BOARD OF TRUSTEES
Meeting Minutes

Thursday, January 26, 2017
11:00 a.m.

California State University, Los Angeles
Raquel N. Soriano Board Room


Absent: Lorraine Bradley, Lisa Chavez, Jimmy Hausberg, Rosario Marin, Frank Saito, Kayla Stamps

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

Omel Nieves called the meeting to order at 11:07 a.m.

President’s Report – Omel Nieves
Mr. Nieves welcomed everyone and facilitated introductions around the board room.

Approval of Minutes
The draft minutes of the September 29, 2016, Board of Trustees meeting was presented for review and approval.

Motion to approve the draft minutes of September 29, 2016, Board of Trustees, as presented, was made by William Lewis, and seconded by Leila Ricci.

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 shared a study by The Equality of Opportunity Project which ranked Cal State LA #1 in the nation for “upward mobility” and cited the article that was published in The New York Times. He also reported on the Inside Higher Ed article that highlighted Cal State LA and the mobility study. He explained some of the study parameters and how the universities were ranked throughout the nation.

Strategic Plan Implementation and Update – Lynn Mahoney, Provost
Provost Mahoney discussed the strategic plan initiatives and the various working committees. The provost emphasized transfer student graduation rates, and graduation rates for students enrolled beginning freshman year. Discussed were traditional and innovative student support programs, with an emphasis on technological tools to better serve students. Provost Mahoney also shared plans for a new e-based advising program that would assist students, and advisors, in tracking and monitoring academic status and degree completion.

Current student enrollment demographics and impacted areas of study were discussed. It was noted that Cal State LA had the highest increase in fall freshman applications in the CSU system, two years in a row.
Committee Reports

Audit Committee – Dwight Nakata

2015 Exempt Organization Returns (Form 990, CA Form 199, CA Form RRF-1) – Mr. Nakata reported that the committee met with the auditors to review the returns final draft. It is the committee’s recommendation to approve the returns, as prepared by Macias Gini & O’Connell.

Motion to approve the Foundation’s 2015 Exempt Organizational Returns, ending June 30, 2016, was made by Veena Prabhu and seconded by Sergio Gonzalez.

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

Macias Gini & O’Connell (MGO) Contract Extension – Mr. Nakata presented the MGO proposal for services for FY 2016/17 and FY 2017/18. The initial 5-year contract ended for fiscal year 2015/16, and this proposal would extend their existing service contract for an additional two fiscal years. Mr. Nakata presented the committee’s recommendation to extend MGO’s contract, as presented.

Motion to approve committee’s recommendation to extend MGO’s contract for two years (FY 2016/17 and FY 2017/18) was made by Dwight Nakata and seconded by Yoshi Fong.

Following a discussion of best practices, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Chancellor’s Office Auxiliary Audit Update – Mr. Nakata reported that the Chancellor’s Office Audit has concluded, and will share any findings, if any, when the Chancellor’s Office provides the final report.

Investment and Finance Committee – Mongwei Wee

Portfolio Update – The portfolio value ending December 31, 2016, was $32.3M, with YTD earnings of $1.8M. Ms. Wee noted that the portfolio value only includes a portion of the $6M gift recently received. Ms. Wee reported that the executive summaries moving forward will be reported differently. Investment gains trailing five years is $7M, and since inception is $12.1M. Total Fund Performance YTD is a positive 6.91%, trailing five years is a positive 7.23%, and since inception a positive 6.33%. Dr. Dial invited all Trustees to the workshop that will be conducted by Stone-Beck Group, which will focus on the investment policy statement and investment management. More details will be forthcoming.

Distribution and Payout for Fiscal Year 2016-17 – Ms. Wee presented the committee’s recommendation to transfer $281,139 from the foundation’s reserves to supplement endowments that were currently underwater at the beginning of the fiscal year. These endowments are underwater because many of them are new scholarships and have yet to realize their returns for their intended payouts.

Motion to approve fiscal year 2016-17 payout for underwater endowments using reserve monies was made by Sergio Gonzalez and seconded by Nilza Serrano.

Following a brief discussion of how distribution is determined, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Projected Distribution Options for 2017-18 – Ms. Wee presented the committee’s recommendation to approve 3.75% distribution for fiscal year 2017-18. The committee recommended transferring $283,308 from the foundation’s reserves for those scholarships underwater. There followed a discussion of when the funds are approved and distributed.
Motion to approve fiscal year 2017-18 distribution to account holders at 3.75% was made by Veena Prabhu and seconded by Yoshi Fong.

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

**Development and Gift Acceptance Committee – Jorge Ramirez**

Jorge Ramirez reported that the private giving receivables, from July 1st through December 31st was $10,836,859, of which $6,410,355 is earmarked to foundation accounts. Gift commitments (which includes new gifts, new pledges and new testamentary commitments) total was $8,151,319.

