



Board of Governors Regular Meeting Minutes

CSU Foundation

Mar 2, 2023 at 3:00 PM PST

@ Zoom -

<https://calstate.zoom.us/j/83072410855?pwd=WVhaQnA5bk5xUW55VnM4QnVmR2Rrdz09>

Attendance

Present:

Members: Ronald Barhorst, Kristin Crellin, Ron Fong, Kimberley Goode, Jolene Koester, Michael Lizárraga, Lorene Miller, Henry Perea, Ali Razi, Gaddi Vasquez, Scott Wells, Gillian Wright

Guests: Nathan Dietrich, Maryann Reyes

Staff: Wendy Garcia, Aaron Moore, Lori Redfearn, Steve Relyea

Absent:

Members: Keri Askew Bailey, Michael Lucki, Shari Slate

I. Call to Order (Presenters: Kristin Crellin)

Chair Kristin Crellin called the meeting to order at 3:00 p.m.

II. Public Comment

There were no remarks from the public.

III. Chair's Welcome and Remarks (Presenters: Kristin Crellin)

Chair Kristin Crellin thanked everyone for their time and dedication to the board. She welcomed Interim Chancellor Koester, CSU Executive Vice Chancellor and CFO, Steve Relyea, and Assistant Vice Chancellor of Advocacy and State Relations, Nathan Dietrich. She also welcomed external advocate Maryann Reyes. Chair Crellin shared the resignation from the Board of both Peter Brightbill and George Marcus. She then shared with the Board commendations for both Peter and George to thank them for their service. Foundation President Lori Redfearn shared that she was able to speak to both Peter and George, and they wanted to express their appreciation for letting them be a part of a mighty team. She also spoke about their history of service to the Board and to the CSU and highlighted that they remain committed to the University and continue to be supporters. Chair Crellin also congratulated Shari Slate on her new role at CVS Health as the Senior Vice President and Chief Diversity, Equity, and Inclusion Officer. Shari was

unable to join the meeting, but Chair Crellin hopes to be able to see her at a future meeting to congratulate her in person.

A. Commendation for Peter A. Brightbill (Action)

Motion:

RESOLVED, that the Board of Governors of the California State University Foundation expresses its profound appreciation to Mr. Peter A. Brightbill, for his exemplary leadership and dedicated service.

Motion moved by Ali Razi and motion seconded by Michael Lizárraga . Approved

B. Commendation for George M. Marcus (Action)

Motion:

RESOLVED, that the Board of Governors of the California State University Foundation expresses its profound appreciation to Mr. George M. Marcus, for his exemplary leadership and dedicated service.

Motion moved by Ali Razi and motion seconded by Ronald Barhorst . Approved

IV. Chancellor's Remarks (Presenters: Jolene Koester)

Interim Chancellor Koester first discussed the beginning of the search for the next regularly appointed chancellor. Open forums were held in Long Beach, Bakersfield, and San Francisco where individuals were able to participate in person and virtually. The purpose of the forums was to give feedback on the search process to help create a profile for the incoming chancellor. The appointment process involves the creation of two committees. The first is the Implementation Committee, chaired by Board of Trustees Chair Wenda Fong, comprised of 8 individuals and has cross sections of the various constituencies of the CSU. Parallel with that committee is the Assessment Committee which will conduct the initial review and assessment of all prospective candidates. The Assessment Committee will then hand off their recommendations to the Implementation Committee. Gaddi Vasquez serves on the Assessment Committee as the community representative.

Gaddi Vasquez then gave the Board an update on the work of the Assessment Committee. Mr. Vasquez commended Chancellor Koester, Chair Fong, and all those who had a hand in shaping the process. He described the process as deliberative, well structured, and very inclusive. Mr. Vasquez discussed the forums that were held and complimented each speaker's passion, conviction, and purpose. Now the heavy lifting begins as the committee goes into the phase of earnest reviews and discussions to

assess candidates. Chancellor Koester expressed her gratitude for Mr. Vasquez taking on this assignment. She described the goal of the Assessment Committee to not just review candidates who have expressed interest in the role but instead to look at people who the search firm and others have nominated or identified as potential candidates. The goal is to have the search completed with an appointment at the July Board of Trustees meeting.

