

Tuesday, October 9, 2001, 4:00pm, Goodwin Forum (NHE 102)

Chair Bicknell called the meeting to order at 4:05 p.m. on Tuesday, October 9, 2001, in Goodwin Forum (NHE 102); a quorum was present

Members Present

Adams, Bicknell, Braggs, Burroughs, Fulgham, Goodman, Jenkins, Kenyon, Klein, Little, MacConnie, Martin, Mayer, McCrone, McFarland, Meiggs, Mortazavi, Novotney, Oliver, Paselk, Paynton, Sheppard, Snyder, Thobaben, Thompson, Travis, Wang, M. Wilson, Yarnall

Members Absent

Christensen, Smith, F. Wilson

Guests

Pamela Allen, Alumni Relations; Michael Kelly, Lumberack; Andy McLaughlin, Lumberjack; Carolyn Mueller, President's Office; Robert Hensley, Registrar's Office; Donna Schafer, Research & Graduate Studies Office

Announcement of Proxies

Snyder for Bockover; Vrem for Stokes; Siering for Varkey

Approval of Minutes from the Meeting of September 25, 2001

M/S (Thobaben/Wang) to approve the minutes from the Meeting of September 25, 2001

Motion passed

Reports, Announcement, and Communications of the Chair

Chair Bicknell reported:

- Resolutions on Athletics were delivered to President McCrone on Friday. He indicated he may refer the Senate's recommendations to Vice President Stokes and the Joint Council for consideration.
- There will be no Senate meeting next week, October 16, 2001; the next Senate meeting will be October 23, 2001.
- An invitation to participate in the CSU Academic Conference on November 28-30, 2001, has been received. The conference theme is "Quality Education through Diversity." We have been invited to send a "delegation" to make a presentation consistent with this theme as it is exemplified at Humboldt State University. Any ideas on what might be the best focus for a Humboldt presentation would be appreciated. Please email suggestions to Chair Bicknell at shb1@humboldt.edu.
- Jacquelyn Adams, a student representative, was introduced and welcomed.
- President McCrone displayed to the Senate a photograph of Harold Goldwhite, CSU Trustee, taken at the May 2001 commencement ceremonies. The photograph was

presented to Trustee Goldwhite.

Committee and State Senate Reports

Student Affairs: Two issues that the Committee will be considering include 1) credit/no credit for students classified as graduate students but who are not enrolled in a graduate program; and 2) the ombudsperson position.

State Senate: Senator Thobaben announced that the Senate Executive Committee wrote a letter to Diane Feinstein recommending that foreign students be allowed to have student visas, and that Diane Feinstein has withdrawn her bill that would have placed a moratorium on all student visas for six months.

Associated Students: Four items were announced: 1) Elexis Mayer will be the student representative on the presidential search committee; 2) the student college representatives are in the process of setting up college meetings to discuss the needs and concerns of students in each college, and faculty were requested to encourage students to participate in such meetings; 3) at its last meeting, the students reviewed a resolution on terrorism and war; after much debate, no conclusion was reached and the resolution was tabled; and 4) a student fee referendum on the Student Recreation Center will be held October 23-25 ; faculty were asked to announce this referendum to their students and to be open to having students come into classes to make announcements.

Faculty Affairs: The Committee continues its work on the campus workplace violence policy and the intellectual property policy.

CFA: Mediation continues. A resolution on Teach CSU is on today's agenda. This project is not oriented toward bargaining, but rather toward education so faculty, students and staff are encouraged to attend. The president of the Union will be there; the guest speaker in the afternoon will be noted historian, David Noble. The resolution asks the senate to endorse the concept of allowing faculty to explore critical ideas in this 21st century. Free CSU T-shirts are available to faculty.

Educational Policies: The Committee is reviewing the pilot program started last year wherein high school students took specific high school courses and received Humboldt State University credit. The courses involved in this program were English 100 and Computing Science 130. The Committee will be considering the assessment of the courses to determine either continuation and/or expansion of the program.

