

Academic Senate Minutes

August 28, 2014

3:00 – 5:00, Ballroom B

Abstract

Chair Report. Agenda Approved. Minutes of 5/8/14 approved. Consent items: Faculty eligible for Emeritus Status – Approved. Information items: End of Year Reports for the Senate and FSSP. Crash Course in Robert's Rules. President Report. Provost Report. Vice Chair Report. Vice President of Administration and Finance Report. Special Report: Auxiliaries at SSU. Charge to the Senate Budget Subcommittee for AY 14-15 – First Reading completed. CFA Report. Vice President of Student Affairs Report. Associated Students Report. EPC Report. FSAC Report. SAC Report. Staff Representative Report. Group Photo

Present: Richard Senghas, Terry Lease, Margaret Purser, Catherine Nelson, Deborah Roberts, Sam Brannen, Matthew James, Birch Moonwomon, Jess Hazelwood, Joshua Glasgow, Parissa Tadrissi, John Palmer, Ed Beebout, Jennifer Roberson, Karen Thompson, Florence Bouvet, Jennifer Mahdavi, Karen Brodsky, Murali Pillai, Mary Ellen Wilkosz, Matty Mookerjee, Lauren Morimoto, Laura Watt, Michelle Goman, Rheyna Laney, Melissa Garvin, Michael Pinkston, Donna Garbesi, Edie Brown, Ruben Armiñana, Andrew Rogerson, Larry Furukawa-Schlereth, Matthew Lopez-Phillips, Elaine Newman, Christian George, Cynthia Figueroa, Katie Musick, Melinda Milligan, Richard Whitkus, Julie Shulman

Absent: Maria Hess

Proxy: Sandra Shand for Marisa Thigpen

Guest: Elaine Sundberg

Chair Report – R. Senghas

The Chair introduced new people on the Senate and noted how other people had changed roles.

Approval of Agenda – Approved.

Minutes of 5/8/14 – Approved.

Consent items: Faculty eligible for Emeritus Status – Approved.

Information items: End of Year Reports for the Senate and FSSP.

Crash Course in Robert's Rules

The Senate watched a PowerPoint presentation about Robert's Rules that sang and danced.

President Report – R. Armiñana

R. Armiñana noted that he mentioned at Convocation there would be an unallocated budget reduction to the campus and now they had a figure of \$575,500. The campus would have to make adjustments to campus expenditures. A member asked about funding available for faculty to do research with students. The President said the Provost would answer that initially. A member asked if the budget reduction affected faculty hires. The Provost said he would answer that.

Provost Report – A. Rogerson

A. Rogerson said the Senate might have noticed there were quite a large number of students on campus. There were 9318 students on campus, which was a record. He said the average class load was 13.9 and students were getting their classes and seemed pleased. He addressed the President's three-year plan and said that 19 tenure track hires would go forward this year and probably 16 next year. He said he had asked the President to postpone the undergraduate activity initiative until next Fall to keep some money in reserve. He noted that the 19 hires would cost a significant amount of one time money. A member asked about the computer refresh program and the status of upgrading classrooms to "smart" classrooms. The Provost said he had heard a report that morning that the refresh program was moving along. All new faculty and staff would receive new computers. He said the upgrade for classrooms was being rolled out and would be accomplished within three years. The member said she has heard that smaller classrooms would not be made "smart" and asked if that was true. L. Furukawa-Schlereth said he did not see any reason why smaller classrooms would not be upgraded. A member asked about faculty pay increases that would address compression and inversion issues among the faculty as one part of the President's plan. The President said that matter was under the purview of the collective bargaining process. A member asked about the computer refresh program for existing faculty and staff. The Provost said as far as he knew that refresh program was moving forward as well. The CFA rep asked to clarify the President's comment about faculty salaries. She said the current contract had a provision that individual campuses could fund "equity III" to address the inversion and compression issues, but to date none of the campuses had done so. The President said that the campuses had been instructed not to do such a thing until the new contract. A member asked about the number of hires planned for the third year. The Provost described his process with the Deans about what disciplines required hires to teach the curriculum. He hoped by the second year all those "holes" would be filled and they might be able to be more innovative about hiring in the third year. He hoped it would be more than 10 in the third year.

