California State University SAN MARCOS | CSUSM Corporation

Finance & Operations Committee
September 22, 2026, 2:00 p.m. – 2:45 p.m.

Members of the public who wish to view the meeting remotely or make a public comment should contact:
Dorothy Davis, (760) 750-8513, dordavis@csum.edu.

Notice and Agenda authorized under Corporations Code § 5140 and Bylaws Article 1V.

Agenda

I. Convening of the Meeting *(Rene)*
   A. Consideration of Agenda
   B. Approval of Minutes, May 12, 2026 (Attachment A)

II. Reporting items
   A. Quarterly Investment Report - June 30, 2026 (Attachment B) *(Prior)*
   B. Quarterly/Year End Financial Report - June 30, 2026 (Attachment C) *(Davis/Prior*)
   C. Sponsored Projects Expenditures FY 25/26 (Attachment D)(Beckwith)

III. Corporation Updates

IV. Adjournment *(Rene)*

BoD Meeting: October 8, 2026

CSUSM Corporation

Finance & Operations Committee Meeting Minutes
May 12, 2026, 2:00 p.m. – 2:45 p.m.

Members Present: Ann Bersi, Carmen Rene (Chair), Leon Wyden
Members Absent: Kristin Stewart, Viridiana Diaz
Staff Present: Deanne Ellison, Deborah Davis, Dorothy Davis, Janine Prior, Michelle Hinojosa

I. Convening the Meeting

With a quorum present, Chair Rene called the meeting to order at 2:05 p.m.

Consideration of Minutes

February 19, 2026 (Attachment A)

Chair Rene asked whether there were any corrections to the distributed minutes. Minor corrections were noted. The minutes were approved as amended.

II. FY 2026–2027 Budget Overview

Janine Prior presented the proposed FY 2026–2027 operating budget, including Corporate Administration, Housing (University Village Apartments and Black Oak Hall), and Dining Services.

Financial Overview

- Projected revenue: $17.7 million
- Projected net income: $4.4 million
- Revenue growth is primarily driven by the addition and operation of Black Oak Hall.
- Prior-year financial results were impacted by one-time mold remediation expenses.

Housing Operations

Prior reported that the housing portfolio now includes University Village Apartments (UVA) and Black Oak Hall, totaling more than 550 beds.

Projected occupancy rates are:

- Fall semester: 95%
- Spring semester: 90%

Housing revenue is expected to:

- Cover debt service obligations
- Offset Dining Services operating deficits

The housing program continues to focus strategically on de-densification efforts to enhance the student experience.

Capital Investments

Approximately $4.3 million in capital projects are planned, including:

- Roof replacement (top priority)
- HVAC system upgrades
- Exterior improvements and safety-related projects

Dining Services

Dining Services is currently operating at a deficit. However, increased housing occupancy and expanded meal plan participation are expected to improve financial performance. Management projects Dining Services could achieve profitability within five to seven years.

Corporate Administration

Corporate Administration continues to perform positively. Revenue sources include:

- Cost recovery
- Commercial operations
- Housing-related fees

Additionally, a new bookstore operator is expected to generate increased revenue.

Operational Updates

Staff provided updates on several operational initiatives, including:

- Transitioning housing management services in-house
- Increased demand for fiscal services
- Expansion of Residential Education programs

Financial Position and Risk Assessment

The Corporation's reserves remain above policy requirements and continue to support long-term financial stability.

Areas identified for ongoing monitoring include:

- Utility cost increases
- Insurance recovery uncertainty
- Capital funding needs
- Cybersecurity risks

Human Resources

The proposed budget includes salary increases of up to 5%, aligned with inflationary pressures and anticipated wage requirements.

Budget Summary

Committee members noted the Corporation's strong financial outlook, driven primarily by housing expansion. Housing operations continue to support overall financial health, while strategic capital investments strengthen long-term growth. Dining Services demonstrates a clear path toward future improvement.

Chair Rene called for a motion to recommend approval of the FY 2026–2027 Operating Budget to the Board of Directors.

Motion: Leon Wyden moved to recommend approval of the FY 2026–2027 Operating Budget to the Board of Directors. Ann Bersi seconded the motion.

Action: The motion carried unanimously with no abstentions.

III. Compensation Guidelines

Michelle Hinojosa presented the FY 2026–2027 Compensation Guidelines for Board approval, as required by the Corporation's Employee Compensation Policy.

Key highlights included:

- A proposed general salary increase of up to 5%.
- The increase is intended to align employee compensation with inflation and anticipated increases to California minimum wage requirements.

- Salary adjustments are contingent upon available departmental funding and satisfactory employee performance evaluations.

Hinojosa noted that anticipated changes to California minimum wage requirements will impact both hourly and exempt employee salary ranges. She also reported that inflationary trends support maintaining the proposed salary increase to help the Corporation remain competitive in attracting and retaining employees.

Chair Rene called for a motion to recommend approval of the FY 2026–2027 Compensation Guidelines & Structure to the Board of Directors.

Motion: Ann Bersi moved to recommend approval of the FY 2026–2027 Compensation Guidelines & Structure to the Board of Directors. Leon Wyden seconded the motion.

