

Approved October 7, 2022

MINUTES

Governors present: **David Hodson, Chair;** Chuck Nelsen, Vice Chair; Stuart Casillas, Past Chair; Joyce Densmore-Thomas; Jay Gilbert; Tom Giustina (r); David Heinsen; David Hodson; Tom Martin; Marcia Moore; Dennis Murphy; Christina Nichols; Matt Ober (r); Cathy Pleasant; Michael Prime; Darryl Schoen (r); Dave Scott; David Alexander (Faculty Representative) **Absent:** John Morrell; Marilyn Rees (r) = remote

Ex Officio present: Gayle Hutchinson, President; Ahmad Boura, Vice President for University Advancement (CEO); Ann Sherman, Vice President for Business and Finance (CFO) **Absent:** Debra Larson, Provost and Vice President for Academic Affairs

Staff present: Pam Hollis, Robin Carter, Ileana Rowell, University Advancement

Guests: Bryan Shipley and David Janec, Arnerich Massena

Chair David Hodson called the meeting to order at 10:00 a.m. Hodson asked for changes or corrections to the minutes of the General Session on February 25, 2022, or the Executive Committee meeting on May 25, 2022. There were none. A motion was made to approve both sets of minutes. Dennis Murphy seconded, and the board approved.

Chair's Report: Hodson

Governors' Awards presentations were made. Kathy Fernandes presented on Wildcat Computing Support, which provides tech support and assistance to students in navigating the Chico State website. Steffen Mehl presented on the Upgrade to the Civil Engineering Materials Lab. This award allowed the purchase of a Suntest CPS+ Weathering test instrument to help simulate degradation of material lifespan. Tawnie Peterson, Staff Council Chair, presented on the Staff Council Awards. The awards that the Governors funded boosted morale by spotlighting excellent staff and promoting Wildcat spirit. Marianne Paiva, Chair of the Academic Senate, provided a video presentation for the Outstanding Faculty Awards 2021-22.

President Hutchinson discussed the idea of a Presidential Award - an elevated and more prestigious award that would come with criteria for staff who exhibit "rising to prominence". The presentation of the award would also promote Chico State nationally. Ahmad Boura will do some research and prepare a presentation for the February board meetings.

Committee Reports:

Marcie Moore reported on the Development and Advocacy Committee meeting. Two generous gifts were highlighted by Development Officers, Ellie Larronde and Dustin Bush. Boura presented information about the first cryptocurrency gift. Jay Friedman talked about the State of the College webinars and mentoring program as well as the activities scheduled for Homecoming Weekend, October 7-9, 2022. He also reported on the advocacy efforts for the University Farm and Human ID Lab.

The Foundation's mission is to support CSU, Chico's strategic plan by raising, investing and disbursing funds to fuel the growth and excellence of the University.

BOARD OF GOVERNORS

GENERAL SESSION

Colusa Hall 100B

Friday, June 24, 2022

9:00 a.m. to 1:00 p.m.



Boura presented information about the new Fundriver software that will enhance stewardship for endowments such as the seven endowed professorships – the first being endowed by Governor Dennis Murphy. The Governors also signed up to do “thank you” phone calls to donors.

Dave Scotto reported on the Government Committee meeting and the review of policies. The committee approved the renewal of board member terms. The Endowment Policy was changed to reflect calculations in line with Fundriver. New board members for 2022-23 and Audit Committee volunteers were approved. Permission was granted for Boura to pursue additional new board members.

Chuck Nelsen reported on the Finance and Investment Committee meeting. Bryan Shipley and David Janec gave an investment review and an update on the endowments. Boura presented a proposal for the Student’s Veteran’s Continuing Service Scholarship, which the board moved to allocate \$31,600 to make a minimum of \$50,000 endowment. He also provided a proposal for a Student Managed Investment Fund (SMIF). Governors were urged to review the SMIF proposal and direct comments or concerns to Ahmad. Ann Sherman presented on the state of the budget and Vance Kelly gave a financial update.