Chancellor Koester then discussed the additional changes in presidential leadership, including two additional retirements -- President Ellen Junn from Stanislaus State and President Fram Virjee from Fullerton. She noted most CSU presidents serve over eight years and the national average six years ago was six and a half years. She reiterated the presidential role is not a job but a life service. The new president of Cal State LA will be appointed at the March Board meeting. Searches for CSU Chico and Sacramento State have kicked off with forums at both university campuses, the goal being to appoint those presidents at the May Board of Trustees meeting. The search for Sonoma State is going to be delayed until next year, however Interim President Mike Lee has done an excellent job in managing budget and enrollment metrics. An interim president will also be appointed at Cal Maritime with a formal search beginning after. Interims will also be appointed at Stanislaus State and Cal State Fullerton.

Chancellor Koester closed with an update on Title IX work and the Board of Trustees self-assessment. Consultants have visited 23 of our universities and have done open surveys across the system. They will deliver individualized reports and suggestions to each university over the next several months and each of the universities will assemble a campus-based working group that will include a student, faculty, and staff representative who will review the recommendations. It is the hope that the firm Cozen O'Conner will present to the Board of Trustees in May with some high-level recommendations. The Board is also engaged in self-evaluation as they hired two consultants, former Chair of the Board Roberta Achtenberg, and Jane Wellman, who is a national leader in higher education policy. They have looked at analyzing board functions, protocols, and best practices around the country. They also initiated a survey with the National Association of System Heads and collected data on 25 different systems of public higher education and developed a description of choices on a variety of aspects of boards and how they function. Chancellor Koester also highlighted a grant from the College Futures Foundation is supporting a large percentage of the consulting costs. She then discussed the Sustainable Funding Model Task Force and how they are looking at the cost structure of the CSU and potential recommendations on the revenue side of CSU finances.

Chancellor Koester then opened the floor for questions. Kimberley Goode asked about feedback from departing presidents and whether or not there were themes beyond

personal decisions. Chancellor Koester spoke about her interviews with the 23 presidents after she was appointed and how COVID had been rough in terms of wear and tear on the soul and the leaders' ability to sustain momentum in key areas. She also spoke about the reorientation of priorities related to changing leadership and the incredible demand on the role. Dr. Razi asked if the names of candidates would remain confidential. Dr. Koester responded that yes, the names do remain confidential because they have learned many individuals will not apply because they experience repercussions where they are currently serving. She acknowledged the large contingency who disagreed with this decision but reiterated she thinks at this point in time it is the right decision.

V. President's Remarks (Presenters: Lori Redfearn)

Foundation President Lori Redfearn began by sharing some of the good news about the investments our donors are making in the University and how it is one of the pillars of the University's financial stability. She walked through the 2021-22 CSU Donor Support report and reiterated that the philanthropic support we receive affirms the enduring belief in the CSU's mission and the intergenerational transformative power of the CSU. Highlights included:

- \$567 million in gift commitments, including pledges and estate gifts.
- \$473 million in gift receipts or actual gifts received.
- \$2.3 billion in endowment market value despite a volatile investment market.
- \$10,000 grant from SoCalGas for the CSU STEM-NET Student Research Fellowship Program which provided undergraduate students with the opportunity to participate in research projects with faculty members. Conor Bartholomew took part in the program in summer of 2022 focusing on a wildfire detection project that he hopes one day will spare California billions of dollars in damage and fire suppression costs as well as lives.
- \$1 million grant from Bruce Burnworth of HealthySoilBiomes that allows Chico State Center for Regenerative Agriculture and Resilient Systems to continue to research and teach cutting edge agricultural practices that help mitigate climate change.
- CSU averages over \$600 million each year in research grants and philanthropy accounts for about 12 percent of that funding with a vast majority coming from state and federal government resources.
- \$1 million donation to CSU San Marcos from Steve Wagner, a co-founder of Stone Brewing, and his wife, Laura, will establish the Stone Brewing Fund for Social Mobility. Their gift will provide foundational funding to improve college