UCC: The Committee has completed a fair amount of work; a longer report will be given at the next senate meeting.

OAA: The final count at census was reported: FTES is 6842, which is down 60 from last fall;

headcount is 7382, which is down 51 from last fall; the average load is 13.9 units, which is down .03 from last fall; and 7075 FTES was the target for this year.

Senate Finance: The Committee has been meeting to discuss a wide range of topics. URPBC met and approved a final budget involving recommendation regarding coverage of the remainder of the CMS project for this year. URPBC made recommendations on two of the projects proposed last year and recommended that there not be a call for unallocated fund proposals this year.

General Faculty: A workshop has been scheduled for Noon, October 15, in NHE 106, to help students deal with the issues regarding the events of September 11 and any subsequent events-- all are encouraged to attend; 2) Milt Boyd, Department of Biological Sciences, and Roland Lamberson, Department of Mathematics, were elected to the presidential search committee; 3) the academic year calendar committee has been meeting and will continue working toward the development of a new perpetual calendar; and 4) a statement will be issued across campus reminding all employees that personal long distance calls made on state equipment must be reimbursed.

Additional Announcements: President McCrone announced that other members of the advisory group to the trustees selection committee include: Craig West, Engineer, representing staff; Gwynna Morris, representing the alumni; Dr. Howard Hunt, local orthodontist, representing the University Advisory Board; Susan Bicknell, representing the Academic Senate; and Dean Richard Vrem, representing the administration.

TIME CERTAIN: 4:20 PM: Discussion Item: Special Investigation: Humboldt State University, Committee on Audit, Board of Trustees, CSU [Harold Goldwhite, Faculty Trustee]

Chair Bicknell introduced Harold Goldwhite, CSU Faculty Trustee and member of the Committee of Audit of the Board of Trustees, to the senate members. Trustee Goldwhite agreed to discuss the special audit with the senators and answer questions regarding the audit.

Trustee Goldwhite expressed his appreciation for the invitation to join the senate at Humboldt State University. He offered to share his perspective as a Board member and a member of the Committee on Audit. Although Trustee Goldwhite is a signatory on the report, he did not see a copy of it before it was issued. The reason for this is that the Audit Committee allows the chief auditor of the CSU a great deal of flexibility and it is his job to initiate an investigation and publish any results. It is a publication of the Audit Office of the Chancellor and was completed under the auspices of the Committee of Audit; it does not carry any implication that the Audit Committee has approved the report. However, Trustee Goldwhite has every confidence in the Audit Office of the Chancellor.

It is important to understand that the Audit Office has been established to complete performance audits; it is not much concerned with finance. It does look at the ways the

campuses follow system executive orders, directives and policies. Thus, audits carried out determine whether campuses are following CSU procedures. Fiscal audits are carried out primarily by auditors hired by each campus to audit its books, including foundations, etc. Given the number of audits that are required for all CSU campuses, it would not be feasible for an office located in Long Beach to carry out fiscal audits of all 23 campuses unless it had the appropriate staff and resources to do so, which it does not. The Board relies on each campus to bring any problems to the notice of campus leadership and to have them solved at the appropriate level, which is usually the campus level.

An incident of the kind at Humboldt State University is rare in the CSU. It is a matter of indictments; felony charges have been brought and there will be legal proceedings. If individuals set out to deceive, then they can be successfully deceptive in almost any environment for awhile. The incident on this campus was exemplary in some respects and problematic in others. It was exemplary in that employees in the affected unit, who saw that things were not as they should be, decided to bring such matters to the attention of appropriate management. It was unfortunate that it took longer than most would have liked for such information to be given to management. However, hindsight is always clearer and makes it easier to criticize, but it is not always so easy to see such things when one is in the midst of that type of situation. When a report of this kind is brought to his attention, the Chancellor instructs the audit staff to proceed with an investigation. This was done and a comprehensive report was produced. The report raises some concerns about levels of control and these areas may need to be scrutinized.

