



## University Corporation at Monterey Bay Board of Directors Meeting

Thursday, December 14, 2023  
9:35 a.m. – 11:10 a.m.

Alumni and Visitors Center – Board  
Room and Zoom

### Minutes

<p style="text-align: center;"><b><u>Board Members Present:</u></b></p> <p>Vanya Quiñones, Ph.D., President    Andrew Lawson, Ph.D., Secretary          Adrian Villalpando, Director        Glen Nelson, Ph.D., Director          Jill Hosmer-Jolley, Ph.D.,            Mary Jo Zenk, Director          Director          Robert Taylor, Esq., Director        Ben Corpus, Ph.D., Director</p>	<p style="text-align: center;"><b><u>Board Members Absent:</u></b></p> <p>Barbara Zappas, Director</p>
<p style="text-align: center;"><b><u>Presenters:</u></b></p> <p>Glen Nelson, Ph.D., Executive Director</p> <p>Sherry Baggett, Contoller          Cynthia Lopez, Director of Sponsored Programs Office          Briana Sanford, Associate Director of Corporate &amp; Foundation Relations</p>	<p style="text-align: center;"><b><u>Staff Present:</u></b></p> <p>Alan L. Fisher, Associate Executive Director          Nancy Ayala, Gov &amp; Cmpl. Mgr.</p>

### Regular Meeting

- I.     **Call to Order:** A quorum being established; President Vanya Quiñones called the meeting to order at 9:35 a.m.
  
- II.    **Approval of Minutes:** Moved by Director Mary Jo Zenk and seconded to approve the June 15, 2023 meeting minutes as presented.
  
- III.   **Public Comment:** There were no requests for public comment.
  
- IV.    **President’s Remarks:** President Quiñones an update on University Activities. President Quiñones reported that the current strategic plan will sunset in 2024. A steering committee will lead the efforts for a new strategic plan. The plan will focus on goals for the next three years with actionable items and allow the continued momentum in transforming the University. President Quiñones reported on current recruitment efforts and transitions on campus, noting that VP of University Advancement and board member Barbara Zappas is retiring today. A search for a VP of University Advancement will be conducted. There have been and continue to be changes at the University, but rest assured that the campus is stable. The Accreditation Review Commission on Education for the Physician Assistant, Inc. (ARCPA) withdrew accreditation from the University’s Master of Science Physician Assistant Program (MSPA). Staff has been working diligently to place enrolled students in other universities and colleges. The class of 2024 students will continue with CSUMB and graduate in May 2024. The importance of the program in the region is recognized. Once pressing issues with current students are resolved, CSUMB will evaluate the steps needed before the campus can successfully reapply for accreditation with ARCPA. There will be an open discussion with the community at a later time. The University has a new brand that will be rolling out soon.
  
- V.     **Executive Director’s Report:** Executive Director Glen Nelson reported on Corporation activities. Dr. Nelson reported that interim Associate Director Alan Fisher will remain with the Corporation until September 30, 2024, instead of June 30, 2024. A search for a permanent Associate Executive Director will be conducted early next year. Dr. Nelson provided an update on student housing, noting that next fall, East Campus student housing residents will be billed using the StarRez system instead of through property manager Greystar. This system is currently used to bill other student housing residents. This recommendation came from the study conducted by Brailsford and Dunlavey a few months ago.

During the Chancellor's Office Audit last year, the Corporation found that there was not a strong connection between the University and the Corporation's radio station, KAZU. Under Mr. Fisher's leadership, KAZU is developing an internship program to connect the radio station to the University.

The lease in North Salinas was previously used to house the MSPA program, and the Corporation pays for that lease. Since the withdrawal of the accreditation to the MSPA program, half of the space has been subleased to ease some of the financial burden. The Corporation is currently in talks with the property owner about exiting the lease.

Dr. Nelson reported on initiatives and opportunities on campus. At a previous meeting, it was reported that a campus recreation center was in the works in the space where the old bookstore was housed. The original plan was that the funds used for the recreation center would be loaned to the OSU from the Corporation. After further review of OSU's financials, it would be an investment in the recreation center rather than a loan of the funds. At the next meeting, the Board will be asked to vote to approve the investment of approximately \$2.3M in the recreation center. In addition, the Building A4 Engineering and Science Building needs funding. Although there is some funding via a \$7M loan from the Chancellor's Office, donors, and federal funds from NOAA, \$4M is still needed. At the next meeting, the Board will be asked to approve \$2M of an outright gift from the Corporation and an additional \$2M seven-year loan to fund the remaining \$4M needed. Approving this item will support the University in increasing the number of enrollments by approximately 200-300 FTEs. We are also reviewing the reserves to ensure those are not low. Director Robert Taylor commented that the reserves review is a top priority to ensure funds are available for unforeseen repairs needed for the real estate assets. There was discussion about the type of reserves the Corporation should hold. Although time-based reserves for operations are acceptable, a second reserve for capital improvements of the real estate assets would be ideal. A reserves analysis will be done in the future, and it would be helpful to know where reserves are at the time of these action items.

