



**BOARD OF TRUSTEES  
CLEVELAND STATE UNIVERSITY**

**MINUTES OF THE MEETING**

**BOARD OF TRUSTEES MEETING**

**DATE:** Monday, May 2, 2011, 9:00 a.m.  
**PLACE:** Wolstein Center, Gerald H. Gordon Conference Pavilion  
4<sup>th</sup> Floor, Board Room

**PRESENT:** Chairman Ronald E. Weinberg, Vice Chairman Robert H. Rawson; Treasurer Morton Q. Levin; Trustees Thomas W. Adler, Richard L. Bowen, Sally Florkiewicz, Rev. Dr. Marvin A. McMickle and Dan T. Moore III; Community Board Members Richard A. Barone and Dr. Paul E. DiCorleto; Faculty Representatives Dr. Stephen F. Duffy and Dr. Mark Tebeau; Student Trustee Janet M. Pitchford; President Ronald M. Berkman; and Sonali B. Wilson, General Counsel and Secretary to the Board of Trustees.

Chairman Ronald E. Weinberg called the meeting to order at 9:10 a.m., following a Board Officers meeting. He called for a motion to approve the Minutes of the March 28, 2011 Board Meeting. Trustee McMickle moved and Trustee Moore seconded the motion to accept the Minutes. The Minutes were approved.

**REPORT OF THE CHAIRMAN**

It was reported that one of the items on which the Board Officers were meeting this morning was a review of the President's goals (**Attachment A**). Key items noted were the successful completion of the University's ten year accreditation, which was cited as a best process among 150 colleges and universities; and the development of a new NEOUCOM/CSU Primary Care Program and a medical school presence on the campus of Cleveland State.

Chairman Weinberg noted that the momentum and positive comments in the community about Cleveland State University and the President are unprecedented.

In the president's contract, there is a clause stating that he may receive up to twenty-five percent of his annual base salary for the successful completion of his annual goals and objectives. The Board Officers have made a recommendation to the Board that it approve a performance bonus of twenty-five percent in light of President Berkman's accomplishments. Trustee Moore moved and Trustee McMickle seconded the motion to approve the performance bonus. Trustee McMickle wanted to add to the Board record that the Board of Trustees is not just giving President Berkman monetary recognition, but is giving him its real affirmation and support for his extraordinary accomplishments. President Berkman is a gift to the community and a blessing to the University. Vice Chairman Rawson thanked Trustee McMickle for his comments and adding the affirmation of the Board. He acknowledged the President's achievements and that he had hit his stride in Year Two.

Chairman Weinberg echoed Trustee McMickle's affirmations and noted that it was through President Berkman's efforts and the partnerships formed and strengthened, such as the K-12 international school and NEOUCOM that the University has become a greater force as an engine of economic development. The following resolution was passed.

#### **RESOLUTION 2011-15**

#### **APPROVAL OF PRESIDENT BERKMAN'S CONTRACT PERFORMANCE BONUS**

**WHEREAS**, the Officers of the Board of Trustees, pursuant to Sections 3.2 and 4.5 of the President's Employment Agreement, have performed their annual evaluation of President Ronald M. Berkman and have found that he has done an excellent job in executing his duties in his second year as University President, and that he has substantially met the goals and objectives as agreed upon by the President and Board Officers; and

**WHEREAS**, President Berkman led the effort in successfully securing an unconditional accreditation for the full ten year cycle from the Higher Learning Commission; through the creation of a Budget Task Force, developed a financial contingency plan for the projected shortfall in the 2012 budget; has worked diligently to develop a new NEOUCOM/CSU Primary Care Program with an “Academic Campus” at Cleveland State and led efforts in successfully securing Governor Kasich’s support for the program and an appropriation for it in the governor’s budget; has exceeded last year’s fundraising pace with major gifts currently totaling \$2.4 million and met the goal of expanding potential prospects for larger gifts by three individuals; was instrumental in the naming of five new appointments to the CSU Foundation and the implementation of its advancement plan; accomplished eight major hires within the period of one year; has initiated a new IT strategy, which includes the reorganization of IS & T and the creation of a University-wide users council; continued to drive efforts to improve enrollment, retention and graduation rates: and marshaled efforts to ensure that the elements needed to realize the vision of an Arts Campus in Playhouse Square are in place, and has pressed for the best arrangement for the University with respect to the North Campus Development Project, which is expected to be transformative for the University and the campus district; and

