Wednesday, April 6, 2016  8:30 a.m.  BMU 205

Members Present: Deanna Jarquin, Vu Nguyen, Matt Zaleski, Michael Pratt, Nick Howell, Andrew Roberts, Teddy Delorenzo, Lori Hoffman

Members Absent: Drew Calandrella

Others Present: David Buckley, Karen Bang (recording), Susan Jennings, Jamie Clyde, Thang Ho, Leah Railey, Shar Krater, Jon Slaughter, Brett Rahtz

I. CALL TO ORDER – The meeting was called to order at 8:31 a.m. by the Chair, Jarquin.

II. AGENDA – Motion to approve the 4/6/16 agenda (Delorenzo/Roberts) 7/0/0 MSC.

III. MINUTES – Minutes of the 3/23/16 regular meeting. Motion to approve the minutes of the 3/23/16 regular meeting, as presented (Zaleski/Pratt) 7/0/0 MSC.

IV. ANNOUNCEMENTS – Jarquin said the Diversity Conference is this Friday from 9 a.m. to 1 p.m. in BMU 203. Buckley said there’s a Career Fair today. Slaughter said Choose Chico Day is this Saturday.

V. PUBLIC OPINION – None

VI. OPINION – None

VII. STANDING COMMITTEE REPORTS – Action items forwarded to the Board of Directors from the standing committees stand approved unless overturned by a 2/3 + 1 Board action.

A. Government Affairs Committee – Nguyen reviewed with the Board.
   1. GAC Actions of 3/29/16
      a. Approved the 3/29/16 meeting agenda.
      b. Approved the minutes of the 3/22/16 regular meeting.
      c. Approved EFAC allocation in the revised amount of $832 for “Emergency Survival 101” event presented by Pre Medical Association to be held on 4/11/16 from 5:30 to 7 pm. In Holt 350 and 352.
   2. GAC Actions of 4/5/16
      a. Approved the 4/5/16 meeting agenda.
      b. Approved EFAC allocation in the revised amount of $630.29 for Kids Carnival event presented by Upsilon Kappa Delta on 4/16/16 in Trinity Commons.

B. Bell Memorial Union Committee – Roberts said the 3/24 BMUC meeting was cancelled due to a quorum issue; however, he hopes to fill a student vacancy on the committee today which will help with quorum. He said he and Clyde are working on lounge area ideas for the basement. Previous Conference Services space is also being discussed. He noted that the Government Affairs Office students/staff will be meeting next Tuesday regarding their current space to see what changes they may want to make for next year (Hoffman joined the meeting at 8:38 a.m.).

C. Associated Students Businesses Committee – Zaleski reviewed with the Board the items discussed at the meeting.
   1. ASBC Actions of 4/4/16
      a. Approved the revised minutes of the 3/21/16 regular meeting.

VIII. BUSINESS

A. Information Item: Chancellor’s Office Audit Results – Jennings distributed the audit results and reviewed with the Board each of the recommendations from the Chancellor’s Office. Regarding IT’s Disaster Recovery Plan, Hoffman said the AS could use the University’s Business Continuity Plan – Disaster Plan software system and suggested contacting Mike Thorpe regarding this. Jennings said our responses to these audit findings are that we concur and will comply. Delorenzo asked about next steps and Jennings said our response has been
forwarded to Annabel Grimm who will be submitting this information to the Chancellor’s Office by Friday. She said we then start preparing procedures and documents in order to clear these items.

B. Information Item: Revisions to Associated Students Corporate Code Book – Associated Students Appointment Policy – Nguyen said they would like to update the Appointment Policy based on the appointment process they used this year. He said they’re wanting to create a more defined process for appointments in the future to be more fair and equitable to all students that are interested in participating on committees. He reviewed the suggested changes with the Board.

C. Information Item: 2/29/16 Activity Fee Fund Budget to Actual Experience – Nguyen reviewed the February 29 AF Fund Budget with the Board, explaining the February benchmark was 66.6%. He noted Total Revenues at 98.31% with Total Expenses at 50.13% of approved budget.

D. Information Item: 2/29/16 Student Union and WREC Summary Income and Expense Statements – Roberts summarized the Student Union financials, noting Total Revenues at 92.49%, with Total Expenses at 52.93%. For the WREC, Total Revenue was at 97.85% and Total Expenses were at 54.71% of approved budget.

E. Information Item: 2/29/16 Chico State Wildcat Store Financials – Zaleski said Operating Expenses were $68,402, with Other Income at $104,068. Net Income of $14,612 for February. Discussion was held regarding the format of the Wildcat Store financials and Jennings said when we start with the new financial software, she’ll be updating the report.

F. Information Item: 2/29/16 Follett Financials – Zaleski reviewed with the Board, noting that General Book Sales and Computer Hardware were up compared to February of last year. Total sales were at $599,930. He said Total YTD was $5,909,601 which was up from last year, still down from two years ago.

G. Information Item: 2/29/16 Dining Services Financials – Zaleski said Cost of Sales were at $11,993 (6.77%) lower than budget. Operating income was $24,715 (4.55%) lower than budget, with Total Net Assets at $17,078 (44.54%) worse than budget, YTD $117,928 (72.00%) better than budget.

H. Director of University Affairs Report – Pratt said he is working to figure out what to do with the Teaching Associates (TA) and Instructional Student Assistants (ISA) during the faculty strike because they received an email from their union that they’re to be in the classroom. If they’re in charge of discussion sections, this is a problem. He said the faculty member is generally in charge of lectures and the discussion sections mirror lectures. Without the instructors, the TA’s can’t instruct or guide students through discussions. Many don’t know that they have to be on campus doing some sort of work, but many don’t want to go in to academic buildings because they would be crossing a picket line where their potential employers, faculty, are at the picket line. He said many of them are anxious about this particular situation and he’s trying to obtain clarification for them.

