

BOARD OF DIRECTORS MEETING

Thursday, March 21, 2024 – 3:00 to 4:30 p.m.

Welch Hall (WH), 4th Floor, Room D444 (President's Large Conference Room)

MEETING MINUTES

Members Present: Tranitra Avery; Jeremy Brown; Fran Fulton; David Gamboa; Nicole Harper Rawlins; Del Huff; Rama Malladi, Ph.D.; Thomas Norman, Ph.D.; Sheree Schrager, Ph.D.; Deborah Wallace; Sherri Repp-Loadman; Thomas Parham, Ph.D.; Tony Jake; Pat West

Members Absent: Edgar Mejia-Alezano; Michael Spagna, Ph.D.; William Franklin, Ph.D.; Myla Rahman

Staff and Guests: Kelvin Blunt; Ken O'Donnell, Vice Provost; Amanda Dodd; Gillian Fischer; Tony Jake, Ed.D. (Board Liaison); Terry McGlynn; Edward Curammeng; Erin McCauley, Adrieen Mancillas, Arek Arakelian; Lorna Schallig; Gersan Urraca; Antonia Boadi; Dakota Hughes; Silvia Santos Ponce; Gillian Fisher; Kari Pederson; Michelle Waiters Martinez; Vanessa Cervantes; Erin McCauley; Julie Jhun; Justin Gammage

I. Call to Order – Chair Nicole Harper Rawlins

Meeting called to order at 3:05 p.m.

II. Roll Call

The meeting was held in-person and via Zoom virtual platform. Members and guests could be heard clearly. Quorum met.

III. Approval of Meeting Agenda

Dr. Norman moved, and Del Huff seconded. Motion carried. Abstention, 1

IV. Approval of Minutes from Previous Meetings

A. December 14, 2023

Dr. Norman moved, and Del Huff seconded. Motion carried. Abstention, 1

B. January 18, 2024 (Closed session)

Dr. Norman moved, and Del Huff seconded. Motion carried. Abstention, 1

V. Public Comment

1. Professor Terry McGlynn - Professor in the biology department and faculty director of the CSU Desert Studies sponsorship.
 - **Concerns**
 - Delays and problems in getting students funded from external warrants.
 - Challenges in retaining junior faculty due to funding and spending issues.
 - Student job security and funding impacting their participation in lab work.
 - Recommendations from a previous task force on pre and post-award management have not been fully adopted.
2. Dr. Ed Curammeng - Associate professor in the College of Education and graduate program director.
 - **Concerns**
 - Food insecurity among students, especially graduate students.

- Operational issues with campus dining closing early.
 - Lack of student involvement in decision-making about campus services.
 - Inadequate access to food services for students attending evening classes.
3. Dr. Antonia Boadi - Chair of the Graduate Council.
- **Concerns**
 - Equity concerns related to campus services, primarily dining.
 - The Graduate Council's request to present issues at the meeting was denied.
 - Need for a communication channel to bring student concerns to decision-makers.
4. Dr. Adriean Mancillas - Program director for the graduate program in school and college counseling.
- **Concerns**
 - Echoes issues of food insecurity and delays in student payments.
 - As a club advisor, mentioned issues with getting approved food vendors for student events, particularly on weekends.
5. Dr. Silvia Santos-Ponce - Co-chair of the Graduate Council.
- **Concerns**
 - Supported previous comments on food access and payment delays.
 - Highlighted the importance of addressing fundamental needs like food for graduate students.
6. Arek Arakelian - Faculty advisor for the Volunteer Income Tax Assistance (VITA) Program.
- **Concerns:**
 - Delays in reimbursements for VITA expenses, causing operational problems.
 - Previous delays lasted up to 90 days, causing significant issues.
7. Kari Pederson - Faculty member (specific department not mentioned).
- **Concerns:**
 - Ongoing communication issues regarding grant processing and student payments.
 - Despite recent restructuring, information on payment processing is not effectively communicated.
8. Erin McCauley - Faculty member (specific department not mentioned).
- **Concerns:**
 - Issues with sending purchase orders and vendors not getting paid on time.
 - Some accounts remain unpaid even after the grant period has ended, risking vendor relationships.