**WHEREAS**, the Board Officers have recommended to the full Board that in light of President Berkman’s accomplishments in meeting his goals and objectives as required, he receive a performance bonus in an amount that is twenty-five percent (25%) of his annual base salary as in effect on the last day of the fiscal year, June 30, 2011, to which his goals and objectives were measured;

**NOW, THEREFORE, BE IT RESOLVED** that the Cleveland State University Board of Trustees hereby approves a performance bonus for President Berkman in an amount representing 25% of his annual base salary on June 30, 2011, and directs the Administration to pay said bonus no later than seventy-five (75) days after that date.

Chairman Weinberg stated that the Board Officers also considered and are recommending that the Board of Trustees approve a second amendment to the President’s employment agreement (**Attachment B**). The amendments would give the President more flexibility in teaching upon retirement, as well as provide additional term life insurance, at no additional cost to the University, to cover a three-year gap in STRS survivor benefits. Trustee Levin moved and Trustee McMickle seconded the motion to approve the Second Amendment to the President’s Employment Agreement. The following resolution was passed.

**RESOLUTION 2011-16**

**APPROVAL OF SECOND AMENDMENT TO**

## **PRESIDENT'S EMPLOYMENT AGREEMENT**

**BE IT THEREFORE RESOLVED** that the Cleveland State University Board of Trustees accepts the recommendation of the Board Officers and hereby approves the Second Amendment to President's Employment Agreement effective immediately.

### **REPORT OF THE PRESIDENT**

President Berkman thanked the Board members for their support during the past two years, as well as their affirmation of the progress made during that time. He added that it has been and continues to be a communal effort.

The President reported that he has been actively involved in the search for a new superintendent of the Cleveland Municipal School District. There were 128 applications. Three finalists are to be interviewed next week, followed by a recommendation to Mayor Frank Jackson and the Board of Education.

Cleveland State University is nearing the end of its eight major searches conducted this academic year:

1. Provost (Geoff Mearns)
2. VP Advancement (Berinthia LeVine)
3. Athletic Director (John Parry)
4. VP Enrollment and Student Services (Carmen Alvarez Brown)
5. VP Business Affairs and Finance (Stephanie McHenry)
6. Dean, College of Law (Craig M. Boise)
7. Dean, College of Education and Human Services (Sajit Zachariah)
8. Dean, College of Science and Health Professions (hire expected in next several weeks)

These hires constitute a new team. In all the years of conducting searches, these searches have produced extraordinary pools of candidates. Hiring decisions have been difficult with having to choose from several "exceptional", rather than "acceptable" candidates.

Enrollment continues to look strong in terms of quantity and quality of applicants. Forty-two percent of the applicants are being turned away. The ACT scores of the incoming

students have exceeded the national average in fall 2010. There is also an increase in the diversity of the University. Associate Vice President Rob Spademan deserves an enormous amount of credit. He and his team have received 21 awards for marketing and branding.

On May 17, all Board members are invited to attend a meeting of the Financial Affairs Committee, which will be a workshop on the budget in preparation for a final presentation to the Board in June for approval. There will be a month to make changes and adjustments.

Students have expressed concern regarding tuition and fees and the availability of classes. Universities have not been given the flexibility to deal with the 7% cap on tuition increases as originally thought. It has to be done as a cap of 3.5 percent increase for each year of the biennial budget.

President Berkman announced that on Friday, May 6, he will hold another Town Hall meeting on the budget. The entire University community has been invited.

Chairman Weinberg acknowledged that this was the last Board Meeting for Student Trustee Janet M. Pitchford, whose term expires and who will be graduating. She has been accepted into CSU's Philosophy graduate program. Chairman Weinberg extended congratulations and expressed appreciation on behalf of the Board for her two years of dedicated service and participation, and wished her well in her future endeavors.