I. Director of Legislative Affairs Report – Howell said LAC moved forward with the I Pledge to Vote Campaign and have had about 80 cards filled out. • Howell noted that CSSA will be in San Jose in two weeks.

J. University Vice Presidents’ Reports – Hoffman said renovations to the Warren Center are expected to start the day after commencement. There are some neighborhood issues and they are meeting with Chico Heritage Association on April 13 at the Warren Center, then with neighbors on April 14. She said they’re upgrading the center because it’s a Julia Morgan home and over the course of the many years the University has maintained the facility, there were renovations made that changed the character of the home. They are trying to go back to original characteristics. In addition, a large outside patio will be constructed and they hope to complete the project by December. Hoffman said that this summer a refresh to Kendall 207/209 will also be done.

K. Executive Director’s Report – Buckley said Railey sent an email out to AS employees regarding the strike, reiterating what the campus president had emailed out. He said they don’t want any of our staff feeling uncomfortable about crossing picket lines. He said they have talked with all vendors and there are no issues for deliveries to the BMU or Sutter. Hoffman said this is not a campus issue and the Chancellor’s Office is in negotiations regarding this to try and avoid a 23 campus strike. Roberts said people think this is a campus issue and suggested the Government Office send an email out that this is a system thing, not a campus thing. • Buckley said the budget process has begun and budgets went to GAC, ASBC and BMUC this week. Budgets will go to the Board next week. • Buckley said regarding the recent minimum wage increase, a week and a half ago an announcement came out from the Governor’s Office that he had negotiated a backdoor agreement with
unions in order to avoid a ballot measure. The Governor signed it on Monday, increasing minimum wage to $15 by 2022, beginning with a 50 cent/hour increase the first year. Due to the timing issue, Buckley said they couldn’t get this in to the budget. He noted they are talking to each committee regarding the effect of 50 cents/hour on January 1 and this will cause up to a $74,000 impact to the AS. He explained they will do some strategic planning on how these increases will be implemented over a five to six year period, which will be significant. Buckley said for Dining alone, this would be an increase of $800,000 and noted this increase will start pushing some of these positions up closer to career positions. He said this also impacts how the calculation is made for exempt employees as they are required to be paid double the minimum wage. As minimum wage increases, by the time they reach $15/hour, someone making $58,000 or less will then be considered hourly employees. Buckley said when employees are changed from exempt to non-exempt, these employees would only be working 40 hours per week; otherwise they would be paid overtime, or won’t be able to get as much done. He said there are a lot of factors to address as they move forward with this. • Regarding the Housing contract, Buckley said he talked with Drew Calandrella and he agreed to keeping the cost plus method agreement with Housing for another year because they do not have a housing director at this time. He said the following year they will have to go to the previous model, prior to the cost plus method. Sutter will have to be controlling their costs more than they are right now, particularly in regards to labor and cost of sales. He explained that the old model is that all of the revenue comes to us, then we have to pay expenses and pay Housing rent. We would be allowed to make a certain amount of profit but any profit over a certain amount would probably be split with the University. He said there is concern about the room and board rate as we go forward as additional costs pile on, and there’s not a guarantee that the rate will increase by the CPI. He said they need to come up with a plan to cover additional costs. Hoffman said students have the ability to weigh in by virtue of their membership at CFAC. She said housing rates have gone up fairly consistently over the past seven years. She noted that Calandrella’s area oversees this, and it looks like for the next two or three years rates will not increase significantly which will have an impact on AS Dining.

L. President’s Report – Jarquin said she recently went to the CSU/CSSA Advocacy Day in Sacramento. She said they talked with legislators about their role in the CSU budget for the upcoming year. • Jarquin said she continues to prepare officers for the CFA strike so they’re comfortable and advocates for students. • Gayle Hutchinson was welcomed to campus last week and Jarquin said they met with her and other student leaders regarding challenges, great things about Chico and what some of her first initiatives should be. • Jarquin said Railey will be attending GAC to discuss student monetary compensation vs. scholarship compensation. • Jarquin recognized the student Board members for their various projects/contributions. • Hoffman asked Jarquin when she and others went to Advocacy Day and folks spoke with our representatives, if they were advocating for an additional amount of money for the CFA. She said if the CFA wants 5% and we only get 2% from the Governor, the next course of action would be to ask the Governor and Legislature for the additional 3%. Jarquin said administrators through the CSU advocacy, students through CSSA and faculty members through the statewide Academic Senate have been for the $101 million. Hoffman said that is the 3%, which equals $99 million. She questioned if when folks are asking for the money if they are asking that this money goes directly to faculty and staff. Jarquin said no. Hoffman said this is where the disconnect is because we keep talking about $100 million, $101 million, etc. but that money would then go right to faculty and staff due to clauses in their contracts, and then the strike would go away. This would be for next year’s budget. Howell said the $101 million they’ve been advocating for is not taking into account the 5% increase in compensation. Every percent above the 2% is $33 million. Hoffman questioned that if they’re not asking the state for the extra 3%, who will pay for it, where will they come up with the extra $99 million. She expressed concern regarding how to make sure that the system has the money so they can settle this as no one wants to strike.

IX. ANNOUNCEMENTS – Slaughter shared that Jennifer Wendell Halford has been hired as the Program Director for the Wildcat Leadership Institute. He provided her background with the campus and AS and said she will be starting on Monday, June 6.

X. PUBLIC OPINION – None

XI. OPINION – None

XII. ADJOURNMENT – The meeting was adjourned at 9:35 a.m. by the Chair, Jarquin.