The CSULA Foundation Board of Directors
Meeting Minutes
Thursday, January 22, 2009

Present: Kyle Button, Jennifer Chemel, Carolyn Frank, Carol Jackson, Mary Pat McEnroe,
George Pardon, Timothy Rogers, Frank Saito, Mae Santos, Sami Siddiqui,
Elizabeth Wheeler

Absent With
Excuse: Kevin Baaske, Fred Lopez, Gilbert Vasquez,

Guests: Dr. Scott Bowman, Faculty, Department of Political Science, Thomas Leung,
University Controller, Susana Moreno, Institutional Advancement

The meeting was called to order and Mr. Saito thanked everyone for attending.

President's Report

The minutes of the October 9, 2008 Board meeting were presented for approval.

A motion was made by Ms. Wheeler and second by Ms. Chemel to approve the October 9, 2008
Board minutes.

A verbal vote was conducted and the motion was passed.

Committee Reports

Governance Committee Report

In the absence of Mr. Lopez, Mr. Button distributed nomination forms and requested the Board
assist in identifying perspective board members for the Foundation. The Foundation is currently
looking for individuals with legal expertise, community ties in non-profit management and in
real estate. In addition the University will put forward a number of names of distinguished
alumni, supporters and friends who may bring value to the Board.
Investment and Finance Committee Report

Ms. Jackson reported that the Investment Committee met with Smith Barney and reported on the Morgan Stanley and Smith Barney Global Wealth Management merger. Ms. Jackson also provided an overview on the markets: the balance sheet crisis in the financial system, the equity markets re-pricing themselves to reflect the severe recession and the bottoming phase for the U.S. stock market.

Asset Growth and Portfolio Returns - Year-to-date, December 31, 2007 through December 31, 2008 beginning value was a positive $16,360,707, with negative returns of $4,162,139 bringing the total assets to a positive $11,952,452. Total net returns were a negative 25.8% vs. the S&P 500 Index at a negative 36.9%.

Ms. Jackson also reported that the Investment Committee recommended that Morgan Stanley/Smith Barney rebalance the Portfolio over the next 3 to 4 months to the 65/35 allocation as new funds are added. The intention is to dollar cost average as the portfolio is rebalanced.

2008-2009 Distribution to Account Holders – The Investment Committee is recommending at this time that the Board approve zero distribution to account holders for July 1, 2009. The Committee asked staff to identify alternatives to be able to make scholarship funding available to students. Mr. Button stated that he would calendar that topic for the Investment Committee’s March meeting.

Discussion ensued regarding the distribution of undesignated and discretionary funds that may be used for scholarship support. It was agreed that staff would review those strategies, but at this time, the Committee is recommending a zero distribution.

Ms. Jackson made a motion and it was second by Mr. Rogers that no distribution be made to account holders for FY 2009-2010.

A verbal vote was conducted and the motion passed.

New Allocation and Manager Update – As an information item, Mr. Button reported that, on the advice of Smith Barney, and due to poor performance, the Baird Mid Cap Manager was replaced. The Committee reviewed several managers and voted to replace Baird with Congress Asset Management (Mid Cap Growth). Congress Asset Management was a good selection based on both the first fiscal quarter and year-to-date figures.
Treasurer’s Report

Financial Statements – Mr. Leung reviewed the financial statements for the six months ended December 31, 2008.

Total Inflows were a negative $2,540,145 with outflows at $615,440 generating a negative net flow of $3,155,855 and an ending fund balance of $21,143,394.

Mr. Leung reviewed the Statement of Financial Position and the Statement of Activities Reports

As in information item, Mr. Button reported that staff will be reviewing the remaining six months of the Foundation’s operating budget and will try to preserve funding from this year, where possible, to roll forward into next year’s budget. The Board asked if the Planned Giving, President’s Community Relations Fund, and University Projects line-items would continue to be funded. Staff will prepare a financial forecast of the operating budget for the Investment Committee’s review at its March meeting.

Development and Gift Acceptance Committee Report

Ms. Wheeler made the following announcements.

From July 2008 to December 2008, new gifts to the CSULA Foundation endowment totaled $124,000, of which $90,000 is for scholarship endowment. Some donors have chosen to add to their existing endowed funds at year end, including additions to the previously established scholarships named for Jose Gonzalez, Mort Herz, Howard Holladay, and Al and Ann Jicha. Non-endowment (or annual giving) to scholarships totaled $130,000 during July 2008 to December 2008 timeframe.

The real estate gift of a condominium was received in December. This was approved by the Board at their last meeting and had an appraised value of $420,000. The gift was received from Russell Abbott, who is a former member of the CSULA Foundation Board and a current faculty member in the Computer Science department.

Mr. Button has done research on comparable listings and will have a list price to propose to the Development Acceptance Committee at their next meeting.

The proceeds of the John Willis Trust were received in January. As an alumnus of the College of Business, Mr. Willis was from the Class of 1956. The donor has designated that funds be awarded to one student per year. Due to the size of the endowment, Administration is proposing to award one four-year scholarship per year to an incoming student. This trust gift will add an additional $766, 636 to the scholarship endowment.
Pending Estate of Elliott Barton – Expected to be received soon are the proceeds from the estate of Elliott Burton, estimated at $720,000. The University’s Administration is proposing the establishment of an endowment for the Honor’s College.

Annenberg Foundation Update – The Foundation pledged $5 million and has paid $3 million to date. Due to market conditions, the Annenberg Foundation is requesting that the remaining $2 million payment be postponed until July 1, 2009. Administration has agreed to this 30-day delay. The Board was reminded that this is a restricted gift to the capital construction of the Wallis Annenberg Integrated Sciences Complex.

Merkin Foundation – The University was invited to submit an RFP to the Merkin Foundation and has been approved for $150,000 for scholarship support.

Executive Director’s Report

Mr. Button made the following announcements:

Scholarship Administration Update – The scholarship administration has been moved into Institutional Advancement. Administration will be reviewing a number of issues affecting private scholarships including donor stewardship and the difficulties of awarding scholarships. Mr. Button briefly explained the process of awarding scholarships via a more accessible and user friendly system as well as a transparent system.

Transfer of Saturday Conservatory of Music Scholarship Funds – The Board was reminded that the Saturday Conservatory was an out-reach program based on campus that taught young musicians music on Saturday using the University’s Music department facilities. Recently the Saturday Conservatory of Music requested that their scholarship endowments be transferred to the Pasadena Community Foundation for management.

The Foundation has received verification of their non-profit status, a letter from their Board expressing its willingness to accept the funds and criteria established by the funds donors. The net impact as of December 31, 2008 will be a negative $150,000. This will be an adjustment to the permanent designated balances and the temporarily restricted balances on the next financial statements.

New Business

The next Board meeting is scheduled for Thursday, April 30, 2009.

With no further business the meeting adjourned.
As Secretary of the CSULA Foundation Board of Directors, the minutes of the January 22, 2009 meeting have been approved as presented at the April 30, 2009 Board of Directors meeting.

[Signature]
Gilbert R. Vasquez

4/30/09
Date