### **REPORT ON "RADIANCE"**

Trustee Tom Adler, energetic Co-Chair of the "Radiance" Host Committee, along with former trustee and CSU Foundation Development Committee chair Timothy J. Cosgrove, was recognized by Chairman Weinberg for his outstanding efforts and given the opportunity to address the Board. He distributed historical information (**Attachment C**) and reported that it is highly expected that the event would gross \$400,000 and produce net proceeds of \$300,000,

which is double that of past scholarship fund-raising events. The former black-tie Moses Cleaveland Scholarship Dinner had been converted into the new “Radiance” business attire reception to support student scholarships and celebrate outstanding achievement and individuals.

Trustee Adler explained that the top 50 companies employing CSU graduates were being contacted. Eighty-five percent of our graduates remain in the Cleveland area. The local business community had a lack of understanding and no real commitment to the University. Now, meaningful partnerships are being formed, and companies are building financial support into their budgets for future years. Trustee Adler is confident that “Radiance” will grow into a \$1 million annual event, and was pleased to report the 100% participation of the Trustees and CSU Foundation Directors. He added that the success of the scholarship fundraising event could not be done without the combined efforts of the staff, Rob Spademan and Steve Minter.

Trustee Moore commented on the importance of cooperative education and internships in getting people connected. His experience has been that CSU provides better interns than those from some of the Ivy League schools.

Interim University Advancement Vice President Steve Minter acknowledged the outstanding fundraising effort led by Trustee Adler. He added that the President’s selection of Board of Trustees Chairman Ron Weinberg as the President’s Medal honoree has given the scholarship fundraising event a tremendous boost. The three major health systems have made generous gifts.

The raising of scholarship dollars is critical, as well as community involvement and the formation of partnerships. Trustee Adler stated that fundraising is a team sport. All the Trustees can and should be involved in working with the President and University Advancement Vice President to visit these companies.

President Berkman lauded the work of “Radiance” Co-chairs Tom Adler and, on the Foundation side, Tim Cosgrove. He acknowledged the linked effort of both boards and the far-reaching importance of “Radiance” in going beyond the scholarship dollars raised and the formation of formal partnerships.

Faculty Representative Stephen Duffy spoke of it as a great way to get faculty involved. The relationship of faculty with students and graduates are ties that bind forever.

### **REPORT OF THE CSU FOUNDATION CHAIR**

Mr. Richard A. Barone, Chair of the CSU Foundation Board of Directors expressed his appreciation to Tom Adler and Tim Cosgrove. He noted that the new “Radiance” scholarship fundraising event was the first significant cooperative effort among the two boards.

Mr. Barone reported that the CSU Foundation Board chose a new consultant for investments. He acknowledged the leadership and work of Steve Percy as Vice Chair of the CSU Foundation Board of Directors and Chair of the Investment Committee. Heartland and Company was selected as the new investment consultant, a proponent of modern portfolio theory, a mathematical modeling of the portfolio, to achieve maximum return with the least amount of risk. The Foundation has used a number of custodians and is now down to one, which helps with the reporting.

The annual return on investments has been 20%, which is at the top of performance of foundations similar in size of endowments of \$50 million. The CSU Foundation should start thinking as a \$100 million foundation.

The Foundation has grown from three functioning committees last year to seven. Director Nancy McCann heads the nominating and governance committee. Credit was given to Trustee and Director Mort Levin for jump starting this process. Six new members of the

Foundation Board of Directors were added this year. The Trustees were asked to help keep the momentum going by recommending quality individuals for membership to the Foundation Board. A membership of thirty-six is viewed as optimum.

Interim Vice President Steve Minter reported on the fundraising efforts. He indicated that there is a lot of activity and naming opportunities with regard to the new Student Center. Significant progress is being made with the establishment of scholarship funds, which should reach \$3 million.