Vice Chair Report – T. Lease

T. Lease reported on business coming out of Structure and Functions. He noted two searches on-going for the Library Dean and the GMC Director of Development. He reminded the body that APC was on hiatus this year due to the number of elected members not making quorum. He noted that S&F would be discussing a potential restructuring of faculty governance and looking at the participation of faculty voting

in elections. He noted several service opportunities available at the moment. He asked the members to pay attention to Senate-Announce emails.

Vice President of Administration and Finance Report – L. Furukawa-Schlereth

L. Furukawa-Schlereth said he apologized that the Rush tickets for the Gypsy Kings came out so late and noted that Rush tickets were available for Elvis Costello and Bill Mahler. He suggested that J. Wenrick be invited to the next Senate meeting to answer questions about the refresh program and classroom renovation. A member asked what had happened to the tables and chairs between Darwin and Stevenson. L. Furukawa-Schlereth said they had ordered new ones and those should be coming very soon.

Special Report: Auxiliaries at SSU – L. Furukawa-Schlereth

The Chair noted that the GMC Board of Trustees was discussing moving the MasterCard Series into a 501(c) 3 status. He thought it would be good for the Senate to understand how auxiliary organizations work at SSU to understand what this proposal meant and be able to give informed feedback. L. Furukawa-Schlereth said he would try to help the Senate to understand this issue that would ultimately go to the President by the end of the semester. He noted where the rules for auxiliary organizations come from.

SOURCE MATERIAL

CALIFORNIA EDUCATION CODE

CALIFORNIA GOVERNMENT CODE

CALIFORNIA CODE OF REGULATIONS

**COMPILED OF POLICIES AND PROCEDURES FOR
CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATIONS**

CSU AUXILIARY ORGANIZATIONS COMPLIANCE GUIDE

**CSU AUXILIARY ORGANIZATIONS
SOUND BUSINESS PRACTICE GUIDELINES**

INTEGRATED CSU ADMINISTRATIVE MANUAL (ICSUAM)

DEFINITION AND PURPOSE

An auxiliary organization is defined as an entity which is included on the Chancellor's list of auxiliary organizations in good standing, organized and operated in accordance with the California Education Code and operated in conformity with CSU and campus policy.

Auxiliary organizations cannot operate outside the regulation and oversight of the CSU and the campus.

Auxiliary organizations exist because the State recognized the need for certain activities but determined that these activities would be best performed by one or more legally separate entities.

Auxiliary organizations exist to eliminate the undue difficulty which would otherwise arise under the usual University budgetary, purchasing and other fiscal controls.

L. Furukawa-Schlereth discussed the definition and purpose of auxiliary organizations in the CSU. He noted that they couldn't operate outside of the regulation and oversight of the CSU. They were mainly created for things that were hard for the University itself to do, such as hold securities or a liquor license.

DEFINITION AND PURPOSE

(CONTINUED)

Auxiliary organizations cannot perform any function unless that function has been specifically assigned in a written operating agreement. The agreement specifies:

- The functions which the organization may administer
- The reason why these functions must be performed by an auxiliary organization instead of the campus itself
- The facilities to be made available to the auxiliary organization
- The charge or rental to be paid for the facilities to be used
- Full reimbursement to the campus for services performed by the university on behalf of the auxiliary organization

OVERSIGHT AND GOVERNANCE

The campus president is required to:

- Exercise prudent judgment in the utilization of auxiliary organizations
- Ensure the fiscal viability of campus auxiliary organizations
- Ensure auxiliary organizations comply with CSU and campus policy
- Require auxiliary organizations to submit programs and budget for review and approval
- Require discontinuance of activities not in conformity with CSU and campus policy
- Ensure that costs incurred by the campus for services, products and facilities provided to auxiliary organizations are properly and consistently recovered
- Ensure the propriety of auxiliary organization expenditures and the integrity of financial reporting

He noted again that the auxiliaries were not so independent.

OVERSIGHT AND GOVERNANCE (CONTINUED)

The campus Chief Financial Officer is the primary responsible campus official for the oversight of auxiliary organizations.

