



BOARD OF DIRECTORS' MEETING
Friday, April 25, 2025, 8:30 a.m.
Vista Grande Dining Complex
Third Floor Conference Room

MINUTES

Fiscal Year 2024-25

Present: Allison Baird-James, Joe Cleary, Damon Fleming, Sean Hurley, Jeremy James, Geri LaChance, Al Liddicoat, Patrick Mullen, Cyrus Ramezani, Ashleigh Spragins, Cindy Villa, Dean Wendt, Toby Walpole, Cara Wright

Absent: Cody VanDorn

Guest: Erin Pearse, Kalea Conrad

Staff: Joe Alves, Dan Banfield, Holly Clark, Jill Connelly, Ellen Curtis, Jess Dozier, Jim Dunning, Russell Monteath, Matt Ryan, Olga Siebrass-Pauls

I. CALL TO ORDER AND INTRODUCTIONS

Chair Allison Baird-James called the meeting to order at 8:34 a.m. and welcomed everyone in attendance. Baird-James welcomed Al Liddicoat, interim Provost and thanked Cindy Villa for her interim service as the Vice President of Student Affairs.

II. PUBLIC COMMENT

Baird-James asked if there was anyone present who had a public comment. There were two people present to comment representing Zero Footprint an organization supporting regenerative agriculture.

Erin Pearse, faculty member in the math department, presented the Zero Footprint concept of providing students the ability to opt-in to an additional charge of 1% of their meal plan price with the intent of donating it to combat climate change by supporting regenerative agriculture.

Kalea Conrad, who works with the Initiative for Climate Leadership and Resilience, has been gaining support through outreach and surveys resulting in strong student support. A request was made to create an agenda item for further discussion of this initiative.

III. MINUTES

A. Board Meeting Minutes – February 7, 2025

(M/S) (HURLEY/MULLEN) that the Board accepts the February 7, 2025, minutes as presented.

None opposed.

IV. CONSENT AGENDA

- A. Accept Quarterly Financial Report**
- B. Accept Quarterly Investment Report**
- C. Approve Publicly Available Pay Schedule for CalPERS**

(M/S) (LA CHANCE/CLEARY) that the Board approve the Consent Agenda items IV. A. - C.

None opposed

V. CHAIR REPORT

Baird-James discussed budget issues on campus with a potential for a \$187M decrease in system-level revenue. State funds are expected to decrease by \$375M. The campus system-wide increase in expenses is expected to be \$593M, but more will be known with the governor's revised budget. Cal Poly is anticipating an 8% budget cut. Next year is short by about \$48M. All departments are asked for a 5-10% cut in their budgets. At the same time the campus is still working on converting from quarters to semesters and the integration of Cal Maritime. Cal Poly Partners was highlighted as playing a key role in managing these challenges and supporting ongoing initiatives.

Concerns were expressed about ensuring adequate staffing and capacity to support campus growth, and whether an analysis has been done to assess these needs.

VI. COMMITTEE REPORTS

A. Investment Advisory Committee

Joe Alves reported there was an Investment Advisory Committee meeting on Wednesday, April 23, 2025. The investment advisory reported the outperformance of benchmarks across all funds, particularly in the corporate pool, long-term holdings. In the growth / income allocations, there was approximately 125 basis points of outperformance. The value tilt of the portfolio also helped drive returns. The Magnificent 7 stocks are still driving the S&P 500 returns. The cumulative returns of just these 7 stocks from January of 2023 through March 1, 2025, are up 123.1%, compared to S&P increase of 51%. Diversification remains key to Cal Poly Partners' investment stability. The European market performed well, and there was increased spending in European infrastructure. Federal trade policies have increased market volatility. TIAA Kaspick continues to monitor the policies and has not advised any adjustments at this time.

Federal trade policy and long-term return trends were discussed, with a suggestion to include trend analyses in future reports.

