

SAN FRANCISCO STATE UNIVERSITY FOUNDATION

Board Meeting & Advance

Saturday, March 4, 2017

The Meritage Resort & Spa, Napa

Board Meeting Minutes

IN ATTENDANCE

W. Adams	Director/Student Rep	D. L. Simon	Director
V. Anicetti	Director	C. Smith	Director
K. Brandon	Director	R. Stanley	Director
D. Corvin	Director	B. Stranathan	Director
G. Cosko	Director	J. Summit	Director/Provost, SF State
D. Endo	Director	V. Thompson-Ramsay	Secretary & Treasurer
N. Fudem	Director	L. Wong	Director/President, SF State
M. Huss	Director		
J. Marcus	Director		
H. Myers	Director		
D. Nasser	Director		
R. Nava	President/VP, University Advancement, SF State		
N. Nobari	Director		
M. Rosenbaum	Director		
T. Safford	Vice-Chair		
D. Serrano Sewell	Chair		
A. Sherman	Director/CFO &VP, Admin & Finance, SF State		

ABSENT AND EXCUSED

L. Bridges	Director
W. Brown	Director
V. Dolcini	Director
T. Griggs	Director
J. Gumas	Immediate Past Chair
P. King	Director
D. O'Donnell	Director
W. Rose	Director
D. Simmons	Director
J. Simmons	Director

OTHERS PRESENT

T. Anderson	Senior Director of Development & Operations
K. Bowman	Dean, College of Science & Engineering, SF State University
D. Cano-Stocco	Executive Director, Government and Community Relations, SF State University
L. Claudio	Executive Assistant to the President, SF State University
J. Dunn	Director of Development and Campaign Communications, SF State University
A. Harris	Dean, College of Liberal & Creative Arts, SF State University
A. Harris	Executive Director, Regional Advancement, SF State University
S. Hart	Senior Executive Assistant to the VP of University Advancement, SF State University
L. Hong	Vice President for Student Affairs and Enrollment Management, SF State University
C. Johansson	Director of Advancement Services, SF State University
R. Karra	Managing Director and Chief Investment Officer, Cambridge Associates
M. Kelleher	Associate Vice President for Development, SF State University
S. Kelton	Director of Planned Giving, SF State University
N. Lange	Director, Special Events, SF State University
K. Maeshiro	Associate Director, Alumni Events, SF State University
T. Mullaney	Director of Planned Giving, SF State University
A. Sanders	Chief of Staff, Office of the President, SF State University
E. Smith	Associate Vice President for Marketing & Strategic Communications, SF State University

MEETING CALL TO ORDER

Chair David Serrano Sewell called the meeting to order at 8:43 am. He welcomed everyone to the meeting, including a number of special guests.

APPROVAL OF AGENDA

Serrano Sewell asked that the agenda be approved. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the agenda for the March 4, 2017 board meeting and advance.

Motioned by: Kimberly Brandon Seconded by: David Simon Motion: Passed

APPROVAL OF CONSENT AGENDA

The board reviewed the consent agenda, which included the December 15, 2016 board meeting minutes. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the consent agenda and the December 15, 2016 board meeting minutes, as prepared.

Motioned by: David Simon Seconded by: Judy Marcus Motion: Passed

PURPLE & GOLD NUGGETS

Safford mentioned that board member David L. Simon was being inducted into the Hall of Merit for the George Washington High School on May 11th for his business accomplishments in the entertainment industry. Safford also mentioned that board member Neda Nobari was honored the prior month by the California State University Board of Trustees. President Wong asked Nobari forward and presented her with a resolution from the Board of Trustees.

ADVANCEMENT UPDATE

Nava mentioned that after an extensive national search, we hired an Executive Director for the Office of Government and Community Relations. He introduced Dominique Cano-Stocco and told the Board she would be staffing the Advocacy Committee. Nava also mentioned that after 24 years with the University, Doug Hupke had resigned as Executive Director for Alumni & Constituent Relations. He said Nicole Lange had graciously stepped in to serve as interim while a national search was launched. Nava switched gears to provide an update on campus fundraising. He mentioned that we had greater control over philanthropy on the campus. He said we brought in great talent and invested in our fundraising operations. He said 2016 was our best fundraising year in the history of the University. He said we should have an endowment of about \$100 million, raising \$20-\$25 million per year. Finally, Nava mentioned that we were making steady and great progress on the comprehensive fundraising campaign. He said the plan was to go public when we reached \$90 million raised. Robert ended by showing the directors the campaign video.

INVESTMENT COMMITTEE REPORT

Brandon reminded the Board that after a long and deliberate process, Cambridge Associates was selected to provide investment advisory services to the Foundation. She said that she, Nava and Thompson-Ramsay met with Cambridge Associates on January 19, 2017 to finalize the scope of services and after much legal review and negotiations with Cambridge Associates, she was happy to report that we had reached an agreement that was approved by the Executive Committee a couple days prior. Brandon thanked the Investment Committee members for all their hard work and commitment and then introduced Ravi Karra.

