EXECUTIVE COMMITTEE MEETING
Thursday, March 10, 2016 ~ 3:00 P.M.

Pursuant to notice given, the Executive Committee of the CSUSB Philanthropic Foundation convened for a regular meeting at California State University, San Bernardino, 5500 University Parkway, San Bernardino, University Enterprises Board Room, on March 10, 2016.

Members Present:
James Ferguson
Ron Fremont
Douglas Freer
Brian Haynes
Cole Jackson
William M. Stevenson
Samuel Sudhakar
Edward Teyber
Ellen Weisser

Members Absent:
Bryce Davis
Juan Delgado
Mark Edwards
Mark Kaenel
Tomás Morales

Guests Present:
Beth Brenner
Doreen Hatcher
Lisa Iannolo
Pam Langford
Bob Tenczar
Crystal Vickery
Welcome

Meeting called to order at 3:10 p.m.

Approval of the Minutes for Executive Committee Meeting- November 19, 2015

Motion: The minutes of the September 19, 2015 Executive Committee Meeting were reviewed and a correction was made in the Investment Committee Report. The minutes were approved as amended (Jackson/Sudhakar/Unanimous).

Executive Director Report

Ron introduced the new Associate Vice President for Strategic Communication, Bob Tenczar. Bob joined the CSUSB family on January 25th from St. Xavier University in Illinois where he served for nine years as the Vice President for University Relations. Bob has enjoyed an exceptional career in higher education, advancing the communication and marketing portfolios for a number of universities. Tenczar expressed his excitement to be a part of CSUSB and stated he has already begun working with Deans and VP's on campus on the new branding initiative and many other projects to increase our campus visibility.

Fremont reported that the President’s Showcase that was held on Saturday, March 5th was a great success with a sold out crowd of over 300. Weisser concurred that it was a phenomenal event and particularly enjoyed the drone presentation from our science students. Weisser commended Carol Dixon for putting together such a wonderful event. Fremont also thanked Erika Quinonez for all of her work behind the scenes for the Showcase. Both Fremont and Weisser thanked all of the Board members who were in attendance.

Fremont highlighted the fundraising productivity to-date with the foundation is currently at $4.1 million which is a 68% increase from where we were last year. Fremont thanked Brenner for her incredible leadership in the Development office. A $400,000 grant is in the pipeline and there are still a few more months of fundraising and Fremont believes this year has a lot of potential of being an even better year than last year. The CSU Chancellor Office report on the cost to raise a dollar was reviewed. Fremont pointed out that a few years ago the cost to raise a dollar was higher because we added few new positions and built up our infrastructure. Last year CSUSB beat the system-wide mean, and peer group with CSUSB’s cost to raise a dollar at $0.15 cents, the system-wide average at $0.19 cents and our peer group at $0.21 cents. Our peer group is comprised of the following CSU campuses: Bakersfield, Channel Islands, Dominguez Hills, East Bay, Maritime Academy, Monterey Bay, San Marcos, Stanislaus and the Chancellor’s Office. Perkins inquired how the cost to raise a dollar amount is calculated and it was explained that everything is examined including staffing and funds spent.

Fremont reported on the National Association of Colleges, Universities and Business Officers (NACUBO) returns. NACUBO determines what a campus investment returns should be based on
the size of the portfolio and they base their numbers on the size of your endowment. In the spirit of transparency, Fremont shared with the group CSUSB’s rankings. According to NACUBO in 14-15 the investment return rate for endowments under $25 million dollars, should be around 2.4% and each campus within that peer group performed at 100 bases points below the expected NACUBO return rate. Freer shared that the CSU system has begun conversations on how all campuses could work together to increase their investment return rate. The committee discussed the importance of monitoring our performance and looking at the investment strategies of the campuses that do well. Freer and Weisser recommended that we find out which campuses use Beacon Pointe to manage their portfolios. It is the charge of the Investment Committee to review investment managers and to move forward changes to the portfolio.

50th Anniversary

Fremont informed the committee on the upcoming events featured on the 50th Anniversary calendar and shared that several events slated in April have been postponed due to the tentative Faculty Strike that will take place from April 13-April 19, 2016. The Criminal Justice Symposium will be postponed until the 2016-17 year.

In closing Fremont mentioned that CSUSB will begin MPP 360 reviews to seek feedback on performance. Via a survey instrument the Executive Committee will have an opportunity to evaluate both Fremont and Brenner in the coming months and both would appreciate for everyone to participate.

Financial Review

Iannolo provided summary on the latest statement of financial position for the CSUSB Philanthropic. Iannolo pointed out that due to bad market climate as of January 31, 2016 the CSUSB Philanthropic Foundation currently has a negative of fund balance of -$1,146,253 this is communicable to unrealized loss in the endowment portfolio. The actual unrealized loss is ~ ($2,186,418). Overall the foundation financials are looking good and it hoped that unrealized losses will flip around. The RAFFMA inventory recently completed resulting in a change of $120,000 added to the collection number in the month of March. The scholarship distributions are in line with as of January 31 $623,039 has been distributed and in 2015 only $238,000 was distributed. We will continue to distribute scholarships in the spring quarter.