Discussion occurred. Questions posed by senators (typed in italics) and answers provided by Trustee Goldwhite [contained in brackets] follow:

What is the appropriate role of faculty in fiscal matters? [The role of faculty in fiscal matters always has been a problem for academic governance. According to the AAUP, the proper role of faculty is to be present, to be consulted, to be able to give advice and to be part of the normal academic governance process. Beyond that, administrators are empowered and have the responsibility to make fiscal decisions. Several years ago, a definitive statement was published, which is still CSU policy, that calls for budget advisory committees on campuses and at the system level; that such committees shall be provided with appropriate information and recommendations from the administration; and they shall give advice on the distribution of funds. In reality, the statement is not that powerful although it could be. At the system level and at the Board level, it is not uncommon for all of the attention to be focused on the changes in the budget, and very little on the basic budget. Basically, we have been locked into an historical way of looking at budgets and no one is inclined to alter this practice. Campus presidents don't wish to argue much about budget allocations because there is no guarantee of the outcome. Each campus may find itself in a position that is worse than where they were before a revised distribution was initiated. At the campus level, faculty have a fundamental role

in shaping and restructuring fiscal affairs. However, faculty have not taken on this role and have not seized their opportunity in that area.]

Who sees that concurrences are met? [The audit committee gets regular reports on both general audits and special audits, and the committee follows up on such reports. When campuses concur and say they will take certain action, the campus auditors expect such things to be done and will ask for periodic reports from the administration.]

At Humboldt State University, the budget is reasonably open in the Office of Academic Affairs. The issue has more to do with the total campus budget including foundation money, unallocated money and money that appears to be secretive to many faculty in terms of its origin, management, distribution, etc. On this campus faculty are not trying to make decisions, they simply want an advisory role and they would like information on the larger picture of the budget. Regardless of how interested and willing the faculty might be in that sort of project, if the administration is not interested, it does not go forward. What role do you see the Chancellor or the Board of Trustees having in guaranteeing that the faculty actually get this advisory opportunity when the local campus administration is not interested in providing such opportunity to the faculty? [System policy states that auxiliaries are required to have faculty presence on their advisory boards, but this may be a small presence for many of the auxiliaries so that faculty influence may be minimal. The general fund, however, is a central part of the university. If a local administration adheres to the letter of CSU policy, an individual campus may not get much response from the Board for any claims that the administration is not observing the spirit of the policy. Boards tend to be groups that make broad policy decisions and recommendations and then they leave it to the chancellor and the vice chancellors to execute them. Vice Chancellor Richard West may be more sympathetic and make better operational recommendations than Board members in this type of situation.]

Chair Bicknell suggested that the Senate move to the other items on the agenda and then return to this discussion. No objection was voiced.

Resolution on Academic Calendar 2002-2003 (07-01/02-EX – October 9, 2001 – First Reading)

M/S (Fulgham/MacConnie) to move the Resolution

Motion passed

The academic calendar comes to us from the President McCrone. The final Resolve clause recommends that a perpetual calendar be developed for Humboldt State University, as has been done in the past.

Discussion ensued and is summarized below:

It was accepted as a friendly amendment to add the word new to the second Resolve clause so that it reads, " . . . Academic Calendar Committee work toward establishing a new perpetual

calendar. . . ."

There was limited discussion regarding the number of Monday labs that will be cancelled owing to closed campus days and the impact that not offering such labs can have on a course. It was noted that Cesar Chavez is a floating holiday so it will not always be on a Monday.