The Chief Financial Officer is required to:

- Assure administrative compliance with CSU and campus policy
- Provide fiscal oversight for auxiliary organizations
- Implement a cost allocation plan for costs incurred by the campus for services, products and facilities provided to auxiliary organizations and ensure that these costs are properly and consistently recovered



OVERSIGHT AND GOVERNANCE (CONTINUED)

The Auxiliary Organization Board is responsible for:

- The legal obligations and liabilities, fiscal liabilities, and fiduciary responsibilities for those functions it accepts responsibilities for as outlined in the written operating agreement
- Approving the amounts and purpose for expending auxiliary organization funds. The Board can accomplish this requirement by reviewing and approving an annual budget before the start of each fiscal year
- Approving all expenditures and fund appropriations of the auxiliary. This is generally done through a budget approval process with a delegation to the operating officer(s) to implement the approved budget plan

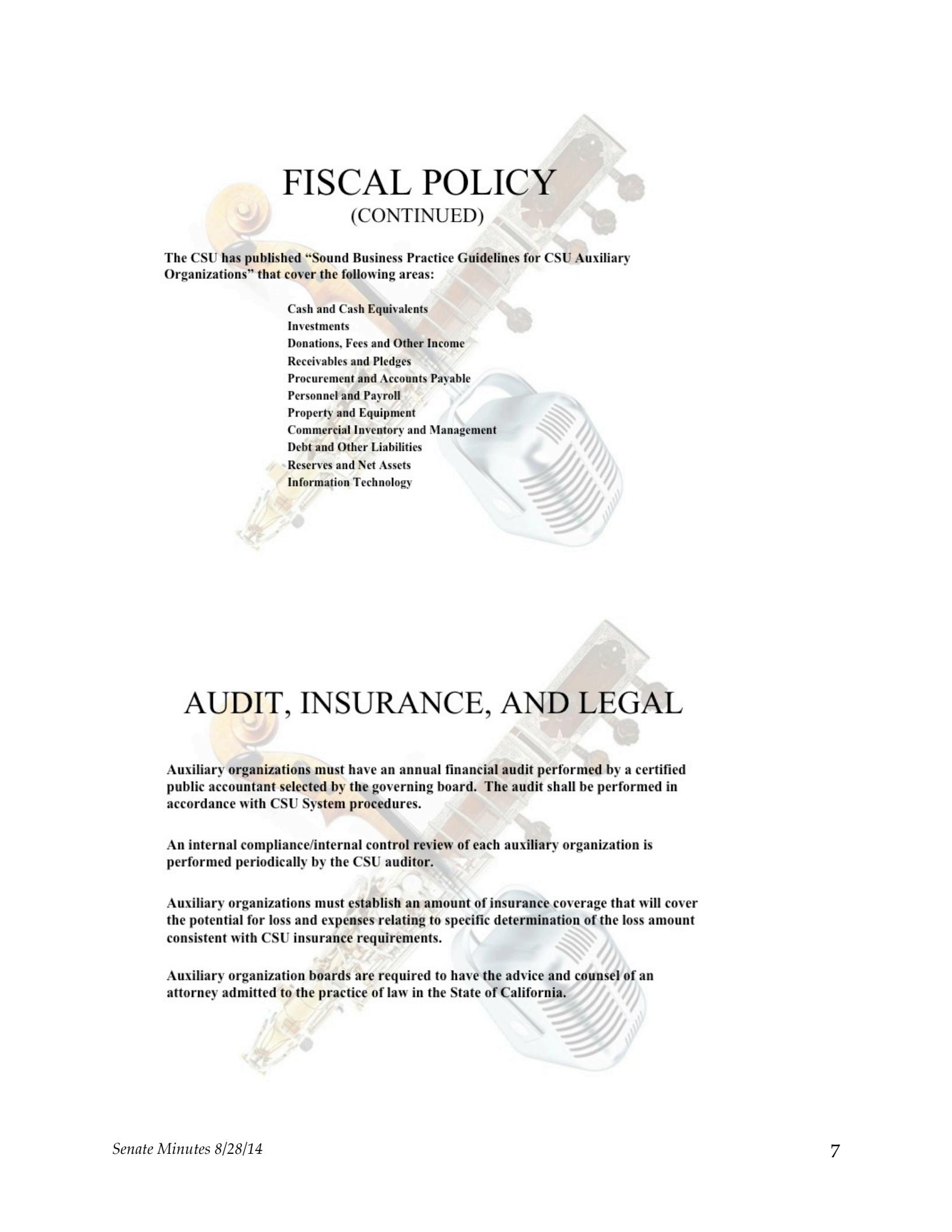


FISCAL POLICY

The Education Code requires the Trustees to implement policies requiring financial standards to assure the fiscal viability of the auxiliary

Annually, each auxiliary must conduct a review of the fiscal viability of the organization, including:

