

NOTE TO MINUTES: *The materials and reports briefly referenced in the following minutes are included in the meeting's Agenda Packet, available on the AOA website at the indicated page numbers.*

**AUXILIARY ORGANIZATIONS ASSOCIATION
OF THE
CALIFORNIA STATE UNIVERSITY**

Draft Minutes of the Executive Committee

**Meeting Held by Audit/Video Electronic Transmission
(There was no physical meeting location)**

August 21, 2020

<u>Officers & Representatives</u>			<u>Present</u>
Kacie Flynn	President	Humboldt	Yes
John Griffin	Past President	San Bernardino	Yes
	Chair – Long-Range Planning Committee		
	Chair – Nominations Committee		
Monica Kauppinen	President-Elect	Sacramento	Yes
	Chair – Conference Planning Committee		
Richard Jackson	Secretary/Treasurer	AOA Headquarters	Yes
Heather Cairns	Elected Representative	Northridge	Yes
Sharleen Krater	Elected Representative	Chico	Yes
Teresa Loren	Elected Representative	San Diego	Yes
Maria Reyes	Elected Representative	Long Beach	Yes
Jonathan Navarro	Elected Representative	Northridge	Yes
Bella Newberg	Elected Representative	San Marcos	Yes
Todd Summer	Elected Representative	San Diego	Yes
Martiz Ware	Elected Representative	Long Beach	Yes
<u>Designated Members</u>			
Rasheedah Shakoor	Chair – AS/Student Union/Rec Committee	Dominguez Hills	Yes
Cynthia Fenimore	Chair – Commercial Services Committee	San Marcos	Yes
Carlos Careaga	Chair – Bus. & Financial Services Comm.	San Diego	Yes
Kristen Pichler	Chair – Human Resources Committee	Northridge	Yes
Rachel Raynoha	Chair – Information Technology	San Diego	No
Diane Trujillo	Chair – Research Administration	San Bernardino	Yes
Dwayne Brummett	Chair – Risk Mgmt. & Insurance Programs	Cal Poly SLO	Yes
Michele Goetz	Chair – Past Presidents Committee	San Diego	Yes
<u>Board Liaisons (Non-Voting)</u>			
Doug Dawes	CABO Liaison	Humboldt	No
Robyn Pennington	Business and Finance Liaison	Chancellor's Office	Yes
Lori Redfearn	Advancement Services Liaison	Chancellor's Office	Yes
Carrie Rieth	Office of General Counsel Liaison	Chancellor's Office	Yes

Guests: Monica Alejandre, Dave Edwards, Allen Thomas

Agenda Item	Follow-Up Action
<p><u>President’s Convening Information</u> Kacie Flynn welcomed people to the second Executive Committee meeting of the 2020 year. All members and participants in the meeting are using the Zoom online platform indicated in the Agenda Packet emailed in advance of the meeting. AOA’s Bylaws authorize meetings by teleconference so long as participants can communicate concurrently with each other and participate fully in all matters.</p> <p>Flynn went over some meeting mechanics: The roll call of meeting participants and the voting on all action items will be conducted using the live “Chat” feature, which also creates a written historical record for the meeting minutes. She instructed the board in the use of the “hand-raising” feature to signal one’s desire to speak.</p> <p>A. CALL TO ORDER AND OPENING REMARKS</p> <p>Flynn called the EC meeting to order at 11:05 am, and announced that it is being held virtually as authorized by Article IX, Section 4 of the AOA Bylaws. She requested members to sign-into the meeting using Zoom’s “Chat” feature, and subsequently reported that a quorum was present.</p>	
<p>B. APPROVAL OF AGENDA</p> <p><i>Action Taken: The meeting’s agenda was approved as presented (m/ Monica Kauppinen, s/ Sharleen Krater).</i></p>	
<p>C. APPROVAL OF 6/23/20 MEETING MINUTES (Agenda, pgs. 1-12)</p> <p><i>Action Taken: The minutes were approved as presented (m/ Martiz Ware, s/ Heather Cairns).</i></p>	
<p>PUBLIC COMMENT PERIOD There was no public comment period at this meeting.</p> <p>E. OLD BUSINESS FOLLOW-UP (Agenda, pg. 13)</p> <p>Richard Jackson presented a status update on the unfinished business items and board tasks carried forward from prior meetings. We hope Long Beach will complete documentation of their Website work in the next couple months, so we can finalize a contract with our next Website Manager. The Task Force and Long-Range Planning meetings are on hold until representatives will be able to meet in person.</p>	

