



The University Corporation
San Francisco State

Room ADM 361
1600 Holloway Ave
San Francisco, CA 94132

ucorp.sfsu.edu

Board of Directors Meeting

Monday, September 18, 2023

via Zoom

Rob Strong
Jason Bell (3:07pm)
Anoshua Chaudhuri
Ly Chau
Janey Wang
Michael Goldman (3:40pm)

Yessica Gonzales
Jamillah Moore (3:10pm)
Jason Porth
Kal Salama
Christy Stevens

UCorp Staff:
Rosa Barragan
Chris Farmer
Maggie Woo
Shae Hancock

Meeting called to order by Anoshua @ 3:02pm

- agenda reviewed; Bob/Kal motioned and approved unanimously

ACTION: Board of Directors Meeting Minutes for May 22, 2023; Kal/Rob motioned and second; approved unanimously with correction of typo “Wu” to “Woo”

No Public Comment

Constituent Reports – none

- Brief Discussion on ASI student attendance at Board Meetings:

Rob: commented that the absence of ASI students is noted and should we recruit students other than through ASI

Jason: We have to go through ASI as they are approved by the president

Rob: asked if we can be included in the initial ASI Board meetings and state the problem we are encountering and asked that priority be made when ASI students are appointed to UCorp Board of Directors for needed input

Jason: stated that it is worth checking into

Anoshua: commented that maybe at their ASI Board meeting, ASI can decide on the students and to prioritize their commitment to being UCorp Board members.

Jason: stated another option to go out to student ballots for students

Jason Bell: commented that since he is an ASI member, he can give feedback to the ASI Board members about this issue.

Jason Porth: Thanked, Jason Bell for volunteering this message to the ASI board.

ACTION: Resolution Honoring Anthony Victoria on the Occasion of His Retirement; Jason/Anoshua motioned and second; affirmation was unanimously and no dissent



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ACTION: Resolution Approving The University Corporation Meeting Calendar for 2023-24; Rob/Ly & Yessica motioned and second; unanimously approved

ACTION: Resolution Updating Signature Authority for Local Agency Investment Fund; Rob/Kal motioned and second, unanimously approved

Finance Committee report by Kal

Highlighting Beacon Pointe: 2nd quarter, Fiscal Year & year-end reports

- presented from Beacon Pointe 2nd quarter
 - o earning \$2.5 million return
- ending fiscal year strong
 - o 8.7% return performance was better than anticipated
 - o good return for a medium to low risk portfolio
- the two concerns at this time are the debt ceiling debate & expectation of a real estate downward turn (though these effects after FY2023 end)

Rob: asked for clarification on the labels for the Beacon Pointe Reports

Kal: replied that maybe at a Finance Committee meeting, there should be an instructional session to briefly go over how the information from Beacon Pointe is laid-out.

Kal: briefly gave an overview of the market through July even though the report is labeled through August.

Continues with Market highlights(portfolio):

- o driven by NASDAQ
- o heavy Tech performance
- o Federal Reserve meeting to approve rate hike in July
- o Slowing the rate hikes
- o inflation is down

Action Items recommended by Beacon Pointe:

- o recommendation to do a modest rebalancing of the portfolio
 - reduce US equities
 - reinvest the proceeds in fixed income
- o authority was given to Beacon Pointe at the Finance Committee Meeting scheduled on September 12, 2023
- o rebalancing brings the US equity allocation back in line with our policy target, reduces the portfolio's exposure to elevated US equity valuations and takes some strong equity gains off the table
- o reinvesting the proceeds in high quality fixed income more closely aligns the allocation with its target
 - Beacon Pointe believes interest rates are near their peaks and offering an attractive total return and current yield.



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Beacon Pointe manages portfolio on behalf of UCorp, they oversee all components of portfolio and external entities manage portfolio such as:

- equity portion managed by AERIO Boston Common
- bond portion managed by Siegel Bryant and TIAA--CREF manages another bond portion of portfolio
- alternatives portfolio consists of:
- real estate funds
 - not publicly traded
 - have been marked down this calendar year

Jamillah asked if the majority of the real estate is in low income housing and to explain a bit more.

Kal replied and shared the report about the description on the real estate UCorp owns and referred to KIMPAC and Redwood Karos manage low income, essentially apartment that UCorp owns, they provide housing to low income residents and they try to be energy efficient in terms of how they operate, so it is a type of social investment

Jason added that one of the things that attracted UCorp was the way in which they are able to realize some profits by making the units more sustainable such as; low flush toilets to lower water bills, energy efficient light bulbs for lower electrical bills.

Anoshua asked what do we do with the earnings? Are they taxed?

