

California State University, Los Angeles Foundation

BOARD OF TRUSTEES Meeting Minutes

Thursday, April 23, 2020
11:15 a.m.

California State University, Los Angeles
Zoom Meeting

Present: Jacquelyn Acosta, Larry Adamson, Nelson Algaze, Lorraine Bradley, Emilio Campos, Lisa Chavez, William Covino, Janet Dial, Danielle Ares-Duran, Rachel Friedman, Chris Garlington, Sergio Gonzalez, Alev Lewis, William Lewis, Rosario Marin, Dwight Nakata, Omel Nieves, Veena Prabhu, Jorge Ramirez, Barry Rondinella, Nilza Serrano, Robert Velasquez, Joyce Williams

Absent: Merridith Chou, Robert Nissen, Lina Hu

Staff: Robert Avalos, Associate Vice President for Principal and Planned Gifts
Susana Moreno, Fiscal Analyst, University Advancement
Jane Rhee, Administrative Assistant, University Advancement

Omel Nieves called the meeting to order at 11:20 a.m.
Mr. Nieves welcomed everyone.

President's Report – Omel Nieves, President

Approval of Minutes

The draft minutes of the January 23, 2020, Board of Trustees meeting was presented for review and approval.

Motion to approve the draft minutes of the January 23, 2020, Board of Trustees meeting was made by Larry Adamson and seconded by Veena Prabhu.

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

University President's Report – William A. Covino

President Covino reported that faculty and students are proceeding with the spring semester through online courses and there have been fewer withdrawals compared to a traditional academic semester. He also shared admission adjustments for the fall semester enrollees. At this time, Cal State LA has removed SAT and/or ACT requirements for the incoming fall freshman student applicants. He reported there remains more than 100 students residing in the on-campus housing facilities, and the student health center is accessible with appointments. Emergency grants have been distributed and the university will be receiving federal CARES Act monies that will also be used to assist students. President Covino encouraged trustees to donate to the emergency funds. Auxiliary sectors on the university are most impacted due to closures, resulting in revenue loss. Summer session will be provided online and on-campus classes for fall semester and other activities, such as commencement, are to be

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determined, contingent on state and regional public health guidelines. Ms. Marin inquired about the food pantry and President Covino confirmed that it is not operational at this time due to public health guidelines requiring campus closure.

Dr. Dial acknowledged Student Life whose office identified and assisted students most immediate in need of emergency grant funds. President Covino acknowledged Associated Students, Inc. for their proposed \$100K allocation towards the emergency funds, to grants for students who will be ineligible for CARES Act federal funds, particularly undocumented and international students. The upcoming May 1st deadline for enrollment confirmation includes a deposit which is being waived at this time. Ms. Prabhu commended A.S.I. for supporting the needs of students. She shared the efforts and work of the Office of Students with Disabilities. She also reported that faculty have all reported an increase in class attendance since class instruction has been conducted online.

Committee Reports

Audit Committee – Dwight Nakata

Mr. Nakata reported that CohnReznick will be reducing professional fees for the next June 30th tax returns. He reported that one of the auditors, Georgina Harris, is no longer with CohnReznick but the principals still remain at the firm. He noted the process for the June 30th audit will begin shortly.

Development and Gift Acceptance Committee – Rosario Marin

Fundraising Report Ending March 31, 2020 – Ms. Marin reported on the private giving receivables, and total philanthropic productivity gift commitments since July 1, 2019. Ending March 31st, we have achieved 97% of the fiscal year goal of \$10M.

As of March 31, 2020, Cal State LA has raised \$70.8M toward the *We Are LA* campaign goal of \$75M, with 14,503 total individual donors.

Some third quarter fiscal year highlights included a realized bequest from the Estate of Richard Mankiewicz towards the three endowed scholarships in the College of Arts and Letters and towards the University Library; an estate gift from the Keyes estate to establish new endowments in chemistry and mathematics; an estate provision towards the history department for more than \$900K; an estate gift for the Charter College of Education; an estate gift by a distinguished alumnus to create the first professorship in the College of Arts and Letters for the music department; and \$50K from QueensCare Health Centers Foundation towards the Mind Matters Garden.