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E. PRESIDENT'S REPORT

1. CABO Liaison

Flynn reported that the position of CABO Liaison to the EC is currently vacant, due to the retirement of VP Doug Dawes from Humboldt State University. When a replacement is identified, an updated EC Roster will be distributed to the Board.

2. Approval for AOA to Sign Auxiliary Common Interest Agreement (Agenda, pgs. 14-20)

As the result of the COVID-19 pandemic, the CSU moved to virtual learning to protect students, staff and faculty and to ensure continuation of education services. Five class action lawsuits seeking certification were filed against the CSU alleging that students are entitled to a refund of certain fees and tuition as the result of the virtual learning platform. AOA requested that auxiliaries be consulted in the litigation because auxiliaries in receipt of fee monies are impacted by the lawsuit. CSU prepared a common interest agreement to achieve this.

Action Taken: The Board unanimously authorized President Kacie Flynn to sign the Common Interest Agreement on behalf of AOA (m/ Dwayne Brummett, s/ Todd Summer).

Flynn will appoint people interested in representing AS and auxiliary interests in consultation with the CO on this issue.

3. Systemwide Video Security Campus Policy

Auxiliaries are concerned that the new CSU policy was written without consideration of the different operational practices and needs of the campus auxiliaries (e.g., how commercial operations review surveillance videos, different standards for retention of the videos, etc.). A small group of auxiliary representatives had conversations with Mike Redmond, who felt there is more flexibility in the policy than may appear. Auxiliaries are encouraged to work with their campus Police Departments on their needs, so the PD can include auxiliary exceptions in their documentation of the campus's implementation.

Flynn will continue to solicit questions and feedback for Redmond, who will use the information to create clarifying FAQs on the matter. Redmond is available to facilitate a discussion between an auxiliary and its campus PD.

4. Chief Procurement Officers – Auxiliary Leveraged Deals

CSU's CPOs have formed a workgroup and various subcommittees, including an auxiliary/AOA subcommittee, to work towards

leveraging systemwide purchasing arrangements. The first task is to analyze the overall spend picture (e.g., what is being purchased and from whom) so a coordinated strategy can be developed. Unlike the campuses, auxiliaries have not usually pooled purchasing and vendor information, so the first step is a conversation on gathering data from auxiliaries. Commercial Services folks are playing an important role in surveying auxiliaries and ascertaining interest.

5. Department of Rehabilitation & Campus Vending Machines

The Business Enterprises Program (BEP) creates opportunities for qualified Department of Rehabilitation (DOR) consumers who are legally blind to become business owners in the food services industry. California Welfare and Institutions Code §19625 affords licensed blind vendors priority in the operation of vending facilities located on State property. DOR contends that campus vending machines are subject to this statute and that DOR is entitled to a commission for vending machines on CSU campuses.

CSU contests that the statute applies to its campuses and denies that commissions are due. Auxiliaries were asked to pass information on their vending programs through their CABO VP to Dawn Theodora in the Office of the General Counsel, who will be sending a coordinated, centralized response to the DOR.

F. SECRETARY-TREASURER’S REPORT (Agenda, pgs. 21-23)

Revised Budget for FY 2020-21

Due to significant changes in the expected picture for 2020-21, Jackson presented a revision to the budget approved at the June EC meeting. The major changes, resulting in increase of \$42K in projected net income, included:

- the Sacramento Hyatt agreeing to waive all penalties due for the cancellation of the 2021 in-person conference;
- a reduction of about \$40K in AOA Dues revenues, stemming from anticipated drastic reductions in the total operating expenses of auxiliary commercial operations, and from pausing the standard 3% annual dues increase;
- elimination of in-person AOA meetings and the Leadership Academy originally planned for the spring, thereby saving travel and meeting expenses;
- a provision for additional costs for requested services of a new Website Manager and Robert Griffin.

