BOARD OF TRUSTEES

Thursday, April 28, 2016
11:30 a.m.
Cal State LA Downtown Campus

Present: Lisa Chavez, William A. Covino, Janet Dial, Yoshiko Fong, Jeanette Gordon, Michael Hagerthy, William Lewis, Dwight Nakata, Omel Nieves, Eduardo Ramirez, Frank Saito, Mae Santos, Molly Talcott, Mongwei Wee, Tony Wong

Absent: Jorge Ramirez, Leila Ricci, Nancy Warter-Perez

Staff: Thomas Leung, University Controller
Susana Moreno, Fiscal Coordinator, University Advancement
Mario A. Perez, Associate Vice President for University Advancement
Jane Rhee, Administrative Assistant, University Advancement

11:00 a.m. – Tour of Cal State LA Downtown Campus
11:30 a.m. – Board of Trustees Meeting

Omel Nieves called the meeting to order at 11:45 a.m.

**President’s Report** – Omel Nieves

**Approval of Minutes**

The draft minutes of the January 28, 2016, Board of Trustees meeting was presented for review and approval.

**Motion to approve the draft minutes of January 28, 2016, Board of Trustees**, as presented, was made by Yoshi Fong and seconded by Mike Hagerthy.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

**University President’s Report** – President William A. Covino

President Covino welcomed board members to the new Downtown Campus, reporting that enrollment began in winter quarter (January), and both degree and certificate programs are currently offered at this time. There are plans to double the degree and certificate programs by spring of next year. Full capacity enrollment is approximately 2,300 students. There is possibility for additional space in the building which is under negotiations. Currently, most of the courses are offered through the College of Professional and Global Education, but he noted that all the academic colleges are represented.

Online systems check for semester conversion was successful, and students will begin enrolling for fall semester courses next week. President Covino recognized faculty for reinventing and redesigning curriculum. First day of semester courses will begin on August 22, 2016.

President Covino reported on his recent Sacramento trip in March, and his plans to return to Sacramento in May when the Governor releases the revised budget. There will be significant advocacy for the CSU budget led by administrators, faculty, students and alums system-wide in hopes to close the $100 million gap between the Governor’s proposed budget in January and the CSU Trustees proposed budget.
He also reported that the CSU and the California Faculty Association (CFA) have reached a tentative agreement, and recognized the CSU administrators and the faculty representatives, such as Molly Talcott, in the efforts of these negotiations. He noted that the CFA agreements will also impact non-faculty represented staff, and auxiliary staff. The university is committed to funding the salary increase, and President Covino hopes that the Legislature will acknowledge the CSU and CFA efforts as they review the CSU proposed budget.

President Covino reported on the university’s most recent gift commitment of $10 million, the largest the university has received in philanthropic history. This gift will name the College of Health and Human Services (HHS) and the Biospace Innovation Center, in honor of Dr. Rongxiang Xu, gifted by his surviving son and wife. Dr. Xu was a pioneer in treating burn victims, developed new skin therapies, and revolutionized wound therapy. The naming is in the process of being presented to the CSU Board of Trustees and President Covino recognized Executive Vice President, Jose Gomez, as well as, the efforts of all who were involved in this tremendous gift to the university.

There are seven (7) commencement ceremonies scheduled in June and we are anticipating nearly 6,000 students attending. He shared the four honorary degree candidates and invited the Foundation Board members to the commencement ceremonies.

Committee Reports
Audit Committee – Dwight Nakata
Mr. Nakata reported that the 990s which the board reviewed and approved in January were successfully filed by the February 16th due date. He provided status of the GAAP Audit and the upcoming Chancellor’s Office audit. He also reported that the Chancellor’s Office scholarship audit has completed.

Development and Gift Acceptance Committee – Janet Dial
Dr. Dial reported that the $10 million naming gift will be over a ten (10) year commitment, noting that $8 million will be received in the first five (5) years. Due to industry standard reporting regulations (CASE), we will include the $8 million in new gift commitments (which includes new gifts, new pledges and new testamentary commitments), bringing the total to $13,076,241, year-to-date, surpassing our goal of $8 million. The naming will be presented at the upcoming CSU Board of Trustees meeting, and when approved, the naming of the college will be announced at the HHS commencement ceremony on June 11, 2016.

Additional fundraising highlights include a new $750K bequest commitment with a new donor thanks to the work of Dr. Mario Perez and development director, Dolores Ybarra (College of Natural and Social Sciences). Under the leadership of Jill Boline, the Director of Annual Giving, the Annual Fund has reached a new record of $300K.

Governance Committee – William Lewis
Nominations Update – Mr. Lewis encouraged members to continue to nominate and forward potential board members to Mr. Lewis or Dr. Dial. Several nominations have been received and the committee will be presenting them for consideration at the June meeting. The current membership is eighteen (18) members, and the capacity is twenty-seven (27), according to the Foundation By-Laws. There are hard copies of the nomination form, as well as, electronic versions available for use.

