

**CALIFORNIA POLYTECHNIC STATE UNIVERSITY**  
**San Luis Obispo, California 93407**  
**ACADEMIC SENATE**

**MINUTES OF THE**  
**ACADEMIC SENATE RETREAT**  
**Friday, September 16, 2011**  
**UU220, 1:30 to 5:30pm**

- I. Welcome – Rachel Fernflores, Academic Senate Chair, welcomed everyone and announced the topics for discussion: strategic planning and budget and long range planning. In addition, the Academic Senate activities for the year were discussed briefly, including a plan to form several task forces and address changes to curriculum.
- II. Reports:
- A. Provost Robert Koob – Budget and Enrollment Management: Due to the marginal cost of funding students and the recent budget reductions, Cal Poly is not receiving adequate funds to support the students it's asked to educate. The 2011-2012 resident enrollment is 16,138 FTEs with an additional 1,258 non-resident FTES. This year Cal Poly experienced a 3% increase in its show rate.
- B. President Jeff Armstrong – Strategic Planning and University Campaigns: Capital campaign is a very important part of fundraising but will only be successful if it's connected to what we are doing as a campus. Corporate and private partnerships are also considered important. A proposal will be submitted in October for an increase of \$750-\$780 in the form of a student success fee.
- III. Presentations:
- A. Bonnie Murphy, AVP Commercial Services & Executive Director Cal Poly Corporation – PowerPoint presentation is available at:  
[http://www.academicssenate.calpoly.edu/meetings\\_calendar.html](http://www.academicssenate.calpoly.edu/meetings_calendar.html)
- B. Chip Visci, AVP Strategic Communications and University Advancement - PowerPoint presentation is available at:  
[http://www.academicssenate.calpoly.edu/meetings\\_calendar.html](http://www.academicssenate.calpoly.edu/meetings_calendar.html)
- IV. Group Discussions and Group Reports:
- Group Questions – Comprehensive Polytechnic University & Excellence:**
1. Which strategic imperatives and indicators of progress that the President has identified are most closely tied to the key principle “Learn by Doing”?
  2. What are the top three long term indicators of learn by doing, Cal Poly style? Are there any not already on the President's list that should be there?
  3. The Academic Senate Budget and Long Range Planning Committee (BLRP) is the main body that exercises the Academic Senate's “advisory powers” over the budget. What does

the BLRP need to know regarding the budget and long term planning in order to help the university move forward successfully with a plan to support and maintain our learn by doing philosophy?

**Group Questions – General Questions:**

1. How can we endorse and move forward the “Key Principles” and “Strategic Imperatives” on which the President invites us to focus?
2. Can we identify limitations in making progress on the key principles and strategic imperatives? How can those limitations be overcome?
3. Based on the reflections in the 2011-2012 year end report of the Academic Senate Budget and Long Range Planning Committee (BLRP), what can the BLRP do to represent faculty interests in exercising advisory powers over the budget and participating in long range planning? Additionally, what does the BLRP need to be successful in these endeavors?

**Group Questions – Learn by Doing:**

1. Which strategic imperatives and indicators of progress that the President has identified are most closely tied to the key principle “Learn by Doing”?
2. What are the top three long term indicators of learn by doing, Cal Poly style? Are there any not already on the President’s list that should be there?
3. The Academic Senate Budget and Long Range Planning Committee (BLRP) is the main body that exercises the Academic Senate’s “advisory powers” over the budget. What does the BLRP need to know regarding the budget and long term planning in order to help the university move forward successfully with a plan to support and maintain our learn by doing philosophy?

**Group Questions – Student Success:**

1. Which strategic imperatives and indicators of progress that the President has identified are most closely tied to the key principle “Student Success”?
2. What are the top three long term indicators of student success? Are there any not already on the President’s list that should be there?
3. The Academic Senate Budget and Long Range Planning Committee (BLRP) is the main body that exercises the Academic Senate’s “advisory powers” over the budget. What does the BLRP need to know regarding the budget and long term planning in order to help the university move forward successfully with achieving greater student success?

V. Adjournment: 5:30 pm

Submitted by,

Gladys Gregory  
Academic Senate



# ACADEMIC SENATE 2011 FALL RETREAT

Presented by Bonnie D. Murphy

# Foundation History

✘ President Julian McPhee Incorporated the Foundation in 1940.

