CIHS management had plenty of opportunity to adjust their spending plan for the new charge coming their way. He said that in his review of their end of year balances, CIHS always had a positive balance. His office did not become aware of these problems until about 9 months ago, so he agreed with the President about how long it has been going on. The President noted that the Head Start review committee wants to review the '06-'07 fiscal year. L. Furukawa-Schlereth said the CSU auditor is taking things well beyond finances. A member asked what the President's plan was for the Senate meeting. Both the President and CFO could not attend the next Senate meeting. A member suggested a kind of town hall meeting about this to provide information. He thought some of the activities were common in the grant world. The President said it may happen, but it is illegal by both Federal and State law. A member asked if the investigation is only about CIHS or if it includes oversight. The President said at the moment just CIHS.

A member asked about the CFA contract and salary raises. Her Dean had said that no funding sources had been identified for the raises and the money might have to come out of the Schools. If that happens, they wouldn't have money for new hires next year. She asked if this applies to the Business School as well and why haven't monies been identified for the raises? The President responded that system-wide there is a cost of over \$110 million dollars over four years above the compact, for which, at this moment, there is no funding source. For SSU, it is about \$3 million for the four years for all unions. Right now there is no funding source. If it does not come from the State, it will have to come from campus funds. He corrected the myth going around that the CSU has \$1.2 billion dollars in free money. He said unrestricted money in the system is \$1.2 million. If the contract is approved, there is an outstanding liability of \$110 million dollars over the compact. The Chair asked if there would be a PBAC meeting covering this before the end of the fiscal year. L. Furukawa-Schlereth said yes. The President said '06-'07 is covered. It is the coming fiscal years that are an issue. The President said what he thought was the best scenario. He didn't think more money would come from the State. Another remote possible source was that this year the system has carried about 6500 additional FTEs for which they have not gotten marginal cost funding. The students have paid their tuition, but the state has contributed zero. If you multiply that by \$8000 dollars, it roughly gives you \$40 million. That would cover this year and next year's compensation costs. The Provost noted that it would be one-time money. The President then discussed the issues about how such money would be distributed. The President said he has expressed this idea to system-wide leaders. He also stated that there have been some questions at the Department of Finance about enrollment. So, the idea is out there. But it has been a bad year in Sacramento. He summarized

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the restrictions of state money and argued against the “propaganda” that the system has \$1.2 billion dollars in unrestricted money.

Senate Agenda

Report of the Chair of the Senate - Elaine McDonald-Newman
Correspondences

Consent Items:

- Approval of the Agenda
- Approval of Minutes 3/22 & 4/5 emailed
- Communications Department change to 4 unit courses – attachment
- Revision to MBA Wine Business concentration - attachment

• Ongoing report: Update on WASC

BUSINESS

1. Resolution on the Virginia Tech tragedy – First Reading – C. Nelson - attachment T. C. 3:25
2. Advising Policy revision – Second Reading - D. Jordan – attachment T.C. 3:40
3. Formal Dispute Resolution Procedures – First Reading – D. Jordan – attachments – T. C. 4:00
4. By-Laws revision: Standing Committees and Liaisons – First Reading – T. Wandling – attachment T. C. 4:15
5. APC resolution on Changing Schools to Colleges – First Reading – A. Warmoth – attachments T. C. 4:30
6. Resolution Regarding Reallocation of Academic Affairs Funds to Advance Accreditation of Business Program, without Proper Faculty Consultation – Second Reading - R. Luttmann – attachment T. C. 4:45
7. By-Laws revision: Duties of the Chairs – First Reading – T. Wandling – attachment
8. Constitution and By-Laws revision: VP of SAEM on Senate and Executive Committee – First Reading - T. Wandling – attachment
9. Constitution and By-Laws revision: CFA representative on Senate and Executive Committee – First Reading - T. Wandling - attachment
10. Discussion of impaction and related admissions issues

Approved.

Adjourned.

Respectfully submitted by Laurel Holmström