Chair Nicole Harper Rawlins' Responses

- Acknowledged all comments and concerns.
- Stated that responses to the concerns raised will be formulated moving forward.

Next Steps

- Documenting all concerns and addressing them in future meetings.
- Ensuring proper communication channels and decision-making processes for addressing student and faculty issues.

VI. University President's Report – President Parham

President Thomas Parham addressed the attendees, sharing his efforts to advocate for the university and highlighting recent achievements and ongoing challenges. He celebrated various accomplishments, such as the women's athletics reaching the Elite Eight and the men's team winning their conference.

Additionally, the university was ranked number one for social mobility by CollegeNet. However, he emphasized significant budgetary concerns due to a \$38.2 billion state deficit affecting the CSU system, potential reductions in enrollment, and the broader economic climate post-COVID-19. President Parham highlighted the need for strategic adjustments and reinforced the importance of maintaining academic integrity and student success despite these financial challenges. He expressed confidence in the university's ability to navigate these difficulties with the support of committed faculty and staff. Finally, he conveyed his optimism inspired by the perseverance of the students and the upcoming commencement ceremonies celebrating their achievements.

VII. Investment Review – Brian Bonvechio, Merrill Lynch
A. Investment Portfolio, as of February 29, 2024

The discussion revolved around the current financial situation and investment strategies. Brian Bonvechio reported that although inflation is decreasing slowly, the overall market performance this year has been positive, with the portfolio increasing by almost 5%. The stock market is up by around 9.5-10%, while the bond market has seen slight declines.

They discussed the need for withdrawals, with \$1.2 million required in June and another \$1.3 million next year. To manage these withdrawals while adhering to the investment policy, positions were liquidated, and funds were moved into a U.S. Treasury bill yielding 5.22% annually. This conservative approach ensures funds are available when needed.

The committee plans to periodically liquidate less liquid alternative investments over the next nine months to prepare for future withdrawals. They emphasized the importance of timing and monitoring market conditions to avoid premature liquidations that could miss potential market upswings.

Chair Nicole Harper Rawlins stressed that the fund should not be used as a slush fund but managed strategically to avoid depleting it. Increased meeting frequency for the Finance Committee was agreed upon to ensure ongoing alignment and proper decision-making. The meeting concluded with no further questions for Mr. Bonvechio.

VIII. Finance and Accounting Update

- A. Statement of Operations, as of January 31, 2024
- B. Revised Operating Budget (FY 2023-2024)
- C. Accounts Receivable (AR) Ledger, as of March 12, 2024
- D. Accounts Payable (AP) Ledger, as of March 12, 2024

Cherisse Ross shared an update on the statement of operations, budget, accounts payable, and accounts receivable. Cherisse provided a summary of the income statement by division, noting only a slight deviation between the budget and actuals. January's financials showed a \$5,000 deviation and an increase in revenue driven by investment gains and store revenue. Expenses rose mainly due to wages and Aramark Commission expenses.

A discussion ensued about lease expirations for vendors like Subway and Green Olive, and public input on vendor decisions. President Thomas Parham emphasized the importance of maintaining dining services while considering new vendors. He highlighted upcoming construction projects, including new housing and dining facilities.

Questions were raised about revenue from commissions and the impact of open educational resources on bookstore sales. Cherisse mentioned an upcoming business review with Aramark to strategize around these issues.

Accounts payable were reviewed, with no outstanding invoices as of the report date. Concerns about over 90-day accounts receivable were addressed, with plans to ensure timely collections. President Parham suggested proactive communication with partners to resolve outstanding payments. The Finance Committee's increased meeting frequency was noted as beneficial for staying on top of financial matters.