access and student success through student affairs initiatives, college faculty mentorship programs, and community outreach. Just a few months ago the University claimed the number one spot in CollegeNET's 2022 Social Mobility Index while our other 22 universities ranked within the top 100. This shows that we are taking students from the bottom tiers of economic status up to the top tiers.

President Redfearn stressed that donor's and the Board's generosity helps power the largest and most consequential public 4-year university in the country. In turn, our talented community of students, faculty, alumni, and staff pay it forward by powering our workforce in both the state and our nation.

VI. Board Member Remarks

Michael Lizárraga started by thanking the CSU Foundation for supporting the 40th annual TELACU Education Foundation "Building the Dream" Gala which is May 19th. Wendy discussed seats available at the CSU Foundation table and that a follow up email will be sent. Chair Crellin thanked the Foundation for supporting the Education Foundation for California Schools and discussed how the foundation gives out grants to teachers throughout the state of California. She noted the June 26th Golf Tournament and discussed sponsorship and attendance opportunities. Kimberley Goode then discussed BMO's recent acquisition of Bank of the West and the \$40 billion community benefit plan that they will be implementing over the next 5 years. She discussed how BMO is looking for the right kinds of partnerships to make their presence and investments in the community.

VII. Approval of December 1, 2022 Regular Meeting Minutes (Consent) (Presenters: Kristin Crellin)

 [2022.12.01 Board of Governors Regular Meeting Minutes.pdf](#)

Motion:

RESOLVED, that the California State University Foundation Board of Governors approves the minutes of the December 1, 2022 meeting by consent.

Approved by consent

VIII. New Business (Presenters: Kristin Crellin)

There was no new business to discuss.

IX. Committee Reports

A. Advocacy and Outreach Committee (Information)

1. CSU Budget Request Update (Presenters: Steve Relyea)

CSU Executive Vice Chancellor and Chief Financial Officer Steve Relyea reviewed the timeline of where we are with the budget process for the 2023-24 year. The process for the upcoming fiscal year that starts July 1st starts in the previous July. The Board of Trustees works during the summer to develop a budget plan and a set of priorities that go into a budget request in the summer. At the Board of Trustees September meeting, it is finalized and then it is moved to the Governor. In between October and December when the Governor provides his proposal to the state, that time is used to meet with the Department of Finance, with the Governor's staff, and with other legislative leaders to make the case for the CSU. At the beginning of January, the Governor releases his plan for the California budget which includes what he's proposing for the CSU. The period of time we are in right now is when we are in legislative hearings. In May the Governor takes input from all these hearings, looks at tax receipts up until that point of time, and then provides a May revise. The end of June and early July results in a budget.

Mr. Relyea then moved on to the state budget outlook. In the short term, the state is seeing a \$22.5 billion revenue deficit as state tax revenues are lower than expected for this last fiscal year as well as what is projected for the upcoming fiscal year. Long term, tax revenue is projected to grow at an average rate of 3%. The multi-year budget compact provides an annual increase of \$227 million of additional base funding for the CSU. Despite the bad budget news hitting California, the Governor still adhered to the compact in the January budget. Because of cash flow issues the state is having, the Governor removed a commitment that was in the current budget of about \$400 million in capital projects but replaced that with an equivalent amount of debt service funding baked into our base budget of \$27 million. The ask for one-time general fund for critical capital renewal was \$1.3 billion, however the actual amount received was zero. This is a reflection of where the state economy is right now. Mr. Relyea then reviewed the broad categories that the Board of Trustees put forth to the Governor for 2023-24. The largest expenditure was to compensate faculty and staff, which is critical since they are the ones who operate the university. While the funds actually provided were less than