- A review of management functions to ensure adequate professional management
- An evaluation of the need for adequate cash flow and reserves
- The auxiliary organization shall submit an annual report to the campus president for review and that review shall be documented



FISCAL POLICY (CONTINUED)

The CSU has published "Sound Business Practice Guidelines for CSU Auxiliary Organizations" that cover the following areas:

- Cash and Cash Equivalents
- Investments
- Donations, Fees and Other Income
- Receivables and Pledges
- Procurement and Accounts Payable
- Personnel and Payroll
- Property and Equipment
- Commercial Inventory and Management
- Debt and Other Liabilities
- Reserves and Net Assets
- Information Technology

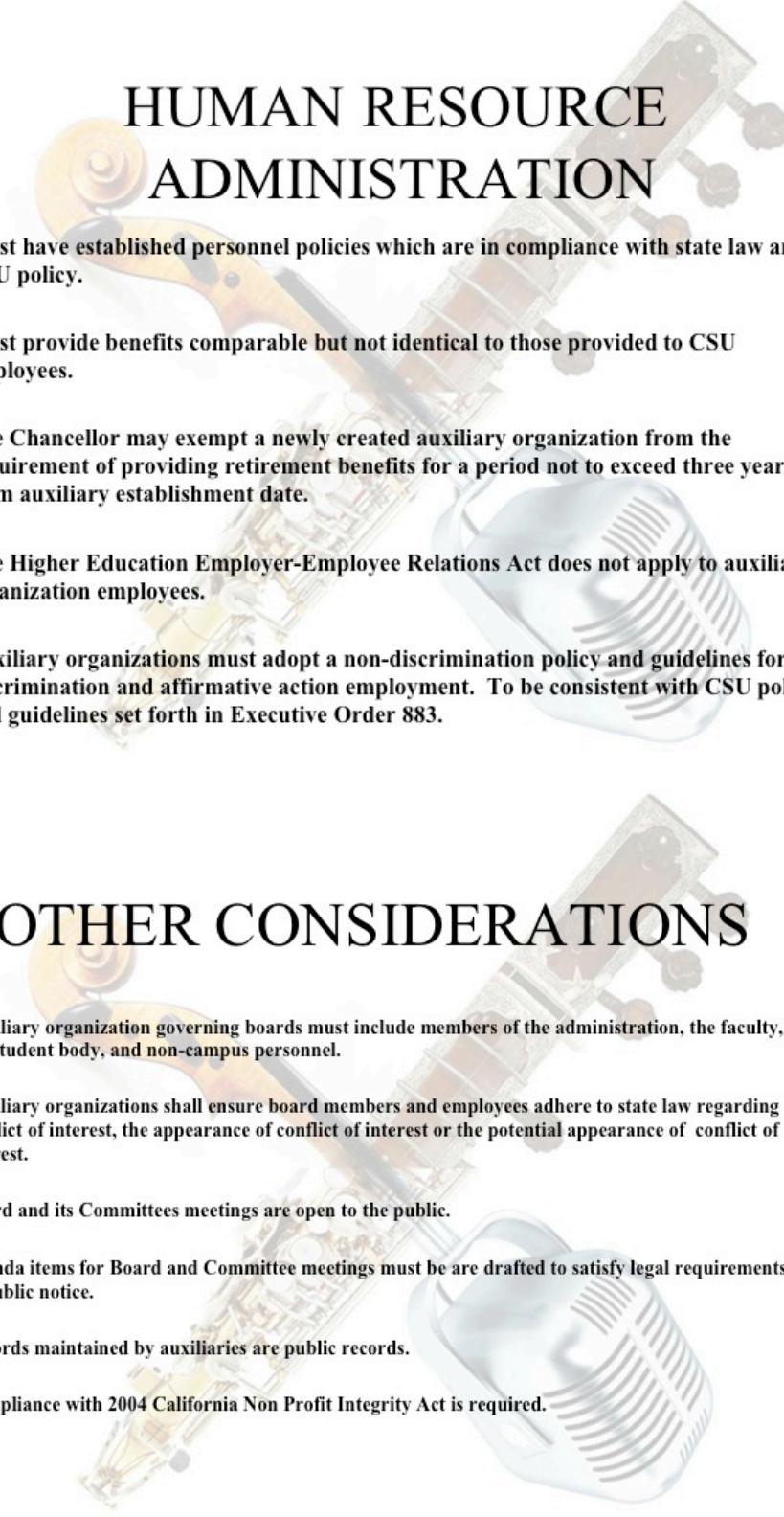
AUDIT, INSURANCE, AND LEGAL

Auxiliary organizations must have an annual financial audit performed by a certified public accountant selected by the governing board. The audit shall be performed in accordance with CSU System procedures.

