Minutes
November Board of Director's Meeting
November 30th, 2022
SUB 414

Attendees:	Steve Deutsch	Kevin Saunders
	Melinda Cirillo	Brian Obach
	Michele Halstead	Fred Destefano
	Stephanie Blaisdell	Mazee Simpson

Others Present: Sean Mulloy, Wayne Beach, Niza Cardona, Rosemarie Palmeri, Lucy Walker, Marcello Bajana, Stephan Macaluso, James Pallante, Annalynn DiMarco.
Recording Secretary: Dan Gastin
Call to order: 11:00 am

Unanimous approval of agenda and October 12, 2022 minutes.

Steve welcomed everyone and introduced Rosemarie Palmeri and the representatives from Follett: Sean, Wayne, and James. Steve welcomed Rose to present the Audited Financial Statements to kick off the meeting.

<u>Audited Financial Statements</u>
Letter to Governance:
Rose presented the results for the May 31, 2022 year end, beginning with the letter to the governance body. This letter is required communication to the people charged with governance, the board and its management, to inform them of the elements of every audit. Most of the language remained the same unless there was something that had changed in the process. **Rose** pointed out the qualitative aspects paragraph which referenced management responsibility for the appropriate account policies and stated there was no change in policy.

The letter also noted that the audited financial statements included estimates which were reasonable. **Rose** stated there were no difficulties performing the audit in dealing with management. There were a couple of audit adjustments proposed that were recorded. **Rose** explained, "These two journal entries are related to each other as they are "timing adjustments for accounts receivable an accounts payable."

Financial Statement:
The auditor's report on page 1 is the only piece in the statement by the auditor. The remaining information is provided by management. The last paragraph on the page stated that the financial statements were presented fairly. **Rose** noted this is the first report with the new format, which has her opinion in the first paragraph on the page, then followed by explanatory language.

The statement of financial position on page 3 showed a comparison snapshot of where the corporation stood on May 31, 2021 versus May 31, 2022. Looking down the balance sheet, **Rose** stated there has been a 5%-6% investment decrease in market value and there's not a firm indication of when it will increase. Towards the end of her presentation of page 3, Rose mentioned CAS' PPP Loan has been forgiven. **Michele** asked Rose to clarify what the PPP Loan is for those who might not know, in which **Rose** replied, "It's a Paycheck Protection Program that entities can apply for to continue to pay their employees during an emergency."

The statement of activities on page 3 showed revenues and expenditures during the year along with net income or loss. **Rose** commented, “This is where you'll see the dramatic change between the two years as there were 50% of students living in the residence halls in 2021 (due to the pandemic) whereas 80% in 2022.”

The statement of functional expenses on page 5 broke down expenses into further detail of where the money was spent. **Rose** indicated that due to the increase of students living on campus called for a higher demand in food services, which increased overall food costs across campus.

The footnotes, beginning on page 7, continued for several pages. **Rose** asked the room if anyone wanted to review each, otherwise she’d skim over them; no one inquired. On page 11, **Rose** pointed out Note 8 broke down Program Spending which was much higher in 2022 ($254,878) than in 2021 ($9,274) as a result of the pandemic and low occupancy in the residential halls on campus.

The remaining pages in statement included supplementary information that **Rose** offered to discuss if there were any specific questions. **Rose** noted SUNY’s fiscal stability on page 30 which drove the net asset numbers. Pages 31 and 32 detailed all agency funds.

Significant Deficiencies:
Rose noted that the report could contain one deficiency or a combination that could lead to material error, warranting attention. This letter reported on the significant deficiency regarding segregation of duties. **Rose** explained, “You never want to be in a position where the same person is handling a transaction, reporting the transaction, doing the reporting, and reconciling to get it to the ultimate point in the general ledger. If a mistake gets made, there's not a way to catch it… and or an intentional problem of fraud where somebody is trying to do something, and they can make it happen through the system that somebody might not detect it.” As a result of staffing changes, the controller has the ability to everything without checks and balances. **Rose** stated, “I know this is being discussed and it's trying to be addressed putting in mitigating controls so that a secondary person looks at certain transactions and certain processes.” This led to the topic of who does the accounting for The Childrens Center, which **Steve** stated, “Melinda has been handling their accounting.” **Brian** asked, “Why did these changes happen?” **Steve** replied, “To clarify, CAS does receive money for this service but highlights the need to increase staffing.”

Management Letter:
Though this letter was not a requirement, **Rose** chose to share the document because “it points out there are other things sometimes that you prevent from accumulating to the point of reaching a significant deficiency.” The first two comments addressed written policies and procedures. **Rose** stated, “I recommend reviewing all business operations and written policies in order to create a written policies and procedures manual that aligns with requirements mandated by the State University of New York.

The agency account testing note suggested updating agreements on an annual basis. The following page listed details of items hit while testing. **Rose** walked us through a few of the concerns, notably the Agency Account Agreement forms on file were not signed by CAS. In addition, **Rose** also noted the instances where the person receiving payment was one of the individuals approving the payments.

Regarding cash concentration, **Rose** suggested to implement procedures for formally assessing risks involved with cash deposits more than FDIC insured limits. She explained, “You do have times often where your cash exceeds the FDIC limit and, in the event, I'm not saying a bank is going to fail, but in the event of a bank failure, you are putting funds at risk."

Rose progressed to the Service Agreements section where she outlined CAS' services for the State University if New York at New Paltz related to parking and gym membership, in which CAS is reimbursed the cost of providing the services but without a written agreement. **Rose** suggested the two entities develop a written memorandum of understanding. This led Rose to emphasize her suggestion of documenting Children's Center responsibilities in an MOU as CAS handles their finances.

Rose concluded by asking if there were any questions. There were none. **Steve** thanked **Rose** for the thorough presentation.