Kal responded that UCorp is a taxable entity

Jason stated that UCorp is tax exempted so we have that benefit and Maggie can explain more on this subject

Maggie UCorp is a nonprofit and not subject to tax, but there is an unrelated business taxable income part and UCorp does have to pay a tax on this piece of business income

UCorp' Financial Status Report & F2024 Budget – Jason

Two items to update both have to do with two audits

- Maggie and her team are working very hard to wrap-up the audits that oversee UCorp and are working with the Auxiliaries to complete the work/audit
- CSU selected UCorp for a specific audit which will start in October. Chancellor's Office occasionally chooses a few auxiliaries every year, based on issues of the day to do an audit. CSU will be looking into policies and procedures and how we carry-out our mission. They want to make sure we carry-out everything we say we do and documenting everything. They may reach-out to board members to ask questions. It is an in-depth exhaustive assessment of UCorp and it is an opportunity for UCorp to look for improvement

Operations report by Chris

- overall, progress on shops, nice summer on campus quiet and slow as it tends to be. However it is nice to have orientations back, families visiting with new students. This justifies our vendor partners being open in the summer.



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- Lobby Shops continue to be our barometer gauge. Going back to late 2021 to early 2022 as our campus community was slowly returning from campus closure we were seeing 20% to 30% pre-pandemic revenue, then we moved up to 50% a few semesters later. Recently in the last three weeks of this Fall semester, we are just above 70% of revenue. Nice to continue in the right direction.
- Healthy U has been lagging in comparison to Lobby Shops. Spring we were at about 30% of pre-pandemic revenue and now we are just above 50% so we are seeing good progress.
- EBT program continues to be advantageous adding to revenue it's up to 20% of the revenue
- working with Health Promotion and Wellness to bring the basic needs to support campus
- CTRL-P doing well and have hired a 3rd part-time employee. Pre-pandemic this was the plan, so this is back to where we were in terms of jobs coming in
- OPEN 24 doing well and actually been one that did well throughout the last few years.
- Vendors – this summer we met with our vendors to go over the new rent model
 - planning to charge 50% to 60% of normal rents, was received well and will be implemented to predict revenue for the coming years and not continue with the previous model of semester by semester case
 - provides 5-year options and even 10 year options in a few cases where vendors have few years left and want to make improvements to their locations
- One-card or campus ID card – working on making the option for payment use/form of payment with campus vendors since it is used in other campuses.
 - This summer one-card options were deployed to all food vendors, our bookstore, and self-operated shops.
 - Now everyone has the ability to accept / use the one-card payment option.
 - Incentive to use: first two weeks of fall semester, where someone loads \$100 or more, they would get a free 10% value on the card and it will be repeated in other semesters.
 - Will make the announcement when we roll-out this feature
- Science Café in the new Science Building
 - New café in the lobby with access to the courtyard
 - We shared news with our campus partners in the spring. There was interest by a few
 - RFP was released to those interested parties and have an opportunity for them to submit an application. .Expected to get two proposals
- Bookstore
 - we continue to support them the best way we can.
 - staff has stabilized a bit. Less turnovers of staff is nice
 - we have recently supported them with a new SFSU email account, which they have not had and will help with student communication.
 - signed-on a two-year extension this summer, as you know we have been working on this back in spring.



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- new regional VP and we will be meeting
- two-year extensions go quickly, will be talking
- keeping an eye more closely on our relationship

Rob: regarding the immediate access program has had problems, this semester none of the students received the email link to get the textbook at the lowest possible price. I emailed the bookstore two to three times with no response

Chris: Follett has also brought-in 'market leaders' to increase support & services, since they downsized so much there was no expertise in the store. There was definitely a glitch and would ask you, if something like that happens again, happy to support and help in what I can. But it could be symbolic of a much larger issue affecting faculty

Rob stated concern that faculty linkages and relationships with bookstore will deteriorate. Lead to the question of reactivating the Retail Services Committee and could be charged with looking at this and doing a little bit of market research on campus among faculty in particular and students as well. Also we need to keep an eye on the horizon and keep assessing the long-term viability on our campus

Chris responded that they will be meeting with the new VP soon and this is the kind of feedback that needs to be shared relating access, course/material adoption process, maybe meeting offline with you Rob to work on the feedback to be shared

Anoshua agreed that the retail services committee needs to be reactivated and look at the pulse of faculty and issues of communication such as Follett and publishers

Chris we also have the Bookstore Committee and it could be an opportunity to bring in more individuals and meet in kind to a specific bookstore focused group

Anoshua stated that she would like to join that group

Jason: noted the agreement to this two-year extension of the Follett contract, after a very exhaustive and in-depth amount of work by a committee comprised of people on the states side, and UCorp working together and included many members as well. We agreed to the two-year extension as we did not have any other option. At this time there seems to be no options for a quick turnaround and as time approaches it looks like we need to move away from the bookstore model as it currently exists and essentially by signing the two-year extension we have two years to figure out what this new approach will be.