Mr. Minter commented on the Third Quarter Report for FY 2011 as part of the Consent Agenda. He reported that \$1,059,301 was raised for the Quarter, representing a 122% increase over last year at the same time, although the number of donors was down 3% compared to the third quarter last year. Comparative data for three quarters of the year indicated that cash gifts and bequests were up 41% and the number of donors was up 5%. A total of \$4.6 million was received last year, and there was a \$6 million gift from Bill and Neeraj Julka. Mr. Minter acknowledged the gifts made by Board members to establish scholarship funds in honor of parents or family members, and is optimistic that the fundraising this year would go well beyond that of last year.

There is a great deal of activity associated with a Fine Arts District and Playhouse Square. The partnership involves Cleveland State University, The Cleveland Play House, and Playhouse Square. A goal of \$32 million is set for the reconfiguration of the Allen Theatre into separate performance stages and a laboratory theater. Mr. Minter gave former vice president for business affairs & finance Jack Boyle credit for the manner in which the Fine Arts Campus project was planned and approached.

Trustee Levin thanked Mr. Minter for his hard work, and the President for adding the “Report of the CSU Foundation Chair” to the agenda. Chairman Weinberg agreed and expressed gratitude for the tremendous effort in fundraising and the momentum generated.

### **CONSENT AGENDA**

Chairman Weinberg asked if there were any consent agenda items that Board members wished to remove and discuss separately. He noted that the ratification of the Athletic Director’s employment agreement as a consent agenda item, and officially welcomed John Parry who had been serving in the interim role.

The proposed Cleveland-Marshall Fund Allocation, FY 2012 (**Attachment D**), Gift Report for FY 2011, 3<sup>rd</sup> Quarter (**Attachment E**), Report of Sponsored Programs (**Attachment F**), Faculty Tenure Recommendation – Professor Craig M. Boise (**Attachment G**), Joint Use Agreement between CSU and CWRU (**Attachment H**), Ratification of the Athletic Director’s Employment Agreement (**Attachment I**), and the Amendment to and Ratification of the Head Men’s Basketball Coach’s Employment Agreement (**Attachment J**) were considered as part of the Consent Agenda. Trustee Adler moved and Trustee Florkiewicz seconded the motion to approve the consent agenda items. The following resolutions were passed.

### **RESOLUTION 2011-17**

#### **PROPOSED ALLOCATION OF CLEVELAND-MARSHALL FUND INCOME FY 2012**

**WHEREAS**, the value of the Cleveland-Marshall as of December 31, 2010 was \$4,752,406.97, and it is projected that \$222,646 in spendable income will become available in FY 2012; and

**WHEREAS**, the proposed commitment of this accumulated income will contribute to the general enrichment of legal education at Cleveland-Marshall College of Law and provide scholarships; and

**WHEREAS**, in FY 2011, \$35,000 was used from the Transition Fund to cover student scholarships and \$2,824 is allocated toward repayment;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of Cleveland State University hereby directs Key Bank, as Trustee of the Cleveland-Marshall Fund, to remit the sum of \$222,646 to Cleveland State University to be used for the purpose of education and program enrichment at the Cleveland-Marshall College of Law in FY 2012 as proposed.

### **RESOLUTION 2011-18**

#### **ACCEPTING GIFTS AND PLEDGE PAYMENTS**

**3rd QUARTER, FY 2011**

**January 1, 2011 to March 31, 2011**

**RESOLVED**, that the gifts and pledge payments totaling \$1,059,301 received by the Cleveland State University Foundation during the period January 1, 2011 to March 31, 2011, are hereby accepted with thanks; and

**BE IT FURTHER RESOLVED** that the President is hereby directed to use these gifts subject to their terms and conditions.

### **RESOLUTION 2011-19**

#### **ACCEPTING SPONSORED PROGRAM FUNDS FOR THE**

**2<sup>ND</sup> AND 3<sup>RD</sup> QUARTERS OF FY 2011**

**RESOLVED**, that the Sponsored Programs funds totaling \$2,532,274 received by the Cleveland State University during the period October 1, 2010 to December 31, 2010, are hereby accepted with thanks; and

**RESOLVED**, that the Sponsored Programs funds totaling \$1,818,850 received by the Cleveland State University during the period January 1, 2011 to March 31, 2011, are hereby accepted with thanks; and

**BE IT FURTHER RESOLVED**, that the President is hereby directed to use these Sponsored Programs funds subject to their terms and conditions.

