



**The University Foundation
at Sacramento State**

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**The University Foundation at Sacramento State
Board of Directors Meeting**

Friday, June 19, 2020 | 1:00 - 3:00 p.m.
Zoom

Members Present:

Robert S. Nelsen, *President*
Tina Treis, *Chair*
Christine Ault
Margot Bach
Craig Barth
Bernice Bass de Martinez
Jonathan Bowman*
David Bugatto
Lisa Cardoza
Sonney Chong
Mark Drobny
Vanessa Guerra
Garry Maisel
Noah Marty
Sue McGinty
Alice Perez
Rhonda Staley-Brooks
Pam Stewart
Scott Syphax
Holly Tiche

Members Absent:

Roxanne Elliott
Paul Lau
Bob MacIntosh
Gary Quattrin

Guests:

Brian Dombkowski, *Sand Hill Global Advisors*
Meghan Degroot, *Sand Hill Global Advisors*
Cely Smart, *President's Office*
Tracy Newman, *Development*
Lisa Woodard-Mink, *Advancement Services*
Jennifer Barber, *Alumni Relations*
Sharon Takeda, *Annual Giving*
Antoinette Vojtech, *Principal Gifts & Campaign*

Advancement Staff:

R. Paul Villaluz
Tatiana Azad
Terance Dass

*New board member inducted at this meeting

MEETING MINUTES

1. Ms. Treis called the meeting to order at 1:01 p.m. and asked Dr. Nelsen to provide a welcome message.
 - a. Dr. Nelsen greeted everyone with a Happy Juneteenth and acknowledged the current difficult situations and events, including the protests resulting from the death of George Floyd and a racially-charged viral video of a Sac State faculty member. Sac State does not condone racism in any form or fashion and has an unwavering commitment to ending racism. Dr. Nelsen emphasized the efforts to increase the number of minority and underrepresented students, as well as the number of minority faculty. Despite budget cuts, there is a need to invest in the centers (MLK, Multicultural, Dreamers Resource, etc.) and in Inclusive Excellence. The University will hire an ombudsperson who can work with faculty, staff, and students who

experience bias on campus. The University will support an anti-racism curriculum. The U.S. Supreme Court's ruling on DACA the day before means our students today are safer, protected to get an education, and continue to work on campus, plus our faculty members who are DACA recipients can continue to teach. Dr. Nelsen stated that it's a time for us to come together to fight racism, time to support each other, and time to be leaders.

- b. The meeting agenda was adopted. (Maisel/Tiche)
 - c. There were no Public Comments.
 - d. The Consent Calendar featuring the approvals of the November 6, 2019 Board Meeting Minutes, April 1, 2020 Board Meeting Minutes, and the Financial Reports were unanimously approved. (Stewart/Bass de Martinez)
2. President's Report—*Nelsen*
- a. There is no budget yet because Governor Newsom and legislature are at odds with each other. Our overall budget is \$354M/year, but because of COVID-19, the University ("we") had to refund for parking, housing, and meal plans.. We face additional revenue loss because we will not have as many students on campus which impacts parking, University Union, the auxiliaries (largely UEI), and the main operating fund. We had to buy computers and other technology for the students and faculty as part of emergency spending and in keeping the campus clean because of the crisis, plus an additional time-and-a-half for those that came on as emergency pay. Altogether, we lost over \$29M, plus \$13M in expenses. We expect to end up with a 10% budget cut. The bottom line is \$299M for our budget, down from \$354M. Of the \$35M Federal CARES funding, \$17M went directly to students as emergency grants as well as for those students who lost their jobs and not able to pay rent. Use of the Lottery funds also assisted those who were not eligible for federal funds. There are still savings because of the campus going virtual, there is no travel, and the hiring chill is in place. 79% of the budget is for salaries; we will do everything we can to avoid layoffs and avoid tuition increases. The tuition cost for the fall remains the same; however, there are fewer fees for students.
 - b. 800 faculty signed up to take classes on how to teach better online. Most of the classes will be virtual. The classes that require special equipment are allowed to study on campus in the fall. Extensive plans for safety guidelines/precautions are in place to ensure the safety of everyone on campus.
 - c. Residence Halls will only have one person per room instead of 2. Food services will be minimal. Other buildings and services that are up and running include the AIRC building, Parking Structure V for internet hotspot, Food Pantry, Services for Students with Disabilities, Testing Center. The Library will offer extremely limited services; the same goes for The WELL.
 - d. 9,778 students graduated recently. We will continue to graduate at the same rate, but for the upcoming year, will likely have 3% fewer students because some will not want to go online.
 - e. Athletics is unknown at this time, even with scheduled games.
 - f. The Student Health Center possesses equipment for COVID testing. They are open but changed routine procedures to work with both faculty/staff and students and doing contact tracing. Sac State is the only one of 23 campuses to keep a full-time counselor and doctor in the office. Many other staff are providing tele-health work.
3. Advancement and Comprehensive Campaign updates—*Cardoza*