B. Budget & Finance Advisory Committee

Banfield reported that the Committee met on Wednesday, April 23, 2025. They discussed the operating results through March 2025 and multiyear trend analysis. Commercial Services sales continue to be strong due to the 1901 Marketplace and the Vista Grande venues. Cal Poly Partners' purchase of Harvest Lofts has impacted the revenues operationally from rents received over the past six months. They were not budgeted since it was not yet known the property would be purchased. The property was purchased for \$44M through financing. The Budget and Finance Advisory Committee reviewed a multi-year trend over the past 5 years, which shows fully recovered operations since the pandemic. Operating expenses are rising at a higher rate than revenues. Food costs and inflation have contributed to these expenses, creating thin profit margins.

The committee discussed the Campus Dining meal plan cycle and the increase in depreciation expense with several new buildings. Discussions covered pre-pandemic operating budgets, fixed summer costs, and reaching break-even points during the academic year. Opening new facilities

and training each fall quarter were noted as significant cost factors. Ongoing discussions addressed whether structural cost issues for students, faculty, and staff will resolve on their own or require changes to cost allocations. These debates occur annually during spring budget cycles.

VII. Program Review

A. Cal Poly Student Managed Portfolio Project

Adhi Bornstein, Anaïs Lohier, Kaan Mirel, Tiffany Bountauvas, Manning Kalish, and Jessica Yabrow, presented the Student Managed Portfolio Project. There were 32 students selected this year for the student managed portfolio project. The student-managed portfolio filtered 22,510 stocks down to 388, then to 32 dividend achievers. Selection criteria included NASDAQ/NYSE listing, market cap over \$1 billion, consistent dividend growth over 10 years, net income multiples, and beta levels. Portfolio optimization considered risk metrics and conditional value at risk.

Tariff announcements included April 2nd for baseline tariffs and April 9th for reciprocal tariffs, followed by a 90-day pause. The market dropped about 12% after the announcement, with a 14% decrease from the time of Trump's election. The bond market played a significant role in the administration's decision to pause tariffs. The ongoing trade war with China and rising inflation expectations were noted as key uncertainties.

Challenges included illiquid option markets, difficulties exiting positions, and the need to re-write options after significant price movements. Protocols require students to consult when stock prices move more than 2%.

The student-managed investment portfolio operates like an internship, with students assigned stocks and responsible for management decisions. Trading inefficiencies, such as breaks and learning periods, contribute to a performance gap of about 4.5% compared to the S&P 500, partly due to a higher bond allocation. The educational value of the experience was emphasized. The cumulative rate of return of 9.93% from April 2024 – April 2025.

IX. Staff Presentations

A. CFO Report

Dan reported this year to date 2024-25 we have the highest number of voluntary student meal plan participation in history at 4,020, possibly a nationwide high. The year-to-date operating revenues are 5% over budget.

Cal Poly Partners' upgrade of the enterprise information system, from OneSolution to Workday, is now back in progress after a pause to include the Research Department's post-award system.

Cal Poly Partners is currently focused on the integration of Cal Maritime as it relates to commercial services. The Cal Poly Partners' teams, including Conference and Events Planning, Campus Dining and Bookstore, have been visiting the campus to ensure a smooth transition. Dan is working closely with the University on accounting and finance policies.

Sponsored Research has been experiencing a very strong year financially. With the changes in Federal awards, our teams are navigating through volatility. To date there are twelve projects with impacts from the changes and uncertainty. Weekly communications reveal changes/impacts to sponsored research awards. There is an estimated total sponsored research projects of 500, but federally awarded projects are approximately a third of the portfolio.

Investment portfolio dividends described by Joe and the Investment Advisory Committee are used to help supplement Cal Poly Partners' general administration budget.

Revenues this year at the Bartleson Ranch have tracked very close to the budget through the first nine months.

X. ANNOUNCEMENTS

A. Next meeting is June 6, 2025. 12:00 p.m.

XI. ADJOURNMENT

No further matters arose, the meeting was adjourned at 9:57 p.m.

Respectfully submitted,

Holly Clark

Holly Clark,
Recording Secretary