Second fiscal quarter highlights included: Drs. Patricia and William Chin’s gift to name the Patricia A. Chin School of Nursing and The Chin Family Institute of Nursing; an in-kind donation of a Microspectrophotometer from CRAIC Technologies to the Rongxiang Xu College of Health and Human Services; Tam O’Shaughnessy’s second pledge payment to name the Sally Ride and Tam O’Shaughnessy Learning Center of the Rosie Casals and Pancho Gonzalez Tennis Center in the Billie Jean King Sports Complex; LA Football Club’s gift to Intercollegiate Athletics; Robert Tanaka’s donation of art work to the Luckman Fine Arts Gallery’s permanent collection; and, two testamentary commitments totaling $350,000.

University Advancement has achieved 91% of its fiscal year goal of $9,000,000 in new gift commitments.

**Governance Committee – William Lewis**

*Academic Senate Chair -* On behalf of the Governance Committee, Mr. Lewis welcomed Academic Senate Chair, Veena Prabhu.

*Committee Roster –* Mr. Lewis presented the printed committee roster to the Board of Trustees for their review. The board discussed the committees and the following assignments were proposed for review and approval:

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<th>Audit Committee</th>
<th>Governance Committee</th>
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<tr>
<td>Dwight Nakata, Chair</td>
<td>William Lewis, Chair</td>
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<td>Lorraine Bradley</td>
<td>Andre Avramchuk</td>
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<td>Yoshi Fong</td>
<td>Janet Dial</td>
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<td>Leila Ricci</td>
<td>Omel Nieves</td>
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<td>Robert Velasquez</td>
<td>Veena Prabhu</td>
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<td>Barry Rondinella</td>
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<th>Development and Gift Acceptance Committee</th>
<th>Investment and Finance Committee</th>
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<tr>
<td>Jorge Ramirez, Chair</td>
<td>Frank Saito, Chair</td>
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<td>Larry Adamson</td>
<td>Lisa Chavez</td>
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<td>Danielle Ares</td>
<td>Alev Lewis</td>
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<td>Sergio Gonzalez</td>
<td>Rosario Marin</td>
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<td>William Lewis</td>
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<td>Omel Nieves</td>
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<td>Veena Prabhu</td>
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<td>Nilza Serrano</td>
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<td>Mongwei Wee</td>
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Motion to approve the new committee rosters was made by Andre Avramchuk and seconded by Jorge Ramirez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.
Mr. Lewis addressed the Secretary officer vacancy, noting that nominees will be identified and recommended for consideration at the June meeting.

**Treasurer’s Report – Mae Santos**

*Unaudited Financial Statements, Ending December 31, 2016*

Ms. Santos presented the Financial Summary and reported total *Inflows* and total *Outflows*, which resulted in total *Net Flow* of $6.9M. The *Ending Fund Balance* was $54,391,932.

Ms. Santos reported on the Statements of Financial Position (balance statement) and reviewed total assets and liabilities for each category: Unrestricted Funds, Temporarily Restricted Funds, and Permanently Restricted Funds.

Mr. Leung addressed an earlier inquiry from Ms. Serrano, noting that the bottom portion of the balance statement lists the various managers under The Stone-Beck Group.

Ms. Santos reported on the Statements of Activities (profit and loss statement) and reviewed total revenue and expenses for each category: Unrestricted Funds, Temporarily Restricted Funds, and Permanently Restricted Funds.

Expenses ending December 31, 2016 were $228,418 for an available balance of $226,878, approximately 50% of the approved $455,297 fiscal year budget.

Ms. Santos noted that the remaining pages are supporting documentation for the unaudited financials, as presented.

**Executive Director’s Report – Janet S. Dial**

Dr. Dial announced that Cal State LA was awarded $1.5M from The Ahmanson Foundation towards the State Playhouse renovations and equipment upgrades. She noted that the naming request for the Patricia A. Chin School of Nursing will be presented and voted upon at the upcoming CSU Board of Trustees meeting.

Cal State LA will be hosting the Alumni Awards Gala the following Friday and Dr. Dial extended invitations to all Trustees. Dr. Dial directed them to the list of upcoming events on page 2 of the meeting agenda. The next major events following the Alumni Awards Gala is Ballet Hispánico’s VIP Technical Rehearsal Reception and then their performance at the Luckman the following evening. Dr. Dial invited all Trustees to any (and all) of the events listed, and to contact University Advancement Office to RSVP.

**Next Meeting and Adjournment**

The next meeting of the Foundation is scheduled for April 27, 2017. Motion to adjourn was made by Janet Dial and seconded by Omel Nieves.

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

As President of the Cal State LA Foundation, the minutes of the January 26, 2017 meeting, as presented, have been approved.

Omel A. Nieves

Date

4-27-17