- a. Dr. Cardoza reiterated the budget impacts that Dr. Nelsen shared and presented University Advancement's budget, current fundraising goal, and year-to-date. The highly anticipated MOU between Sac State and Placer County to build a satellite campus goes before the Placer County board on June 24. The gift of \$27.4M counts toward the fiscal year (FY) 2019-2020 annual goal if it passes, ensuring a record-breaking year for Sac State. The proposed operating budget is much lower than in previous years because of the 10% cut, but the CSU-mandated fundraising goal of 10% of the state budget per institution for the next fiscal year remains the same. She provided an overview of the Advancement Initiatives within the proposed budget.
 - b. Give Sac State Day ("GSSD") was to coincide with the campaign public launch in April. GSSD still went forward even after the launch's postponement. The results were very successful, with tremendous increases across the board.
 - c. Dr. Cardoza acknowledged board members who gave significant gifts to the campaign of over \$20K and above in the past fiscal year.
 - d. Regarding the comprehensive campaign, the hope is to end the fiscal year at \$180M, which is 80% of the \$225M total goal, dependent on the timing for recognition of the Placer Center gift.
4. Committee Reports
- a. Planned Giving—*Drobny*
 - i. Mr. Drobny updated that they are at 90.2% of the \$4M FY 2020 goal since the last report. Highlights include: securing new planned gifts, as well as bequests, increased estate commitments.
 - ii. He expects to come in under budget for the Estate Planning 101 (EP101) seminars; expenses will go down, but income will go up. The reason is due to a strong pipeline of prospects and more quality people attending the seminars, as well as successfully conducting their first Zoom webinar, allowing for a more extensive audience reach. Mr. Drobny asked for support by board members spreading the word about EP101 and ushering people his way.
 - b. Finance Committee—*Treis for Lau*
 - i. Sand Hill Global Advisors Portfolio (SHGA) Review—*Dombkowski*
 - 1. Mr. Dombkowski commended the Finance Committee and the Board for remaining committed to the mission, but also for taking the opportunity to rebalance portfolios and take advantage of volatility when markets correct. He also applauded the timely decision to step up in the face of adversity to a higher stock allocation—a discussion thread and extensive review of 18 months—which was a "heroic" action. The result is the creation of a very decent amount of incremental capital for the asset base in a relatively short period.
 - 2. Ms. DeGroot provided a high-level summary based on the portfolio dashboard. From January through March 31, the portfolio was down 13.5%, but since April 1, it went up 15.6% and outperforming the blended benchmark by 2.5%. She also outlined SHGA's process of the selection and evaluation of their senior portfolio managers. The

managers' role is vital, given the size of the UFSS portfolio and the Board's fiduciary responsibility to the donors.

ii. 2020-2021 Budget

1. The Finance Committee reviewed the expenditures during the FY 2019-2020. With so many factors, i.e., not producing the live campaign launch, considerable additional funding is available at the end of the FY. The proposed budget reflects how UFSS could help with the shortfall University Advancement (UA) is experiencing by utilizing the carryover excess revenues over expenses from FY 2019-2020.
2. Dr. Cardoza presented the FY 2020-2021 budget and proposed passing a deficit budget that provides UA with a little more funding for the upcoming year, as well as strategizing for future years.
 - a. The proposed budget for FY 2020-2021 passed unanimously. (McGinty/Chong)