Investment and Finance Committee – Frank Saito
Investment Report – Mr. Saito provided an overview of the committee meeting and the portfolio report, stating that the portfolio value ending March 31, 2016, was $28.7M, and increased to $29.1M as of April 21, 2016. Since inception in 2003, the endowment has grown $11.6M. Overall fund performance indicates that we are reaching all of our benchmarks. He reported that the committee had a discussion about sustainable investments and the potential impacts of considering social responsibility when investing. The committee was provided a draft pilot phase report from The Stone-Beck Group of the Foundation’s Portfolio Impact Alignment, covering 14 points of sustainability issues.
Also, based on recommendations from The Stone-Beck Group, Mr. Saito reported that the committee agreed to remove Ivy Asset Strategy Fund from the endowment’s portfolio due to performance concerns. Those assets previously managed under Ivy will now be managed under Blackrock.

Mr. Nieves concluded that the committee will have further discussions on sustainable investments and how the Foundation will proceed with investments in relation to Environmental, Social and Governance concerns. Dr. Dial added that social responsibility and sustainable investing has become a larger topic of conversation that is being addressed system-wide, state-wide and nation-wide.

**Treasurer’s Report** – Mae Santos  
*Unaudited Financial Statements Ending March 31, 2016* – Ms. Santos reviewed the Financial Summary, reporting total inflows (comprised of investment earnings, and gifts and contributions) of $1.81M, total outflows (comprised of operating, investment and scholarship activities) of $1.86M, for a net outflow of $54,976 and an ending fund balance of $37M.

Ms. Santos proceeded to review the Statements of Financial Position, comprised of the three funds: unrestricted funds totaling $2M; temporarily restricted funds totaling $7.8M; and, permanently restricted funds totaling $27.5M. These combined total assets are $37.49M.

Proceeding with the Statements of Activities, Ms. Santos reviewed revenue line items for total revenue of $1.81M and also reviewed line item expenditures for total expenses of $1.86M.

The Detail Statement of Activities – Unrestricted General Fund reflecting total available budget over expenses, showed an available budget of $228,603. Dr. Dial added that the University Projects Staff line item budget of $110K will be returned to the endowment, since it will not be used this fiscal year.

**Executive Director’s Report** – Janet S. Dial  
Dr. Dial reported on the Alumni Association’s strategic efforts to re-engage alumni this past year by hosting six (6) alumni events, and plans for additional events in the summer. The renewed visibility of Cal State LA’s new branding initiative combined with increased alumni events has drawn alumni and community members back to the university. The City Hall alumni event had over 250 alumni attend, the annual Pat Brown Institute dinner had a record attendance of 399 guests, and the increased student and faculty participation at the upcoming commencement ceremonies are another indicator of renewed engagement with Cal State LA.

Another notable partnership is the continued collaboration with Women’s Heart Alliance and Clinton Health Matters Initiative. Cal State LA will be hosting the 3rd heart screening event next Tuesday, and the program has screened over 300 women on campus, addressing heart health and heart disease. Correlated to this partnership is President Covino’s commitment to creating a smoke-free campus environment at Cal State LA.

In addition to the $10M gift, Dr. Dial mentioned a $7M verbal commitment made to the university from an anonymous donor couple. There is a meeting scheduled in the coming weeks to further discuss the details of their gift.

Personnel updates within the Development Team included the status of the Athletics Development Director in the final stages of recruitment, as well as, the new opening of one of the college based development directors (College of Engineering, Computer Science and Technology). Other updates included the final stages for the Prospect Research and Management Director, and the active recruitment for an Alumni Coordinator position in the Alumni Relations office.
The Annual Fund is spearheading a philanthropic project with the graduating students, asking for a gift of $20.16, and so far, there are 150 students who have given towards this mini-campaign. This initiative will continue at each commencement with a text-to-give opportunity for family members and friends who are in the audience.

Dr. Dial shared and distributed a new CSU publication created from the CSU Alumni Council, “Made in the CSU”, noting that one of our alumni, Frank Romero, is one of only a handful of alumni throughout the 23 campuses, who were highlighted in the publication.

Mr. Nieves recognized everyone’s hard work and efforts with the recent tremendous gifts to the university, and particularly President Covino for his leadership.

**Next Meeting and Adjournment**
The next meeting of the Foundation is scheduled for June 30, 2016. Motion to adjourn was made by Bill Lewis and seconded by Molly Talcott.

With no further comments, the Trustees unanimously concurred to adjourn.
Secretary’s Approval of Board Minutes

As Secretary of the Cal State LA Foundation, the draft minutes of the April 28, 2016 meeting have been approved as presented.

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Tony K. Wong                       Date

June 23, 2016