Good and Welfare
Steve asked the board if someone wanted to contribute anything to Good and Welfare. No one came forward and the meeting progressed to the presentation by the Follett Access team.

Follett Access Program
Wayne prefaced the presentation by indicating how he was going to walk us through the findings the pilot produced, its overall purpose, as well as recommendations for next steps. He also emphasized how this program is designed to "set students up to succeed right when classes begin by providing texts at below market value" and to ensure they "don't fall behind" due to not having the necessary course materials. After Wayne's introduction, **Sean** gave an update on the program where he emphasized how this is a "win-win" for all of those involved: the students, the faculty, the bookstore, and CAS." He then provided clarity that he worked with McGraw Hill and chose courses where students needed to have access to do their online homework and included the e-books; the faculty who were linked to these courses were "very excited about it," despite being during the switch from Blackboard to Bright Space. **Sean** highlighted the pilot rollout went smoothly (despite a few hiccups) and attributed its success to a team effort, notably from Student Accounts and the IT team. As far as the rollout, **Sean** said students were sent communications about being enrolled in the program and all of those enrolled received their materials on time, with only a handful of students coming into the bookstore with questions. To garner feedback from students and faculty, **Sean** recently sent out a survey but no students have responded and only three faculty members submitted responses. Overall, their responses emphasized how the program saved students money and really appreciated how students were ready to begin on their first day of classes. After concluding his segment, Sean let Wayne begin the presentation on the pilot program's findings. **Wayne** opened his presentation by providing the pilot's sample size was 353 students and out of the 735 course materials offered, there was a 1.49% opt-out rate which "has been the best I've seen." **Stephanie** asked, "Wasn't there a problem with the opt-out function?" **Sean** clarified, "Yes, we had to manually opt the students out but they were only due to students dropping the course. **Brian** followed up by asking Wayne to clarify the 735 figure, in which **Wayne** responded, "Those are the items that are part of a course; some courses have more items than others (i.e., the total number of books that could be transacted.) Wayne then highlighted the overall savings for this pilot was $21,000.00 which is impressive given the small sample size. **Steve** then asked, "Are all of the materials new?" **Sean** answered, "Yes, all of these materials need to be new because students use them for online access." After highlighting the savings for the cohort, **Wayne** explained how he conducted an analysis by examining what courses were offered last spring and went through the Follett database and matched all of the publisher incentives that they have, which yielded over $671,000.00 in savings if implemented. **Stephanie** soon asked, "That figure is student savings?" **Wayne** responded, "Yes, that's solely student saving based on the access pricing." **Wayne** then presented a slide showing the breakdown of publisher

involvement in the program, which indicated McGraw Hill as the leader of the pack, but he emphasized "over 42% of the vendors SUNY New Paltz uses are in the program." Overall, the average course price is $136.18 and Wayne recommended the college provides Follett more data for them to run an analysis against the model to provide the board a flat price for an access program. **Melinda** then asked, "Does an equitable model mean everyone pays the same, regardless of the books bought?" **Wayne** responded, "Yes, exactly." This prompted **Stephanie** to ask, "Is this opt-out for the whole program, or just the course?" **Wayne** replied, "In an equitable access model, it would be for the entire program." After reviewing the slide, **Michelle** explained how the pilot took place during a time when a lot was going on, such as the Bright Space changeover and the change in student financial responsibility where they had to accept their respective responsibility before receiving access to Bright Space. Furthermore, **Michelle** added if a student had already accepted their responsibility over the summer, the cost of the program is placed on the bill and if you have financial aid that's going to cover that bill, the student is fully equipped with their materials for their first day of classes, whereas the old system had students waiting for their aid which caused a delay in receiving course materials, thus putting them behind in their class(es). **Annalynn** recommended the Follett team visit the EOP Office to garner feedback from the EOP students who were a part of the pilot to gain a deeper understanding of how those of that population were affected. **Niza** followed up with the concern of how the financial aid of students doesn't cover their entire bill, which leaves the student in a situation to pay for their books or to go without them to forego the financial burden. In addition, Niza mentioned how some of the communications about the timeline for paying for the program were not clear, which led to some students to not pay right away which prevented them from accessing Bright Space when classes started. **Niza** emphasized that the testing for this product was "not done as well as it should have been" and if done correctly, the IT for the program would have been found to be problematic. **Wayne** said he's "positive" that based on the model, the cost for students won't be as high and there won't be different fees added to different courses to keep prices at a flat rate. **Wayne** progressed the presentation by showcasing findings from Dr. Michael Moore from the University of New Hampshire where he that Moore's research surrounds equitable access programs on college campuses on how the programs impact students. Based on Moore's findings, he saw a 15% improvement rate in the study's population. After presenting Moore's data, **Wayne** suggested SUNY New Paltz should provide Moore with data to further assess the access program's potential success rates if implemented at the college. After a discussion about the lack of motivation of students to buying books is merely a generational characteristic, **Michelle** suggested the next step is for the CAS Board to decide if the pilot should continue for the spring semester, and to involve more stakeholders to help decide if SUNY New Paltz should participate in Dr. Moore's research. **Brian** added, "If you want the faculty to be persuaded, this will have to be a very different study (i.e., an overhaul of the study design). **Wayne**, appreciated Brian's response and said he would be happy to make the introduction between faculty and Dr. Moore to make sure everyone is on the same page. **James** closed out the presentation by providing an overall summary of what the program's implementation could do in the future.

Steve wrapped up the meeting by expressing that the CAS December Board Meeting will focus on putting together "a question of what the pilot would look like for the spring semester and put it to a vote."

Steve thanked everyone for their time, then adjourned the meeting.

Meeting adjourned: 12:35 pm