

**MINUTES OF THE BOARD OF DIRECTORS OF THE
CALIFORNIA STATE UNIVERSITY SAN MARCOS FOUNDATION**
A California Nonprofit Public Benefit Corporation

March 23, 2017

Members Present:

Luanne Bas, Dan Calac, John Fortune, Jon Fredricks, Ron Gerevas, President Karen Haynes, Emilie Hersh, Neal Hoss, Anthony Jackson, Dawn Myers, Jack Raymond, Toni Ritchey, Tony Pack and Steve Wagner with Esther Stearns and Maryann Edwards via teleconference

Members Absent:

Ed Fuller, Chris Tresse and Sue Moineau

Staff Present:

Cathy Baur, Tina Bell, Kyle Button and Christa Koen

Proceedings:

On March 23, 2017, and pursuant to California Corporations Code Section 5211(a)(6) a business meeting of the California State University San Marcos Foundation Board of Directors was called to order at 7:31 am by Mr. Jack Raymond, Chair of the Board.

Call to Order:

- Chair Raymond welcomed everyone to the meeting and *the* university that will need to build a bigger tent to accommodate our sold out Report to the Community event in February. He noted the following:
 - The Board welcomes Emilie Hersh to her first official board meeting.
 - The Council for Advancement and Support of Education (CASE) District VII awards were announced and this year CSUSM won three awards. Mr. Kyle Button was honored with the Tribute Award which recognizes members who have maintained the highest standards of professionalism in their advancement careers and shared their expertise with members of the profession. CSUSM won a gold award for the Commencement social media campaign and a bronze awards for STEPS magazine.
- Chair Raymond reminded board members that they are welcome to submit suggestions for question of the quarter. He asked:
 - How can we better utilize your talent and interests to accomplish the mission of the board?

I. President Haynes provided the following update:

- Helen McNeal, Executive Director for the CSU Institute of Palliative Care, has announced her retirement. A recruitment will begin shortly with President Haynes to chair the search committee as this is such a unique position with ties to both the California State University system and CSUSM.
- The Governor's budget proposal, which included an ongoing increase of 2%, is \$167.7 million less than what the Board of Trustees requested as necessary funding for the CSU's operating budget. The CSU is working with a funding amount similar to that received in the early days of the recession.

- On March 22, 2017 the Board of Trustees approved a tuition increase of just under 5% which equates to \$270 per student per year and will go into effect for the Fall 2017 semester. This is the CSU's first tuition increase since 2011 and CSUSM still remains at less than half of the nation average for tuition.
- CSU campuses were informed that we would receive zero enrollment growth for 2017-18, however CSUSM is prudently accepting approximately 1,000 students, both first time freshmen and transfer students. This tuition revenue will assist with the University's ability to offer more class sections and student support services.
- Each year the CSU selects four faculty members from a pool of 26,000 system wide for the Wang Family Excellence Award. This year psychology professor Keith Trujillo was recognized and it was the second straight year that CSUSM had a faculty member honored.
- On February 23 CSUSM celebrated the grand opening of our Black Student Center in the University Student Union.
- Our nursing program has been ranked 12th in the state by RegisteredNursing.org with ranking determined by how well a program supports students toward licensure and beyond.
- The Region VIII Governing Board from the Kennedy Center/American College Theatre Festival selected a scene from our production of "As It Is In Heaven" for inclusion at last month's regional festival in Arizona. It was one of 10 scenes selected out of approximately 90 that were nominated.
- Media design professor Lucy Solomon and her art collective, The League of Imaginary Scientists, were selected as a featured artist at the Sundance Film Festival in January. Their participatory animation project was created on-site with Sundance participants and shared at the final ceremony.
- Earlier this month, CSUSM's Society of Physics Students had their proposal, entitled "CSUSM Society for Diversity in Physics", selected as a 2016-17 Future Faces of Physics Award winner.
- On March 22, 2017 CSUSM's public-private partnership to design, develop and finance a building located just across the street from the main campus received conceptual approval from the Board of Trustees. This will be funded by Extended Learning and Parking Services revenues and will house the University's Extended Learning Program and other academic and student support services. In order to have a functional building for the Fall 2019 semester, groundbreaking would need to take place in January 2018 and CSUSM is moving forward on an aggressive timeline to once again present to the Board of Trustees for architectural and financial approval.

II. Consent Agenda:

- Chair Raymond requested a motion to approve the consent agenda which included the previous meeting minutes, Committee Reports, Financial Statements, and Investment Performance; it was moved by Mr. Fredricks and seconded by Mr. Wagner and approved by all.

III. Student Update:

- Ms. Myers reported that the Spring Phonathon will begin April 8 and run through April 24, with student employees calling alumni and parents of freshmen students.
- Ms. Myers reported the Student Philanthropy Council's (SPC) success at the recent GradFest event which is a two-day, one-stop shop for all Commencement needs for graduating seniors. SPC representatives assisted the Alumni Association and sold over 500 annual and lifetime

Alumni Association memberships. The Student Philanthropy Fund received \$1,871 in gifts from 94 new donors at this event.

- Ms. Myers acknowledged and thanked the anonymous donor for the \$5,000 matching gift challenge to the SPC noting the incentive it gives students to feel confident in the impact of their gift.