Investment Committee Report

Stevenson reported acknowledged that the market has been very difficult and volatile. In fact the prior minutes reflect back in November that the market was also very volatile. CSUSB’s portfolio is built to minimize the downside and to capture as much of the upside possible. The main compositied we lost 2.8% YTD with the policy index down 3.3% YTD. The portfolio is
definitely down and the investment committee is looking at the components of the portfolio and will likely be doing repositioning of the portfolio. However if we pull out of a poor performing fund, it will lock in the losses on the fund. Overall the portfolio in some ways is being stress tested and even though there are losses it stands within our policy index.

International stocks are the headwind and are trailing. The investment committee is reviewing the global natural resources fund that is 2% of the portfolio but it is not performing well. Freer detailed that the in the investment committee is looking at 3, 5 & 7 year returns and monitor the overall performance of each fund. Jackson expressed his opinion that sometimes by taking a loss and pulling out of a fund is often a better option than worry about an unrealized gain. Stevenson affirmed that the investment committee will do their best to manage the funds.

**Alumni Committee Report**

Hatcher began her report by discussing the efforts the Alumni Office has recently taken to track alumni engagement for the Strategic Plan. Hatcher identified a few areas that will be used to establish a baseline to measure growth approaches on alumni engagement. The alumni has had over 300 unique volunteers signing up for events and over 130 mentors have signed up for this year-long activity. It has been difficult to pinpoint alumni engagement numbers because alumni might not being attending an event in person but they are still engaged and would like to hear about the event online. The recent Homecoming Kick-Off Celebration on February 20 had more than 1,000 alumni, faculty, staff, family and friends in attendance and more events are being planned. Road trips to engage alumni in the Rancho Cucamonga area and Northern California are also in the works.

The committee discussed the different student experiences depending the years that they attended school and whether or not they lived on campus and how that effected their alumni involvement. Both Haynes and Freer shared that plans for additional student housing will break ground in August 2016 which will add an additional 416 beds to our current 1450 beds.

**Advocacy Report**

Langford referred the committee to the advocacy updated in the meeting packet and shared that Governor Brown recently made two re-appointments and two new appointments to the California State University Board of Trustees (Jean Picker Firstenberg, Lillian Kimbell, Thelma Melendez and Jane Carney.) Specifically important for everyone in the Inland Empire region is the appointment of Jane Carney of Riverside. Carney was a partner at Roth, Carney and Knudsen LLP from 2008 to 2010 and she also practiced law with board member Mark Edwards and also served on the board of the James Irvine Foundation. In November the Board of Trustees approved their budget and will be seeking $103 million over the Governor’s budget. If the requested budget is approved it will allow for an increase of 3% in student enrollment.
Langford highlighted three pieces of upcoming legislation proposals. 1. CSU Investment Authority which will allow the CSU the same level of investment authority and flexibility as the UC is allowed. Currently the CSU is limited to a list of high-quality, low-fixed income securities. 2. State Authorization Reciprocity Agreement, this will allow students in California to enroll in classes and programs via online or distance education. 3 One-Stop Financial Aid would be great for our students; it would allow the CSU, UC and Community college to package awards for students and have a true ‘one-stop’ delivery approach.

Langford informed the committee that the Governor issued a challenge of a 60% graduation rate to all 23 CSU campuses as a part of the Graduation Initiative which encourages campuses to establish graduation targets comparable to the top quartile of national averages of similar institutions. Langford is confident that CSUSB will be able to meet the challenge due to the great programs offered at CSUSB.

CSUSB Philanthropic Foundation Property

Fremont reviewed the CSUSB Philanthropic Foundation Property transfer and explained that since inception of the Foundation it has maintained title ownership of all non-cash gifts to CSUSB, including works of art, historical artifacts, scientific equipment, and other assets that advance its academic mission. In consultation with the CSUSB Administrative Council, as well as CSU General Counsel, it this policy will transfer title ownership of all non-cash items to CSUSB for accounting purposes and will align ownership and responsibility of the items to the state.

Motion: Approval of the CSUSB Philanthropic Foundation Non Cash Property transfer (Perkins/Stevenson/Unanimous)

Adjourn

Motion: Meeting was adjourned at 4:29 P.M. (Stevenson/Freer/Unanimous)
CSUSB Philanthropic Foundation
Executive Committee Meeting
Minutes Approval
Meeting Date: Thursday, March 10, 2016
Location: UEC Boardroom

Signature: [Signature]
Date: 05/26/16

Print Name: [Signature]
[Signature]

Board Position: Secretary