Action Taken: The Board unanimously voted to adopt the 2020-21 Revised Budget as presented (m/ Monica Kauppinen, s/ Teresa Loren).

2020-21 Year-to-Date Transactions

Provided for the Board's oversight review are the AOA transactions so far for the new fiscal year.

Three-Year Financial Forecast

At the request of the Officers, Jackson prepared a forecast of the impact on AOA finances considering the effects of the pandemic and possible scenarios for long-range succession planning for AOA service providers. The main take-aways:

- Even considering conservative projections for Dues revenues, regular AOA operations will stabilize by 2022-23, and if there are small net income losses, they are easily covered by the large pool of Unallocated Net Assets (about \$265K).
- The impact of Succession Planning model #1, wherein retired auxiliary professionals would be recruited to fill the Business Manager position and a reconfigured model used for an AOA Legal Counsel, the additional annual expenses would be about \$40K. It is possible that the AOA's current revenue and expense model could absorb these additional expenses.
- The impact of Succession Planning model #2, wherein AOA would need to hire a full-time employee with benefits in the Business Manager position, adds an estimated \$60K in on-going annual expenses. This would have an unsustainable negative net income impact on the pool of Unallocated Net Assets, and the Long Range Planning Committee would need to rebalance annual revenues and expenses going forward.
- Were AOA need to pay a hotel penalty for cancellation or modification of a future conference contract (e.g., 2022), the Conference Reserve could easily cover a one-time hit.

There was Board discussion on creating a narrative to accompany the forecast and ways to broaden the discussion on strategic planning and include more people in the LRP process. A good starting point would be to revisit AOA's mission – is it to support auxiliary organizations, provide professional development for members, etc.?

Richard Bromley's Utilization Report

Jackson reported that Bromley provides an annual report on the utilization of his services to the HR community under his contract with AOA. He listed a record of over 200 auxiliary contacts with requests for information or advice, with additional hours spent in research and presentations for HR Committee meetings and the last AOA Conference. His normal fees would have been \$62,300 for these services, and per his contract AOA paid a flat \$27,000. This means AOA received an additional value of \$35,300 due to our retainer arrangement with him.

<p>The 2020-21 year is the final year of Bromley’s current three-year contract, and the HR Committee will be offering their recommendation on whether to pursue a renewal of the contract.</p> <p><u>2023 AOA Conference Site</u> Jackson is negotiating the terms for holding the 2023 AOA Conference at the Hyatt Regency in Sacramento, which graciously didn’t charge a penalty for the cancellation of the 2021 in-person conference. He is will also negotiate with the Hyatt in Indian Wells about reducing the contracted room guarantee for the 2022 conference, since we could experience reduced in-person attendance given the COVID-19 environment and reduced travel budgets.</p>	
<p><u>G. PRESIDENT-ELECT’S REPORT</u></p> <p><u>1. 2021 AOA Virtual Conference Update</u> Conference Chair Monica Kauppinen reviewed the conference plan, including using the Zoom virtual platform for the meetings, and using the EventsAir conference software for registration as well as their new specialized platform for showcasing and interacting with business sponsors. We are engaging a specialist in virtual events management to handle the technical aspects of producing the sessions, training the session presenters and helpers, etc.</p> <p>The Conference is planned for January 11 (from 9am – 2pm), January 12 (from 8:30am – 1pm) and January 13 (from 9am – 12pm), with 90 minutes of Concurrent Sessions on each day. General Sessions will include updates on key issues from the Chancellor’s Office and perhaps a presentation on the expected changes to auxiliaries and a new vision of how they will be of service to their campuses. We hope the conference’s virtual format will offer the opportunity for more members to attend.</p> <p><u>H. MEMBER RESOURCES</u></p> <p><u>1. EC Report to the AOA Membership</u> (Agenda, pgs. 29-32) Included in the agenda packet is a copy of the traditional Report to the Membership, alerting them to key topics before the EC and offering them the opportunity to engage by providing feedback and questions.</p> <p><u>2. 2020 CA Legislative Summary Update</u> (Agenda, pgs. 27-28) Robert Griffin put together an update of major legislation impacting auxiliaries, which is included in the agenda packet.</p>	
<p><u>I. NEW AND RETURNING BUSINESS ITEMS</u></p> <p><u>1. Quick Guide to Robert’s Rules of Order</u> (Agenda, pgs. 29-32)</p>	

For use by AOA in conducting its EC and membership meetings, Robert Griffin prepared a quick and easy reference guide to the motions and procedures in Robert's Rules of Order. Perhaps this guide would also be useful to auxiliary organizations whose Bylaws, like AOA's, provide that meetings are guided by RRO.