WHY?

- + Challenge to operate agriculture projects in a commercial manner within the limits of state ownership & procurement processes
- + Anticipation that the state would allow non-profit groups to support colleges – (enacted in 1941)
- + The organization has been operating as a non-profit entity for the university for over 70 years

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# Foundation's mission

- ✘ The overall mission is to assist and promote the educational mission of Cal Poly and CSU.
- ✘ The Foundation was established to engage in those activities ancillary to state operation that are requested by the President and CSU.

# Foundation Re-organization

- ✘ In 2006, the Foundation's name was changed to the Cal Poly Corporation at which time it relinquished fund raising activities.
- ✘ In 2006, the Foundation's name was assigned to a new and separate auxiliary to oversee fundraising functions.

# Corporation Functions

- ✘ The Corporation (CPC) is a full service, *self supporting* auxiliary. The CPC provides or performs
  - + commercial services,
  - + loans for Gap Funding,
  - + fiscal and administrative services to a number of departments and organization on campus,
  - + accounting services for corporation core businesses, the foundation and various other auxiliaries and entities at Cal Poly,
  - + oversight for university programs such as post awards Sponsored Programs and Campus Programs expenditures and Agriculture, UGS and other enterprise projects.

# Corporation Structure

- ✘ Governed by an independent 13 member Board appointed by the President.
  - + Seven faculty and administrative staff directors
  - + Two student directors
  - + Three community directors
  - + President or designee
  
- ✘ The board's role is to guide the CPC activities by establishing policies compatible with laws, and Cal Poly and CSU policies.
  
- ✘ Board of Directors make corporate decisions collectively as a Board, decision-making is a collective and deliberate process.

# Corporation Structure

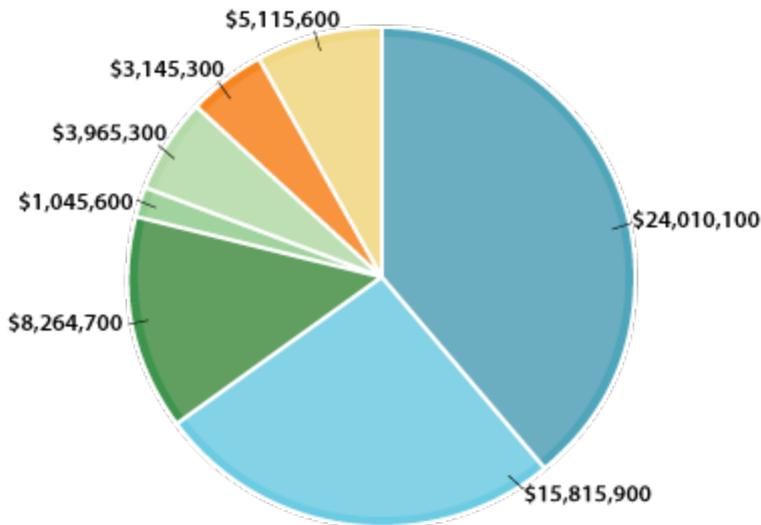
- ✘ Board actions are subject to the approval of the University President and review by the University CFO.
- ✘ Audited financials are available to the public upon request, however audited financials and other corporation documents are available on-line.
- ✘ Board meetings are open to the public.

# Corporation Oversight

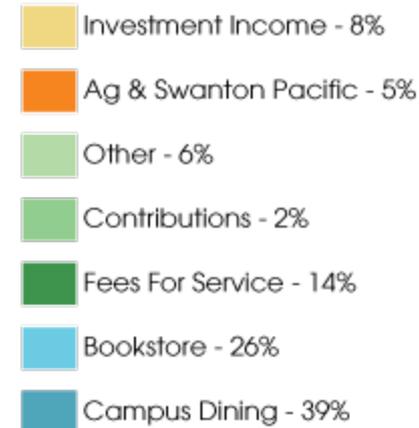
- ✘ Education Code Requirements
  
- ✘ Non-Profit Regulations
  - + Annual Independent Audit
  
- ✘ State/CSU Regulations
  - + Annual Independent Audit – Non-Profit Integrity Act
  - + Triennial CSU Audit
  