IV. Advancement Update:

- **Campaign Update:**

- Mr. Button reviewed the Board and Advisory Council Giving Report noting an intention to reengage the college advisory boards and volunteers as we close the campaign. As of February 2017 over \$36 million of the \$50 million campaign goal has been raised, which is 72 percent and we are now 74 percent of the way through the campaign.
- Mr. Button shared the standard breakdown of campaign gifts as compared to CSUSM's gifts at the launch of campaign through present. All data shows we are trending well with increased gift size across all categories. As to be expected with a young alumni base with 70 percent graduating in the last 10 years, the annual giving is lower than average, but opportunities have been identified for major gifts lying a roadmap to meet our campaign goal.

- **Goals Update:**

- Short Term Goals: Ms. Baur shared the status of three short term goals including the Veterans Center Match, Steinway Match, and the Sports Center Video Board Loan, and requested the board's assistance in finding additional philanthropic support to move these projects forward.
- Long Term Goals: Ms. Baur shared that a meeting has been scheduled with the senior leadership of a local company with interest in supporting the launch of our Engineering program. In addition to the HSI STEM grant received, CSUSM will need \$4 million in private support to grow and sustain the Engineering Program. Interest continues to grow for the Action Sports Program and CSUSM is presenting a proposal to Hurley in April for continued support.

- **Gala:**

- Our annual Gala will be held on June 3, 2017 and the theme is Monopoly. Over \$75,000 in ticket sales and sponsorships have been pledged to date which is half of our goal with invitations yet to be mailed.
- Gratitude was offered to board members who have purchased their tables at Gala and Ms. Baur reiterated that this is an opportunity to bring new friends and colleagues to campus who would benefit from learning about the profound impact CSUSM has on our students and our region.
- Mr. Button commented that the Gala raises the most of any event for University scholarships and reported that through collaboration with the Office of Undergraduate Studies, this year's Gala scholarship recipients will receive combined academic support services in order to reach graduation in four years.

- **Board Member Ambassadors:**

- The Foundation board members in attendance at Report to the Community were successfully given ambassador roles and asked to make connections on behalf of CSUSM. Advancement hopes to utilize this format at additional events throughout the year.
- Ms. Baur reported that she is meeting with University Council members to provide a campaign update as well as inquire about possible connections in support of the

campaign. The University Council members have been very responsive and eager to assist.

V. Prospect Screening:

- Chair Raymond noted that while 43 percent of board members have completed their Prospect Screening worksheets, we want to ensure full participation and therefore Advancement staff will be reaching out to schedule meetings.

VI. Thank You Cards:

- Board Members were asked to handwrite thank you notes to recent donors. Cards were collected at the end of the meeting and mailed on the Board Members' behalf.

VII. Foundation Board Business:

- Mr. Hoss acknowledged two task force teams that were created and asked a member of each to report out to the board.
 - **CEO Roundtable:** Ms. Hersh provided an update on the CEO Roundtable taskforce that met on March 13. The taskforce members examined the proposed idea of a CEO Roundtable event co-hosted by CSUSM and the San Diego Region Economic Development Council. The event would be held twice a year over breakfast, once at CSUSM and once in San Diego to accommodate all of San Diego County. Each would have a specific topic and Engineering has been suggested as the focus for the inaugural event. Next steps are to review date options in Fall 2017 and solidify a list of prospective invitees.
 - **Governance Committee:** General Jackson provided an update on the Governance Committee taskforce that met on February 16. The taskforce members determined that the CSUSM Foundation Board would benefit from the continuity provided by establishing a Governance Committee responsible for membership management, recruitment, committee and taskforce management, and oversight of board governing documents. A draft charge was shared noting a five member committee, chaired by the Vice Chair of the Foundation Board with meetings to be scheduled on an ad hoc basis.
 - General Jackson requested a motion for the CSUSM Foundation Board to establish a Governance Committee; it was moved by Mr. Wagner and seconded by Ms. Bas and LtCol Pack and approved by all.
 - General Jackson stated that he would chair the Governance Committee in his role as Vice Chair and then called for members to serve. Chair Raymond, Ms. Stearns, Mr. Wagner, Ms. Ritchey, and LtCol Pack volunteered. A meeting will be scheduled.
- **Endowment Earnings Distribution Rate 2017/18:**
 - Mr. Hoss reported that the Finance & Investment Committee met on March 9, 2017 and one item discussed was the Endowment Earnings Distribution Rate for 2017/18 fiscal year. The committee considered options of remaining at 3.75% distribution rate for the 2017-18 fiscal year which was approved by the Board in 2016, or increasing to the historical average of 4 percent distribution. After discussion the committee consensus was to remain at 3.75% distribution for the long term financial health of the endowment and to maintain the purchasing power of the allocations over time.
 - Noting the multi-year commitments made to students, the university will explore ideas for maintaining those commitments by augmentation with internal funds.
 - Mr. Hoss requested a motion to confirm the 2017-18 distribution rate of 3.75 percent with the provision to make arrangements to honor multi-year commitments to student

scholarships; it was moved by Dr. Calac and seconded by Ms. Edwards and approved by all.

- **Talking Points**

- Talking points incorporating key information referenced in the President's remarks and updated information on the short term goals were provided. Talking points will be provided to board members on a monthly basis

VIII. Guest Presentation: Engineering

- Edward Price, Professor of Physics at CSUSM, shared his work on the development of the Engineering Program at Cal State San Marcos.

Adjournment:

There being no further business, the meeting adjourned at 9:26 am.

Minutes submitted by: Christa Koen

Dated: March 24, 2017


Secretary