

**HUMBOLDT STATE UNIVERSITY CENTER**  
**REORGANIZATION MATERIALS**  
**Presented to the**  
**University Center Board of Directors**  
**October 16, 2008**

---

<u>Table of Contents:</u>	<u>Page</u>
I. Objective of Reorganization	1
II. Reorganization Discussion Time Line	3
III. Letter from HSU President, Rollin C. Richmond	5
IV. Proposed University Center Organizational Chart and Purpose Statement	9, 11
V. Proposed HSU Enterprise Foundation Organizational Chart and Purpose Statement	13, 15
VI. Statements of Financial Position	17
VII. UC General Fund Operating Budget Draft	19
VIII. UC Budget Summary 2008-09 Fiscal Year	21
IX. HSU Enterprise Foundation Articles of Incorporation – DRAFT	23
X. Resolution #24, Approving the Transfer of Specific Assets to the HSU Enterprise Foundation – DRAFT	27
XI. Transfer of Assets Agreement between Humboldt State University Center Board of Directors and HSU Enterprise Foundation – DRAFT	29
XII. Proposed University Center Bylaws Amendments	31

## **Objective of Reorganization**

---

The intent of the proposed University Center reorganization is to strengthen student programs and activities, and to build an innovative organization that creates and manages an array of enterprise services to reinvest back into HSU's future.

As a rural residential campus, we need to provide programs and activities that complement the academic experience. Budget cuts continue to negatively influence the student experience in and out of the classroom, which in turn hurts retention and graduation rates. In order to develop new programs/activities and increase participation, we must improve coordination between student professionals across campus who are responsible for creating, planning, marketing, scheduling, and evaluating hundreds of student programs and activities each year. The University Center plays a large and significant role in providing programs, activities and facilities for our students. Separating the UC's facilities, activities and programs (Student Union, Student Rec Center, Aquatic Center, Center Activities) from its commercial operations will allow the Board and staff to be more focused in their role of governing, setting goals, long-range planning, and evaluating our activities, programs and facilities.

Humboldt State University needs an innovative organization that creates and manages an array of enterprise operations that not only provides the campus with essential services, but also provides a mechanism to explore and develop additional projects and opportunities that generate new resources which are reinvested into the future of HSU.



## **Reorganization Discussion Time Line**

---

### **April 10, 2008, University Center Board of Directors Meeting**

HSU President, Rollin Richmond, presented a proposal to reorganize the University Center. The proposed reorganization would place more emphasis on student activities and programs, and focus on the development of new enterprise services and resources to reinvest into HSU. The reorganization would consist of separating the University Center's commercial services (Bookstore, Dining, Business Office, and CenterArts) from the UC's facilities and programs (Student Center, Center Activities, Student Recreation Center, and Humboldt Bay Aquatic Center).

The President asked the Board to send the proposal to the Executive Committee for discussion and to work with management staff in developing a transition plan for consideration and action at the May UC Board meeting.

### **April 21, 2008, University Center Executive Committee Meeting**

The Executive Committee met to review a management staff proposal to address the President's request to reorganize the University Center. The plan called for amending the UC Bylaws to create a commercial enterprises sub-board within the University Center Board of Directors that would address the President's reorganization plan. This would come to be known as Proposal #1.

During discussion, the committee came forth with recommendations on items such as the sub-board's composition and UC Board oversight to be discussed further at its next Executive Committee Meeting. This would come to be known as Proposal #2.

Prior to the second Executive Committee meeting, Board member, Martin Flashman, came forth with an alternate proposal to create a commercial enterprises board with a student program and activities sub-board. This would come to be known as Proposal #3.

### **April 30, 2008, University Center Executive Committee Meeting**

The Executive Committee reviewed Proposal #2 and Proposal #3. During discussion the committee came forth with another option that would create two sub-boards – one for commercial enterprises and the other for programs/activities. These sub-boards would report directly to the University Center Board of Directors. The committee directed staff to further develop this concept for consideration at the next Executive Committee meeting. This would come to be known as Proposal #4.