**RESOLUTION 2011-20**

**AWARD OF TENURE TO PROFESSOR CRAIG M. BOISE**

**WHEREAS**, a national search was conducted to fill the position of Dean, Cleveland-Marshall College of Law; and

**WHEREAS**, the search attracted a substantial pool of well-qualified candidates, including Professor Craig M. Boise, Professor of Law, DePaul University College of Law, Chicago, Illinois; and

**WHEREAS**, the credentials of Professor Boise have been reviewed by the appropriate faculty peer review committees in the Cleveland-Marshall College of Law, the Interim Dean, the Provost and the President; and

**WHEREAS**, Professor Boise has fulfilled the requirements for tenure at the rank of Professor as set forth in Section 8.1.2 of the CSU Faculty Personnel Policies;

**NOW, THEREFORE, BE IT RESOLVED** that the Cleveland State University Board of Trustees hereby approves the award of tenure at the rank of Professor to Professor Craig M. Boise in the Cleveland-Marshall College of Law, effective the first day of full-time employment at Cleveland State University.

**RESOLUTION 2011-21**

**APPROVAL OF JOINT USE AGREEMENT BETWEEN  
CLEVELAND STATE UNIVERSITY AND  
CASE WESTERN RESERVE UNIVERSITY**

**WHEREAS**, as set forth in House Bill Number 562, the University received a capital appropriation in the total amount of Three Hundred Thirty Three Thousand Dollars (\$333,000) for capital expenditures to, be used by Case Western Reserve University for equipment for the Cleveland Center for Membrane and Structural Biology (the "Project"), which facility will be located on Case Western Reserve University's property between E. 101<sup>st</sup> Street/Ansel Road (on the west) and E. 105<sup>th</sup> Street and between Chester Avenue (on the south) and Mt. Sinai Drive.

**WHEREAS**, the release of this appropriation for its intended recipient is contingent upon the execution of a joint use agreement between the University and the Case Western Reserve University; and

**WHEREAS**, the parties have mutually agreed upon educational uses of the Project facilities and the equipment by Case Western Reserve University; and

**WHEREAS**, the University has concluded that the value of the use Project facilities and the equipment is reasonably related to the amount of the appropriation, and the terms of the Joint Use Agreement are more favorable to the University than to others;

**NOW, THEREFORE, BE IT RESOLVED** that the Joint Use Agreement between the University and the Case Western Reserve University is hereby approved in substantially the form attached hereto, subject to changes deemed necessary by the Administration or required by the Chancellor; and further, that the Administration is hereby authorized to take all steps necessary to complete negotiation of and execute said Amendment.

**RESOLUTION 2011-22**

**APPROVAL AND RATIFICATION OF DIRECTOR OF INTERCOLLEGIATE  
ATHLETICS' APPOINTMENT AND EMPLOYMENT AGREEMENT**

**BE IT RESOLVED** that pursuant to Section 3.3 of the Board of Trustees Bylaws, which requires Board approval of all appointments in excess of one fiscal year, the Board hereby approves and ratifies the appointment and employment agreement of John Parry, Director of Intercollegiate Athletics, a copy of which is attached hereto and incorporated herein by reference.

**RESOLUTION 2011-23**

**APPROVAL OF AMENDMENT B TO  
EMPLOYMENT AGREEMENT OF  
GARY WATERS AND RATIFICATION OF THE  
EXTENSION OF WATERS' EMPLOYMENT AGREEMENT**

**BE IT RESOLVED** that the Board of Trustees hereby approved Amendment B to the Employment Agreement of Gary Waters, effective July 1, 2011, in substantially the form attached hereto subject to any changes deemed necessary by the University's General Counsel.

**BE IT FURTHER RESOLVED** that the Board of Trustees hereby ratifies and approves the extension of Waters' Agreement of Employment as set forth in Section 1.2 of Amendment A thereto.