An internal compliance/internal control review of each auxiliary organization is performed periodically by the CSU auditor.

Auxiliary organizations must establish an amount of insurance coverage that will cover the potential for loss and expenses relating to specific determination of the loss amount consistent with CSU insurance requirements.

Auxiliary organization boards are required to have the advice and counsel of an attorney admitted to the practice of law in the State of California.



HUMAN RESOURCE ADMINISTRATION

Must have established personnel policies which are in compliance with state law and CSU policy.

Must provide benefits comparable but not identical to those provided to CSU employees.

The Chancellor may exempt a newly created auxiliary organization from the requirement of providing retirement benefits for a period not to exceed three years from auxiliary establishment date.

The Higher Education Employer-Employee Relations Act does not apply to auxiliary organization employees.

Auxiliary organizations must adopt a non-discrimination policy and guidelines for non-discrimination and affirmative action employment. To be consistent with CSU policy and guidelines set forth in Executive Order 883.

OTHER CONSIDERATIONS

Auxiliary organization governing boards must include members of the administration, the faculty, the student body, and non-campus personnel.

Auxiliary organizations shall ensure board members and employees adhere to state law regarding conflict of interest, the appearance of conflict of interest or the potential appearance of conflict of interest.

Board and its Committees meetings are open to the public.

Agenda items for Board and Committee meetings must be drafted to satisfy legal requirements of public notice.

Records maintained by auxiliaries are public records.

Compliance with 2004 California Non Profit Integrity Act is required.



ADVANTAGES AND DISADVANTAGES

The following outlines the advantages and disadvantages of the MasterCard series becoming an auxiliary.



ADVANTAGES

Likely to increase external support

Stand-alone audited financial statements

Increased administrative flexibility

Potential to reduce employee benefit costs

DISADVANTAGES

Higher overhead costs and reduced financial flexibility for cash flows and reserves

Recruitment of new employees could be more difficult

Organizational separation from the University

- Loss of organizational synergy
- Potential issues with GMC legacy and endowment gifts

He noted that he had visited other campuses that have performing arts centers and not one UC or CSU campus had put their arts organization into an auxiliary for the last reason on the above slide.

1) Determine what portions of the GMC would move to the auxiliary

The Master Card Performing Arts Series including the following components:

**Programming and Artistic Administration
Marketing Sales and Advertising
Fundraising**

2) Determine the cost and length of time to establish the auxiliary

Cost: \$25,000 to \$30,000

Length of Time to establish: 7 months to one year

3) Determine what additional flexibility is needed

Modifications to the CSU Travel Policy

Being analyzed by the CSU

Increase in the \$50,000 bid requirements for contracts

Being analyzed by the CSU

Modifications to the SSU recruitment policy for managerial employees

Campus Task Force appointed

This slide and following slides showed the information he had been asked to determine.

4) Determine whether an existing SSU auxiliary organization could be used

The SSU Academic Foundation Incorporated

- Governed by 29 Board Members, largely from the community
- Exists to manage the University endowment
- Has virtually no discretionary assets
- Has been subject to negative media coverage
- Could serve the GMC well as a depository for gifts and related unique compensation agreements
- Board not likely to support incorporating GMC operations

Sonoma State Enterprises Incorporated

- Governed by 14 Board Members, largely from the university
- Exists to manage campus retail and dining activities
- Heavily connected to the operations and financing of the Student Center
- Could serve the GMC well as a depository of gifts and related unique compensation agreements
- Board not likely to support incorporating GMC operations

5) Assess the fiscal viability of the potential auxiliary

- Ascertain the impact of SSU's cost allocation plan
- Estimate for the cost of audit, insurance, and legal services
- Determine working capital and reserve requirements and how they would be met
- Determine the nature of the organization's professional management
- Determine how the CSU Sound Business Practice Guidelines will be met
- Determine whether employee benefits can be reduced

6) Explore how to maintain advantages afforded to the GMC should it move to an auxiliary

7) Finalize a recommendation to the President

He said his team was currently looking at number 5 and that would take some time. He asked the Senate to consider whether they thought that employee benefits could be reduced. That would create a change on campus and he thought the staff union would watch this closely. He said that the Board was mixed in their views and the President had asked for a considered analysis. The Chair reminded the Senate that he and the AS President both were on the GMC Board. He also sat on the University Affairs committee that had worked on the academic integration projects with the GMC. He said the PowerPoint would be put up on the Senate website.

