VOTING MEMBERS PRESENT: Pamela Abbott-Mouchou, Chris Abe, Michael Berman, Catherine Burriss, William Cordeiro, Hung Dang, Toni DeBoni, Genevieve Evans Taylor, Jeanne Grier, Nichole Ipach, Kristen Moss, Laurie Nichols, Dave Nirenberg, Stacy Roscoe, Wm. Greg Sawyer and Ysabel Trinidad

VOTING MEMBERS ABSENT: Chanda Cunningham-Spence, Nancy Deans, James Forrester, Brittany Grice, John Griffin, Gayle Hutchinson, Michael Long, Ilene Mehrez, James Walker and Alex Yepez

NON-VOTING MEMBERS PRESENT: Michael Bourgeois, John Gormley, Missy Jarnagin and Dan Wakelee

NON-VOTING MEMBERS ABSENT: Karen Carey

INVITED GUESTS PRESENT: Wes Cooper, Tina Knight, Jason Miller

OPENING REMARKS
Genevieve Evans Taylor opened the meeting, on behalf of President Rush.

POLICY
RECOMMENDATION: Policy on Pre-Approval of Institutional Grant Proposals (AA.01.004)
Jason Miller presented the second reading of this revised policy. This version gives more details about the importance of having preapproval for institutional grants and identifies specific triggers for when such a review would need to happen. There was no further discussion. Policy approved.

RECOMMENDATION: New Policy on Minor Capital Outlay Projects
John Gormley thanked the Division of Student Affairs and Division of Academic Affairs for their feedback on the many changes to this new policy that establishes a process to review all minor capital projects. The background on this policy was intended to improve and modify facilities in alignment with our mission for approved educational programs and to create environments conducive to learning. The University is challenged with space and the allocation of limited resources. The policy’s first priority is related to code enforcements, then academic use or for an auxiliary use that is not state-funded, such as HRE, Parking, the Student Union, etc. The third priority will follow the current plan review that all CSU projects must go through, including the Office of the State Fire Marshal, access compliance, etc.

This policy will follow a process for Divisions to submit requests projects from $5,000 to $639,000 (the current applicable thresholds set by CSU Policy). The policy encourages department heads to plan for future space needs.
Nichole Ipach asked about requests that are not necessarily part of the budget process. John reviewed the categories of projects, noting they are not ranked by priority. Dan Wakelee questioned the wording of the tenant improvement/renovation projects and how they relate to the educational mission of the University. Discussion led to recommendation to change the verbiage to campus improvement/renovations and add reference “to further the educational mission of the University.”

Michael Berman suggested adding other representatives to the small advisory work group, including the Vice President of Advancement and someone from the Office of the President. This group will review and prioritize minor capital requests which will then be presented to Cabinet and to the President for review and approval. This will be more effective and efficient, specifically for mid-year projects.

Jeanne Grier questioned the policy example that refers to September. John suggested that term should be changed to state “as part of submission of divisional budgets” and refer to submission of space requests for the next fiscal year as well as future fiscal years. The policy’s goal is to encourage long-term planning.

Catherine Burriss questioned the possible need for language to address some flexibility for money that is currently in hand. Ysabel Trinidad responded saying the purpose of putting a request for space in the annual budget request process is for the institution to identify those resources needed for those top priority items. This process embeds resource allocation for space renovation into the budget. John added the intent of the policy is to balance all of the University initiatives and strategically plan what is critical.

Ysabel indicated the small advisory work group will first look for any submissions during the budget process that identify current capital needs. The majority of the projects will be under the $639,000 threshold. Missy Jarnagin and Michael Berman suggested a change in verbiage to align with the thresholds established by CSU Policy.

Tina Knight questioned how grant funding, using the federal definition of capital, worked into this policy. John Gormley reiterated that this policy is about space; however, he noted how large capital items could have space requirements.

Ysabel also shared the idea of rotating space for various needs or programs.

Toni Knight inquired about common spaces and if they were incorporated into this policy. John responded that the internal common spaces are in the master database and improvements or changes would follow this process. The small advisory work group will discuss how requests for these areas will be handled.

Genevieve reviewed the three pending changes with the Council. The policy was passed, pending the three changes.

**DISCUSSION: New Policy on University & Auxiliary Operating Reserves**

Missy Jarnagin presented this first read of a new policy that is a baseline to define reserve requirements within a particular fund. The Board of Trustees approved a reserve policy in October 2015 under ICSUAM, policy 2001. Ysabel stated the need to make sure that we can service debt, cover our obligations and plan for future priorities.