- ✘ IRS Disclosures – Annual
  
- ✘ Periodic review of policies, operations, budgets, and overall financial activity by Board of Directors

# Corporation Revenue Sources

- 2009-10 Revenues Total: \$61.4M



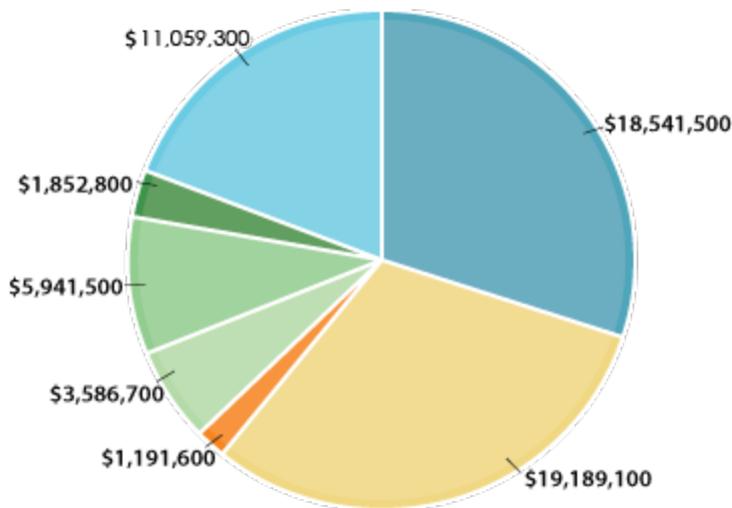
## Revenues By Category



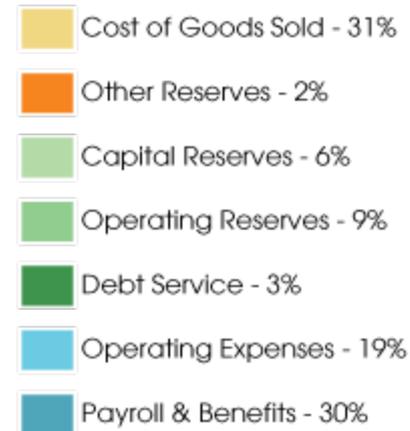
- Corporation receives no state funding allocation.
- Corporation's primary revenue source is its commercial operations.
- Goods and services provided by Cal Poly are reimbursed by the Corporation.

