The CSULA Foundation Board of Directors
Meeting Minutes
Thursday, April 30, 2009

Present: Kyle Button, Jennifer Chemel, Carolyn Frank, Carol Jackson, Fred Lopez, Frank Saito, Mae Santos, Gilbert Vasquez

Absent With Excuse: Kevin Baaske, Mary Pat McEnroe, George Pardon, Timothy Rogers, Sami Siddiqui, Elizabeth Wheeler

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

The meeting was called to order at 11:15 a.m. and Mr. Saito thanked everyone for attending.

President’s Report

The minutes of the January 21, 2009 Board meeting were presented for approval.

A motion was made by Ms. Jackson and second by Ms. Chemel to approve the January 21, 2009 Board minutes as presented.

A verbal vote was conducted and the motion was passed.

As an informational item, Mr. Saito reported that the Administrative Services Contract was being renewed for an additional five years with the terms remaining the same. Mr. Button reviewed the service contract with the Board.

Committee Reports

Investment and Finance Committee Report

Portfolio Performance - Ms. Jackson reported that the Investment Committee met earlier and proceeded to report on the Foundation’s Portfolio as of April 29, 2009.
Year-to-date, December 31, 2008 through April 29, 2009 the beginning value was a positive $11,974,144 with net contributions at a positive $398,968 and the ending value at a positive $12,472,032. Quarter-to-date, March 31, 2009 through April 29, 2009 the portfolio total returns were $728,830.

Total Fund – fiscal year-to-date, the Fund was a negative 5.15% compared to the Composite benchmark at a negative 6.27%, and the S&P 500 Index at a negative 11.02%. For the fiscal quarter, the Fund was a negative 11.22% compared to the S&P at a negative 21.94%. Since inception, August 20, 2003, the total fund was a positive 1.76%.

Ms. Jackson also reported on the following items discussed at the Investment Committee meeting.

- The economic and market overview.
- The Committee’s concern regarding under performance of Renaissance Large Cap Growth Manager and Brandes Global Equity.
- The aggregate strategic allocation guidelines.
- Stanley Morgan/Smith Barney joint venture.

Distribution Options – Mr. Button reiterated the Investment Committee’s recommendation and the Board’s approval that there be zero distribution due to lack of earnings. Mr. Button was asked to identify alternatives to be able to make scholarship funding available to students and is now recommending that funds be used from the undesignated Barton estate gift expected before the end of the fiscal year. Mr. Button reported that $200,000 from this undesignated gift would be used to support existing scholarship endowments.

In addition to borrowing against the Barton estate staff will ask account holders to consider the following options – distributing any currently available fund balances over a period of two to three years to bridge the current fiscal crisis, making an additional gift to the endowment to bring it back up to historical value, asking donors and account holders to consider making an additional contribution this year that the Foundation can use for the intended purpose in lieu of making an additional gift to the endowment.

The temporary use and repayment of the discretionary monies was reviewed. Mr. Button also mentioned that upon reimbursing the Barton funds the funds would be treated as an undesignated endowment.

Staff is recommending that the Foundation continue to support the scholarship program and suspend funding for non-scholarship program items.
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Operating Budget Projections – Mr. Button reported that he will be asking the Investment Committee to supplement the projected Foundation operating budget for 2009-2010 with a distribution from the Foundation’s operating reserve.

Treasurer’s Report – Mr. Leung reviewed the financial statements for the six months ended March 31, 2009.

Total Inflows were a negative $1,403,758 with outflows at $1,145,114, generating a negative net flow of $2,548,872 and an ending fund balance of $21,750,377.

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

Development and Gift Acceptance Committee Report

In Ms. Wheeler’s absence, Mr. Button made the following announcements.

The Development and Gift Acceptance Committee authorized the list price for the condominium at $399,000. Two formal offers on the condo were received and the Committee assented to the counter offers and has yet to hear whether a counter offer has been accepted. The Committee also voted to ask the board to authorize staff (Mr. Button) to act on the sale in the absence of a meeting (with notification to the Executive Committee).

A motion was made by Ms. Chemel and second by Dr. Bowman granting authority to the Executive Director to continue negotiations, without a meeting, to sell said property.

A verbal vote was conducted and the motion passed.

Development staff is working with estate attorneys to determine the valuations and terms of the following gifts.

Lucy Venzor Estate – the Foundation is to receive a single family home located in Los Angeles and earmarked as undesignated funds.

Marjorie Morrison Mitchell Estate – The Foundation will receive 75% of an IRA account. The funds are to be allocated to the Marjorie Morrison Mitchell Scholarship which is currently endowed at $31,000. The scholarship is for a student studying for a teaching credential.

Samuel Chaleff – The Foundation is scheduled to receive $100,000 which will establish an endowed scholarship in honor of Mr. Chaleff’s business professor, Dr. E. Kennedy Cobb.
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The Koenig Family Trust – The Foundation is a contingent beneficiary and will receive funds after several nieces and nephews have reached the age of 25 and have not used the educational funds established for them.

New scholarships were established by Dr. Richard Merkin for students enrolled in the Honors College. The first group of Honors College students are due to start in the Fall of 2010.

Executive Director’s Report

Mr. Button made the following announcements:

WASC Accreditation – as an informational item Mr. Button reported that the University is being re-accredited by the Western Association of Schools and Colleges. Mr. Button reviewed the two-step process and mentioned that it is a peer review process with individuals in higher education.

Capitol Initiatives – The Board and the office of University Development were acknowledged for the success in private fundraising for the second wing of the Annenberg Integrated Science Complex.

Mr. Button also reported that with the passing of the Fiscal Year 2009/10 Federal budget, Cal State L.A. would benefit directly with support for the Hydrogen Fueling Station and support the California Forensic Science Institute to reduce the back-log analysis of DNA in Los Angeles.

The University is in the process of acquiring two lots of land – the agency transfer of the Diagnostic Center and the purchase of the Latter Day Saints facility. The University has also asked for transfer of a surplus social security property located in Boyle Heights.

Honors College 2010 – 25 students will receive scholarship support. A six year plan is in place and $350,000 has been identified for scholarships over that period.

State Budget Update – Mr. Button reported that until the propositions of the special election take place there was no way to determine how it would impact the University.

Senate Bill 218 – Mr. Button referred the Board to the Senate Bill material in their packets. As an informational item Mr. Button reported that the Senate Bill 218 would propose that all state agencies and nonprofit entities would be required to make their records available for public inspection. Mr. Button explained the significance on how it would affect our donors and the consequences on private giving.
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New Business

The next Board meeting is scheduled for Thursday, June 25, 2009 with location to be determined.

Mr. Button received a phone call regarding the sale of condominium and reported that two offers have been received. The offers and counters were explained and Mr. Button is asking the Board’s approval to accept a counter offer.

A motion was made by Mr. Vasquez and second by Ms. Chemel to accept the first buyer’s offer.

A verbal vote was conducted and the motion passed.

With no further business the meeting adjourned at 12:34 p.m.

As Secretary of the CSULA Foundation Board of Directors, the minutes of the April 30, 2009 meeting have been approved as presented at the June 25, 2009 Board of Directors meeting.

Gilbert R. Vasquez

6/26/09
Date