

**FINANCE & INVESTMENTS COMMITTEE MEETING**Date: Thursday, August 28<sup>th</sup>, 2025

Time: 2:00pm – 3:00pm

Location:

<https://csudh.zoom.us/j/81855775655?pwd=seK55uNoVGzyRWBjngXfWy8EybjcDv.1>**PW: 599298 Dial-In: +1 669 444 9171 Meeting ID: 818 5577 5655****MEETING MINUTES****Voting Members****Present:**

Chair Jeremy Brown, Brad Beverage, Jeanine Cornell, Rama Malladi, Ph. D., Tayyeb Shabbir, Ph. D.

**Staff Present:**Tranitra Avery, Amanda Dodd, Cherisse Ross (*Arrived Late*)**I. Call to Order**

- Chairperson Brown called the meeting to order at 2:02 PM.

**II. Roll Call**

- Executive Director Avery conducted the roll call. A quorum was confirmed.
- After roll call, Executive Director Avery noted that Member Shabbir, formerly a liaison to the committee, had transitioned to a full voting member and would also now serve on the Business & Innovation Committee. Chairperson Brown welcomed him back to active participation and thanked him for his continued service.

**III. Approval of Consent Agenda****A. Approval of Agenda**

- i. August 28<sup>th</sup>, 2025

**B. Approval of Previous Meeting Minutes**

- i. May 22<sup>nd</sup>, 2025

- Chairperson Brown introduced the Consent Agenda, which included the approval of the August 28<sup>th</sup>, 2025 Meeting Agenda and the May 22<sup>nd</sup>, 2025 Meeting Minutes. Member Beverage moved to approve the Consent Agenda. Member Cornell seconded the motion. The motion carried unanimously.

**IV. Public Comments**

- Chairperson Brown opened the floor for public comments and directed attendees to confirm whether any members of the public were present in the virtual waiting room. Executive Director Avery reported that there were no public attendees, and no public comments were provided.

**V. 2026 Benefit Renewal Rate Analysis**Amanda Dodd | *Chief Human Resources Officer*

- Ms. Dodd provided a comprehensive review of the annual renewal process for employee health benefits, noting that TAP's broker had finalized rates for the upcoming year. She explained that after several years of flat or negative adjustments, medical premium rates

had risen significantly in recent cycles: approximately 8% in 2023, 11% in 2024, and a current increase of 14.8% driven by elevated medical and pharmaceutical costs and a higher claims experience.

- TAP currently offers Kaiser (HMO) and Anthem (PPO) options. The employer contribution for HMO plans remains at 90%, while PPO contributions vary by tier. Ms. Dodd emphasized that within the central TAP operating budget, there are 12 covered participants, all of whom are currently enrolled in Kaiser, concentrating the financial impact of the renewal.
- Ms. Dodd presented two scenarios to the committee. Under the existing contribution formula, the FY25–26 budget would experience an \$11,000 annual deficit against a \$117,000 budget. This would result in an average employee monthly increase of approximately \$23. The alternative scenario would adjust employer contributions to 85% for HMOs and 80/65/60% for PPO tiers, reducing the operating deficit to roughly \$3,900, but increasing employee costs by approximately \$90 per month.
- In benchmarking against other auxiliaries, Ms. Dodd confirmed that TAP's contribution structure remains competitive, with nearby auxiliaries and public-sector employers maintaining similar levels. Dental and vision plans, funded 100% by TAP, would remain unchanged as they had produced expected savings.
- During discussion, Member Beverage noted that RAND Corporation, where he serves as Director of Finance & Accounting, experienced an 11.8% increase in its recent renewal cycle and described similar trade-offs between plan design and employer versus employee contribution shares. Member Shabbir inquired about the possibility of aligning with CalPERS or pooling resources with CSUDH to achieve greater scale. Ms. Dodd provided historical context, explaining TAP's 2017 move away from CalPERS to regain plan flexibility through AOA's broker selection and indicated that a review of these arrangements could be revisited.
- Member Shabbir also raised the idea of shifting to a Kaiser-only plan to control costs. Ms. Dodd cautioned that specialized needs among grants staff, access to certain specialists, and liability considerations required that PPO or similar options remain available. Chairperson Brown echoed concerns regarding liability and continuity of care. Ms. Dodd outlined potential hybrid approaches, such as an EPO or HSA model, for future review cycles.
- To assist with visualizing the impact, Member Beverage suggested that the renewal scenarios be presented in the September Board packet through a clear, side-by-side visual comparison using TAP's Toro color scheme. By contrasting the \$11,000 deficit projected under the current 90% employer contribution formula with the \$3,900 deficit projected under the adjusted contribution model, the visual would emphasize that the variance between the two scenarios is immaterial relative to TAP's overall operating budget. He noted that pairing the comparison with the historical trend chart and benchmarking data included in the packet would help Board members interpret the renewal analysis more easily and focus on its broader strategic context.
- The committee reached consensus to recommend maintaining current contribution rates for medical, dental, and vision plans for FY25–26, acknowledging the approximately \$11,000 operating impact as immaterial to the organization's overall financial position. The committee also agreed to request that AOA revisit broker and plan structure options, including potential EPO or HSA models, during future renewal periods.
- Member Malladi moved to approve the recommendation for Board forwarding. Member Shabbir seconded the motion. The motion carried unanimously.