# Corporation expense allocations

- 2009-10 Expense Total: \$61.4M



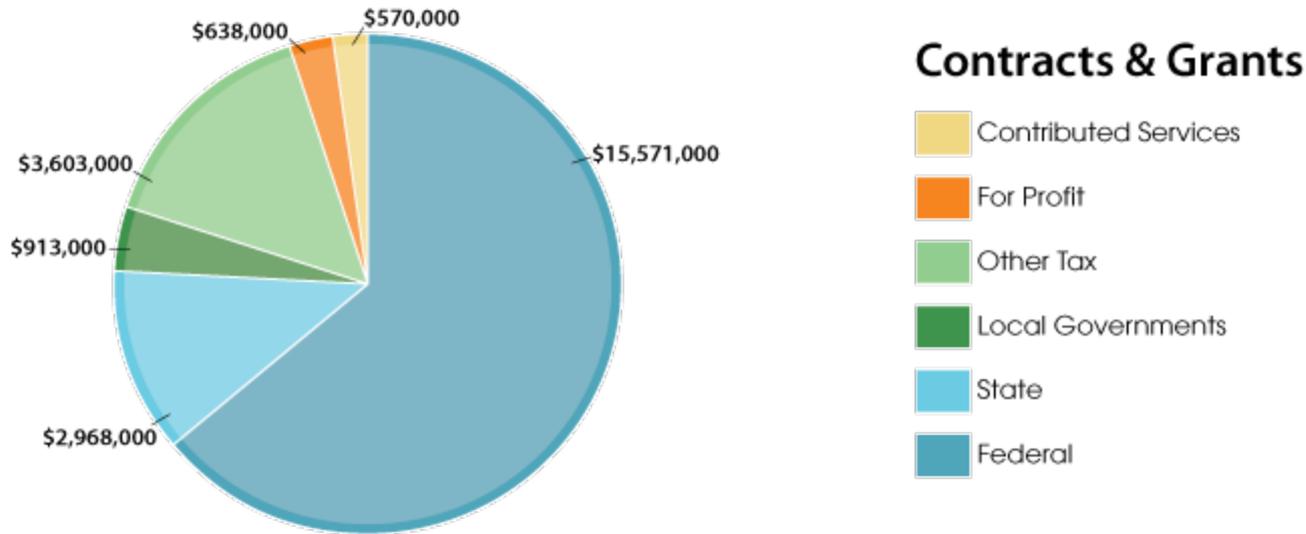
## Expenditures by Category



- Reserves are necessary for businesses dependent on generating annual revenue. Reserves are necessary to:
  - provide working capital to carry on daily activities,
  - guard against an unforeseen decrease in revenues or increases in expenditures,
  - cover possible unallowable costs, and
  - comply with Federal and State legislated requirements.

# Contracts & Grants

- 2009-10 Expenditure Total: \$24.3M



- Cal Poly has assigned the responsibility for post-award administration of externally funded contracts and grants to the Corporation.
- The Dean of Research and Graduate Studies oversees the university Grants Development office which is responsible for proposals and pre-award process.
- The two offices make up Sponsored Programs Administration.

# Contracts & Grants

- ✘ Sponsored Programs pre-audits and approves disbursements of CPC cash in accordance with the terms of grant agreements.
- ✘ CPC is reimbursed in arrears by the granting entity.
- ✘ The allowable rate of indirect cost reimbursement for federally funded agreements is negotiated every few years with the Federal agency.

# Contracts & Grants

- ✘ All direct and indirect cost reimbursements are revenues to the CPC.
- ✘ Revenues from indirect cost reimbursements are designated for support of SPO operations and administration and for other CPC costs associated with the sponsored projects function.
- ✘ Any residual revenues from indirect cost reimbursement are normally designated in Corporation accounts for Cal Poly research development activities however, distributed is by the Dean of Research and Graduate Studies.

# QUESTIONS?

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# The Cal Poly Foundation:

## Our fundraising arm

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Academic Senate Retreat  
Sept. 16, 2011

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# Structure

- Non-profit auxiliary
- Board of Directors
- All volunteer; no employees
- Comprised of alumni, industry partners and friends
- CEO is VP/Advancement
  - Support of board activities provided by Advancement staff
  - Advancement has hybrid structure of fundraisers

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# Mission & Fiduciary Duty

- Help raise private funds to support the university
- Steward the endowment
  - Oversee investment strategy to ensure growth and prudent risk
  - Advise on capital campaign strategy

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# Endowment: Size and Return

- \$168 million endowment
  - Range in recent years: \$125 million to ~ \$200 million
- Diversified investment strategy
  - 70% in stocks; 25% in bonds; 5% in REITS
- Better than average growth for higher ed endowments
  - 23% growth in value in 2010-11
  - +5.1% growth over past 3 years

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# Endowment: Severe Restrictions

- Endowment yields ~\$7 million annually
- Collection of 600 smaller endowments
- Virtually all spending determined by donors

# Where does the \$7 million go?

- Where the donor says
- \$5 million to campus programs
  - Endowed faculty chairs (about a dozen are supported)
    - \$2.7 million to fully fund one endowed chair
    - One donor has earmarked money for a lab technician
  - Al Smith endowment for Swanton-Pacific
  - Paul Orfalea for College of Business
  - Unocal for pier operations
- \$2 million to student scholarships

# Self-supporting Capital Campaign

- Volunteers will assist with contacts, asks
- 5% Gift tax fee helps support fundraising
  - Currently, Foundation provides support for four regional fundraisers
  - Expectation is that Foundation will subsidize addition of more fundraisers
  - Plan is for campaign to be self funded

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# Q: Is Cal Poly efficient at fundraising?

A: 😊 ... and ... ☹️

- CSU average is 16 cents of every dollar
- Cal Poly at 13 cents
- Fundraising standards suggest twice our # of fundraisers
- It's true: Gotta spend money to raise money
- Past year: More in-person contacts; more money in the door

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# Foundation Board's legacy?

- Best on-campus fundraiser?
  - Hint – someone with a PhD
- Most productive volunteer?
  - Hint – didn't write a check himself
- How do you know you're good?
  - Hint – when you get 25% of the state's construction money

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# Thank you

## Questions?