

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION  
EXECUTIVE COMMITTEE MEETING  
San Francisco State Main Campus  
Thursday, November 7, 2019**

Chair Safford started the Executive Committee meeting at 11:35AM.

Committee Members Present

Venesia Thompson-Ramsay, President  
Taylor Safford, Chair  
Kimberly Brandon, Vice Chair  
John Gumas, Chair, BOLD. Thinking Campaign  
Ted Griggs, Committee on Athletics Co-Chair (via phone)  
Mary Huss, Committee on Directors Chair  
Dennis O'Donnell, Committee on Athletics Co-Chair  
Don Nasser, Audit Committee Chair  
Neda Nobari, Investment Committee Chair

Committee Members Absent and Excused

Wade Rose, Advocacy Committee Co-Chair  
David Serrano Sewell, Immediate Past Chair  
Camilla Smith, Development Committee Chair

Others Present

Dr. Lynn Mahoney, President, SF State University  
Caroline Johansson, Secretary and Treasurer, SF State Foundation  
Alan Jung, Professor of Finance, SF State University (via phone)  
Dr. Phil King, Director Emeritus, SF State Foundation (via phone)  
Shirley McLaughlin, Associate, Adler & Colvin, SF State Foundation Legal Council  
Andrea Rouah, Interim Associate Vice President of University Development

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

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

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

- II. **Approval of Meeting Minutes:** The committee reviewed the minutes from the August 22, 2019 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: John Gumas                      Seconded by: Kimberly Brandon      Motion: Passed

- III. **Operating Business:**

A. General Obligation Bond Campaign Contribution: President Mahoney introduced the General Obligation Bond by stating that the CSU has not had a General Obligation Bond since 2006. This bond authorizes \$15 billion for the construction and modernization of public preschool, K-12, California Community Colleges (CCC), University of California (UC), and the California State University (CSU) facilities to be placed on the March 3, 2020 primary ballot.

The General Obligation Bond would provide \$2 billion to support the CSU. On the SF State campus, the deferred maintenance dollars will be put toward four main projects:

- 1. A Science Replacement Building
- 2. Student Success Center
- 3. Health and Social Sciences (HSS) Building Renovation
- 4. Thornton Hall Renovation

It is recommended by the Chancellor’s office that each campus have one or more of our auxiliaries contribute a combined total of \$50,000 to the California Coalition for Public Higher Education Issues Committee to support the campaign to pass the bond. SF State would donate \$25,000 from The San Francisco State University Foundation and \$25,000 from University Corporation for a total of \$50,000.

MINUTE ACTION: that the Executive Committee move to contribute \$25,000, on behalf of San Francisco State University, to the California Coalition for Public Higher Education to engage in a public awareness campaign in support of AB48 (now Proposition 13), the Public Preschool, K-12, and College Health and Safety Bond Act of 2020.

Motion by: John Gumas                      Seconded by: Don Nassar                      Motion: Passed

B. Student Sustainable Investment Fund (SSIF): Thompson-Ramsay introduced the discussed a proposal to establish a Student Sustainable Investment Fund (SSIF). The Board’s reaction to the proposal was very positive and has expressed an intent to approve a resolution to establish the Fund at its December meeting.

The Fund, as described in the Proposal, will support the Program, which is a collaboration between San Francisco State University (the “University”) departments to i) create a new one-semester course for students with at least sophomore standing from any school or discipline to learn about the basics of investing and socially responsible investing; and ii) allow a limited number of students from such course to participate in a year-long live project to select and manage socially responsible investments.

There are two outstanding items to be addressed by the Executive Committee in preparation for the December 12<sup>th</sup> board meeting:

- 1. An amount to establish the Fund
- 2. The process for approving investment recommendations by students.

Shirley McLaughlin, Foundation legal counsel, will prepare a resolution, outlining these items, for board approval in December. Our expectation is to begin the program immediately in the new year.

There was discussion regarding what the endowment account would provide as far as funding for conferences for students and the establishment and facilitation of an advisory committee. The committee members would be one Board member, one faculty member and a professional advisor. King spoke to how the SSIF students would need to adhere to the Investment Policy Statement of the Foundation. Gumas asked about how any gains and/or losses would be handled. King answered that the corpus of the endowed fund would be used for this purpose. The portfolio should be set up similar to the Green Fund and covered by the same Investment Policy Statement.

