

THE UNIVERSITY CORPORATION
Executive Committee
September 11, 2024

A meeting of The University Corporation Executive Committee was called to order by Chairman Erika Beck at 3:05 p.m. on Wednesday, September 11, 2024 via Zoom Conference Call at California State University, Northridge. A quorum was present.

Members Present via computer video and audio: Erika Beck, Colin Donahue, Katie Karroum, Michael Phillips, Ben Yaspelkis

Members not Present via computer video and audio: None

Staff Present via computer video and audio: Heather Cairns, Rick Evans, Mike Lennon, Cindy Ruan, Grace Slavik, Linda Turner, Kathryn Weeks, Philia Militante, Alexandra Stahl

Others Present via computer video and audio: Mariappan Jawaharlal, Charlene Manzueta, Bella Newberg, Jason Nussbaum, Rachada Prayong-Russell, Lih Wu

ITEM 1. APPROVAL OF MAY 2, 2024 EXECUTIVE COMMITTEE MINUTES

MSP (Phillips/Yaspelkis): That the minutes of the May 2, 2024 Executive Committee meeting be approved as circulated.

ITEM 2. YEAR-END FINANCIAL STATEMENTS

Rick Evans, Executive Director, TUC, provided a general overview of the year-end financial statement for FY 23/24. Net cash to replenish other TUC reserves was just slightly over \$1 million, which represents a drop compared to the prior year of about \$30,000, but still better than budgeted by about \$40,000. While there were various fluctuations in budget across TUC's departments, being a multi-divisional company allows stronger divisions to offset the others during their weaker years. Even though post-pandemic weakness still persists in commercial services, which significantly missed budget, real estate beat its budget by over \$230,000. In addition, general & administration along with post-award net against TUC's 50% IDC at more than \$250,000 favorable to budget. This results in TUC beating the total surplus from operations budget by \$92,000. With net cash generated in total beating budget by \$55,000, TUC is able to deposit \$260,000 into the University's Special Projects account, over \$400,000 into the faculty staff housing reserve, and \$1 million into TUC's other reserves.

Mr. Evans then moved on to the balance sheet, starting by pointing out that TUC's net assets have grown by \$6 million in one year to reach nearly \$60 million. Following a year with \$5 million growth in net assets, TUC has another strongest balance sheet for the second year in a row. The growth is in large part due to investment gains at almost \$3 million in 23/24. A \$1.8 million growth in fixed assets was due to the purchase of one home with an Accessory Dwelling Unit (ADU) last year. On the investment schedules, the

long-term investments showed a \$3 million increase, while short term investments showed growth of almost \$1 million.

Finally, Mr. Evans covered the reserves schedule, in particular the allocation of \$1 million generated from 23/24 operations discussed earlier in the net cash generated schedule. Aside from that, the only notable activity on this sheet was the purchase of the additional house with an ADU, which, after putting the \$1 million from net cash generated back into the real estate investment fund, brings that fund back up to \$1.2 million for FY 23/24. While the total operational reserves dropped by \$400,000 year to year, TUC's undesignated reserves grew by \$3.3 million due to investment gains.

Dr. Michael Phillips, CSUN Department of Finance professor, inquired if it is possible to adjust the method of collecting foot traffic data to more accurately collect a picture of how many people can be expected to be on campus on a given day in order to better plan and budget for commercial services. Mr. Evans replied that Academic Affairs fairly recently began creating a heat map every semester that is referred to by our commercial services for hours and staffing. Dr. Erika Beck, CSUN President, suggested that it could also be useful to reach out to Ranjit Philip in IT to find out the number of devices connected to wi-fi at any given time, as that is also a metric to measure how many people are on campus.

ITEM 3. DUPLEX AND ACCESSORY DWELLING UNITS

Mr. Evans provided an update on the Duplex and ADU project. At the time of this meeting, TUC is at a critical moment as bids have just come in, fortunately all of them within budget. Mr. Evans then turned to Bella Newberg, TUC Housing Consultant, to update the committee further. Ms. Newberg shared that all the required clearances from the City of L.A. have been received and permits are ready to be pulled. Bids were received on September 9th, after the team identified five vetted general contractors to solicit bids from. Of those five contractors, only two ended up bidding, as the other three had taken on other projects.

Currently, the technical team is reviewing the scope submitted by the general contractors to verify their bids and compare them to the architectural plans to identify if there are any follow-up questions or clarifications. The team will also be doing reference checks and reviewing the general contractor's financials with the goal of making a final selection by September 19th. There will be a meeting on or about October 8th that the Northridge East Neighborhood Council will be invited to where the team will present an overview of the project and answer any questions. They will also be directed to a website which shows the plans and mission of the project to support campus. The goal is to award a contract immediately after the community meeting with a construction start date of around the 16th, which may seem aggressive at first but that timeframe was included as part of the bid package so the contractors should be ready to act on that. A 12 to 14-month construction timeline is anticipated but this is subject to change in final contract negotiations.