Karra introduced Cambridge Associates, mentioning that they were one of the leading investment advisors with clients worldwide and offices in six countries. He said their ratio of clients to staff was 1:1, a conduit for best practices in the industry. Karra said he and his team built a customized outsourced

investment office for SF State Foundation, which included himself as Chief Investment Officer (CIO), a Director of SRI/ESG, Director of Investments, an Investment Analyst and an Operations Manager. He also discussed the background of his team especially their expertise in the ESG space. He then provided a timeline for the transition from self-management to the OCIO structure, highlighting that the bulk of the transition time would be spent on policy implementation after a 3-6 month period of investment planning and establishing the investment policy.

COMMITTEE REPORTS

Serrano Sewell reminded directors that written reports for the remaining committees were included in their packets.

BOARD ADVANCE

Chair Serrano Sewell introduced SF State President, Les Wong to kick off the Board Advance by sharing an update on the University.

State of the University: President Wong provided updates on: 1) tuition increase and 2) facilities. Wong said that all 23 CSU campuses would be committed to a tuition increase. He said the CSU still had a very robust financial aid and grant support program for students with income below \$70,000 per year (about 55% of undergraduates did not pay full tuition, while 20% was subsidized by waivers and grants). However, he said the budget comprised of 1/3 tuition, 1/3 state appropriations and 1/3 we raise on our own so it was complicated. He said the Board of Trustees was scheduled to vote on a tuition increase in the next two weeks and he would keep the Board informed of the decision.

Wong said the Trustees DPRC Committee gave the green-light for Holloway phase I and the Creative Arts Building. He said that Holloway would be a mixed-use development (merchant/vendors on street level and housing for students above it) with student housing increasing from 3,000 to 6,000 units. Wong said the next project, after the Holloway project, was to develop the north side of campus, including Winston Drive to yield about 1,000 units that could cover the costs of the new science building. He said the Bayview Hunters Point extension was now on hold, as there were issues with land reclamation and clean up. He said we made a strategic move and was now working with the San Francisco Public Utilities Commission (PUC) to provide educational services training at 3rd and Evans.

Wong mentioned the \$1 million gift from John and Richard Kern and mentioned that the gift would stimulate improvements at the Romberg Tiburon Center. Finally, Wong mentioned that we were currently celebrating the 50th anniversary of project rebound. He said that SF State had the leading program in post-incarceration education. He said the program, which began on campus, had expanded to seven CSU campuses.

Study Session I: Vice President Luoluo Hong and Provost Jennifer Summit led the study session on the CSU Graduation Initiative 2025. The study session focused on efforts to increase graduation rates in the CSU. They presented data that showed the correlation between graduation rates and spending with campuses with higher spending per student resulting in higher graduation rates. They mentioned that the 6-year graduation rate at SF State was 51%, while the 4-year graduation rate was 18%. They said the goal was to increase the rates to 69% and 33%, respectively, by the year 2025. They mentioned that initial strategies such as a shared responsibility model (making student success the responsibility of all and not just Student Affairs and Enrollment Management) had been impactful on campus. They ended their presentation with three clear funding priorities to support the 2025 graduation initiative: 1) enhanced learning (i.e. tutoring, supplemental instruction, faculty and staff development, etc); 2) clear pathways to degree (i.e. increase academic advisors, expand coaching/mentoring, etc); and 3) student success support (i.e. expand high-impact practices such as study abroad).

Study Session II:

Steve Kelton and Tom Mullaney, Directors of Planned Giving at SF State University, gave a comprehensive and interactive presentation on planned giving, detailing planned gift vehicles and highlighting the important role planned giving plays in a successful campaign. They discussed life income gifts such as charitable gift annuities and remainder trusts - where a donor makes a gift now and receives a charitable donation and a stream of income for life. They also illustrated giving through the IRA Charitable Rollover where a donor age 70½ can give up to \$100,000 annually from their IRA directly to a charity and have it count towards their required minimum distribution, while the charity receives 100% of the funds tax-free. Finally, Kelton and Mullaney also discussed the benefits of bequest gifts, the advantage of using appreciated securities in bequest gifts, retirement plan and life insurance beneficiary designations, and gifts of real estate.

Open Forum:

Serrano Sewell opened up the forum. The discussion focused on student success and how to facilitate it. Board members felt it was important to hear about the costs as it will help them understand how much to raise. Directors felt we needed to show real examples of the University and the amazing accomplishments of its alumni in all fields. Other comments included providing more online courses. President Wong said there were a couple of different reasons we were not extending the online course and degree programs at SF State. He said online courses was labor intensive and the jury was still out as to whether this type of learning was better than traditional teaching. Provost Summit said the evidence showed that online courses worked better for upper division students than those in lower division. She said blended courses (both classroom teaching and online resources) had shown to be the most successful for all students.

Closing Comments: Serrano Sewell asked President Wong if he had any closing comments. President Wong said he was excited to have the Foundation as a partner in the student success and graduation initiative. Serrano Sewell thanked Robert Nava and his team for pulling together an excellent Advance.

ADJOURNMENT

There being no further business, and with Greg Cosko making the motion and Camilla Smith seconding the motion, Chair Serrano Sewell adjourned the board meeting and advance at 2:44 pm.

Dated: March 4, 2017

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Venesia Thompson-Ramsay, Secretary