McLaughlin and the Committee discussed and agreed to recommend that the Foundation should establish the Fund, and allocate \$250,000 of currently unrestricted Foundation funds to the Fund to support the Program. The Foundation should fundraise for the Program and the Fund from outside donors, as needed to provide the students who participate in the Program with opportunities to invest additional assets, and to cover other expenses related to the Program such as publishing reports, attending conferences of other student-managed sustainable investments funds around the country, and supporting faculty advisors and other supervisory committees to oversee the Program and its investments. The Foundation should delegate to the Investment Committee the responsibility to oversee the Fund and the use of assets. In addition, the Foundation's actions to establish the Fund, and allocate assets to the Fund, are primarily to accomplish its charitable purpose of supporting the University's programs and activities, and not primarily for investment purposes. Any assets that the Foundation allocates to the Fund, and any assets that are contributed by donors to the Fund, will be used to carry out the Program and are therefore program-related assets and not subject to the investment limitations of UPMIFA.

MINUTE ACTION: that the Executive Committee approves the funding amount of \$250,000 to establish SSIF and approval process for investment recommendation.

Motion by: Mary Huss                      Seconded by: Kimberly Brandon                      Motion: Passed

C. Gift Acceptance Policy Update: Johansson read the updates to the San Francisco State University Foundation Gift Acceptance Policy which adds cryptocurrency as a type of acceptable gifts. Johansson read through the criteria for acceptance of cryptocurrency assets including the review by the Gift Acceptance Committee to assess whether the Foundation would accept the gift based on a number of factors such as the amount and type of virtual currency, relationship with the donor or institution and whether the cryptocurrency is easy to liquidate. It also gives the Committee the option to encourage donors to work through a Foundation-preferred third party to accept the gift of cryptocurrency and indirectly support the Foundation. For example, the donor would make the gift to a donor-advised fund (DAF) sponsor, and later recommend grants from the DAF to the Foundation.

MINUTE ACTION: that the Executive Committee approves the updated Gift Acceptance Policy to include language for accepting gifts of cryptocurrency.

Motion by: Neda Nobari                      Seconded by: Kimberly Brandon                      Motion: Passed

D. New Foundation Website: Due to time constraints, Johansson will email the link to the new SF State [Foundation website](#) to the Committee members for their review and feedback at a later time.

**IV. Investment Committee:** Since the last Executive Committee meeting, the Investment Committee met two times on August 30 and October 8, 2019. The Foundation endowment returned 9.4% relative to the policy benchmark return of 11.4% for the calendar year-to-date through August 31, 2019. The two strongest asset classes are the Real Assets allocations (27.1%) and Global stocks (21.6%) which have posted the highest returns. The Green Fund returned 12.4%, outperforming the policy benchmark return of 11.7% for the same 8-month period. An overview of the Green Fund indicates that it has witnessed exceptionally strong performance in recent years, particularly in 2017 and 2019 year-to-date. Over the trailing 3 year period as of June 30, 2019, it generated a 9.6% annualized return, outperforming the policy benchmark return of 7.6%. One of the reasons is attributable to large weightings in a few strong performing managers like Ownership Capital and Impax Specialists in the portfolio. The other reason is the Green Fund usually has had relatively low exposure to non-U.S. stocks, and no dedicated exposure to emerging market stocks.

Cambridge reported that one of our hedge fund managers, Adamas Partners, had decided to shut down the firm due to health issues with one of the partners. They will return the capital to the Foundation by June 2020. Cambridge recommended, and the Committee has approved, investing the proceeds from Adamas Partners into two alternative investment managers: Evanston Weatherlow and Renaissance Institutional Equities Fund. Evanston Weatherlow Fund is a multi-strategy fund of hedge funds that is designed to have low volatility and low correlation to other asset classes. Renaissance is a quantitative long-biased equity fund that is managed to have a low level of risk (0.4 beta) and volatility. The Committee also approved a total investment of \$2.3 million in Aperio to manage a SRI (Socially Responsible Investing) global stocks portfolio. It is funded by the liquidation of some U.S. and international stocks strategies managed by Parametric and Calvert. At the conclusion of these transactions, the Foundation also completed the changeover of our custodian bank from UBS to US Bank. The Committee also approved 2 redemptions based on the recommendations from Cambridge. They are Stewart Investors Global Emerging Markets and Lazard Emerging Income. The decision was made due to poor performance and unstable organizational changes of these managers.

