

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
EXECUTIVE COMMITTEE MEETING
Thursday, May 28, 2020**

Chair Safford started the Executive Committee meeting at 11:05 AM.

Committee Members Present

Taylor Safford, Chair
Kimberly Brandon, Vice Chair
Jeff Jackanicz, Foundation President
John Gumas, Chair, Campaign Cabinet
Mary Huss, Committee on Directors Chair
Don Nasser, Audit Committee Chair
Neda Nobari, Investment Committee Chair
Dennis O'Donnell, Committee on Athletics Co-Chair
David Serrano Sewell, Immediate Past Chair
Camilla Smith, Development Committee Chair

Committee Members Absent and Excused

Ted Griggs, Committee on Athletics Co-Chair
Wade Rose, Advocacy Committee Co-Chair

Others Present

Caroline Johansson, Director of Programs & Technology, SF State University Foundation
Vicky Lee, Director of Finance, SF State University Foundation
Venesia Thompson-Ramsay, Secretary & Treasurer

- I. **Review of Agenda:** The committee reviewed the agenda meeting. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the minutes, as prepared.

Motion by: Don Nasser Seconded by: Kimberly Brandon Motion: Passed

- II. **Approval of Meeting Minutes:** The committee reviewed the minutes from the February 20, 2020. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the minutes, as prepared.

Motion by: David Serrano Sewell Seconded by: Camilla Smith Motion: Passed

- III. **Operating Business:** Jackanicz thanked committee members for their warm welcome. He also sent regards from President Mahoney who was unable to attend the meeting. Jackanicz mentioned that the Chancellor had asked President Mahoney – one of three presidents – to testify before Congress on behalf of the CSU.

A. Provisional Operating Budget for FY 20 - 21: Treasurer Thompson-Ramsay presented slides on the FY 20-21 operating budget for the committee's review and approval. She began with an end-of-year outlook showing a 1% increase in revenue from \$2.14 million to \$2.15 million and a 3% increase in expenses from \$1.9 million to \$1.96 million. She reported that the Foundation would end the fiscal year with net income of 187,417 instead of the \$233,702 estimated at the beginning of the year. Thompson-Ramsay walked through the significant changes in the budget versus actuals. Thompson-Ramsay talked briefly about the annual budget process and how revenue and expenses were determined. She highlighted some key budget assumptions for FY 20-21, including a significant decrease in travel and hospitality costs due to the pandemic. She mentioned that the FY 20-21 budget would have 9% more revenue and 6% more expenses than the previous fiscal year. She mentioned that the Foundation was expected to end FY 20-21 with a net income of \$258,794. She then provided analyses of reserves, including the 6-month of operating reserve required by the Chancellor's Office. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the Executive Committee approves the proposed operating budget for FY 20 - 21.

Motion by: Don Nasser Seconded by: Kimberly Brandon Motion: Passed

B. Endowment Distribution for FY 20 -21: Thompson-Ramsay reviewed the endowment distributions for FY 20-21 based on a 12-quarter moving average of the endowment market value as of December 31, 2019. She said the total distribution from all eligible endowments (permanent, temporary and quasi) for FY 2020-2021 was \$5,055,137. Brandon asked for a breakdown of distribution by college or unit so the Board could understand where the fundraising needs were. Committee members discussed communication with donors when their endowment was "underwater" and the strategy for making distributions from newer investments in a time like the COVID-19 pandemic. Jackanicz said he wanted to work with the Investment Committee to do an analysis of how a gift of \$1 million would perform in a downturn. He said he liked how prudent the investment policy was. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the Executive Committee approves the proposed endowment distribution of \$5,055,137 for FY 20-21.

Motion by: Taylor Safford Seconded by: Camilla Smith Motion: Passed

C. FY 20- 21 Committee Meeting Schedule: Thompson-Ramsay reviewed the proposed Executive Committee meeting schedule for FY 2020/2021. Neda suggested moving the Board Retreat to earlier in March in the 2022. Thompson-Ramsay mentioned that there were a lot of factors that determine the timing in March, including the annual CSU Asia Trip. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the Executive Committee approves the proposed meeting schedule for FY 2020/2021 - August 20, 2020; November 12, 2020; February 25, 2021, March 19, 2021 and May 27, 2021.

Motion by: Camilla Smith Seconded by: Don Nasser Motion: Passed

D. June 18th Board Meeting Agenda: Jackanicz reviewed the draft June 18th board meeting agenda with the committee. He said the provost and vice president for Student Affairs were being invited to talk about planning for the Fall 2020 semester. Jackanicz said the Director’s Open Forum will focus on returning to the workplace after the Shelter-in-place.

IV. Committee on Directors: Huss presented the proposed slate of directors whose terms were expiring on June 30, 2020 and who were up for re-election, as follows:

3-Year Term – Re-elected to a Third Term (July 1, 2020 – June 30, 2023)

Vince Anicetti	2014 – 2023
Kimberly Brandon	2014 – 2023
Taylor Safford	2014 – 2023
Dottie Simmons	2014 – 2023

3-Year Term – Re-elected to a Fourth Term (July 1, 2020 – June 30, 2023)

Nancy Fudem	2013 – 2023
Judy Marcus	2011– 2023
Wade Rose	2011– 2023

3-Year Term – Re-elected to a Fifth Term (July 1, 2020 – June 30, 2023)

John Gumas	2008 – 2023
Mary Huss	2010 – 2023
Herb Myers	2010 – 2023
Don Nasser	2008 – 2023
Camilla Smith	2008 – 2023

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Executive Committee recommends board approval of the proposed slate of re-elected directors for FY 2020-2021.