(<http://www.sonoma.edu/senate/useful/reports.html>) He noted that in 2006 the Senate passed a resolution asking for the GMC to become an auxiliary (<http://www.sonoma.edu/senate/resolutions/resGMC.html>) and he thought with this information and what is known now, the current Senate might want to revisit that resolution.

Questions

A member asked where the idea originated for the GMC to be an auxiliary and asked was his salary part of the conversation. L. Furukawa-Schlereth said the idea came from members of the Board who thought it would help with fundraising and be beneficial. He noted that over the past three seasons, some of the greatest artists in the world had appeared at the GMC within the University structure. He said that sometimes there were issues that cropped up that were due to working within the state guidelines that were bothersome. He had been very impressed with the collaboration and flexibility of the CSU offices to allow the GMC to do what we wanted to do. He thought the primary reason for moving to an auxiliary was to raise more money. He then discussed his own salary, and noted that the time was coming for a co-Executive Director that was not he. He discussed how it had been beneficial for him to do this job initially. A member thought that losing \$25 million in legacy gifts was worth considering. L. Furukawa-Schlereth said that the legacy gifts would still come to the University, but they couldn't be moved to an auxiliary. The gifts would still need to be used for the GMC in some way. A member asked if the MasterCard series moved into an auxiliary which way would the rent go. L. Furukawa-Schlereth said the rent would go from the auxiliary to the University. The GMC was owned by the State of California. The member asked who would be the employees of the MasterCard Series. L. Furukawa-Schlereth said the employees would be artistic administration and planning, marketing, etc. He would show the whole list when he presented just on the MasterCard series. He said some are not hired yet, many are. A member asked if the current employees would see their benefits reduced if the series became an auxiliary. L. Furukawa-Schlereth said that they would present each employee with the choice about whether they wanted to go to the auxiliary or stay with the University. They had done this when they contracted the bookstore to Barnes and Noble and some employees had opted to go with Barnes and Noble and some to stay with the University. A member asked if the GMC Board of Trustee meetings were open meetings. The Chair said they were not open. L. Furukawa-Schlereth said they should be open meeting unless they were discussing employment issues. She suggested that the Board meetings be posted on the Senate website. A member asked what would happen when the organization operated at a loss, if it became an auxiliary. L. Furukawa-Schlereth responded that he thought the auxiliary would go bankrupt if it could not meet its obligations and

then probably come back into the University. A member asked for clarification – rent was charged to use the Cooperage, why not the GMC? L. Furukawa-Schlereth responded that the GMC complex was built with donor money and part of the agreement with donors or organizations that helped raise money, was that they would not have to pay rent for a specific period of time. The Chair noted that if we thought the auxiliary was helping move the University mission forward, costs could be waived. L. Furukawa-Schlereth said that was true, but it had to be documented and shown to be true as a public record. L. Furukawa-Schlereth said student housing built the Cooperage, so no state money was used. That is why rent is charged in that space for reimbursement purposes. He noted that he would be presenting a report from the task force looking at the cost of doing events on campus and there might be some relief on this topic.

Charge to the Senate Budget Subcommittee for AY 14-15 – First Reading – R. Senghas

R. Senghas introduced the item and reviewed the potential charge for SBS for the coming academic year. A member suggested putting in a deadline for the requested report in the proposed charge. A member suggested re-ordering the three parts of the charge, as they seemed dependent on each other. **First reading completed.**