Action: The motion carried unanimously.

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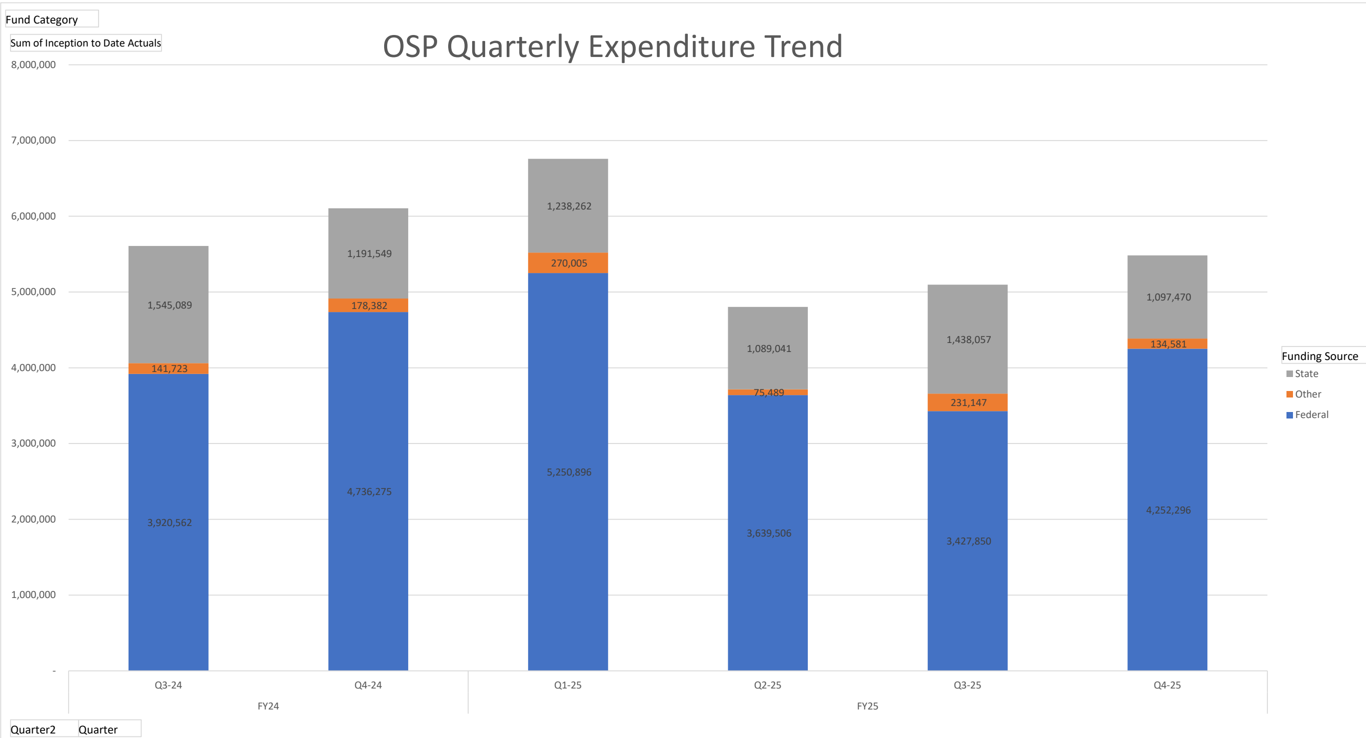
Secretary Date

Fund Category	Include - Sponsored Project

Sum of Inception to Date Actuals	Column Labels					
	FY24		FY25			
Row Labels	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25
Federal	3,920,562	4,736,275	5,250,896	3,639,506	3,427,850	4,252,296
State	1,545,089	1,191,549	1,238,262	1,089,041	1,438,057	1,097,470
Other	141,723	178,382	270,005	75,489	231,147	134,581
Grand Total	**5,607,375**	**6,106,206**	**6,759,163**	**4,804,036**	**5,097,054**	**5,484,347**



Prepared by OSP 8.3.26

Prior Fiscal Years

FY21/22 Expenditures totaled $12,966,953

FY22/23 Expenditures totaled $15,543,054

FY23/24 Expenditures totaled $19,245,307

FY24/25 Expenditures totaled $22,230,789

FY25/26 Expenditures totaled $22,144,601

Notes:

FY25/26 Q4 shows a 8% increase when compared to last quarter and slight decrease (0.39%) when compared YTD last year.

Direct YTD: $19,510,074
Indirect YTD: $2,720,715
FY24/25 YTD: $22,230,789
FY24/25 Q1: Indirect: $647,143
FY24/25 Q2: Indirect: $553,953
FY24/25 Q3: Indirect: $573,820
FY24/25 Q4: Indirect: $945,799

Direct YTD: $19,319,008
Indirect YTD: $2,825,593
FY25/26 YTD: $22,144,601
FY25/26 Q1: Indirect: $780,733
FY25/26 Q2: 615,948
FY25/26 Q3: $565,168
FY25/26 Q4: $863,744