### **May 5, 2008, University Center Executive Committee Meeting**

Committee members reviewed all four proposals with the intent of formulating a recommendation for the full Board to consider at its upcoming meeting. After a thorough review

and discussion of all four proposals, the committee voted to recommend Proposal #1 and Proposal #4 for the Board's consideration.

#### **May 8, 2008, University Center Board of Directors Meeting**

The Board reviewed the merits and disadvantages of Proposals #1 and #4. After considerable discussion, the Board directed staff to move forward in developing Proposal #1 while considering the details involved with Proposal #2, which contained recommendations made by the Executive Committee at its first meeting on April 21, 2008. Executive Director, Burt Nordstrom, was asked to take the Board's discussion and Proposal #2 into consideration to further refine Proposal #1 for Board members to review in the summer.

#### **August 5, 2008**

The Executive Director drafted a document as directed by the Board that incorporated both Proposal #1 and #2. This was called Proposal #1A, and was sent to the University Center Board of Directors by way of e-mail.

#### **September 11, 2008, University Center Board of Directors Meeting**

President Richmond again addressed the Board and reiterated the need for the University Center to reorganize. In his review of Proposal #1, he felt that it was bureaucratic and does not provide the flexibility for quick decision-making that's required in a business environment. He also reported that the campus is in the process of creating a new 501(c)(3) non-profit enterprise foundation that is designed to provide management for existing retail services and provide a mechanism that will allow the campus to explore and develop new business opportunities and/or projects which support and strengthen HSU. The President asked the Board to develop a transition plan and resolution to transfer its commercial services to the new enterprise foundation.

#### **October 1, 2008, University Center Executive Committee Meeting**

The Executive Committee reviewed a packet of updated reorganization materials that included a reorganization time line; a letter from HSU President, Rollin C. Richmond; organizational charts; statements of financial position; and proposed amendments to the University Center Bylaws. The committee directed staff to draft a resolution and transfer of assets agreement to consider at its next meeting.

#### **October 6, 2008, University Center Executive Committee Meeting**

The Executive Committee discussed and reviewed draft copies of Resolution #24, Approving the Transfer of Specific UC Assets to the HSU Enterprise Foundation, and a Transfer of Assets Agreement. At the conclusion of its discussion, the committee voted to forward the resolution and transfer of assets agreement, along with the reorganization materials, to the University Center Board of Directors for consideration at its meeting on October 16, 2008.



# HUMBOLDT STATE UNIVERSITY

Office of the President

October 1, 2008

To: Executive Committee  
University Center Board of Directors

From: Rollin C. Richmond *Rollin C. Richmond*  
President, Humboldt State University

Re: Summarized Notes on UC Reorganization Proposal

Below I have summarized my reasoning behind reorganizing the University Center for your reference in deliberating this proposal.

On April 10, 2008, I attended your Board meeting and presented a proposal to reorganize the University Center. On September 11, 2008, I came back before the Board to bring the new Board members up to speed and reiterate why this reorganization is very important to the future of HSU.

It is painfully obvious that California has deep financial problems which are not going away any time soon. The CSU and HSU cannot expect future state funding to close the gap of past budget reductions or cover future increases in expenditures. I believe universities that recognize the need to supplement their general fund budgets with non-state resources will be in a much better position to deliver a high-quality education both in and out of the classroom.

As a rural residential campus, we have an added responsibility to provide programs, activities and services that complement the academic experience. It is no secret that budget cuts at HSU have eroded the student experience in and out of the classroom, hurt retention and our graduation rates. If we expect to stop these negative trends we must be willing to accept and adjust to the reality that competition for shrinking state resources means funding for public higher education will continue to be inadequate.