CFA Report – E. Newman

E. Newman passed around a handout. She noted that CFA did not have a contract yet and they had had a successful Contract Road Show last Monday and received excellent information about the contract negotiations. The handout was one of the slides used at the Roadshow showing the special problems that SSU faces regarding SSI's and faculty. SSU was number one in the CSU of the percentage of tenure-track line faculty still eligible for SSIs. She noted that the CSU had an overall increase, but SSU was a special issue. She said that if faculty had been hired 8 years ago, they had never seen an SSI increase in their salary. She defined Service Step Increases (SSIs). She discussed why SSU might be so high in the percentage of faculty still eligible for SSIs. SSU starting salaries were lower; raises were not given at promotion time and of course, the lack of SSIs over the past eight years. She noted that the difference between the CFA proposal and CSU proposal in terms of salary and workload was only .5 of 1% of the operating budget. SSU was higher in terms of percentage of budget due to the above problems. She thought faculty would have to work hard to fight for that .5 of 1%. She discussed the recent bargaining update put out by the CSU and pointed out that they were putting a “good guy” spin on the Chancellor and that, indeed, the tone of bargaining was better given that the CSU proposal for salary increases was not zero. However, the CSU communication failed to point out that they would not be giving SSIs in the second or third year of the contract. They would provide them in the first year, but that would not address the SSU problem of inversion. The CSU was proposing an equity program that would be left up to the discretion of the campus Presidents. She noted that currently there was an equity program that was under Presidential discretion, but no campus had instituted that thus far. She argued that under the CSU proposals the issues of inversion, compression and SSIs in future years would not be solved. She offered that if anyone had questions about bargaining, or SSI eligibility, she could be contacted.

Vice President of Student Affairs Report – M. Lopez-Phillips

M. Lopez-Phillips announced that Dr. Laura Williams had been appointed as the interim Director of the Counseling Center. They had also hired another counselor for that area. They added another DSS coordinator. CAPS was starting up many groups for students (<http://www.sonoma.edu/counselingctr/>) and the HUB would have a reception on September 11th at 6:30. A member asked if something could come out of the Student Affairs office to help students affected by the recent earthquake in Napa. M. Lopez-Phillips said he would look into it. The Chair asked if the QPR training would still be offered. M. Lopez-Phillips said yes, he thought CAPS would be doing that.

Associated Students Report – C. George

C. George reported that the Associated Students had appointed many students to various committees. He asked that the faculty welcome them, as they were eager to help. He asked that for the first couple of meetings, the members be mindful of the acronyms so loved by the university. He introduced Cynthia Figueroa, who was their Diversity Senator and noted they would be appointing a third student to sit on the Academic Senate. He said if anyone had a committee that required a student and had not been contacted, they could notify him. A member asked when the information from Associated Students Productions would be available, so faculty could include that on their syllabi. C. George said he would relay that concern to the appropriate group in the AS.

EPC Report – M. Milligan

M. Milligan reported that EPC mainly set themselves up for the coming year. She also reported that at the Executive Committee, they had decided that EPC would continue to approve non-academic credit certificates until the SEIE curriculum committee was up and running. She reviewed the SEIE curriculum policy and creation of such a committee. She also reported that EPC was charged with updating and reviewing of the Online and / or Hybrid Course policy. EPC would be meeting with A. Steckel to determine what items in the policy fit the purview of EPC and those that did not. EPC did start a discussion with the GE Subcommittee Chair about a minor revision to the current proposal process and forms for experimental GE and permanent GE courses. They would be taking larger look at this process during the semester. The Vice Chair reminded the members that a call had gone out for the SEIE curriculum committee to all the Schools. It was noted that if faculty had not heard it in their Schools, to ask the Dean.

FSAC Report – R. Whitkus

R. Whitkus reported on the pilot program for electronic WPAFs. That program was up and running. They had eight candidates from all the Schools, so they thought it would be a good pilot. FSAC made a change to the calendar for the Excellence in Teaching Award that would provide longer time for dossier preparation, comments and decision-making. The recipients would be announced at Convocation. FSAC learned that the Professional Development Committee would be putting on four

workshops for the new faculty this semester. FSAC would be working on the SETE policy. He noted it was on the Senate website and he encourages Senators to review it: <http://www.sonoma.edu/senate/>. He said they do look at the forum pages for opinions. They also had a visit from the Faculty Chair.

SAC Report – J. Shulman

J. Shulman said that SAC worked on appointing liaisons. She noted that the Fee Advisory Committee had decided to meet every week this year since they were so busy. She said that issues about the earthquake did come up in SAC as well.

Staff Representative Report – K. Musick

K. Musick reported that things were busy, but she had heard no complaints from staff. She reported on a robust conversation on Stafflink about campus water conservation. The conversation focused around the fact that even though the campus uses reclaimed water on the lawns, the lush lawns contradicted the message about water conservation. She noted the Sustainability group had already been apprised of this concern. She said that everyone was very thrilled about the water bottle filing stations around campus. A member congratulated the Associated Students for getting the water bottle filing stations on the campus.

Group Photo



Adjourned.

Minutes prepared by L. Holmstrom-Keyes