

Frequently Asked Questions

BSC Bylaws Referendum Spring 2015

What are potential consequences if the referendum doesn't pass?

- Now that we are aware that the Bylaws are out of compliance, we have a responsibility to bring them into compliance. Thus, if the referendum doesn't pass, we will need to continue to hold referenda in future semesters until we come into compliance. This means we cannot devote this time to making other organizational improvements to the BSC.
- Now that we have had transparent discussions about the fact that our Bylaws are out of compliance, we may be subject to greater scrutiny from regulatory agencies and external organizations we have contractual agreements with (e.g. our insurance companies, banks, bondholders, etc.)
- The result of this increased scrutiny could potentially lead to very serious consequences, including:
 - We could be audited by the State Attorney General. This process could be extremely time-consuming and could uncover other organizational practices that are not in compliance with city, state, or federal guidelines. The frequency of such audits has been increasing in recent years.
 - In the worst case, such an audit could potentially result in us losing our non-profit status, which saves us about \$1 million annually. This would cause member rates to increase drastically and affect our ability to fulfill our mission statement.
 - Insurance carriers could become concerned with non-compliant ways in which organizational decisions can be made, and thus, refuse to offer corporate liability insurance, without which, we as an organization, cannot operate.
- Non-compliant Bylaws also opens the organization up to potential challenges should a member or outside entity not agree with a decision that was made using non-compliant procedure. This can lead to organizational strife due to lack of clarity about our decision-making processes, and in the worst case, legal action challenging decisions that have been made.
- While none of these outcomes are guaranteed to happen, there is a possibility that they will. The likelihood of them happening now is exponentially higher given that we are now aware that our Bylaws are not compliant and that we have been widely advertising this fact in an effort to educate the membership.

Will the changes to the referendum affect how we change bylaws regarding the voting rights of members in the future?

- No, the proposed Bylaw changes do not change the way in which bylaws regarding member rights may be changed. Any future changes will follow a process similar to the one we are currently using, with the same member quorum and approval thresholds.

(Fun fact, membership approval of any bylaws affecting member rights is required by the California Corporations Code).

If it passes, how will Board reps be elected this year?

- The Housing Department will move up and shorten the timeline between housing offers and the deadline to accept contracts. Units will elect Board Directors in mid-April. This will allow time for two meetings to train the new Board and elect Cabinet (because Cabinet would need to be elected from the pool of trained Board Directors).

At the GMM, our lawyer Brad Castel said that we could have multiple proposal options in the referendum. Why is there only one?

- Unfortunately, after further consulting the laws regarding the approval of bylaws, he informed IACOM the next day that using instant runoff or ranked choice voting for multiple options is not legally compliant. (This advice was consistent with that given to us by our other attorney as well). Thus, IACOM had to collaborate and agree upon one single proposal to put before the membership for approval.