Motion by: Kimberly Brandon Seconded by: Camilla Smith Motion: Passed

Huss then reviewed the proposed slate of officers, effective July 1, 2020 – June 30, 2021:

President:	Jeff Jackanicz, Vice President of University Advancement
Chair:	Kimberly Brandon
Immediate Past Chair:	Taylor Safford
Vice Chair:	Neda Nobari
Secretary &:	Venesia Thompson-Ramsay, Associate Vice President
Treasurer	University Advancement

Chair Huss also reviewed the proposed slate of committee chairs, effective July 1, 2020 – June 30, 2021, as follows:

- Don Nasser, Chair, Audit Committee
- Dennis O’Donnell & Ted Griggs, co-Chairs, Committee on Athletics
- Mary Huss, Chair, Committee on Directors

John Gumas, Chair, Campaign Cabinet
Camilla Smith, Chair, Development Committee
Sheldon Gen, Chair, Investment Committee
David Serrano Sewell, Chair, Public Affairs Committee

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Executive Committee recommends board approval of the proposed slate of officers and chairs for FY 2020-2021.

Motion by: Kimberly Brandon Seconded by: Camilla Smith Motion: Passed

Thompson-Ramsay mentioned that if the recommendations were approved by the Board at the Annual meeting, it would be the first time in the Board's 13-year history that a woman and person of color would serve as chair. It would also be the first time that the chair and vice-chair positions were held by women.

Huss reviewed the roster of committee assignments, effective July 1, 2020 – June 30, 2021. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Executive Committee recommends board approval of the proposed committee assignments for FY 2020-2021.

Motion by: Taylor Safford Seconded by: Camilla Smith Motion: Passed

V. **Audit Committee:** Nasser reported that there had been much activity since the last Audit Committee meeting on October 10, 2019 when the Committee reviewed and accepted the audit for FY 18- 19. He said that the auditing firm, Grant Thornton had identified a material weakness with regards to the valuation and disclosures of alternative/net asset value (NAV) investments. He said, specifically, the auditors were not satisfied with the process our accounting team had used to independently review the fair value of the new alternative investments and that this had caused a delay in the submission of the audit. Nasser said staff had prepared a timeline outlining the steps they would take to not only independently evaluate the investments but to do it in a timely manner. He said staff had started analyzing alternative investments in the December 2019 quarter to ensure ample time for collecting all audits and K-1s and had also started gathering information required for footnote disclosures for all new investments. Nasser said staff was getting ready for the FY19-20 audit and that staff had already met with the auditors to agree on a timeline that would ensure a timely submission of the audit, including completing alternative roll forward by August 3rd; completing audit fieldwork by September 4th. Finally, Nasser said Grant Thornton was currently finishing up the 2018-2019 governmental return and, once completed, it would be circulated to the Executive Committee for review and submitted electronically to the IRS by July 15th.

VI. **Committee on Athletics:** O'Donnell reported that SF State athletics program was significantly impacted by COVID 19 during the spring, including the California Collegiate Athletic Association (CCAA) conference and the National Collegiate Athletic Association (NCAA) national championships. O'Donnell mentioned, however, that two softball players

were welcomed into the CCAA 2020 Softball All-Star team, after the season was prematurely terminated. O'Donnell said the Committee on Athletics had a virtual "Happy Hour" on April 16 with an update from Athletic Director Stephanie Shrieve-Hawkins on the status of SF State's programs in light of the cancellation of the spring season. He said another happy hour was being planned before the end of the academic year.

VII. Campaign Cabinet/Development Committee: Gumas reported that the BOLD Thinking campaign, SF State's first comprehensive campaign, ended on December 31, 2019, a year ahead of the December 2020 planned date. He said the campaign raised \$156.7 million or 104% of its \$150 million campaign goal. Gumas said there were more than 20,000 donors, with about 9,000 being first-time donors. Additionally, about 83% raised was for current use, while 17% was in planned gifts. He said the majority of the funding to date (about \$81.9 million or 52.3%) was from alumni; about \$30.1 million (19.2%) from foundations and other organizations; more than \$22.1 million (14.1%) from corporate support and more than \$22.6 million (14.4%) from friends of the university. Gumas added that the Development Office was in the process of conducting a post-campaign assessment. He said a draft of the BOLD Thinking campaign communications roadmap had been developed, an announcement of the campaign closure was scheduled for June via email blast and the BOLD Thinking campaign website had been updated to reflect the final results of the campaign.