2. New Philanthropic Standing Committee Operating Guidelines

(Agenda, pgs. 33-34)

Monica Alejandre, Chair of the group of CSU-wide Philanthropic folks who meet regularly (and who have participated in and provided content at AOA Conferences the last 5-6 years), proposed (with the encouragement of Lori Redfearn) that the group seek official status as an AOA Standing Committee.

Action Taken: The Board unanimously approved the Philanthropic Committee Operating Guidelines as presented (m/ Cynthia Fenimore, s/ Martiz Ware).

3. Proposed Revised RAC Operating Guidelines (Agenda, pgs. 35-36)

RAC Chair Diane Trujillo presented for approval revised RAC Guidelines clarifying expectations of those in committee positions, which will hopefully help in recruitments.

Action Taken: The Board unanimously approved the revisions to the RAC Operating Guidelines (m/ Maria Reyes, s/ Kristen Pichler).

J. BUILDING RELATIONSHIPS AND PARTNERS

1. CABO Liaison Report

No report.

2. CSU Business & Finance Liaison Report (Agenda, pgs. 37-39)

Robyn Pennington provided a written report on the agenda items of various Committees of the Board of Trustees at its July meeting. In addition, she provided the following update:

COVID-19 Communications

[Calstate.edu/coronavirus](https://calstate.edu/coronavirus) has been designed to communicate with the general public and with members of the CSU family who are looking for an aggregation of information about the coronavirus. The site contains information from the Chancellor's Office, as well as links to coronavirus web sites on each campus. Links to state and federal government sites are also included. Additionally, the site invites readers to submit questions.

CSU Policy Library

A reminder that a new CSU Policy Library went live last fall. The library provides a comprehensive way to quickly find CSU systemwide policies and is available at <https://www2.calstate.edu/policies>. This library

replaces former Executive Orders, ICSUAM, SUAM, and Coded Memoranda repositories and lists.

To receive notifications from our CSU Policy Library listserv whenever policies are created, revised, or retired, just send an email to subscribe-csupolicylibrary@lists.calstate.edu to be added to the listserv.

Pennington noted that CSU's HR policies are not in the library. We need to go to the HR website (a link is in the Policy Library).

Key Systemwide Policies and Guidance

The following policies were recently issued in the context of COVID-19: Systemwide Meetings, Conferences and Travel

- Audit and Advisory Services
- 2020-21 Academic Planning
- Research, Scholarship and Creative Activities
- Experiential Learning
- Fiscal Resources for Campus Development (Capital Outlay)
- Campus Administration of Cash Management
- Video Security Cameras
- Travel and Business Expense Reimbursement

Highlights from the July CABO Meeting

- Interim Chief Audit Officer introduction: Vlad Marinescu, newly appointed Interim Chief Audit Officer shared his vision for the Office of Audit & Advisory Services (AAS) division at the Chancellor's Office.
- Best practices and initiatives used to help with COVID-19 challenges: Discussion of good practices that have been developed during this challenging time that have been helpful and possibly could continue or be expanded, as well as areas where campuses could collaborate.
- Budget update: Refer to Board of Trustees 2020-21 Final Budget item. State tax receipts through June came in higher than anticipated. There is a possibility of receiving additional funding from the state in October, contingent on additional funds from the federal government to the states.
- Financing and reserves: CARES grants have two reporting due dates, 1) by when expense must be incurred and 2) by when the expense must be submitted for reimbursement. Both dates can be found on the CARES Grant Portal by looking up your campus grant. Reporting of CARES grant is required to be on a campus web page accessible by all. Additionally, the [CSU Financial Transparency Portal](#) has been updated with campus data for 2019-20. In terms of meeting debt service obligations, it was re-emphasized that campuses may use available revenues and reserves across programs—including operating reserves—which is allowed

for debt service. Restructuring debt is not likely an option at this time. A bond sale is anticipated to occur in August.

