



Board of Directors Meeting

Friday, June 9, 2023 9:01 a.m. – 10:48 a.m.
Virtual meeting via Zoom

Draft, Minutes

<u>Board Members Present</u>		<u>Members Absent</u>
Bettye J. Saxon, Ed.D., Chair	Vanya Quiñones, Ph.D., President	Anna M. Caballero, Director
Barbara Zappas, CEO	Maria Bellumori, Ph.D., Director	Gordon Eubanks, Director
Michael McMillan, Director	John Jimenez, Director	Mac Clemmens, Director
Jonathan Merrill, Director	Glen Nelson, Ph.D., Director	Debbie Juran, Secretary
	<u>Guests</u>	Bud Colligan, Director
Susan Lansbury	Ian Oglesby	Ted Balestreri, II, Director
Adrian Villalpando		Gregory Gonzalez, Director
	<u>Presenters:</u>	Betsey Pearson, Director
Sherry Baggett, Auxiliary Controller		Steven Packer, M.D., Director
Glen Nelson, Ph.D., Vice President of Admin and Finance		<u>Staff Present</u>
Katherine Kantardjieff, Ph.D., Vice President for Academic Affairs		Nancy Ayala, Gov. & Compl. Mgr.
CCS Fundraising: Fundraising Consulting Firm		
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Annual Meeting

- I. **Call to Order:** A quorum being established, Chair Bettye Saxon called the meeting to order at 9:01 a.m.
- II. **Governance:**
 - A. Nominating Committee Report: Moved by Director Michael McMillan and seconded to elect the Directors as presented. With no further discussion, the motion carried.
 - B. Election of Board Officers: Moved by Director Glen Nelson and seconded to adopt the slate of Officers as presented. With no further discussion, the motion carried.
 - C. Appointment of Standing Committee Members: Moved by Director McMillan and seconded to adopt the standing committee appointments as presented. With no further discussion, the motion carried.
- III. **Adjournment:** With no objections, the annual meeting adjourned at 9:04 a.m.

Regular Meeting

- I. **Call to Order:** A quorum being established; Chair Saxon called the meeting to order at 9:04 a.m.
- II. **Approval of Minutes:** Moved by Director McMillan and seconded to approve the March 10, 2023 meeting minutes as presented. With no further discussion, the motion carried.
- III. **Public Comment:** There were no requests made for public comment.

IV. **Business**

- A. 23/24 Budget Request: Controller Sherry Baggett presented the 2023/24 Budget Request, noting that the Foundation does not generate operating revenue beyond interest income. The higher expenses on the budget are staff costs to manage the Foundation's books and operations, investment consultant fees used to manage the endowment, and unrelated business income taxes resulting from investments in private equity funds invested in real estate. That real estate is encumbered by debt, and that triggers a tax. Other significant expenses are auditing fees and liability insurance. Legal and professional fees were increased due to an anticipated estate gift. The Corporation will subsidize the Foundation by \$341,879. Moved by Director McMillian and seconded to approve the 23/24 budget. With no further discussion, the motion carried.
- B. Endowment Investment Policy Amendment: Foundation CEO Barbara Zappas presented the Endowment Investment Policy revisions, noting the Investment Committee recommends revising the Endowment Investment Policy to introduce the Foundation's sustainability goals in §6 Investment Guidelines. The goal is to hold fossil fuel-related managers at 5% or less in the portfolio. This is the second read. The Board first reviewed the policy changes at the March meeting. Moved by Director Glen Nelson and seconded to approve the policy revisions as presented. With no further discussion, the motion carried.

V. Reports

- A. President's Report: President Vanya Quiñones provided an update on University activities. President Quiñones announced new leadership roles on campus and Provost Katherine Kantardjieff's retirement. Several departments on campus were restructured, including the Title IX position. President Quiñones reported on the CSU System-wide Title IX assessment. CSUMB did reasonably well in this assessment compared to sister campuses. Although the final report is still pending, the University is proactively developing and revising Title IX processes and establishing an implementation team.

Two major concerns that arose during President Quiñones' listening tour were the campus's lack of communication and transparency. To address these concerns, President Quiñones implemented various events, including meetings and town halls open to the public, to promote open communication and transparency within the community. The President's Cabinet was restructured to include Deans, resulting in increased communication between the VPs and Deans and respective schools. Communication and transparency are being addressed across the Board at the University, including the University website. The website is being assessed to determine where improvements can be made.