Gumas also mentioned that the financial impact of the COVID-19 pandemic on individuals had caused the Development Office to re-evaluate its fundraising plans and to pivot its fundraising efforts to respond to the immediate needs (food, housing, technology, etc) of students facing financial hardships. As such, the 'Campaign for HOPE' was launched to direct donations to the HOPE Crisis Fund. Gumas said the Foundation Board donated \$50,000 to the HOPE Crisis Fund, which was used to generate \$50,000 in matching gifts. With an additional gift of \$100,000 from Foundation Director Neda Nobari, the HOPE Crisis Fund had raised a total of \$523,120, awarding \$196,775 to 227 students. Gumas said the University had received nearly 1,018 applications of more than \$1.9 million in requests for funds.

Smith provided the Development Committee update. She reported that as of May 4, 2020, the University had secured over \$30 million in gifts and pledges or 151% of its \$20 million annual fundraising goal for the 2019-2020 fiscal year. She said the Annual Fund had raised about 98.1% of its fundraising goal of \$350,000 and was expected to surpass it. She said that the graduating class was being encouraged to make a gift to the HOPE Crisis Fund in honor of the Class of 2020.

Smith said the Development Office was working with the College of Science and Engineering (COSE) on a campaign to raise money for the construction of a new Science Building. She said the current building was outdated (built between 1950 and 1970), did not meet multiple standards and made the expansion of critical forms of pedagogy difficult. Smith said the total "basic" cost of the building was \$150 million, which would be fully funded by the CSU but additional building funding needs were being identified. Smith said the design phase of the building was steadily moving forward and that groundbreaking was

planned for summer 2021 with occupancy by January 2024. Smith said staff was working with the Phoenix Philanthropy Group to determine campaign readiness through a campaign feasibility study. Finally, Smith said the solicitation pipeline included more than \$4 million for FY2020 and \$13 million for FY2021 in proposals.

VIII. Investment Committee: Nobari reported that the Investment Committee had met three times since the year began and had covered much ground. She said the coronavirus had major impact on our investments in the first quarter of 2020 with global risk assets suffering major drawdowns comparable to the global financial crisis and commodities and natural resource equities declining sharply as oil prices collapsed almost 70%. Nobari said that as of March 31, 2020, the endowment had a return of -17.1% relative to its policy benchmark return of -14.8%; real assets were down -24.3%; total stocks -23.7%; hedge funds -5.3% and fixed income -6.8%. She said the Green Fund had slightly better returns of -14.5%, outperforming its policy benchmark's -15.4%. Nobari said the April estimates for the Endowment was 9.0%, bringing the Calendar Year-To-Date (CYTD) performance to -9.6% and for the Green Fund, the April estimates was 8.1%, bringing the CYTD return to -7.7%. Nobari said the Investment Committee had approved two new investments at the recommendation of Cambridge - \$2.5 million in Stewart Investors Global Emerging Markets Sustainability Leaders Strategy (GEM Sustainability) and \$4.5 million in The Children's Investment Fund - bringing the total new investments in FY 2019-2020 to eight. She said the committee was expecting to increase the investments in the coming fiscal year as the Foundation continued to build out its Private Investment portfolio. Nobari said Cambridge was already reviewing four funds to be presented over the summer: Accolade Partners VIII, Greenspring Global Partners X, Greenspring Impact II and MAP 2020. Finally, Nobari said the Investment Committee also discussed the endowment spending policy and payout for FY 20-21 and approved the schedule for its meetings in FY 20-21.

IX. Public Affairs Committee: Sewell reported that the Office of Government and Community Relations (G&CR) had been monitoring Governor Newsom's 2020-2021 budget proposal, which was \$199 million less than requested by the CSU. He said the May Revise was expected to be published by May 14. He said for the first time there would be an "August Revise" because of the tax filing deadline extension due to COVID-19. Sewell also shared that the House and Senate passed the CARES Act in March with \$14 billion allotted for higher education (SF State received \$28.7 million) and that Chancellor Timothy White had sent a letter to the California Congressional Delegation requesting an additional \$46.6 billion for higher education in future relief packages. Sewell mentioned that Mayor Breed had announced a "Reopening the Economy Taskforce" co-chaired by Assessor-Recorder Carmen Chu, Treasurer Jose Cisneros, Rudy Gonzalez of the Labor Council and Rodney Fong of the SF Chamber. He said President Lynn Mahoney was invited to serve on the taskforce along with notable alumni and friends of SF State, including Supervisor Norman Yee, Supervisor Aaron Peskin, Lateefah Simon, Sheryl Davis, Cammy Blackstone, Kitman Chan, Roma Guy, Regan Long, Taylor Safford, Cheree Scarbrough, John Noguchi, and Ivar Satero. Finally, Sewell shared some of the ways SF State students, faculty, and staff had been helping out during the COVID-19 pandemic, including donating personal protective equipment (PPE) to Seton Medical Center and University of California, San Francisco

Medical Center; and creating face shields for Bay Area hospitals using state-of-the-art 3D printers from the student-led Rapid Prototyping Lab.

X. **Other Business:** None.

XI. **Adjournment:** No further items were discussed. With Taylor making a motion and Dennis seconding the motion, the meeting was adjourned at 12:58 pm.

Respectfully submitted,

DocuSigned by:



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Taylor Safford, Chair

Date