Anoshua: asked Chris to move forward to calling the Retail Services Committee and or Bookstore Committee since we have had this ongoing issue.

Chris agreed

Chris continue regarding the two new vendors Hot Pot and Insomnia Cookies are doing well and hopefully there is some momentum with all of our vendors.



Report from our Executive Director, Jason Porth

Recent updates

- continued struggle with enrollment/housing
 - enrollment is down 4.5 % and that is on top of enrollment decline from prior year
 - enrollment has been on campus conversation for some time
 - impact on UCorp has been seen at Manzanita Square apartments as they are down lower than 90% in comparison to the university is a little over 91%
 - possible answer is decline in enrollment and high price.
 - typically wait-list for housing have come near 3,000 and now it is not the case, we now have vacancies
- looking for ways to address these issues
 - having a Spring start
 - making availability for CPage(formerly known as the College of Extended Learning) students
 - increasing the conferencing program during the summer
- we have overlooked at the audit level
 - in this go around we included the enrollment issues, as we are not state supported
 - it impacts everything we do by the number of students, faculty and staff on campus
 - with a smaller campus, operations will become a little smaller
 - impacting the self-support entity: example is Associated Students is funded by the number of students on campus as they all pay student fee and as a result it supports the associate students
 - student fees support Cesar Chavez student center
 - student fees also support Mashouf Wellness Center
 - with smaller campus UCorp vendors will see less patrons
 - less patrons at the bookstore (more issues affecting bookstore)
 - campus is constricting in a variety of ways that will impact everything that happens including foundation raising as it impacts money held at UCorp
 - we will see how the enrollment issues will impact UCorp operations
- meeting with associated students regarding financial operations
 - successful meeting that included Tammy Ridgell, Andrew Lok and Chris Farmer
 - reviewed financial operations of CCSC which included a new standard rental agreement. Our vendor pay two amounts, base rent and recharges or common area maintenance. Some vendors pay rent and recharges and the recharges are larger than their rent payment.
 - working with them on how we can continue to pay into the building funds in the same way, if we are earning less revenue.



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- good news is that the thirty-year bond for the building is almost paid and the student union has been paying \$900,000 a year to pay-off the bond.
- Bond has been paid and now those funds are available for other things like changing the business model for how the building functions.
- working to use those funds to make it so the building can function even if there is not much revenue coming in from student fees and the tenants.
- conversation will continue
- Anthony Victoria, Risk Manager for UCorp retired. He managed things like insurance for special events, managed programs involving children like Math Circle and made sure that all risk insurance was managed appropriately. Since he retired we realized we had no one else trained in this capacity. We found that we have an expert on campus (Mike Beatty). After some conversations with campus administration and finance to buy-out some of Mike and his team's time and have them provide this service to UCorp. This is a common practice on campus and we would just reimburse general fund to oversee our risk management program. General Funds made whole through this, as there is no loss of revenue for the general fund and instead it off-sets some costs for them.
 - The change is that instead of calling Anthony they will call a different team
- Out-of-State employees
 - Very complicated as each state has its own rules around overtime workers and compensation filing with that state agency and we can't manage this anymore.
 - Gave notice to all of our programs effective January 1, 2024 we will not accept any more out-of-state employees however we will honor existing contracts and no new ones will be accepted.
 - More discussion and recognition that there will be unique circumstances
- Out-of-state travel announcement (reversal)
 - State of California just reversed its travel to banned states regulation. There was prohibition of travel to states that were anti-LGBTQ to those using state funds, UCorp supported that decision even though it did not apply to auxiliary funds.
 - UCorp was ahead of the game by reversing its ban due to board perspectives as it was not something that was in the best interest of the state, in fact encouraging people to travel to states could actually influence what was happening in those states as far as their LGBTQ discrimination rules was probably a better approach.
- RET Program
 - Winding down by October or November, with a small deficit and meeting with RET Leadership (Ray Grott)

Rob asked about tuition hike, enrollment shrinking and impact to faculty and staff and the emails that were received

Jason responded 6% tuition hike was approved by the board of trustees to cover faculty and staff compensations,

Jamillah stated that the impact will be felt more on international students



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Michael stated that strategizing classes and their size would be advisable
Anoshua acknowledged that this was Janey Wang's first meeting
Janey introduced herself to the committee

Meeting adjourned at 4:25p by Anoshua