## **VI. Business**

President's Discretionary Fund Request: Dr. Nelson presented the request to increase the President's Discretionary fund to \$950K. The Corporation provides the President with funds to use annually and at her discretion. The President's discretionary fund amount has not increased since 2006. In 2006, the President's annual discretionary fund was at \$475K. Customarily, approximately \$300K of these funds were dedicated to Athletics for scholarships. The athletic scholarship needs have increased to almost \$900K since then, and funding the \$600K gap has been difficult. An analysis of the funds was conducted, which included inflation and the effective federal funds rate. This resulted in the growth of funds to approximately \$950K. Although the President's Discretionary Fund would be used at her discretion, \$850K would be used for athletic scholarships; the specific use of funds is not part of the motion. Vice President for Enrollment Management and Student Affairs Ben Corpus noted that this increase would help enrollment, and the current amount is below the average for scholarships awarded at the CSU. The Corporation's operating funds would be used to fund this increase. Director Taylor raised concerns about the amount of funds exiting the Corporation with no reserves study done. President Quiñones noted that this is an emergency because some students have been accepted to the University with scholarship offers, and Athletics has already exhausted all scholarship funds. This is an issue because of decreased student fees due to decreased enrollment. Once student enrollment has increased, this may be revised. The University is offering scholarships and needs to ensure that funds are available. The timing is off, but this is a necessity for recruitment efforts. The discretionary fund will be reviewed and revised annually based on converting \$950K to a dollar amount per FTE and include inflation. Moved by Provost Andrew Lawson and seconded to approve the increase of the President's Discretionary Fund to \$950K as presented. With no further discussion, the motion carried.

## VII. Reports

- A. Chancellor's Office Audit & Advisory Services Report Follow-Up: Associate Executive Director Alan Fisher presented an update on the Chancellor's Office Audit and Advisory Services Report. The third-party agreement with Bright Futures was deemed a financial constraint to the Corporation, and the programmatic focus benefited many external partners. It did not specifically promote USMB as a college path. That program was moved into a community-based organization without Corporation support. The third-party agreement with Pay it Forward, although beneficial to the campus, required evaluation due to the significant increase in campus financial support. The program moved into the KAZU radio station, where a general manager position had been eliminated, and those allocated funds were used to fund the two positions at Pay It Forward. Apart from current duties, Pay It Forward will also manage the internship program at KAZU. This eliminated the additional cost to the Corporation. The internship program is currently in the process of transitioning from an entirely voluntary internship to an academic internship as well. This also aligns the radio station with the University.  
Mr. Fisher reported that the contract with property management company Greystar has changed, and the University's Facilities department will maintain the campus-based buildings. This change will save the Corporation between \$200K to \$300K. The Corporation is working closely with Greystar to move saleable properties and align them with University needs. Currently, there are 11 vacant properties. Property valuation will be improved by providing a more formal listing of the current values of the homes in its real estate portfolio. This is to have an accurate valuation of homes for insurance purposes.
- B. Auxiliary Audit Committee Report: A memo instead of this report was included in the board packet. The significant take away was that the Corporation had a clean audit.
- C. 1<sup>st</sup> Quarter 23/24 Financial Report: Corporation Controller Sherry Baggett was unexpectedly unable to attend the meeting, but the board packet included the financial report. Director Taylor noted that payroll expenses are significantly down and asked if the corporation is understaffed. Dr. Nelson explained that there are several open positions; however, it has been challenging to fill open positions while remaining cognizant of the budget constraints. Director Taylor stated that the Board can help with regard to policy to retain and recruit quality staff. President Quiñones concurred and noted that a study should be conducted to ensure benefits and salaries align with the market.
- D. External Funding Update – Sponsored Programs: Director of Sponsored Programs Office Cindy Lopez provided an update on external funding.
- E. Corporate Relations – University Advancement: Associate Director of Corporate & Foundation Briana Sanford provided an update on private grants.

VIII. Open Communication/Announcements: The next board is on March 21, 2024.

IX. Closed Session: The board did not enter into closed session.

X. Adjournment: With no further business to conduct and no objection, the meeting was adjourned at 11:10 a.m.



Andrew Lawson, Secretary/Treasurer

06/17/2024

Date







# December 14, 2023 Minutes, approved

Final Audit Report

2024-06-17

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