

## SAN FRANCISCO STATE UNIVERSITY FOUNDATION

Board Meeting & Advance

Saturday, February 27, 2016

The Meritage Resort & Spa, Napa

### Board Meeting Minutes

#### IN ATTENDANCE

V. Anicetti	Director	S. Rosser	Director/Provost, SF State
K. Brandon	Director	T. Safford	Vice-Chair
R. Cortez	Director/VP, Admin & Finance, SF State	D. Serrano Sewell	Chair
D. Corvin	Director	D. Simon	Director
G. Cosko	Director	R. Stanley	Director
D. Endo	Incoming Director	B. Stranathan	Director
N. Fudem	Director	V. Thompson-Ramsay	Secretary & Treasurer
J. Gumas	Immediate Past Chair	L. Wong	Director/President, SF State
M. Huss	Director	<b><u>ABSENT AND EXCUSED</u></b>	
P. King	Director	L. Bridges	Director
J. Marcus	Director	V. Dolcini	Director
H. Myers	Director	T. Griggs	Director
D. Nasser	Director	J. James-Harvill	Student Representative
R. Nava	President/VP, University Advancement, SF State	D. O'Donnell	Director
N. Nobari	Director	L. Pitman	Director
M. Pasag	Incoming Director/Staff Representative	W. Rose	Director
M. Rosenbaum	Director	D. Simmons	Director
		J. Simmons	Director
		C. Smith	Director

#### OTHERS PRESENT

D. Bass	Director of Foundation Programs and Research, Association of Governing Boards of Universities and Colleges (AGB)
M. Beeler	Interim Associate Vice President for Communications, SF State University
I. Bomar	Assistant to the Vice President, University Advancement, SF State University
L. Claudio	Executive Assistant to the President, SF State University
J. Dunn	Director of Development and Campaign Communications, SF State University
C. Guthrie	Director of Athletics, SF State University
A. Harris	Associate Vice President, University Development, SF State University
L. Hong	Vice President for Student Affairs and Enrollment Management, SF State University
D. Hupke	Director, Executive Director of Alumni & Constituent Relations and Annual Giving, SF State University
C. Johansson	Director of Advancement Services, SF State University
M. Kelleher	Executive Director of Development and Campaign Operations, SF State University
N. Lange	Director, Special Events, SF State University
K. Maeshiro	Alumni Events Coordinator, SF State University
S. Menon	ACE Fellow, 15-16
A. Sanders	Chief of Staff, Office of the President, SF State University
L. Sunshine	Director, Government and Community Relations, SF State University

#### MEETING CALL TO ORDER

Chair David Serrano Sewell called the meeting to order at 8:40 am. He welcomed everyone to the meeting, including a number of special guests.

### **ELECTION OF NEW DIRECTORS**

Serrano Sewell mentioned that the Committee on Directors met to consider the applications of Donald "Don" Endo and Maureen Pasag and brought their names forward for election to the Board. Mary Huss, chair of the Committee on Directors introduced Don Endo, mentioning that he had an impressive background, including his current role as Senior Director of Tax for BDO USA, LLP and his past role as CFO for Qvale Automotive Group, Inc. for 16 years. Huss then introduced Maureen Pasag as the staff representative to the board. She said Pasag was currently the Associate Vice President for Fiscal Affairs at SF State University and had previously worked with the Chancellor's Office Internal Audit Group. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board elects Donald "Don" Endo and Maureen Pasag to the Board of Directors of the SF State University Foundation.

Motioned by: John Gumas      Seconded by: Kimberly Brandon      Motion: Passed

### **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 February 27, 2016 board meeting and advance.

Motioned by: Taylor Safford      Seconded by: Kimberly Brandon      Motion: Passed

### **APPROVAL OF CONSENT AGENDA**

The board reviewed the consent agenda, which included the December 10, 2015 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 10, 2015 board meeting minutes, as prepared.

Motioned by: Dana Corvin      Seconded by: Kimberly Brandon      Motion: Passed

### **AUDIT COMMITTEE REPORT**

Don Nasser reported that the Audit Committee had identified a new audit firm based on an RFP that was issued several months ago. He reminded the Committee that the Foundation had used Hood & Strong for the past six years and was interested in changing firms. Nasser said The University Corporation (UCorp) led what was an extensive process on behalf of the three auxiliaries on campus. He said the goal was to identify one audit firm for all three auxiliaries because this would make it easier to complete the annual audits on time and lower the cost per auxiliary because of the volume. He said a search committee was established with representatives from each of the auxiliary organization, along with the university's internal auditor and associate vice president for fiscal affairs. Nasser said the top two audit firms were invited to campus to present to the search committee and based on those presentations, the search committee unanimously recommended Grant Thornton to each of the respective auxiliary audit committee as the new audit firm. Nasser shared some of the reasons Grant Thornton was being recommended, including the firm's audit approach when taking on a new client, their use of technology, their flexibility and in-depth review of the prior audit firm's work as well as how they work with the client to determine the best approach to meet their deadlines. Finally, Nasser stated that the Foundation's Audit Committee was recommending board approval of Grant Thornton to perform the Foundation's audit. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board retains Grant Thornton as the Foundation's audit firm for FY2015-2016".