**RESOLUTION 2011-24**

**APPROVAL OF SECTION 457(f) DEFERRED COMPENSATION  
AGREEMENT WITH GARY WATERS**

**BE IT RESOLVED** that pursuant to the terms of Amendment B to the Employment Agreement of Gary Waters, the Cleveland State University Board of Trustees hereby approves the attached 457(f) Deferred Compensation Agreement with Gary Waters effective July 1, 2011, in

substantially the form attached hereto, subject to any changes deemed necessary by the University's General Counsel.

### **EXECUTIVE SESSION**

Trustee Florkiewicz moved that the Board adjourn into Executive Session for the purpose of discussing employment contract matters. Trustee McMickle seconded the motion. A roll call vote was taken by the Board Secretary. The motion passed.

Chairman Weinberg requested that President Berkman, Provost Mearns, Vice President for Business Affairs & Finance Stephanie McHenry, Athletic Director John Parry, and General Counsel and Board Secretary Sonali B. Wilson remain for the Executive Session with the voting trustees and community Board members. The Executive Session began at 10:00 a.m. Chairman Weinberg stated at 10:15 a.m. that the Board had completed its business in Executive Session and was resuming its regular meeting.

### **FINANCIAL AFFAIRS**

Chairman Weinberg turned the floor over to Financial Affairs Committee Chair McMickle and Vice President McHenry. Committee Chair McMickle reported that the Committee met on April 14 (**Attachment K**) and is recommending that the Board approve the proposed parking rates for FY 2012 (**Attachment L**). He noted that the parking rates had not been increased for several years. A 50% increase in the daily parking rate and a 28.3% increase in prepaid parking are proposed. The parking rate proposal had been vetted with student and faculty groups. The increased rates are expected to generate about \$970,000 per year to support parking operations and the debt obligations on the new parking facilities. Trustee McMickle moved and Trustee Adler seconded the motion to approve the increased parking rates as proposed. In response to an inquiry, it was stated that any parking surplus or carry over monies

are used to build parking reserves to support the parking facilities. The following resolution was passed.

**RESOLUTION 2011-25**

**PROPOSED INCREASE IN FY 2011-2012 PARKING RATES**

**BE IT RESOLVED**, that upon the recommendation of the Financial Affairs Committee, the proposed rates for parking as specified below, are hereby approved, to be effective on July 1, 2011 for the daily rate and on the purchase of all 2011-2012 annual passes, fall 2011 passes, spring 2012 passes and summer 2012 passes – and all subsequent passes unless otherwise changed by future action of the Board of Trustees.

**2011-2012 Parking Rates:**

<b>Types of Parking</b>	<b>FY11</b>	<b>Proposed 2011- 2012 Increase</b>	<b>Proposed 2011-2012 Rate</b>
<b>Prepaid Faculty/Staff</b>			
		28.3%	
Annual monthly deduct	\$53.00	\$15.00	\$68.00
Annual paid in full	\$636.00	\$180.00	\$816.00
Fall/Spring Semester monthly deduct (4 months)	\$60.75	\$17.25	\$78.00
Fall/Spring Semester prepaid for semester	\$243.00	\$69.00	\$312.00
Summer Semester monthly deduct (3 months)	\$50.00	\$14.25	\$64.25
Summer Semester prepaid for semester	\$150.00	\$42.75	\$192.75
<b>Prepaid Student</b>			
		28.3%	
Fall or Spring Semester	\$160.00	\$45.25	\$205.25
Summer Semester (12 weeks)	\$120.00	\$34.00	\$154.00
<b>Daily Rate</b>			
		50.0%	
Daily Usage - both F/S and Student	\$4.00	\$2.00	\$6.00
<b>Visitor Rate/Special Event</b>			
Visitors	\$6.00	\$0.00	\$6.00
Visitors Department Charge	\$6.00	\$0.00	\$6.00
CSU Special Events	\$6.00	\$0.00	\$6.00
Non-CSU Special Events (market rate)	\$6.00 - \$20.00	\$1.00 - \$5.00	\$7.00 - \$25.00