Voting occurred and the amended Resolution Passed Unanimously

Resolution on Teach CSU (08-01/02-JT – October 9, 2001 – First Reading)

M/S (Travis/Fulgham) to move the Resolution

Motion passed

Background on the resolution was provided by CFA Chapter President Travis who announced that the intent of this project was not to focus on bargaining. What the Union wanted to do was discuss some of the issues that have arisen from the bargaining table as well as from other sources. Past reports noted Union support of the future of the CSU Project on several campuses. Attempts were made, in conjunction with the academic senates and a broader community base, to receive information regarding what the university is today, what it was intended to be when the Master Plan was adopted, and where it is going. Teach CSU came out of these attempts more than it came out of bargaining. The intent is to use this event as a means to gather information, to discuss important issues on all CSU campuses during this academic year, and to continue having a dialogue about what is critical in the CSU. Teach CSU is not strictly a Union event; it is much broader than that and staff, students, and community members will be included. Many CSU campuses have requested their senates to endorse the concept of the Teach CSU project.

Discussion ensued and is summarized below:

- How does item number 4 relate to anything other than Union business? [The CSU has been unable to attract high quality faculty to the CSU system because salaries are not competitive in a high-cost state. For instance, approximately 95 percent of faculty in the CSU live in areas defined by the federal government as high-cost areas and the CSU salaries are not competitive. CSU is aware of this problem and it has been addressed partially with the CPEC lag; CSU also agrees that because many of the CSU campuses require such a heavy teaching load (12 wtus) many faculty are discouraged from joining the CSU. The difference between the number of recruited positions and the number of filled positions is declining, and both the CSU administration and the Union recognize this issue. In addition, in several disciplines there are not enough Ph.D.s coming out of the programs in the United States to fill the available positions so the competition is likely to become more extreme.]
- Concern was expressed regarding the word exploitation in the second Whereas clause and clarification of the word corporatization in the third Whereas clause was

requested.

- It was offered as a friendly amendment to change the word exploitation to the word role in the second Whereas clause. Motion was not considered friendly.
- It was moved and seconded (Kenyon/McFarland) to replace the word exploitation with the word role in the second Whereas clause.
- Discussion on the proposed amendment included:
 - Exploitation is the correct word here.
 - Many part-time faculty do not feel exploited; this is an assumption that has not been verified so it would be reasonable to use the word role.
 - Systemwide policy on the hiring of lecturers encourages exploitation and it is only recently that range elevation for lecturers has been achieved; and the tendency of lecturers to teach the large classes on many of the big campuses and the tenure track faculty to teach the small classes is exploitation, even if the lecturers don't see themselves as being exploited.
- This is not a bargaining issue. It is an educational issue so usage of the word exploitation is judgmental and inflammatory, whereas usage of the word role addresses the value of the part-time faculty.
- The word role is more consistent with the language in the resolution.
- Perhaps a compromise is possible by using the word treatment or just treatment of part-time faculty.

Voting occurred on the amendment and the motion passed with 15 Yes votes and 9 No votes

Discussion continued and is summarized below:

- Clarification of the word corporatization was requested. If we are going to be educating students, this term should not be used. [There are times when usage of tropes to explain a set of conditions is practiced, and this is such an instance. If the term corporatization were not used, then voluminous material would be needed to convey the concerns that faculty have regarding the nature of the changes in the institution dealing with issues of shared governance, academic freedom, management style, etc.]

Voting on the Resolution as amended occurred and the Resolution passed with 1 No vote.

Continuation of Discussion Item: Special Investigation: Humboldt State University, Committee on Audit, Board of Trustees, CSU [Harold Goldwhite, Faculty Trustee]

What is the trustees' reaction to the audit? In relation to that, it has been reported by colleagues on other CSU campuses that the audit report is being used as an example of what not to do, what are your thoughts on this? [When Chancellor Reed first joined the CSU, he stated that the operation of auxiliaries in the CSU caused him the most concern and was the

most challenging part of his job because he did not have a handle on them. That is why auxiliaries were moved rather quickly to the top of the list of subjects to be audited. The Board was sensitized by the Chancellor's remarks and then by the appearance of this document, which served to reinforce the decision to look into auxiliaries systemwide. What is being heard from campuses is the message that here is a distressing lesson on what can go wrong with auxiliaries when unscrupulous people are involved in their budget. As a result of this report, and probably other reports, more stringent policies on auxiliaries may be developed. However, this may not occur until after completion of the ongoing review when the global view of auxiliaries is known. Systemic changes may occur.]