Motion by: Greg Cosko

Seconded by: David Simon

Motion: Passed

#### **FINANCE & INVESTMENT COMMITTEE REPORT**

Kimberly Brandon provided an update on the study by PFM Asset Management, LLC. She said that around last December, following board approval of the consulting contract, PFM began its comprehensive, independent review of the Foundation's current governance structure and investment portfolio line-up. She said that, since then, PFM had worked with the Foundation to obtain and review materials pertaining to the various elements of the Foundation's governance structure and portfolio line-up as well as conducted in-person meetings with Foundation's staff, board members and custodian. She said that PFM also used a variety of third-party and internal manager databases to perform a full review of the Foundation's investment managers and also reached out to the managers of alternatives to obtain relevant, non-public information related to their strategies. Brandon said that PFM would be submitting a detailed final report with recommendations and a "Top 5" list of their most important, actionable recommendations. Brandon said the analysis and report would be completed by the end of March and presented to the board at the June meeting.

#### **COMMITTEE REPORTS**

Serrano Sewell reminded directors that in lieu of oral reports, written committee reports were enclosed in their packets.

#### **BOARD ADVANCE**

Chair Serrano Sewell introduced SF State President, Les Wong and Sue Rosser, Provost and Vice President for Academic Affairs to kick off the Board Advance by sharing their vision for the University.

**University's Vision for the Future:** President Wong discussed four items with directors: 1) *Construction Projects*: President Wong said the physical transformation of the campus over the next five years will be tremendous. He mentioned that the Mashouf Wellness Center project had already broken ground. He showed slides of the 160,000 square foot, state-of-the-art facility and told directors that the work was progressing well. He also mentioned that the Holloway project was about to select a construction firm. He said he was asking the Chancellor to allow the University to move ahead with phases 1, 2, and 3 and then focus on the final phase; 2) *Romberg Tiburon Center (RTC)*: President Wong said that The Salmon Institute (TSI) was doing work at the RTC that was not safe. He said this led to a "dustup" between the University and TSI. He mentioned that under Ron Cortez and Robert Nava's leadership, the University tried to negotiate a new deal. He said the result was that TSI would be absorbed by Bay.org. President Wong mentioned that RTC has incredible property with 5-star work going on with faculty and students; 3) *College of Ethnic Studies*: President Wong mentioned that there was never any decision to cut the College's budget. He said the Provost had been subsidizing the College for years to the tune of \$300,000 per year but that the pot she was using to do so had almost depleted. He said students had a number of demands but they were demands that the President alone did not have the power to meet because of shared governance on campus; and 4) *California Faculty Association (CFA) strike*: President Wong mentioned that the planned strike would take place in April over a five-day period. He mentioned that both the San Francisco and Los Angeles labor councils had endorsed the strike. He mentioned that California did not have "sympathy" striking so other labor groups were required to work.

Provost Rosser mentioned that Academic Affairs was one of the largest divisions on campus. She said the division was down 100-110 tenure-tenure-track faculty positions from where we were in 2008. She said that SF State was not in as bad a shape as some campuses and was currently hiring 55 tenure-tenure-track faculty positions. Rosser said that housing was the main challenge they were facing in filling

the positions as SF State was bound to the salaries set by the CSU system. To address this, Rosser said that she and Vice President Ron Cortez had come up with a housing allowance for the first year. She said that, as a result, the University was able to fill 37 of its 47 searches. She then gave an update on some of the key searches, which included the deans for the College of Liberal and Creative Arts, the College of Health and Social Sciences, the Center for Extended Learning, and the Associate Vice President for Research and Sponsored Programs.

**Strategic Discussion:** Robert Nava talked about the Foundation's growth and maturity as a board. He said the Foundation had a pretty good structure but that it was now time to step back and look at our mission, goal and what directors needed to help take the Foundation to the next level. He then introduced David Bass to share his experience working with governing boards of universities and colleges around the country. Bass said the hallmark of an effective foundation was the way the board was connected to the university. Bass said that from what he had seen, we had a balance in that the Foundation was not looking to run the University but to support it. Bass then talked about some ways he saw boards looking to be more productive and engaging. For example, he said that one university had a couple of core committees for the fiduciary/operational issues but had project teams or task forces for more strategic programmatic issues. Bass said others were also moving away from the same agenda at every meeting and had started to have issue discussions. Bass said yet another university had put together a committee focused on crisis communications for its university. Bass encouraged the Foundation to put together a list of opportunities for board members to help them figure out how they could help.