IX. Update

A. Operation Action Plan

B. Advisory Audit Remediations Plan

Executive Director Avery provided an update on the operational plan implemented in January, noting that six of the 11 action items are complete. A meeting with Aramark is scheduled for April 11 to review operations and plan for the next fiscal year to avoid any subsidy. Despite challenges, the goal is to be financially stable next year.

The LiveScan operation faced changes due to reorganization, losing its manager and two certified staff members. Temporary closure is necessary, and campus HR programs are being redirected accordingly.

Discussions included the need for better asset tracking and compliance with updated policies. An internal audit identified four key findings requiring collaboration with campus colleagues. Efforts are underway to align policies and procedures by July 1 to simplify the audit process.

Additionally, six out of 17 findings from an advisory audit by the Chancellor's office have been resolved. The goal is to address the remaining items by June 4, 2020.

X. Officer and Committee Reports

A. Chair of the Board – Nicole Harper Rawlins

B. Audit Committee – Dr. Tony Jake

C. Executive Director – Tranitra Avery

Chair Nicole Harper Rawlins announced a retreat on April 18th at the Kane S Library, focusing on reorganization and preparations for the new fiscal year. The search for a Secretary-Treasurer and Finance Committee chair continues. The meeting emphasized ongoing progress and the importance of collaboration and effective management. Chair Nicole Harper Rawlins announced that elections for vacant positions will be held at the June 20th meeting.

Dr. Jake, Chair of the Audit Committee, provided an update on the financial statements and the single audit for the fiscal year 2022-2023. TAP is currently preparing the Form 990 with the new auditor and is ensuring all documentation is accurate and complete. The single audit is delayed, requiring restatement of \$2.1 million in invoices due to late approvals from previous years. The Chancellor's Office is aware, and efforts are underway to address outstanding items promptly.

The meeting discussed the importance of complying with deadlines, particularly the March 31st federal deadline, to avoid being designated as a high-risk entity. A meeting with the auditors will be scheduled to ensure timely completion.

Executive Director Avery, reported on various operational updates, including a new general manager for Aramark and the opening of a new coffee concept, EcoGround. The ribbon-cutting ceremony is scheduled for April 11, and the board is encouraged to attend. Avery also highlighted new food options in student housing and vending machines on campus, as well as recent and upcoming film projects.

Additionally, Avery shared updates on the Pepsi partnership. The university plans to seek new partners to better support campus growth. Wells Fargo will terminate its ATM services on campus, and the university is in discussions with SchoolsFirst for a replacement.

XI. Other Items

President Thomas Parham emphasized the need for the board to decide on supporting dining services to ensure financial stability. He highlighted the importance of generating revenue and avoiding exceptions that undermine contractual agreements. Dr. Parham commended the board and the Finance Committee for their efforts in improving the University's financial posture.

XII. Adjournment

Dr. Norman moved, and Del Huff seconded. Motion carried.
Meeting adjourned at 5:06 p.m.

FUTURE MEETINGS AND EVENTS*

April 1	César Chávez Day (Observed, No Classes, Campus Closed)
April 5	TAP Finance and Investment Committee Meeting
April 18	TAP Board of Directors Retreat, Closed Session (Cain Library, 5 th Floor)
May 2	TAP Finance and Investment Committee Meeting
May 2	TAP Audit Committee Meeting
May 10	Last Day of Classes
May 17-18	Commencement
May 21	Semester and Academic Year Ends
May 23	TAP Finance and Investment Committee Meeting
May 27	Memorial Day (No Classes, Campus Closed)
June 19	Juneteenth (No Classes, Campus Closed)
June 20	TAP Board of Directors Meeting (I&I Bldg., 4001, 4 th floor)
June 30	End of Fiscal Year 2023-2024

***Unless otherwise noted, board-related meetings are held virtually.**