Mr. Evans then spoke briefly about Phase II of this project. Phase II would commence at one of the other TUC owned empty lots on the corner of Rathburn Avenue and Halsted Street. Now that Phase I's construction is set to commence soon, it is time to begin pre-development work on Phase II starting next month. The team will begin working with the architect and other consultants to prepare plans for Phase II, which will likely be very similar to Phase I, but with updated exteriors and landscaping. Once the plans are completed, the project would go out to bid with no guarantee that the same general contractor would be selected. The estimate is that \$150,000 would be needed in pre-development work, and once that work progresses it will provide a likely budget. At that point, early Spring, staff will come back to the Board to

get full approval to move forward with the project. Mr. Evans shared that he anticipates that the budget for Phase II will be approximately \$3 million, an increase over Phase I due to inflation and a growing market for ADU construction in Los Angeles.

Dr. Phillips inquired about when the duplex and ADU would be available to rent? Mr. Evans stated that with December 2025 as the conclusion of construction, renting could begin as early as January 2026. Linda Turner, Associate Director of Real Estate, TUC, shared that three to four months before the end of construction is when marketing can begin with the goal of lining up tenants as soon as possible.

Dr. Phillips also asked if TUC had a source of funding for the \$150,000 needed for pre-development work on Phase II or if the Executive Committee needs to approve that. Mr. Evans replied that the required funds will be taken from reserves, as shown in the financial statements. Dr. Phillips then shared his endorsement of this approach and funding source, which the rest of the committee agreed with.

ITEM 4. PURCHASING POLICY UPDATE

Grace Slavik, Associate Executive Director of Financial Services, TUC, provided an update on TUC's Purchasing Policy. Ms. Slavik shared that TUC recently completed a thorough review of the Purchasing Policy to ensure that it meets current regulations and reflects best practices, with an aim of enhancing operations and making the best decisions for TUC. The existing policy, while solid, limited the corporation's ability to get the best value while staying compliant with TUC, CSU, State and Federal requirements. Four important updates are hereby proposed;

- 1) In the first page of the policy, policy provisions section #1, instead of a "lowest cost" approach to purchasing, "best value" will be prioritized in competitive bidding and vendor selection. This allows consideration of the overall value, not just the price.
- 2) In the second page, there is a new provision stating authorized signers may face disciplinary action for not complying with the policy. This will help maintain high standards and accountability.
- 3) In the third page, after #3, Simplified Acquisition Threshold, between #3 and #4, the requirement for sealed bids is being removed, which will simplify the procurement process and offer more flexibility. All other formal procurement methods have remained available.
- 4) Also in the same page, a new section on Vendor/Contractor Eligibility for federal awards to ensure all vendors meet the necessary criteria has been added.

In addition to those major updates, there are also some edits to make the policy easier to understand. Some sections had redundant information and other sections were moved to a more appropriate place. Links to related TUC Policies, Procedures, and Conflict of Interest for convenience have been added.

Dr. Phillips inquired if "best value" is defined in the policy, and if not, could that be added to the policy to make that clear. Ms. Slavik replied that while the policy does require justification for purchases over \$10,000, "best value" is not fully defined in the policy. Colin Donahue, Vice President, Administrative and Finance, CSUN, suggested that in practice this may need to be a case-by-case decision, but agreed that a definition of "best value" should be added to the policy. The consensus of the committee agreed on this course of action and directed TUC to consult with our University counter-parts and then return to the committee with updated language for the policy.

MSP (Pending): That the Executive Committee approve amending the sections (in red lines) of the Purchasing Policy as stated in the Executive Committee meeting packet as proposed.

ITEM 5. CSUN READY UPDATE

Mr. Evans reminded the Board that the CSUN Ready project was put on temporary hold after receiving feedback and concerns at the spring Faculty Senate meeting. Shortly after that meeting, Mr. Evans worked with the outgoing and incoming faculty senate presidents on a path forward, where it was decided to create an ad hoc committee to re-examine CSUN Ready and discuss issues, concerns, and ideas to improve the program. The committee is comprised of senate members, faculty, a community member, and the Associated Students President, Katie Karroum. There have been five meetings thus far and more to come, with the goal of being ready to present at Faculty Senate on November 7th.

The ad hoc committee has covered several topics thus far, and Mr. Evans gave a quick overview of some of these topics. The average cost students pay for their course materials was examined, and the best estimate is that students currently pay \$100 per course at the CSUN Campus Store. More importantly, the high percentage of students going without at least some of their required learning materials is concerning, with up to 70% affected. Systemic barriers like lack of access to basic needs amongst students was discussed, and the goal is that CSUN Ready will help to remove some of those barriers.

One of the most important topics is the process of opting out of the program and making sure it is simple and available to students, while reinforcing the necessity of CSUN Ready remaining an opt out program to function. Growth of the Open Educational Resource (OER) program and how it may be hampered by CSUN Ready was a concern, and so Follett has committed a \$100,000 grant to support OER and the library as part of this program. There are also discussions of other potential models for how CSUN Ready is priced for students, either as a flat fee per semester for all students, or as a changing fee tied to the amount of credits each student is enrolled in.

