



Approved October 13, 2023

**Remote via Zoom**

*Governors Present:* **Chuck Nelsen, Chair**; Cathy Pleasant, Vice Chair; David Hodson, Past Chair; Tom Giustina; David Heinsen

*Ex Officio Present:* Steve Perez, President; Ahmad Boura, Vice President for University Advancement (CEO); Jamie Clyde, Interim Vice President for Business and Finance (CFO)

*Staff:* Pam Hollis and Robin Carter, University Advancement

**MINUTES**

Chair of the Board, Chuck Nelsen, called the meeting to order at 3:35 p.m. Nelsen presented the new board members joining in October – Gayle Dilley '86; Olena Lacy '74; and Earl Reed '83, '87; Cindy Daley, Faculty Representative; and Kate Minderhoud '23, Student Representative.

**Chair's Report: Nelsen**

Nelsen asked for discussion on the June 22, 2023 meeting minutes. The meeting minutes were approved as presented. Nelsen then asked for discussion on the meeting schedule and draft agendas. The welcome reception on Wednesday, October 11, 2023 will be moved to 6:00 p.m. – 7:30 p.m. In the General Session, the presentation from Arnerich Massena will begin at 11:30 a.m. and the Committee Reports will move to 1:00 p.m. Nelsen asked that discussion be added to the General Session regarding feedback on the Spring 2023 Retreat. Nelsen called for any objections to the meeting schedule and proposed changes to the agendas. The schedule and meeting agenda changes were approved as presented.

**President's Report: Steve Perez**

President Perez gave an update on the state of the university. The fall semester began August 21 and there have been many events to engage new students. He reported on his Convocation event and spoke about Campus Corp which is a \$10,000 grant to students who spend 500 hours on community service. Perez also invited the board to participate in a presidential transition survey to learn about what stakeholders are most proud of and value. Perez presented the challenges facing the university such as the budget constraints. Last year there was a \$9 million budget deficit. The good news is that the deficit was expected to be \$20 million. The university was able to cover the deficit with strategic reserves. The best way to raise revenue is to improve enrollment. In the last five years, there was a 29% drop in enrollment. This year, campus is anticipated to have 100-200 new students - a 41% increase in transfer students and 15% increase in first-time students. Students taking more courses has also contributed to the enrollment increase. Enrollment has not increased significantly in total student numbers because graduation rates were also higher last year. The university is economizing class

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offerings and utilizing resources efficiently. A few years of growth are needed before the university is out of the structural budget deficit.

**CFO's Report: Jamie Clyde**

Interim Vice President Clyde gave a fiscal recap of the 2022-23 year. As a result of some multi-year, one-time support money from the Higher Education Emergency Relief Fund (HEERF) and a campus hiring chill/freeze, final reserve use was reduced to approximately \$8.5 million, as President Perez mentioned. Traditionally, operating budget sources were equal between 50% student tuition and 50% state support. Now, approximately 63% comes from state support and 31% from student tuition. Chico State's Operating Budget is \$242 million. The highest percentage of expenditures are salaries and benefits which are 85% of the budget. The campus budget plan for 2023-24 projects the university will again have to use reserves to cover expenditures. Union negotiations surrounding salaries and benefits, once finalized, will increase costs to the university as well as anticipated rise in healthcare premiums. Despite challenges, campus will do strategic hiring to fill gaps and support enrollment growth. The enrollment numbers are improving, as President Perez mentioned, but there is still work to do. The CSU's plan to remedy perennial underfunding and build stability into the budget is a proposed tuition increase. The CSU has only increased tuition once in the past 12 years. If approved, rate increases are scheduled for 5 years, beginning Fall 2024 with a proposed 6% annual tuition increase – a \$342 increase for 2024-25. If the tuition increase is approved, the CSU will increase financial aid by about 1/3 of the new tuition revenue. Currently, 60% of all CSU students fully recover tuition with financial aid and 18% of all CSU students partially cover tuition with financial aid. CSU priorities for new revenue would include expanding Graduation Initiative work; supporting students; providing competitive salaries/benefits to faculty and staff; safe, modern and sustainable facilities; and growing enrollment.

**CEO's Report: Ahmad Boura**

Vice President Boura emphasized that it is going to be an uphill battle, but all of campus is working on the enrollment and budget challenges. Boura announced that Jay Friedman, Executive Director of Alumni and Parent Engagement is retiring from the college on September 29. He has taken a position on the East Coast where he has family. Boura reflected on Friedman's contributions to Chico State alumni and advocacy efforts. Boura introduced potential board members for 2024-25: Daniel Cerda '00, Elida "Ellie" Carbajal '97, Lance Lew '79, and Suzy McCreary '92. He also regrettably shared that Dennis Murphy '94 and Jeffrey Williams '89 had to step down from the board for family reasons and other time conflicts. Boura is planning to add Bob Neinaber '89 and Ali Khorasaneh '96 to the list of governors to pursue to replace these board members.

Boura explained new campaign planning and the various phases and timeline: assessment phase 2022-23, campaign planning phase 2023-24, leadership phase 2024-25, public phase 2026-27, sunset phase 2034 and post campaign phase 2035. During the planning phase this year, a name and a goal for the campaign will be determined. The data will decide the goal for the campaign. There will be a lot of training internally, not only with advancement staff, but with other stakeholders like the president, college deans and athletics. Starting July 1, 2023, all gifts will be contributed to the campaign.

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Nelsen asked for any new business. Cathy Pleasant asked about the search for the new provost. Perez gave a brief update on search process, which is currently in the very beginning stages.

Nelsen adjourned the meeting at 4:28 p.m. and looks forward to seeing everyone at the meetings in October 2023.

The next Executive Committee meeting will be Wednesday, January 31, 2024.

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