**Committee Breakout Sessions and Report Out:** Nava provided instructions for the committee break-out sessions. The committees that participated in the breakout sessions were Advocacy, Athletics, Development, Committee on Directors, and Finance & Investment. Each committee was asked to consider the following questions in their brainstorming session: 1) what is your understanding of the role of this committee?, 2) based on your understanding of the committee's role, what do you think should be the objectives for the committee now through 2020?, and 3) given the committee's responsibilities, what do you think the committee should stop doing, start doing and continue doing? The committees regrouped and reported out to the full board. Some of the feedback included providing board members with a list of concrete things they could do to support the fundraising campaign; changing the name of the advocacy committee to the Committee on External Relations; moving forward with a Green Fund; and holding the number of board members at 35 and turning the focus to engagement versus recruitment.

**The Status of Women in STEM:** Provost Rosser mentioned that in the 1970s less than 3% of women were in STEM (Science, Technology, Engineering and Math). By 2012, almost half the degrees in the field were assigned to women. She said the peak of women in computer science occurred in 1984 and today it was down to 18.2%. When asked why it mattered for women in STEM, Rosser mentioned that as a society we needed diversity in STEM fields. She said it was also the future and where we were going. She said that having studied the issue for 30 years, what was amazing was that whatever was the new and amazing field or niche, women and minority men were behind. She said that this meant that women were not where the future is. Rosser said we should change the thinking from pipeline (one way in and one way out) to pathways (more ways to get into the field). When asked what was SF State doing, she shared that the College of Science and Engineering (COSE) was looking to start a Center for Mathematics and Engineering. She said there were summer programs to get students interested in SF State and the science programs. In addition, she said they were looking to increase the number of female professors in the school. Finally, she said that the first floor of the new science building would have public science programs to attract women.

**Campaign Update:** John Gumas reported that to date, we had raised \$39 million towards the campaign, Bold. Thinking. He said this was about 26% of our \$150 million goal. He said the funds were allocated

towards program, student, faculty and facilities/equipment support. Gumas said about a third (\$13 million) was from alumni. He said the newly formed Campaign Cabinet met last October and would meet again in the spring. He said the campaign collaterals were being finalized, along with the Case for Support and the priorities for each of the colleges, units, athletics and the library. Gumas said that in addition to printed materials, short campaign videos would be produced on campus by the University's Doc Film Institute.

**Open Forum:** Serrano Sewell mentioned that time was allotted on the agenda for directors to ask questions or comment on the Advance. He started out by asking if the daylong Advance had been helpful. President Wong said an "aha moment" for him was how much folks wanted an action plan for what they should be focusing on. Greg Cosko said he felt we made progress over the last year but there were still some generalities. He said he was looking forward to getting to know each other. Taylor Safford said what he heard came down to communication. He said there was a lot needed to be done but the capacity may not be there with only limited staffing. Judy Marcus said that when we meet again next year it would be good to list the outcomes so we can see how far we have come. She said she would like to see a report on the objectives and outcomes. Nancy Fudem said it was great hearing about special interests like "Women in STEM". She said even the update on the College of Ethnic Studies for better or worse was helpful. Herb Myers said he would like to see the Deans return and present on their colleges. Dana Corvin suggested that we select a few gifts and explain the education behind them in terms of how they got from \$0 to \$1 million. She said it would be helpful to see how the "ask" came about. Finally, David Serrano Sewell said we should give some serious thought to a new structure based on what David Bass discussed that day. He said he could imagine a new agenda structure that included "Good News" about the University and Foundation.

**Closing Comments:** Serrano Sewell asked President Wong if he had any closing comments. President Wong said he was proud of our students for letting the nation know that we were awake. He said that Higher Education had been asleep for 40 years. He said that flare ups should not make us go running. However, he said he wanted us to keep context and direction in mind and know that there was always another side to the story. He said the Board made him reflect upon how the role of leaders on campus had changed and how important fundraising was. He said he spent 50% of his time on fundraising. Serrano Sewell thanked Robert Nava and his team for pulling together an excellent Advance.

#### **ADJOURNMENT**

There being no further business, and with David Simon making the motion and Herb Myers seconding the motion, Chair Serrano Sewell adjourned the board meeting and advance at 3:23 pm.

Dated: February 27, 2016

\* \* \*



Venesia Thompson-Ramsay, Secretary