

Board of Regents

May 13, 2016

ROLL CALL

ELECTED MEMBERS	EX OFFICIO MEMBERS
<p>Terms Ending in 2016</p> <p><u>1st Term</u> Baumhefner, Linda Chadwick, Sue McNeil, Malcolm Robbins, Dennis</p> <p><u>2nd Term</u> Brohaugh, Wally Irwin, Jon Lederer, Jill Olson, Kären* Overton, Jim Stegemoeller, Mark</p> <p><u>3rd Term</u> Erickson, Dennis*</p> <p><u>4th Term</u> Foster, Randall</p>	<p><u>President of the University</u> Kimball, Chris</p> <p><u>Chair of the Convocation</u> Bessey, Jim</p> <p><u>Bishop-Region II, ELCA</u> Holmerud, Mark</p> <p><u>Chair of the PLTS Advisory Board</u> Talmage, Stephen</p> <p><u>ELCA Representative</u> Wilhelm, Mark</p> <p><u>Chair of the Faculty</u> Hengst, Tim</p>
<p>Terms Ending in 2017</p> <p><u>1st Term</u> Camarillo, Bill Hanson, Mark Larsen, Judy Nebens, Carrie Ullman, Corky*</p> <p><u>2nd Term</u> Lemmo, Rick Sweeney, Deborah</p> <p><u>3rd Term</u> Jensen, Ted Lundeen-Smuck, Susan</p> <p><u>4th Term</u> Krantz, Bill</p>	<p><u>President of the ASCLU</u> Lacey, Daniel</p> <p><u>Chair of the Graduate and Adult Student Council</u> McNay, Cristy</p> <p><u>Alumni Representative</u> Rivers, Erin</p> <p><u>Honorary Member</u> Uyeno, Takashi*</p> <p><u>Regents Emeriti</u> Eliason, Siri* Lundring, L. Karsten Spies, Karen* Wise, Jack</p>
<p>Terms Ending in 2018</p> <p><u>1st Term</u> Nausin, Frank</p> <p><u>2nd Term</u> Swenson, Jim*</p> <p><u>3rd Term</u> Becerra, Glen</p>	<p><u>Secretary to the Board</u> Curley, Rian</p> <p>* Absent</p>

MINUTES

Friday, May 13, 2016

BUSINESS SESSION I

Call to Order

Chair Lundeen-Smuck called the meeting to order at 12:40 pm and gave an overview of the agenda. Daniel Lacey, the ASCLU President, and Cristy McNay, Chair of the Graduate and Professionals Student Council, were introduced. Regent Stegemoeller offered the invocation.

Chair Lundeen-Smuck called for the approval of the February 2016 Board of Regents meeting minutes.

Approval of the February 2016 Meeting Minutes

Motion carried unanimously.

President's Report

President Kimball shared the recent challenges for the Ventura County Center for Nonprofit Leadership and the requests from the community to move the center to Cal Lutheran under the direction of Lisa Buono, Director of the Bachelor's Degree for Professionals Program, and have it be led by the former director Dena Jenson. At this time, the center's facility in Camarillo is not being considered as a part of this potential acquisition. Provost Neilson noted the ways in which this addition to Cal Lutheran is an ideal mission-fit and could provide our students with nonprofit service learning opportunities. Regent Stegemoeller noted that the center's current liabilities need to be considered. The classes and offerings would be held at the Oxnard and Woodland Hills campuses. The Board of Regents authorized the administration to move forward with the acquisition of the Ventura County Center for Non-Profit Leadership.

President Kimball briefed the Board on the opportunities to acquire Hope Lutheran in Los Angeles and fundraising efforts to create the Terizian Center at Hope Lutheran in honor of Carl Terzian. Additional information about the property and options therein still remain, so a decision on next steps is not being made at this time.

President Kimball introduced the *American College and University President's Climate Commitment*, and informed the board that he would be signing it on behalf of California Lutheran University. He believes that Cal Lutheran can realistically move towards the sustainability standards outlined in the agreement over the coming years. The proposal is unanimously supported by the University's Sustainability Committee and came up through the faculty as well.

It was reported that there was significant media coverage of CLU in the first 24-hours following the announcement that the Los Angeles Rams in-season training facility would be temporarily located at Cal Lutheran. President Kimball reviewed our contractual obligation to the Los Angeles Rams with the Regents and directed them to the Regent website for additional information about the agreement and facility plans.

ACE Reflections – Erin Ebersole

Dr. Ebersole presented background on the American Council on Education (ACE) Fellowship program as well as her reflections on her 10-month experience at Cal Lutheran.