Currently, the contract with consultant CampusWorks is in its final stages. CampusWorks will review overall campus processes and offer recommendations to enhance the student experience and support student success. Student enrollment is still a significant concern since enrollment decreased by 12%. The Provost and others are working to increase student enrollment. Inclusion of the community is also essential. President Quiñones recognized Pride Month and announced the parade sponsorship on the Monterey Peninsula. Later this month, CSUMB will celebrate Juneteenth, and the University will sponsor the fourth annual Juneteenth Jubilee. President Quiñones thanked the Board for their continued support. Chair Saxon commended President Quiñones for the positive mark she is leaving in the community.
- B. CFO's Report: Vice President of Administration and Finance Glen Nelson provided an update on finances. Dr. Nelson reported that fiscal year 22/23 would end with a deficit of \$5M instead of \$9M. The campus community worked extremely hard to mitigate the situation by increasing expenditure scrutiny. Although still in the red, the University will end the year better than anticipated. Dr. Nelson presented the budget update for fiscal year 23/24, noting that \$2M was allocated for strategic initiatives to improve the student experience and increase enrollment and retention. The 23/24 fiscal year begins with a \$5M deficit. After adjustments, Chancellor's Office mandates, initiatives, and cost recovery efforts, the revenues are approximately \$9M.

Upcoming budget projects include providing a balanced budget, working on an incentive-based budget model, and standardizing reporting between colleges. Current campus activities include onboarding and recruiting key staff and the implementation phase of an organizational study to improve the Student Housing process. Dr. Nelson also reported on assigning campus-wide responsibilities to the Facilities department and the Corporation's operational audit. It was also reported that staff, including Ms. Zappas, have identified and secured funds for the new engineering building. This building is to have space to house NOAA, a federal agency. Although funding is secured and a federal grant of over \$7M was received to contribute to this project, this project is stalled at the state level because the University needs more capital before the project can be approved. There is a possibility to incur debt to start the project, but that would be a last resort. The Board could assist in this endeavor by speaking to the community about the need for the Engineering Building, and any funds raised would help in not incurring debt or incurring less debt. The shortfall is between \$30 to \$40M, and approximately \$24M has been raised by the University. The Salinas City Center is for sale, and any funds raised would be used to acquire other properties. Dr. Nelson provided an update on CARES Act funds. Campus received three rounds of funds granted in three categories: HEERF (\$25M) and MSI funds (\$2.9M), which are for institutional support relative to COVID expense, and Student Support funds (\$20.3M), which are directly for students. The student support funds were spent on students. The HEERF and MSI funds were used to refund student housing and dining fees \$4M, lost revenues of state funding \$7.6M, debt service on housing \$8.3M, \$7.3M on COVID related expenses, \$500K aided in COVID associated initiatives.

- C. Provost's Report: Provost Katherine Kantardjieff reported on academic affairs. Provost Kantardjieff reported changes to summer state support programs, which generated 386 FTEs, and for Fall 2023, continuing students are expected at approximately 3,500. First-time freshmen are expected at 1,250 and 870 transfer students. Enrollment is still down and needs to stay within the 10% state-allocated target, so the budget remains flat and is not cut in a subsequent academic year. Efforts around student success were initiated to increase retention. Provost Kantardjieff reported on program development to increase student success, including the mobilization to plan and implement legislation AB 928, which mandates students in the lower division of community colleges, CSUs, and the University of California have one common general education pattern so students can move between the systems, and can make more rapid progress towards degrees. Most CSUs must cut five units of their general education requirements. It will significantly impact specific programs that do many of our general education servicing structures. The Guaranteed Admission program for all students in the service area. Students who complete the CSU requirement for admissions are automatically admitted to CSUMB as high school freshmen. Equity priorities, working groups, and reorganization updates were also presented.
- D. CEO's Report: Foundation CEO Barbara Zappas welcomed fundraising consultant CCS to provide an update on the feasibility study. Frederick "Rick" Happy, Chairman; Lydia LaSalle, Director; and Ted Blackburn, Managing Director, provided recommendations from the feasibility study final report. Overall perception of the University is "very positive" or "positive". The same feedback was found in the background statement outlining CSUMB's future goals. Three campaign priorities that tested positively were high-impact learning, classroom-to-career pathways, and capital investments. Based on data analysis, planning study responses, dialogue with the Advancement team, and gift indications, CCS believes CSUMB has the philanthropic capacity within its donor audience to support a working goal between \$100M - \$120M. President Quiñones thanked CCS for the update. CCS will provide the next steps at the next meeting.
- E. Chair's Comments: Chair Saxon thanked CCS for their thorough report. Chair Saxon thanked and recognized exiting board members for supporting the Foundation. Members included Maria Bellumori, Sen. Anna Caballero, Bud Colligan, Gordon Eubanks, Steven Packer, M.D., John

Jimenez, Michael McMillan, and Carrie McIntyre Panetta. Chair Saxon acknowledged that although there are issues on campus, the plans set forth by the Administration provide hope that the University is going in the right direction.

- VI. Open Communications/Announcements:** The next meeting will be on September 8, 2023.
- VII. Closed Session:** The Board did not go into closed session.
- VIII. Adjournment:** With no further business to conduct and no objection, the meeting was adjourned at 10:48 a.m.


[Debbie Juran \(Sep 8, 2023 15:04 PDT\)](#)

Deborah Juran, Secretary

09/08/2023

Date







6-9-23 Foundation Minutes, final

Final Audit Report

2023-09-08

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