Members of the campus community are proud of the people who were courageous enough to bring this matter to the attention of the appropriate administrators. The campus responded immediately and appropriately when such information was revealed.

One of the top administrators suggested that the campus really wanted to believe the high external funding numbers. How much of that statement may be attributed to pressure being placed on CSU campuses to raise funds? [It is a factor. The Board proposed the famous 10 percent target and some pressure to produce must have been felt. However, only on one campus did that pressure result in events such as what occurred at Humboldt State University. It doesn't follow that the existence of pressure means people are encouraged to fabricate data.]

One of the most critical elements in the document is the issue of the red flags being raised. What was the reaction of the Audit Committee members regarding the administration not seeing or acting on the red flags that were appearing? [The degree of obviousness of the red flags was not clear. The problem is that in hindsight such things as the red flags are more apparent. Several members of the Audit Committee were not pleased and were unhappy that some of the signs had not been read more clearly; however, it would be second guessing to say that they should have been seen sooner. After the luxury of scrutiny, some things appear obvious; but it would be very difficult to make such a judgment.]

Was every reasonable precaution taken to prevent such deception from occurring? The audit report does not read that the oversight practices at Humboldt State University are perfect; instead, a list of structural recommendations on how to change the process was developed so does this mean that some things were not practiced that should have been practiced? And issue was taken with the comment that it is unfortunate that unit employees did not come forward sooner--it would be more appropriate to assign more blame to the administrators, not the staff. [In retrospect and in hindsight, this is not an unreasonable position. The comments made regarding the hazards of auxiliaries systemwide are very apparent in this case; and while there have been no cases of this magnitude at other campuses, there have been some parallels, approximately one per year. It is not that the systems at Humboldt State University are so deficient in comparison to the other CSU campuses, it is that the systems in the CSU as

a whole are in need of review and revision.]

A frustrating part of this process was the administration's allowance of the elimination of the dual signing process which provided an open field for such deceitful activities to occur, and then to have the upper administration claim they had been duped, when it was the administration's decision to eliminate the dual signing process in the first place. One result is that this now becomes an annoyance to people working with small or medium-sized grants who will be required to have dual and triple signatures on items that were never fraudulent activities.

Policy changes are needed for the auxiliaries. There is evidence that many of the boards of directors are generally ineffective and instead of controlling the management, they are being controlled by the management. In such an environment, the best scenario is an inefficient organization and the worst scenario is the current situation at Humboldt State University.

Regarding the comment that it was unfortunate that those employees who reported the situation did not report it sooner, given that such employees noticed a discrepancy, which required an investigation on their own time and in secret for purposes of verification, corroboration and proper examination, and given that they still had their job to do while conducting such an investigation, does it seem reasonable that the unraveling of this situation would not happen quickly? [This is a very reasonable scenario and a reasonable explanation for the timing of events.]

Even if there are things that need to be corrected systemwide, which would mean that if Humboldt State University had been operating according to normal procedures and should be somewhat less blameworthy, there still remains the issue of dual signatures. Has there been such a breakdown at all campuses in the CSU? [The answer to this question is not known. Certainly common sense has a role to play in situations such as this one. Often organizations will indicate that two signatures are required if the amount is more than xx, and this does not seem to be unreasonable.]