half of what was requested, it was 100% of what the governor had put in his compact. The compact was designed to be a floor or safety net of stable funding that the CSU could count on from year-to-year. Mr. Relyea stressed that the compact, however, is about 2.5% of the CSU's total operating budget and our costs are going up at a greater rate than 2.5%. He closed with the budget priorities, including the following: expanding the work of Graduation Initiative 2025; providing competitive salaries and benefits to faculty and staff; ensuring safe, modern and sustainable facilities; and managing enrollment to provide access for more California students. Next steps include budget hearings and advocacy, the Governor's May revision, and then the final budget in June.

2. Advocacy & State Relations Update (Presenters: Nathan Dietrich)

Nathan Dietrich, Assistant Vice Chancellor for Advocacy & State Relations, introduced himself to the Board. He started at Sacramento State University where he was for about 7 and a half years as the Associate Vice President for Public Affairs and Advocacy. There he had the pleasure of leading the government relations operations from a local, state, and federal vantage point and also worked on a wide variety of other campus priorities. He also led the Center for California Studies which is the state-funded institute that leads the Capital Fellows Program. The final item relating to Sacramento State that Mr. Dietrich discussed was their building in downtown Sacramento where graduate programs are taught. Part of his role is to work with partners, such as the Foundation Board, to advance what the CSU is trying to do. He echoed Steve Relyea's discussion on budget advocacy and then discussed legislative efforts. The first bill sponsored by the Board of Trustees is a bill to expand the ability to have alcohol beverage sponsorships at CSU campus venues. The second bill would allow the CSU broader authority in offering professional doctoral degrees. Mr. Dietrich also discussed the roughly 400 of 2,600 bills he and his team are reviewing and are trying to determine potential impact on the CSU system. He stressed one of the priorities is to make the entire state capital community know our successes at a campus level, our role in the state, and what we do in our communities. The Foundation Board can help in supporting this and giving feedback on things we are doing well and things we need to improve on.

President Redfearn asked Mr. Dietrich to share about the new members briefing. He discussed the good dialogue with a handful of members

about things we are doing right, including our new academic programs, on working with community college partners, and the value our workforce brings to the campuses and communities they serve. Gaddi Vasquez asked if there were specifics on where the proceeds from the new vendor sponsorship bill would go to. Mr. Dietrich responded that no, there were not specifics, and that they would like to have as few constraints as possible.

3. CSU Foundation External Sponsorships

 [CSU Foundation Sponsorships.pdf](#)

 [CSU Foundation List of Sponsored Organizations.pdf](#)

Gaddi Vasquez discussed how the Advocacy and Outreach Committee met in January to review current advocacy related sponsorships and their benefits to the CSU. The Committee is looking at this time at reevaluating sponsorships, getting feedback on their value and how they benefit the university to determine how we can better utilize those funds, and see if there are other partnerships that we should be exploring. Mr. Vasquez asked the Board to think about if there are other partners we should be sponsoring. Looking at the sponsored events their companies support, are there other engagement opportunities to invite the Chancellor or other CSU leadership? Also, are there opportunities to introduce CSU leadership to industry leaders? He also reminded the Board that these interactions could be used to support the Foundation Board recruitment process as more profiles are developed. Finally, are there opportunities to strategically introduce your network with the CSU? Budget for sponsorship for the CSU Foundation is very modest at about \$150,000 which includes a community relations fund that supports system-wide sponsorships and an outreach fund that supports events where the CSU leadership is involved.