Resolutions

Regent McNeil presented the faculty sabbaticals resolution, as the Chair of the Academic and Student Affairs committee, Regent Erikson, was absent. It was noted that Regent Hengst would be abstaining from the vote as a member of the faculty. Provost Neilson added that if you complete a sabbatical you must come back to work for a year and that sabbaticals are not possible if they are taking the retirement buyout package.

Sabbaticals

Motion carried with one abstention from Regent Hengst.

Regent Baumhefner presented the resolutions on major contracts.

Review and Approval of Major and Major Multi-Year Contracts for FY 16-17

Motion carried unanimously.

Regent Baumhefner and Vice President Davis discussed the opportunity to acquire the vacant lot currently owned by Holy Trinity Church on Mountclef. The University is seeking the Board's approval to negotiate the opportunity to acquire this land, however the parcel still needs to be split and that could take

time. The land could be used for additional classroom space or parking. Regent Stegemoeller requested an amendment to the resolution to note that it be 110% of the university's appraised value.

Authorization to Negotiate and Sign Purchase Documents for Land Acquisition from Holy Trinity Lutheran Church

Motion carried with one abstention from Regent Nausin.

Regent Foster presented the CLEF resolution.

Change in CLEF bylaws to confirm status of CLEF as a supporting organization

Motion carried unanimously.

Science Initiative Update – Leanne Neilson and Steve Wheatly

Provost Neilson provided an update on recent faculty hires in the sciences as noted below:

Paloma Vargas, Biology. Serving as the HSI Director.

Anita Stone, Biology.

Mary Oksala, Physics.

Sebastian Carron, Physics.

Vice President Wheatly reviewed the status of the science initiative capital campaign, including the status of the campaign website that will be launched once the initiative goes public.

Construction Update – Ryan Van Ommeren

Ryan Van Ommeren gave an update on the Rams training facility, the William Rolland Art Center, video display unit in Rolland Stadium and the new science building design.

Cybersecurity at Cal Lutheran – Zareh Marselian

Zareh Marselian, the Chief Information Officer informed the board of the scale of cybersecurity attacks that we now face. A case of how we had an

"appliance" breach on our Help Desk was discussed. The attack originated from China and our vendor is still investigating this case. Zareh explained recent "spoofing" security attacks that have taken place on campus.

Bylaw Update – Chris Kimball

President Kimball informed the Regents on the process for updating the bylaws. Attorneys have reviewed the current bylaws and offered significant guidance and recommendations in order to bring them in line with California nonprofit laws. The Convocation will be included in the bylaws and meets most of that group's concerns. ***As far as the timeline going forward, the Trusteeship Committee could bring a draft to the board at the August retreat for approval to meet the notification of the Convocation for their approval in October. However, if that timeline cannot be met the timeline could be shifted to an April approval from the Convocation. If we move forward with an August Regent approval, it was suggested that a color-coded system be in place to highlight judgement calls verses compliance and best practices elements.***

PLTS Financial Status – Karen Davis and Ryan Van Ommeren

Vice President Davis informed the board of the financial status and sustainability of PLTS. The presentation included the following slides:

PLTS Statement of Financial Position January 31, 2015 and 2016

	FY 2014-15	FY 2015-16	Variance Fav/(Unfav)
ASSETS			
Due to/from CLU	787,640	(578,903)	(1,366,543)
Cash and cash equivalents	1,378	640	(738)
Receivables	390,210	390,584	374
Prepaid expenses, inventories, deposits	(1,223)	1,426	2,649
Endowment investments	11,933,034	11,653,642	(279,392)
Funds held in trusts by others	365,733	362,995	(2,738)
Property, plant and equipment, net	7,717,106	7,610,109	(106,997)
TOTAL ASSETS	21,193,878	19,440,493	(1,753,385)
LIABILITIES			
Short-term	138,119	184,336	46,217
Long-term debt	1,205,203	1,098,760	(106,443)
TOTAL LIABILITIES	1,343,322	1,283,096	(60,226)
NET ASSETS			
Unrestricted	7,112,557	6,129,208	(983,349)
Temporarily restricted	4,628,801	3,793,088	(835,713)
Permanently restricted	8,109,198	8,235,101	125,903
TOTAL NET ASSETS	19,850,556	18,157,397	(1,693,159)
TOTAL LIABILITIES AND NET ASSETS	21,193,878	19,440,493	(1,753,385)