Board Education: Arnerich Massena

Bryan Shipley and David Janec presented education on Volatility. Shipley began by mentioning that diversification is still very important. Volatility is a measure of the frequency and severity of price movement in a given market. Volatility is not always bad – it can provide opportunities. In the short term, volatility is driven by changes in demand and expectations. One way of calculating a specific value for volatility is to look at standard deviation – a measure of how spread-out sample rates of growth or loss are from the average rate of growth or loss over a given timeframe. There are events that are unpredictable and have a massive effect on deviation, such as COVID-19. Some events can be positive as well, such as the advent of the internet. Market sentiment also influences volatility. People tend to experience pain of loss more acutely than the upside of gains – this anticipation of risk can impact short-term decision making and ultimately long-term outcomes. There are many behavioral biases that influence investor habits. Despite periods of volatility, stocks have outperformed bonds and inflation by a wide margin over the long term. Some key conclusions are that the market is sifting through a number of uncertainties, and it could get worse before it gets better. No one can predict consistently when market declines happen, how long a decline will last or when is the right time to get in or out of the market.

Consent Agenda:

Hodson asked for any changes or corrections to the Consent Agenda. The Finance and Investment Committee determined the Student Management Investment Fund proposal needed more discussion, so it was removed from the consent agenda. The Student Veterans Continuing Scholarship was awarded more funds than the original proposal, so an amendment is in order. Moore moved to approve the Consent Agenda as amended. Murphy seconded, and the board approved.

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California State University **Chico**

University Foundation

President Hutchinson's Report:

President Hutchinson gave an update on the state of the university by first introducing the hiring of Dr. Monique Sendze, Vice President for Information Technology & Chief Information Officer, and Dr. Isaac Brundage, Vice President for Student Affairs.

Chico State is a Hispanic Serving Institution (HSI) with around 34% Lantinx students. This designation, received in 2014, allows for the opportunity to receive federal funding and more support to students. There is \$19 million in HSI grants on campus. The Seal of Excellencia is another designation that Chico State is pursuing.

Hutchinson reported on campus safety and the recent threat on social media from an employee, and former student. Swift action was taken, and the employee was arrested. Chico State is continuing to update safety policies and train for potential situations like this.

Enrollment is a significant issue and one of great focus. Engagement with the faculty and staff is also a part of the robust marketing efforts underway. An active search is happening for the Chief Diversity Officer and the President's Chief of Staff.

Strong relationships need to be built with legislators and influencers in Sacramento to help advocate for Chico State on a state level. At a minimum, Chico State will receive \$20 million as part of a package from the state for the four campuses with university farms. Chico State is advocating for \$46 million for the new Human Identification Lab. Jay Gilbert has been supporting the efforts of the President behind the scenes. Hutchinson is advocating for a government relations office in the future to assist with these efforts.

The CSU should receive \$211 million from the Governor with \$100 million short of what was asked for. Additionally, the unions have negotiated a 7-8% raise for staff. With a shortfall from the Governor's budget, Chico State will have to fund \$1.4 to \$5 million of the salary increases.

Campus will be back to 70% in-person classes and the remainder a hybrid model. Classes will most likely remain partially hybrid to accommodate more students. A commencement video was shown.

CEO's Report – Ahmad Boura:

Boura recognized David Alexander, Associate Professor in the Department of Mechanical and Mechatronic Engineering, for his professional achievement honors. He has applied for and received several grants as well.

The Governors' Award selection methodology was discussed. The endowment has grown from \$3 million to \$4.6 million. For the fiscal year 2022-2023, an anticipated total of \$130,000 is available for awards.

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From a board perspective, this is an active process following the Foundation mission and building a structure for the future. The Governors' Award creates a culture of philanthropy and engagement with cabinet, deans, faculty, staff, and students.

From a Chico State perspective, the Governors' Award educates the campus community about the Foundation's contribution and impact on campus. It strengthens the relationship between campus leadership and the Foundation while empowering faculty and staff to become more active with fundraising. The program can be a catalyst for training faculty and staff in all colleges and units to become philanthropy advocates.

Based on feedback from the board, not every proposal may be worthy of receiving an award. The proposals are vetted before they go to the Governors. Boura proposed a point system that will be the final determiner of the funding. Each voting board member will be given a specific bucket of points to use for the voting, but no more than 5 points per proposal. Chuck Nelsen moved to accept the proposal with discussed changes. Cathy Pleasant seconded and the motion passed.

Boura also discussed the preparations for the next capital campaign. The President and CFO were able to find \$8 million to start the infrastructure for the campaign. For the next campaign to be successful, we need to be competitive and have fundraisers with 5-10 years of experience with a depth of knowledge. Boura presented a sample organization chart of the new positions needed to build the campaign.

New business:

There was no new business. Hodson was thanked by the board, Boura and Hutchinson for his time as Chair of the Board.

Hodson noted the next meeting on Friday, October 7, 2022 and the meeting was adjourned at 2:36 p.m.

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