

**BOARD OF GOVERNORS  
GENERAL SESSION**

Colusa Hall 100B  
Friday, October 7, 2022  
10:00 a.m. to 2:00 p.m.



Approved February 24, 2023

*(r) = remote*

**Governors Present:** *Chuck Nelsen, Chair; Cathy Pleasant, Vice Chair; David Hodson, Past Chair; Stuart Casillas; Joyce Densmore-Thomas; Jay Gilbert; Tom Giustina; David Heinsen; David Hufford; Tom Martin; Marcia Moore; Christina Nichols; Matt Ober; Marilyn Rees; Tim Sauer; Darryl Schoen; Dave Scott; Braydan Young; David Alexander (Faculty Representative); Taylor Stewart (Student Representative)* **Absent:** *Tom Martin; John Morrell; Dennis Murphy*

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

**Staff Present:** *Pam Hollis, Robin Carter, Ileana Rowell, Chris White, University Advancement*

**Guests:** *Bryan Shipley and David Janec, Arnerich Massena*

## MINUTES

Chair of the Board Chuck Nelsen called the meeting to order at 10:00 a.m. Nelsen asked for changes or corrections to the minutes of the General Session of June 24, 2022. There were none. Dr. Moore moved to approve the minutes. Dan Giustina seconded, and the board approved the minutes.

### Chair's Report: Nelsen

Chair Nelsen introduced Jennifer McKee who gave a presentation about the Student Advising work her team was able to perform with help from their Governors' Award. Next, Dr. Jackson Webster from the Civil Engineering Department reported on the award in support of the Student Run Water Quality Laboratory.

### Committee Reports:

Bob Kittredge reported on the Audit Committee meeting on behalf of Chair, Glen Thomas. Kittredge said that the committee met with Bobby LaCour, the foundation's auditor from Aldrich. There were no major issues with either the audit or the financial statements. The committee approved the audit and financial statements for submission to the Chancellor's office. Nelsen thanked the volunteers for their time and service on the committee.

Stuart Casillas reported on the Development and Advocacy Committee meeting. He gave an update on phone calls made by the governors to thank donors, and events happening during Homecoming weekend, including the University Farm 60<sup>th</sup> Anniversary celebration in November. Jay Friedman reported on advocacy efforts and the Wildcat Connect program.

Chris Nichols reported on the Governance Committee meeting. Policies due for review this year are Section 5 - Fundraising and Development and Section 6 - Finance and Investment. Because of the size of these two sections, they'll be reviewed separately with Section 5 due for reauthorization at the February 2023 meeting and Section 6 at the June 2023 meeting. Revisions to the Investment Policy were approved, along with the

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new policy #6.11, the Endowment Assessment Policy. Boura introduced the new governors and presented bios of potential new governors. He recognized the work the ad hoc committee completed on the new Student Managed Investment Fund (SMIF) and presented about new recognition awards for faculty and staff.

Darryl Schoen reported on the Finance and Investment Committee meeting. He gave an update on the ad hoc committee that was used to review the investment guidelines and how the investment fund will be managed. Ann Sherman's CFO report focused on concerns about reduced state funding and lower fee revenue due to decreased enrollments. These issues will have a severe impact on campus revenue and a campus-wide effort is underway to address the issue on all fronts.

**Board Education: Arnerich Massena**

Glen Goland and Bryan Shipley made an educational presentation on gifting strategies. Goland explained the differences between Qualified Charitable Distributions, IRAs, Charitable Remainder Trusts, and Charitable Lead Trusts and how each of these could be avenues for potential donors to give.

**Consent Agenda:**

Nelsen asked for any changes or corrections to the Consent Agenda. There were no changes or corrections. Darryl Schoen moved to approve the Consent Agenda as presented. Marilyn Rees seconded, and the board approved.