- Hazard and vulnerability risk assessment grant: Jenny Novak, newly appointed Director of Systemwide Emergency Management and Continuity, discussed a grant to conduct campus hazard and vulnerability risk assessments. Campuses will be asked to consider potential hazards and mitigations. Campus emergency managers and some facilities professionals participated in the grant kickoff meeting on August 13.

3. CSU Advancement Liaison Report (Agenda, pg. 40)

Lori Redfearn provided the following Advancement update:

AOA Philanthropy Committee

The Philanthropy Committee is being chaired by Monica Alejandre, Associate Vice President for Operations, CSU San Bernardino. The committee has been meeting remotely and addressing topics such as underwater endowments, spending distributions, socially responsible investing, and board relations. The Philanthropy Committee will be seeking approval as a standing committee of AOA.

Proposition 16: A return to affirmative action

On the November 2020 ballot, Proposition 16 would repeal Proposition 209 and amend the California Constitution permitting consideration of race, ethnicity, and gender in awarding contracts and admission to the state's colleges and universities. From an advancement perspective, approval would allow donors to fund scholarships that provide preference for students based on these demographics.

The CSU Board of Trustees may consider support of the ballot measure at its September meeting. Only after an action by the CSU Board of Trustees may an auxiliary organization endorse or financially support a ballot measure.

Blackbaud Data Breach

On July 16, multiple CSU campuses were notified by third-party technology provider Blackbaud, that between February and May 2020 hackers breached its network and unsuccessfully attempted to install ransomware to lock customers out of their data and servers. Since getting that notification, the CSU has been doing everything that it can to determine the details of this security incident and Blackbaud's proposed remediation plans. Blackbaud asserts that no credit card data was compromised and that all sensitive information like social security numbers are encrypted.

Blackbaud provides technology solutions for donor database management (Raisers Edge), financial accounting (Financial Edge), and scholarship management (Blackbaud Award, formerly Academic Works).

Export Control

Information from the CO Federal Relations team is that Chinese investments included in the University Endowment are on the export control list for human rights violations.

4. CSU General Counsel Liaison Report (Agenda, pg. 41)

Carrie Rieth made the following report:

5 Student Class Actions re: Fees/Tuition Refund—Auxiliary Common Interest Agreement

As the result of the COVID-19 pandemic, the CSU moved to virtual learning to protect students, staff and faculty and to ensure continuation of education services. Five class action lawsuits seeking class certification were filed against the CSU alleging that students are entitled to a refund of certain fees and tuition as the result of the virtual learning platform.

AOA requested that auxiliaries be consulted in the litigation because auxiliaries in receipt of fee monies are impacted by the lawsuit. CSU prepared a common interest agreement to achieve this.

COVID-19

CDPH issued [COVID-19 Guidance for Institutions of Higher Education](#). Election activities are exempt from the guidance limiting the number of people on campus. There are guidelines on how to vote safely.

Title IX

CSU updated its policy and procedures prohibiting Discrimination, Harassment, Retaliation, Sexual Misconduct, Dating and Domestic Violence, and Stalking against Employees and Third Parties ([EO 1096](#)) and against students ([EO 1097](#)) on August 14, 2020. Changes are consistent with the Final Rule under Title IX released by the Department of Education. While the new DOE rules go into effect on August 14, 2020. The new hearing process only applies to incidents that occur after August 14, 2020.

DACA

There have been two significant developments regarding DACA. First, The United States Supreme Court ruled in *Department of Homeland Security v. Regents of the University of California* held that the rescission of DACA was improper because the administration failed to comply with the Administrative Procedures Act in rescinding the program. One month later, DHS issued a memorandum limiting the DACA program in three ways: (1) no new applications would be accepted; (2) advanced parole would be severely limited; and (3) DACA status would last for one year instead of two.