This policy creates guidelines on how to create minimum reserves, depending on the fund or auxiliary organization. The Chancellor’s Office used to set those percentages; now, they will be looking at 100% of our reserves on the funds that are required to have reserves.
Minimally working capital reserves shall be no less than three months of estimated payroll expenses or no less than six months of operating expenses (some funds do not have payroll).

The reserve balances shall not exceed 100% of the annual operating budget. Based on the evaluation needs, fund managers must establish a reserve policy; reserve designations / categories are identified, economic uncertainty is just one.

Dan Wakelee asked about the absolute necessity to maintain six months operating reserves, especially on pass through funds. Missy indicated CI will start building reserves in this particular fund on an operating basis for a building fund. The University as a whole has to be within a certain debt service coverage ratio.

There are many different levels within these categories and a portion of the reserve funds shall be maintained for future business requirements. At the end of every fiscal year, the Division of Business and Financial Affairs will be required to designate these funds into specific account codes for the Chancellor’s Office review.

Bill Cordeiro reminded the Council to stay focused on educating the students and support the institution. Ysabel agreed and this policy provides the latitude to have the reserves to deliver academic program support by putting labels to accounts (i.e., working capital, economic uncertainty). Missy said this policy tells the Chancellor’s Office how we are planning our budget.

Genevieve noted appreciation of Bill’s reminder of why we are all here and thanked the BFA for the good work on creating greater efficiency and on keeping us compliant. All comments and suggestions should go back to Missy.

**CONSENT: Policy on Research & Sponsored Programs Records Retention (AA.11.004/SP.13.014)**
**Policy on Principal Investigator (AA.11.009/SP.15.001)**
**Policy on Principal Investigator Financial Conflict of Interest (AA.11.007/SP.14.005)**

Jason Miller and Tina Knight updated the definitions in these policies to align with one another. A few other minor changes were made including removing links to federal regulations that change frequently.

Jeanne Grier will add these three policies to the Academic Senate agenda as consent items next week. Policies approved.

**UPDATES: Budget**

Ysabel Trinidad recapped new enrolments are still 61 FTES, including mandatory expenses and compensation pool allocations. The tax collection in February reported $1 billion under collected; waiting for the May revise for potentially more FTES. Preliminary work on allocations and preparations for any additional allocation of resources are being made based on the budget requests.

Michael Bourgeois asked if any money had been received for the Student Success Initiative. Ysabel indicated there is an allocation for this Trustee’s priority.

Toni DeBonii asked if the Cabinet has discussed rollover funds and how the flexibility of having more resources for incoming President Beck. Ysabel referred back to the necessity of the capital needs policy to prioritize the growth needs for the campus. Then, Cabinet will discuss the impact of the carry forward number and request the President’s approval.
CI 2025
John Gormley reported the CI 2025 team is furiously working with the Chancellor’s Office to present the sale of 320 units in the Town Center to the Board of Trustees on May 24. Approval would bring financial sustainability to the Site Authority and, consequently, allow the University to grow physically.

They also received three financial and technical proposals to develop the 32-acre parcel in UGlen. At least one includes a hybrid community of rental units, for-sale units and age-restricted rental units along with the ability to support a childcare facility. They will review these proposals and interview the developers.

These two projects will bring financial stability to the Site Authority and dramatically reduce its debt. The University will subsequently reduce our debt service coverage ratio making it easier to qualify for support from the system-wide revenue bond program to build Gateway Hall.

The facilitated steering group addressed some of the space needs and discussed ideas including Gateway Hall, potential expansion to the Town Center and further expansion of student housing.

PRESIDENT’S REPORT
Genevieve Evans Taylor recounted the numerous campus-wide celebrations for retiring President Rush and how deeply touched by everything that has been done for him. She extended appreciation on his behalf for making it fun and meaningful.

Chancellor White is coming to CI next week and all are invited to the open forum. The Honorary Degree Ceremony for Sara Miller McCune will be next Saturday, May 14 during the SAGE Research Forum. The Honorary Degree Ceremony for Mark Lisagor will take place during the morning Commencement on May 21.

As he has for many years, President Rush would encourage all to take vacations and rest well over the summer. Thank you.

Meeting adjourned at 10:49 a.m.

Next Meeting: Fall 2016