Governance Committee – Barry Rondinella

Mr. Rondinella reported that the committee will be convening to review committee and committee chair appointments and officers for FY 2020-21 in late May/early June. Mr. Rondinella requested for all trustees to forward committee preferences and proposed/suggested nominations for the committee's consideration in preparation for the June board meeting.

Investment and Finance Committee – Alev Lewis

Portfolio Update – Ms. Lewis reviewed endowment's executive summary, beginning with the portfolio values ending December 31st (2019), March 31st and as of April 10th, noting the decline between December and March and the slight increase between March 31st and April 10th. In review of the Performance chart, the portfolio's

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diversification helped navigate market volatility. She reported on manager performance (highest and lowest). Based on the Jewel City Group's market outlook report, we can anticipate a recession and recovery environment. She reviewed rebalancing actions, such as reduced fixed income, increased equities, decreased short duration fixed income, removal of 2% allocation to TIPS, and the addition of high yield fixed income at 4%.

Treasurer's Report – Joyce Williams

Unaudited Financial Statements ending March 31, 2020 – Ms. Williams reported that the opening fund balance was \$59,297,805 with an ending fund balance of \$56,678,859. These numbers included a loss in investment earnings of \$3,479,138, and gifts and contributions of \$3,840,088. The outflows including operating, investment, scholarships and campus program distributions totaled \$2,979,897.

Ms. Williams proceeded to review the *Statement of Activities*, *Statements of Financial Position*, and the *Detailed Statement of Activities*, and noted budget is on target.

Executive Director's Report – Janet Dial

We Are LA Campaign and University-wide Updates – Dr. Dial reported that majority of staff have been working remotely/tele-working since March 19th/20th. She elaborated on the first distinguished professorship endowment to the university for the College of Arts and Letters (a gift more than \$3.5M). She reported on a realized estate gift of \$1.5M that will establish a nursing endowment gift that arrived this week which will be reflected in the endowment portfolio and financial reports. She elaborated on the estate gifts Ms. Marin mentioned in her committee report, noting the gifts are for various colleges throughout the university.

Dr. Dial recognized Ms. Acosta and A.S.I. for their actions to aid students in need through the emergency grants fund. She reported that the Basic Needs funds was established during this pandemic to direct gifts online towards the emergency grants fund for students. Trustees were encouraged to contribute towards assisting students. Year-to-date, we have exceeded the fiscal year philanthropic goal of \$10M, and over \$71M of the campaign goal. She reminded the board that the campaign will conclude in 2022, the 75th anniversary of the university.

There was a discussion of restricted vs. unrestricted monies, and it was clarified that majority of the funds held in the foundation are restricted per donors' intent. Historically, foundation reserve monies have been used to award scholarship distributions for endowments underwater. With a proposal to match A.S.I.'s \$100K donation towards the emergency grants fund, there was discussion of whether the foundation could allocate such monies and ensure the endowment's financial health. The trustees concurred any monies allocated should primarily be designated for undocumented and international students since they are ineligible for CARES Act monies. It was confirmed that online donations were being directed towards the emergency grants fund, designated primarily for undocumented and international students. The trustees concurred the financials need to be reviewed prior to foundation funds being allocated outside of the endowment. It was noted that action items requiring a formal vote need to be in compliance with nonprofit parliamentary procedure. Dr. Dial was requested to review the financials with the university finance team, and report to the board for further consideration.

Next Meeting

The next meeting of the foundation board is scheduled for June 25, 2020.

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Motion to Adjourn

With no further business, motion to adjourn was made by Rosario Marin and seconded by Sergio Gonzalez.

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

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Approval of Board Minutes

As Secretary of the Cal State LA Foundation, the draft minutes of the April 23, 2020 board meeting, as presented, have been approved.



Danielle Duran

June 25, 2020

Date