Public Records Request

The CO has received a union (CSEU) request for financial information on reserves and reserves policies for the CO, campuses and auxiliaries. Rieth noted that the Audit and Advisory Services will work with auxiliaries on reserve policies. Lori Redfearn suggested adding a note about reserves in the auxiliary financial statements regarding reserves, and when asked the auxiliary can refer requestors to their website and the audited financial statements.

Viewpoint Neutral Policy

A training session on this issue is being prepared for availability at the end of September, to be delivered via Skillport.

K. REPORTS

1. Long Range Planning Committee/Nominations Committee

(Agenda, pgs. 42-44)

Chair John Griffin reported that the call for Nominations for EC representatives and President-Elect have been sent to the membership, and the Committee will present its recommendations at the November meeting. The Lifetime Honorary Member Award, Outstanding Accomplishment Award, and the Scholarship of Excellence Award will be put on hold this year, because they are more appropriate and impactful awarded at an in-person meeting, and when students return to employment more of them will be eligible to apply for the scholarship. Long-Range Planning is postponed until the Committee can meet in person and we have a better idea how the pandemic has impacted the financial resources of AOA.

2. Human Resources Committee (Agenda, pgs. 45-46)

Chair Kristen Pichler noted that the Committee holds on-line Zoom meetings every other week (which includes information from Richard Bromley and Alliant), which are recorded for reference, with various information and resources available to download to Google Docs.

3. Research Administration Committee (Agenda, pgs. 47-54)

Chair Diane Trujillo reported that RAC-CHAT meetings were held in April and June (with guest speakers), and a virtual meeting is scheduled for October 5-6. They are developing an Internal Leadership Handbook which will provide guidance in leadership transitions.

4. AS/Student Union/Recreation Committee (Agenda, pg. 55)

Chair Rasheedah Shakoor reported on two Zoom meetings of the Committee and two of the Advisors Group. Topics included AS elections best practices, virtual office hours, engagement of students off-campus, Black Lives Matter discussions, and student emergency loans. The Committee is keeping its eye on developments with the Security Camera and Viewpoint Neutral policies.

5. Commercial Services Committee (Agenda, pgs. 56-59)

Chair Cynthia Fenimore noted that the Committee's leadership is participating in system-level discussions on leveraged purchasing, and will send out a survey about participating in a spend analysis (e.g., food and supplies, janitorial supplies and services, fleets, beverage pour agreements). Commercial service operations have been drastically impacted by the pandemic.

6. Business and Financial Services Committee (Agenda, pgs. 60-61)

Chair Carlos Careaga reported that meeting calls were held in July and are scheduled for August, September and October. A mini-conference is planned for October 6-8, and topics include keeping virtual teams accountable and managing internal control/fraud/risk protections in a virtual environment.

7. Information Technology Committee (Agenda, pgs. 62-63)

Chair Rachel Raynoha talked about the special meeting in August, with discussion around the challenges and lessons learned in the quick transition campuses needed to make, repopulation efforts, supporting telework longer-term, and planning for post pandemic's new normal. Areas of focus include: Partnerships with services like GrubHub, including integration with meal plans and campus payment systems; Custom apps for touchless dining services during COVID; Managing risk with a remote workforce; Identifying ways to deal with revenue and budget challenges, etc. The Committee is teaming up with Business & Financial Services on a fall workshop, and has developed a list of topics for the January conference from participants.

8. Past Presidents Committee

Chair Michele Goetz had no report for this meeting.

9. Risk Management Committee/AORMA Update (Agenda, pgs. 64-66)

Chair Dwayne Brummett's referred to the report included in the agenda packet. The liability insurance market has hardened due to the large number of claims, but the Workers' Compensation area has had good claims experience that will translate to reduced rates. Due to COVID-19, an organic pathogens exclusion will now be part of all reinsurance and excess insurance policies.

L. INFORMATION/ANNOUNCEMENTS

Flynn announced the scheduled dates for upcoming EC meetings, and said that the times would be finalized via a Doodle survey.

M. ADJOURNMENT

By acclamation, the Executive Committee was adjourned at 1:30 pm.

Respectfully Submitted,

<hr/> <hr/> <p>Secretary/Treasurer</p>	
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