PLTS FY 2015-16 Revenue Summary

January 1, 2014 PLTS Merger

	FY 2014-15 Actual	FY 2015-16 Forecast	FY 2015-16 Budget	Variance
REVENUE				
Total Tuition and Fees	\$673,000	\$734,000	\$644,000	\$90,000
Total Scholarships	(\$250,000)	(\$387,000)	(\$250,000)	(\$137,000)
Net Tuition & Fees	\$423,000	\$347,000	\$394,000	(\$47,000)
Unrestricted Giving	\$1,255,000	\$1,255,000	\$1,490,000	(\$235,000)
Endowment Income	\$206,000	\$245,000	\$244,000	\$1,000
Government Grants	(\$1,000)	\$11,000	\$16,000	(\$5,000)
Sales and Service/Other Income	\$38,000	\$33,000	\$25,000	(\$8,000)
Auxiliary (Room)	\$410,000	\$347,000	\$257,000	\$90,000
Releases from Restrictions	\$441,000	\$399,000	\$250,000	\$149,000
Total Revenue	\$2,772,000	\$2,637,000	\$2,676,000	(\$39,000)

California Lutheran
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PLTS FY 2015-16 Expense Summary

January 1, 2014 PLTS Merger

	FY 2014-15 Actual	FY 2015-16 Forecast	FY 2015-16 Budget	FY 2015-16 Variance
Compensation				
Salaries	\$1,564,000	\$1,590,000	\$1,631,000	\$41,000
Benefits	\$446,000	\$480,000	\$512,000	\$32,000
Total Compensation	\$2,010,000	\$2,070,000	\$2,143,000	\$73,000
Goods and Services				
GTU Expense	\$712,000	\$710,000	\$618,000	(92,000)
Finance and Capital	\$361,000	\$339,000	\$399,000	\$60,000
Transfers	\$8,000	\$44,000	\$27,000	(\$17,000)
Transfers				
Discretionary Transfers	\$16,000	\$6,000	\$4,000	(\$2,000)
Renewal & Replacement	\$0	\$53,000	\$53,000	-
Retirement of Debt	\$150,000	\$149,000	\$116,000	(\$33,000)
Total Transfers	\$166,000	\$208,000	\$173,000	(\$35,000)
Total Expense	\$3,257,000	\$3,371,000	\$3,360,000	(\$11,000)

California Lutheran
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Ryan Van Ommeren presented the Berkeley property status, making it clear that having an ELCA seminary presence in the Bay Area remains a priority. There are eight parcels ranging from 10,000 to 110,000 square feet. The survey results reflect no easements for existing utility service on Creston or emergency egress directly to Creston. There is zoning for low-density residential housing. Founders Hall and Sawyer Hall, the 1920's properties, could be sold individually. There is currently a \$7 million renewal and

replacement backlog, however just the Delaware Apartment is budgeted for \$50,000 annual renewal and replacement. The Marin property is not ADA compliant at this time.

PLTS Advisory Board – Stephen Talmage

Regent Talmage called for a vote on the addition of Reverend Christine Higuera-Street as a member of the PLTS Advisory Board. There was a majority vote in support for this addition, with one abstention from Regent Mark Stegemoeller.

Regent Talmage provided the challenges the ELCA faces in terms of seminary education and the following twelve recommendations based on the Theological Education Advisory Council (TEAC):

1. Create an advisory committee to sustain a robust network of theological education for the ELCA
2. A campaign to strengthen the staffing of and resourcing for theological education
3. A common online learning platform among seminaries
4. Asset mapping to serve Hispanic-oriented theological education and young adult faith formation
5. Coordination of regional and synod programs for young adult church vocational discernment and leadership work
6. A global theological education strategy
7. A program to recognize and accredit lay leaders
8. More enforceable requirements for professionals continuing education: 50 hours a year
9. Greater collaborations among seminaries in faculty sharing, back office management, and distributed learning
10. Regular reporting (as soon as September 2016) of seminaries' progress toward fiscal benchmarks and a plan of action, including liquidity and operating results, use of property assets, educational partnerships
11. With universities and lay schools develop a web based learning portfolio of theological education
12. Explore alternative degree models and degree accelerating arrangements to make theological education more affordable

Concerns were expressed about how young pastors are not equipped with the skills to manage a mature congregation. Provost Neilson shared that the

seminary faculty have begun conversations around what their vision is for seminary education and it included some exciting ideas. There was full and frank discussion around where CLU and the PLTS Advisory Board go from here in order to imagine what the future of seminary education is. President Kimball shared a draft of a job description for a Rector/Chief Administrative Officer of PLTS as there will be an external search for this role. The anticipated timeline would be to post the position by the end of the summer, determine a search committee and if a search consultant would be engaged, with the hope to have a new hire in place at the first of the year.

Strategic Planning Timeline – Chris Kimball

President Kimball presented a proposed timeline for the strategic planning process that factors in faculty governance.

The general meeting was adjourned at 5:00 pm and administrators were excused for executive session.

Respectfully submitted,
Rian Curley
Secretary to the Board of Regents