## VI. Informational Items

## A. Financial Reports

Cherisse Ross | *Controller*

- i. Statement of Operations , *As of June 30<sup>th</sup>, 2025 / July 31<sup>st</sup>, 2025*
  - ii. Statements of Income by Division and Fund , *As of June 30<sup>th</sup>, 2025 / July 31<sup>st</sup>, 2025*
  - iii. Statement of Financial Position , *As of June 30<sup>th</sup>, 2025 / July 31<sup>st</sup>, 2025*
  - iv. Accounts Receivable Aging Report , *As of July 31<sup>st</sup>, 2025*
- Ms. Ross presented preliminary financial results for the current period, noting that they remain subject to final audit adjustments. The statement of operations reflects a \$4 million entry recorded as both a long-term liability and an expense related to the CSU Chancellor's Office AEG audit. TAP is currently working with the University to determine repayment mechanics, including timing, interest, offsetting considerations, and the source of reserve funds, to ensure appropriate documentation.
  - An intercompany elimination of approximately \$630,000 related to OSRP transfers was also recorded to properly align internal accounts. Without the \$4 million audit entry and the \$630,000 intercompany adjustment, TAP's operating results remain close to projections.
  - Member Shabbir inquired about the historical assumptions regarding TAP's administrative fee. Executive Director Avery clarified that the original understanding had been a 10% management fee, whereas the University now records a 2% rate along with separate rent charges. Member Malladi expressed concern about this significant reduction and emphasized the importance of clearly documenting and aligning these terms with the University to protect TAP's financial position going forward. Chairperson Brown acknowledged these concerns and noted that a comprehensive sustainability discussion is marked for September's Board meeting agenda.

## VII. Comprehensive Policy Review

Tranitra Avery | *Executive Director*

## A. CSU Investment Policy Statement Peer Comparison and Recommendations

- Chairperson Brown introduced the CSU Investment Policy Statement Peer Comparison and Recommendations for committee consideration. After discussion, Member Beverage moved to approve forwarding the item to the next Executive Committee meeting for review and discussion. Member Shabbir seconded the motion. The motion carried unanimously.

## VIII. Other Items

## A. Closed Session

*The TAP Finance & Investment Committee entered into Closed Session pursuant to California Education Code § 89923 to discuss financial matters. Attendees included Finance & Investment Committee members only. The committee entered Closed Session at 3:02 PM.*

IX. Adjournment

- Chairperson Brown requested a motion to adjourn. Member Beverage moved to approve the adjournment. Member Malladi seconded the motion. The motion carried unanimously. The meeting was adjourned at 3:18 PM.