Approximately a year ago, there was some movement to have the auxiliaries converted to state organizations. What is the status of this? Secondly, does this offer a way to circumvent the problems currently seen on this campus? [Such a conversion does not appear to be the best way to solve the current problems. The great virtue of the auxiliaries as independent organizations is the degree of flexibility and freedom from the very stringent rules of operating within state guidelines that they possess. The auxiliaries are needed; they were established for a reason and on the whole they have served us well. The auxiliaries perform an important set of functions that would not fit easily in the state guidelines. It is easier to work with grants and contracts in an auxiliary arena than it would be in a state arena. More care regarding oversight and control of auxiliary accounts is needed.]

While it is desirable that the auxiliaries exist, nothing should make it impossible to mandate certain financial practices that would help avoid the situation at Humboldt State University. Does it seem reasonable that both such organizations and the individuals in the positions of financial power, should be audited? [Independent audits, generally annually, are required. One problem in this case was that the kinds of things being claimed were not susceptible to audit. An institution's books can be in perfectly good shape, but they don't reflect what is being claimed elsewhere. There are many CSU rules in place for the conduct of auxiliaries and when such rules are adhered to carefully and appropriately, then things don't go wrong very often. However, everyone has a tendency to relax with someone who is trusted and is allowed to conduct business in a more flexible manner.]

Do you think it is necessary to increase the number of people in top level administration or would more efficient adherence to procedures by the current size administration, or even a smaller one, would solve the problem if the procedures were adequate? [Generally speaking, the administrations that are in place have sufficient expertise and responsibility so they should be able to take care of matters like this and usually they do. Occasional breaches will occur; another administration is not the solution.]

How common is it that one of the CSU campuses would receive an anonymous donation of six or seven figures? [It is very uncommon for a CSU campus to receive such a donation, whether anonymous or not.]

Would you be willing to discuss the presidential search process? [As a Board member involved in presidential search processes, the following is offered. The several searches observed recently have been very well conducted searches that resulted in presidents who are very acceptable to the campus community. If the bargaining area can be set aside, then the remainder of the Board's activities on the whole have been very collegial and supportive of faculty. The presidential selection process in recent years has been an open and responsible process. The formal components of the process are known; however, the way in which it works is more important. The two groups involved, the trustee committee and the presidential advisory committee, actually work as a single group and the final candidate pool has been decided by consensus of the entire group. Often there is a fairly natural progression from the faculty ranks to the administrative ranks to the presidential ranks. In the recent past, Board choices have been strongly supported by the faculty, and there is optimism that several strong candidates will be available.]

Can you describe the role of the local board and how the input from the local board will be considered? [The local board and the trustees selection committee will meet as a group; this is not a hierarchical process. The recommendations of candidates probably will be a consensus process. It is doubtful that a candidate who is not highly regarded by the advisory group will make it to the final group. It is important that the advisory group be involved in the process.]

The description of the process is desirable; however, there may be some discrepancy in the process. Communications have been received indicating that once the initial screening is completed by an outside search group, the local committee will meet with the trustee's committee in San Francisco to review files. Have you heard anything about this? [If the meeting is scheduled for San Francisco, that is unfortunate; perhaps there are good logistical reasons for this decision. However, the chair of the committee will be urged and encouraged to hold as many meetings on campus as possible. It is critical that the trustee members of the committee become well acquainted with the campus.]

What can you tell us about the use of a private firm to solicit or generate applications and/or nominations and screen them before the committee sees them? Is there already a headhunter firm working on this search? [This is not known. There may have been contacts made already. It is important to know that no plausible candidate will be screened out. The advantage of using a headhunter firm is that people who are not active candidates will be approached--people who are known to the headhunter firm or perhaps to other presidents in the system or other trustees--people who might be strong potential candidates but have expressed no interest in the position or perhaps have not considered applying for the position. The result usually is a larger and perhaps even better pool.]

Appreciation was expressed to Trustee Goldwhite for attending the senate meeting and for his candor and informative comments.

M/S (Fulgham/Thobaben) motion to adjourn

Meeting adjourned at 5:58pm