**Student Overnight Parking - Surcharge to  
Prepaid Rate**

25%      \$0.00      25%

NOTE: Waived for CSU residence hall students

Committee Chair McMickle briefly reported on the performance of investments as of December 31, 2010, which was reviewed by the Financial Affairs Committee. The Committee expressed the concern that investments held and managed by the CSU Foundation should also be reported to the Board of Trustees which has overall fiduciary responsibilities. Although the University funds are a little behind the 6% investment objective, it is keeping up with inflation. One fund manager was placed on a watch list because the firm changed ownership, but it will most likely come off the watch list because it is no longer a concern.

**FY 2011 EXTERNAL AUDIT DISCLOSURE**

Vice President McHenry introduced Plante & Moran auditors Robb Rose and Jennifer Kujawski, who were present to provide the required communications to the Board regarding the audit process, schedule, reporting, and responsibilities (**Attachment M**). Partner Robb Rose stated that they are working in the fourth year of a five-year contract. A risk-based audit, using paperless system testing, will be performed. In addition to the financial statements, an audit is performed in compliance with federal regulations on programs receiving federal dollars, and using NCAA agreed-upon procedures for a review of athletic program line items.

The audit is due to the State by October 15. The auditors will communicate the results of the FY 2011 Audit to the Board in November. There were no questions. Vice President McHenry stated that from a management perspective, Director of Audits Judy Richards does not expect any issues with the Audit.

**JOINT MEETING**

Vice Chair and Trustee Bob Rawson reported that a joint meeting of the Academic Affairs and Financial Affairs committees was held on April 14 (**Attachment N**) regarding the budget. He provided an overview of the budgetary matters presented. A 15% decrease is expected in the State Share of Instruction in FY12. Originally, it was thought that the University would have some flexibility in raising undergraduate tuition gradually to a 7% cap over the next two fiscal years; however, tuition can only be increased by 3.5% at a time. An \$8.00 per credit hour increase in the General Fee increase is likely to be added to cover debt service on the new Student Center and Recreation Center, as well as provide additional funds for student organizations and activities.

Each of the administrative and academic units was given differentiated targets, based on strategic priorities, to reduce budgets between 8 and 15 percent. It is anticipated that it will become necessary to dip into University reserves and to find other sources of funding, particularly to cover an estimated \$20 million in unfunded capital projects and critical deferred building maintenance which are matters of safety.

The preliminary look at the budget will be followed by a detailed workshop on May 17. The Board is expected to vote on the FY 2012 Budget at its June 28 Board Meeting.

Vice President McHenry added that more up-to-date fall enrollment data will be worked into the next budget projections. All the buildings on campus are being looked at in terms of stewardship and deferred maintenance. Net cuts in the colleges, as well as the academic and University support areas, will be provided.

### **NEW BUSINESS**

Chairman Weinberg appointed Trustees Dan Moore and Sally Florkiewicz to serve with him on the Nominating Committee for Board Officers. He stated that none of those named are standing for election.

Community Board Member Richard Barone announced that his term as Chair of the CSU Foundation Board of Directors is coming to an end in June. He explained that his service on the Board of Trustees is tied to his term as CSU Foundation Chair. He commented that it was a privilege and a learning experience to serve on the University's Board of Trustees, and expressed his gratitude to longstanding Trustee Sally Florkiewicz "for taking him under her wing" when he was initially appointed. It is his hope that his service has been beneficial, and he looks forward to remaining friends with the Board members over the years.

Chairman Weinberg acknowledged that there had been a change in the level of communication and greater cooperation between the two boards during Mr. Barone's tenure. He thanked him for his service and wished him well.

There being no further business to discuss, Trustee Moore moved and Trustee Levin seconded the motion to adjourn the meeting. The meeting was adjourned at 10:35 a.m.

Respectfully submitted,

**APPROVED ON JUNE 28, 2011**

Sonali B. Wilson

Secretary to the Board of Trustees

**APPROVED ON JUNE 28, 2011**

Ronald E. Weinberg

Chairman, Board of Trustees