Currently, the team is focused on a series of student focus groups proposed by the ad hoc committee to gather student input on the topics covered. Heather Cairns, Associate Executive Director, Administrative Services, TUC, shared that Ms. Karroum has been instrumental in coordinating these groups, which are comprised of very diverse groups due to her efforts. Each meeting is comprised of a handful of students and will eventually reach over 30 students across at least six meetings. Feedback thus far is supportive and extremely informative. Students largely are excited by the program and value the convenience it will provide, similar to the existing myCSUNDigitalAccess (MCDA) program which they are already familiar with. Feedback is being gathered and will be compiled in a report once the groups are complete. Each student was offered a \$40 gift card incentive to participate.

Immediate next steps for CSUN Ready include continuing the ad hoc committee meetings, compiling feedback from the focus groups, and continuing to update the Faculty Senate Executive Committee in advance of a larger full report and presentation at the full Faculty Senate meeting in November. The team is also working with Associated Students (AS) in pursuit of an AS resolution in support of CSUN Ready.

Ms. Karroum took a moment to introduce herself, as this was her first Executive Committee meeting since assuming the AS presidency. She also expressed support of CSUN Ready and expanded on her involvement in the focus groups and the AS resolution, to which end she proposed a meeting between TUC and a selection of AS senators to learn more about the program.

Dr. Phillips asked if the focus groups were able to also include part-time students. Ms. Karroum replied that many of the groups she reached out to have part-time students involved and supported the diversity of these groups. Ms. Cairns added that regardless of the enrollment status of the students, consideration of both part-time and full-time students is an ongoing question from the focus group students as they discuss the program.

ITEM 6. RESEARCH AND SPONSORED PROGRAMS REPORT (APRIL, MAY, JUNE, JULY 2024)

Ms. Slavik provided an update on Research & Sponsored Programs (RSP) at TUC, starting with the Research & Sponsored Programs activities for FY 23/24. For the second year in a row, the department has set record-breaking numbers. The total research & sponsored programs activities reached nearly \$38.2 million, up from last year's record of \$37.3 million, an increase of \$800,000. The indirect cost (IDC) total also reached an all-time high of \$6.37 million, which is \$51,000 more than the previous year and the most IDC the campus has ever brought in. The indirect cost recovery rate for FY 23/24 was 20%, which is in line with last year's rate.

\$3.186 million was TUC's share of the recovered IDC, which funded TUC post-award operations. This includes expenses for running the central post-award office, such as TUC RSP, Accounting, IT, HR, and risk management, as well as providing executive oversight. The campus also received \$3.186 million in indirect cost return. Notably, the College of Science and Math allocated \$135,000 of their indirect cost return to fund a Sponsored Projects Analyst rather than receive their full share of the IDC return. This position helps their college's principal investigators with their grant administration duties.

TUC's post-award team is fully staffed. Recently, one analyst was promoted to a supervisor and two new analysts were hired to both replace the supervisor who was promoted as well as to replace another analyst who left in April. One of the new analysts was formerly employed as a student assistant in RSP prior to graduating. TUC is committed to providing ongoing guidance and training to our staff to support our growing research efforts on campus. Ms. Slavik then introduced Charlene Manzueta, Managing Director of CSUN Research & Sponsored Programs, to discuss updates from the pre-award office.

Dr. Manzueta began by introducing Dr. Mariappan Jawaharlal, the new Associate Vice President of RSP at CSUN. She reported that while submissions decreased over the last period, they are anticipated to increase steadily over the next few months and into the new year. There is now a fully trained staff serving campus, and the awarded funds have steadily increased over the last fiscal year, with more than \$46 million being secured by the institution. Over the summer, a request for qualifications (RFQ) was released in partnership with Medtronic to identify projects that can be funded through that collaboration. Dr. Manzueta went on to thank TUC for fostering the relationship between campus and Medtronic, as Medtronic is an excellent example of a sponsor that has gone on to employ many CSUN students, both in school and after graduation.

Mr. Evans took a moment to explain a little more about the Medtronic grant and relationship; Medtronic leases 25 acres from North Campus Development Corporation, NCDC which is staffed by TUC, and that lease contributes almost \$600,000 to NCDC's annual income. Medtronic also contributes \$355,000 annually towards the academic partnership, which goes directly back to the University. Recently, Medtronic began working with campus more closely to expand their reach into underserved communities, which led

to the RFQ discussed earlier to partner with centers on campus, such as the Health Equity Research and Education (HERE) center and the Marilyn Magaram center.

ITEM 7. ANNOUNCEMENTS

Ms. Karroum shared that New Student Convocation is scheduled for September 19th, and that AS will take part specifically in the pep rally. She extended an invitation to the committee to attend.

Dr. Phillips also shared that the student investment portfolio that manages TUC money is involved with a nationwide ongoing competition coordinated by D.A. Davidson, TUC's investment management firm, and this year CSUN's students were one of their top teams. In recognition of their superb performance, \$7,000 has been awarded into the finance scholarship fund.

There being no further business, the meeting adjourned at 4:11p.m.

Respectfully submitted,



Colin Donahue, Recording Secretary