Mr. Vasquez then invited Maryann Reyes, external advocate with the CSU Advocacy and State Relations office, to give a review of some of the types of sponsorships that are given and how the CSU leverages those benefits. Ms. Reyes started by sharing the types of organizations and the associations that we strategically support. We currently support statewide ethnic chamber organizations, state legislative ethnic caucus organizations or institutes such as the Asian Pacific Islander Staff Academy, the Chicano Youth Leadership Project, and African Leaders for

Tomorrow. We also support equity groups and academic partners such as various community college conferences that are in support of the ADT program such as the American Association for Blacks and Higher Ed. Ms. Reyes continued by discussing measures of success and metrics. We currently ask for annual reports. Reporting includes looking at the program outcomes, the number of graduates from the program, how many of them go on to a CSU, and how many are promoted into leadership positions after they complete their programs. She also discussed branding opportunities and how organizations are raising awareness and visibility for the CSU and our priorities. She also discussed business organizations such as the Cal Asian Chamber where we positioned our Board Trustee Chair Fong to be a keynote speaker. She highlighted that we also invited a number of these organizations to serve as third party advocates and they have served beyond the budget support letters and testimonies, providing guidance, feedback, and support to the CSU. Ms. Reyes finished with questions for the Board, including what else can we do, what's missing from this group, what are the shared partners that we should be including in our giving, and how can we continue to expand our network in positioning the CSU leadership?

Mr. Vasquez then opened up the floor to questions and comments. Kimberley Goode discussed the potential to explore the California Black Womens Collective and the data about the experience and economic gap for Black women across the state of California. Michael Lizárraga discussed Sabrina Cervantes, chair of the Latino Legislative Caucus, and her consideration for education. Chair Crellin discussed the Urban Association of School Superintendents, the Asian American Association of Superintendents, and the Association of California School Administrators. President Redfearn highlighted that we have a role in not only teacher education, but working with school districts and making sure that their graduates are prepared to come to the CSU, so we always like to forge those connections. Ron Barhorst asked for clarification on what we are trying to do with the list to which Mr. Vasquez responded it is a process of evaluating and reevaluating those relationships to see what existing relationships give most value and what potential relationships could give more value. Mr. Barhorst also asked if we are looking to enhance the pool of money. President Redfearn answered that we may be doing additional fundraising so that we can have these meaningful strategic relationships.

Kimberly Goode then asked what was the process for determining the budget and how do we know what the right amount is to invest in these partnerships? President Redfearn answered that the budget has been based on what we have available from both Board contributions as well as what we receive in public relations funds from campuses. This has been based on a long-standing agreement between the campuses and the system office that they would provide us with some public relations funds to do this important work if we wouldn't go out and do annual gift fundraising and compete with them in the fundraising marketplace. Wendy Chavira Garcia reiterated taking the lens of how we can better position the Chancellor and the system statewide in the type of organizations that we're looking for compared to what campuses are doing locally. Lorene Miller discussed organizations that Edison International supports, and their key pillars or areas of support including education, environment, civic engagement, and public safety. Aaron Moore discussed the opportunities beyond sponsorship, including relationships with organization that we want to know because they are the people that we would like to ask for recommendations. Ms. Reyes highlighted the importance of positioning in the budget ask as we welcome a new chancellor. Mr. Vasquez closed with thanking the Board for their feedback and encouraging members to pass on introductions that might be beneficial.

- B. Finance and Investment Committee Report (Consent) (Presenters: Ronald Barhorst)

Motion:

RESOLVED, that the Board of Governors of the California State University Foundation approves the financial statements for the quarter ending December 31, 2022.

Approved by consent

Motion:

RESOLVED, that the Board of Governors of the California State University Foundation approves the charitable gift annuity investment reports for the quarter ending December 31, 2022.

Approved by consent

Motion:

RESOLVED, that the Board of Governors of the California State University Foundation approves the quarterly investment report for the quarter ending December 31, 2022.

Approved by consent

X. Old Business (Presenters: Kristin Crellin)

There was no old business to discuss.

XI. Adjournment (Presenters: Kristin Crellin)

Chair Crellin reminded the Board of the next meeting on June 9th at Cal State Fullerton. She also extended an invitation to dinner after the Board meeting, at her home. There being no further business to discuss, the meeting adjourned at 4:46 p.m.