**President Hutchinson's Report:**

President Hutchinson gave an update on her accomplishments during the previous year. She showed the new branding which includes new logos and seals being used throughout the university. She talked about lobbying efforts to secure funding for the Human Identification Lab and the University Farm. The Human ID Lab effort failed, but the Farm will split \$75 million in funding with three other campuses. The Big Chico Creek Ecological Reserve and Chico State returned 93 acres of the ecological reserve which sits on ancestral land, back to the Mechoopda Tribe. Provost Deb Larson described the new partnership between the tribe and the university. The Mechoopda Tribe owns the land, and Chico State students and faculty will use it to conduct research. President Hutchinson talked about the research conducted by mechatronic engineering professor, Jeremy Fishel. She noted that his firm, Tangible Research, will be competing at the XPRIZE competition November 4<sup>th</sup>-5<sup>th</sup> in Long Beach with his cutting-edge tele-presence technology.

Ahmad Boura added details about the event, noting that alumni and admissions representatives would be present. President Hutchinson followed up with updates surrounding enrollment efforts and strategic planning for marketing, retention, and curriculum revitalization. She then highlighted the strides of the athletic department winning the trifecta of the Commissioner's Cup, the Impact Award, and the Academic Honor Award for 118 students all throughout the CCAA division. She emphasized several national awards and surveys the university has been recognized for. The efforts and/or awards within

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the capacities of EDI, Full Bright Scholars, and Sustainability were emphasized. Hutchinson concluded with reflections of what is to come and severity of enrollment and state funding revenue reductions.

**CEO's Report – Ahmad Boura:**

Boura reported on the growth in the philanthropy department and his plans to increase representation nationwide. He reminded the board that the June board retreat will take place in San Francisco and invited each of the new Directors of Philanthropy to introduce themselves and share a brief biography with the board.

Boura presented on the matching endowment program. Laying the groundwork by explaining to the group how last year's program worked, he said that any new endowment of at least \$25,000 was matched at 20% from a commitment of \$100,000 from the board discretionary fund. The initial pool was quickly committed and in February, Boura came back to the board asking them to increase their commitment because the program was so successful. \$3,000,000 was ultimately raised by the program's end date of 6/30/21.

Later, Boura was approached by Doug Guerrero, a long-time donor to the Concrete Industry Management (CIM) Program, with a proposal for a new \$1,000,000 endowment to provide support for CIM students. Guerrero asked to be included in the 20% matching program, even though it was past the program's termination date. Boura asked the board to consider matching this one-time gift at 20% (\$200,000). Dave Scotto motioned to approve the proposal and Darryl Schoen seconded. Nelsen asked for a vote and the proposal was approved unanimously.

Boura proposed a new matching program with a minimum gift of \$500,000, with a 10% match of up to \$2,000,000 from the board discretionary fund. To be eligible, gifts must be a new commitment, and must be cash or a multi-year pledge of cash to endowed funds. Deferred gifts, including bequests, are not eligible. The program will end on 6/30/2024 or when the \$2,000,000 in matching funds has been fully designated to specific endowments, whichever occurs first.

Nelsen explained that the net financial impact to the foundation is that the gift and the match increase the endowment, while the match decreases the discretionary fund. However, earnings come back to the discretionary fund through endowment fees. Within five years, the discretionary fund is made whole while the endowment retains the gift and continues to earn. Boura displayed a chart showing that it should take on average, five years for discretionary fund to be made whole.

Nelsen asked for a motion to approve the new matching endowment program with the following parameters:

- Gift must be a new endowment
- Gift must be cash or a multi-year pledge of cash
- Match will be 10% of the gift, transferred to the when the pledge is fulfilled.

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- Deferred gifts, including bequests, are not eligible.
- Program ends 6/30/24 or when the maximum pool \$2,000,000 in matching funds is used, whichever comes first.

Dave Hodson made the motion to approve the new matching endowment program and Cathy Pleasant seconded the motion. The board voted unanimously to approve the motion.

**New business:**

There was no new business.

Nelsen noted the next meeting on Friday, February 24, 2023 and the meeting was adjourned at 2:13 p.m.

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