The attitude of business as usual is not going to be an effective way to deal with the many challenges facing this university. We are in a time of change; I want the University Center to reorganize so we can be more focused, strengthen student programs and actively explore the development of new services and/or facilities for the campus community.

Consider our student programs. HSU staff across campus are responsible for programs and activities, and we should be asking some hard questions. Are our programs relevant to the needs of current and future students? How can we get more students involved? Can we improve the coordination of academic and activities schedules? Can we do a better job of marketing? Is there equipment and/or talent we can share with other program areas? How do we decide when it's time to eliminate or introduce new programs? All of these issues are likely to help us improve the retention of students.

Executive Committee  
University Center Board of Directors  
October 1, 2008  
Page 2

Simply put, I want to improve communication, coordination, and develop more synergy between our student services professionals, which in turn helps us to be more responsive to students' changing interests. HSU has been blessed with some outstanding programs and activities, but I believe we can do more.

Vice President Steven Butler has already begun the process of reorganizing Student Affairs and the University Center does not operate independently from HSU. The UC's facilities, equipment, and staff must support and work in concert with Student Affairs and the rest of campus. HSU's programs and activities must be on the same page and moving in the same direction.

If we are to effectively address these issues, HSU needs to develop new entrepreneurial enterprises. Currently, HSU is forming a new enterprise foundation that is designed to manage existing retail services, and provide a mechanism that will allow us to explore and develop new business opportunities and projects which support and strengthen HSU. The new HSU Enterprise Foundation, like the University Center, will serve the campus as a non-profit organization. It is my vision that University Enterprises will be a dynamic and innovative organization that creates and manages an array of commercial services and reinvests the capital back into HSU's future.

The HSU Enterprise Foundation will consider the development of faculty, staff, traditional, and non-traditional student housing. Also, we need to develop facilities that support student learning, such as additional lab and office space for research projects and/or business incubators. Are there retail services beneficial to the university community that should be explored? A strong enterprise operation will provide new opportunities and resources in supporting the educational mission of Humboldt State University.

The University Center represents a significant component of student life here at Humboldt; the student union is the living room of the campus, and the Student Recreation Center and Humboldt Bay Aquatic Center have so much potential. But the current UC organizational structure and Board oversight is not designed to focus the necessary time and attention to both student programs and enterprise opportunities. Student programs, activities and facilities have a special and unique skill set that is dissimilar and philosophically conflicting in nature to operating and developing new enterprise services and/or projects.

I have reviewed the latest draft UC Reorganization Proposal #1A, which was emailed to the Board on August 5, 2008. In summary, the proposal is bureaucratic and does not provide flexibility for nimble quick decision-making that would be required in a business environment. If we have any hope of creating an organization that is dynamic and innovative it must be streamlined, flexible, and agile with experienced leadership and oversight. Nothing kills innovation faster than an awkward, overly complicated and time-consuming organizational structure. Timely decisions are essential in any successful business endeavor.

Executive Committee  
University Center Board of Directors  
October 1, 2008  
Page 3

In light of this, I strongly believe we need to separate responsibilities and have two independent organizations – one to focus on programs and activities, and the other to focus on the development of new university enterprises.

It has been almost six months since I first asked the Board to reorganize and focus on the services we provide to students. So again I ask for your cooperation by transferring the University Center's commercial operations into the non-profit HSU Enterprise Foundation. Over the next month, I urge you to work out the details of a transition plan so you can move forward with a resolution at your October Board meeting.

The UC Board will continue to oversee all UC facilities (the student union, recreation center, and aquatic center), and UC student programs as a 501(c)(3) non-profit auxiliary organization. All student fees and associated rents will continue to flow into the UC budget.

Education in California and here at HSU is in transition; this reorganization is not about who has control or power, it's about being more responsive to student needs and providing the campus with additional resources. Most importantly, this reorganization is about giving HSU an opportunity for a better future.

I thank you for your thoughtful consideration of this proposal.