iii. Investment Policy

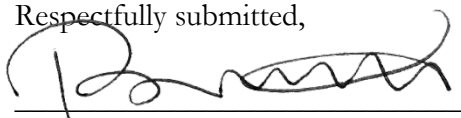
1. The Spending Policy needed a revision to have a standard percentage payout, especially during times of market swings. During a down market, some funds went underwater and the current policy did not allow us to dip into the corpus of the original principal of the gift to give a scholarship. The practice was to ask the donor for a one-time cash amount to provide scholarships. Uniform Prudent Management of Institutional Funds Act (UPMIFA) allows for dipping into the corpus with a 7% annual maximum.
 - a. The proposal for UFSS to set the percentage standard policy at a 4% rate will streamline the payout process each year, still using data as of September 30. An assessment of the state of the endowment funds would still allow a change within the 3-7% range, with board approval.
2. In the policy, the definition of an endowment fund needed updating to include the 4% payout rate. The update allows us to give out scholarships consistently every year. Lastly added was a bottom-line safeguard of 80%. These changes do not affect gift agreements because the standard language was that we would follow UPMIFA, and we still will.
3. Following discussion, the motion to accept the modification to the investment policy as presented passed unanimously. (Stewart/Bach)

c. Governance Committee—*Bass de Martinez*

- i. Dr. Bass de Martinez stated that Roxanne Elliott submitted her resignation from the Board. Craig Barth is also leaving the Board. Jonathan Bowman, Sac State CFO and Vice President for Administration and Business Affairs and Noah Marty, ASI President, were welcomed as new members to the Board.
 1. A motion to include Jonathan Bowman as a Board member unanimously passed. (Chong/Maisel)
- ii. A meeting between the Governance Committee and the Sac State Alumni Association (SSAA) will take place to discuss how both boards can

- collaborate better. A new Faculty Representative, yet to be determined, will also come on board.
- iii. Dr. Cardoza will meet with each Board member over the summer to discuss board terms, amongst other items.
 - d. Audit Committee—*Perez*
 - i. The audit will start late summer. The two audit findings from the Chancellor's Office were corrected. We look forward to a good audit this year.
 - e. Executive Committee—*Treis*
 - i. Ms. Treis reminded those who have not yet submitted their Conflict of Interest forms to turn them in.
 - ii. Ms. Treis went through the list of Board Goals of the past year. She highlighted both the completed items as well as those still pending, especially the definition of board giving.
 - f. Student Update—*Marty*
 - i. Mr. Marty, who recently started his role as ASI President, stated that ASI is looking to bring back as many services in the fall, whether in person or a virtual setting..
 - g. Alumni Update—*Bach*
 - i. Ms. Bach reported that Immediate Past SSAA President Amanda Merz would replace Rhonda Staley-Brooks as the representative to the UFSS Board. At their recent Board meeting, they swore in five new Board members and celebrated their accomplishments in the past year, including the new membership program.
5. Placer Center Update—*Tiche, Newman, Bowman*
- a. The Placer County Board of Supervisors will meet the following week to include a vote on the agreement between the CSU, Sacramento State, and Placer County. The CSU already approved the gift agreement. Ms. Tiche expects the Placer County Board to not waiver in their support.
 - b. According to Mr. Bowman, the master planning for the site has begun. He outlined the next steps taking place over the summer and beyond, including the formation of key committees and stakeholder groups necessary to build a center. He expects the master plan/design finalized by the end of 2021/early 2022.
 - c. Ms. Newman thanked Ms. Tiche and Eli Broad for the amazing gift of \$27.4M land gift in an area where there's no 4-year higher education institution. There is a lot of fundraising ahead. The master plan will include a fundraising tool.
 - d. Dr. Cardoza made the call out to submit any names of individuals from Placer for consideration for the Board; new members can assist with fundraising for Placer.
6. The meeting adjourned at 3:12 p.m.

Respectfully submitted,



R. Paul Villaluz for Dr. Susan McGinty, *Secretary*, The University Foundation at Sacramento State

ACTION ITEMS

- ❑ The SSAA Board requested Mark Drobny to present on EP101 again for their group.
- ✓ Send video recording of EP101 send to Board members.
- ✓ Schedule meeting for Governance Committee and Alumni Executive Committee
- ✓ Dr. Cardoza to meet with Board members individually to discuss board terms.
- ✓ Schedule Board meeting before the October OTR launch.