A revised Investment Policy Statement (IPS) to reflect the new spending policy had been approved by the Committee. The full board also ratified the committee's action at the Sept 11, 2019 board meeting. The updated IPS is available on the Foundation's website.

There was a discussion on the SSIF (Student Sustainability Investment Fund). The Committee has approved a maximum amount of \$250K for the investment pool and has agreed to move the implementation logistics details to the Executive Committee.

The financial audit for the Foundation is completed by Grant Thornton and we have received an unmodified opinion. Further details would be discussed at the next Audit Committee meeting which was held on Oct 10, 2019.

- V. **Committee on Directors:** There has not been a Committee on Directors meeting since May 17<sup>th</sup>. At the last meeting, the committee discussed at length term limits, committee assignments, and Board member engagement at both the individual and committee level. Since then, we have prepared a survey around board engagement and participation to be disseminated early in the new year with results available for the March 2020 Board Advance. The Committee on Directors decided to hold off on adding new directors until after the strategic planning process, which is scheduled to begin once we have a new Vice President on board. The next board professional development opportunity is around the corner. The AGB Leadership Forum 2020 will take place in San Diego, CA from January 26-28. AGB is the Association of Governing Board of Colleges and Universities and is the premier organization centered on governance in higher education to strengthen, protect, and advance this country's unique form of citizen trusteeship through research, services, and advocacy. We will be reaching out to directors soon to gauge interest in the event.
- VI. **Audit Committee:** The Audit Committee met on Oct 10, 2019 to review the Auditor's Report and the Foundation's financial statements for FY18-19. Grant Thornton opinion: The Financial statements present fairly, in all material respects, the financial position of San Francisco State University Foundation, as of June 30, 2019 & 2018 and the changes in its net position and its cash flows in accordance with generally accepted accounting principles. Also, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

For the year, total operating revenue was approximately \$2 million. This is a 22% increase from the prior year. The main component of operating revenue is administrative fees earned by the Foundation for management of the endowments. Thus a larger pool of endowments will constitute a higher amount of fee revenues. The Foundation's net position for fiscal year ending June 30, 2019 was about \$137 million which is an increase of approximately \$46 million from the previous year. This overall increase is primarily attributed to an increase in contribution revenue from the 2 large gifts we received. One of the large gifts we received was in the form of XRP cryptocurrency, which had an estimated value of \$25 million. As of June 30, 2019, we had about 9.98 million units of XRP that had not been sold and converted to cash. We recorded this as an intangible capital asset with a fair value of \$4.9 million.

The auditors had identified a deficiency with regard to the recognition, valuation and disclosures of alternative/net asset value (NAV) investments. Specifically, they were not satisfied with the timing, completeness and accuracy of the NAV analysis. The Audit Committee would like the deficiencies eliminated by next year. In addition, Management agreed to take the following steps, including:

- 1) Scrutinizing carefully, new purchases of alternative and other investments and immediately begin the process of accumulating disclosure information as support.
- 2) Begin the evaluation of alternative investments during the 4<sup>th</sup> quarter which will give more time for follow up if necessary.
- 3) Continue to work closely with the OCIO, Cambridge & Associates, to assess and verify valuation performed on these investments.

The Committee also requested from Management, by year end, a plan, outline or structure describing the timely submittal of financial information for remedying the deficiency and then quarterly updates thereafter. Finally, the Committee accepted the Audit Report for FY18-19.

**VII. Campaign Cabinet/Development Committee:** As of October 28, 2019, \$154.3 million has been raised toward our \$150 million campaign goal. This is 103% of goal.

Of the total raised:

Current Giving: 84%

Planned Gifts: 16%

Current-use: 42%

Endowment: 58%

Funding by Constituents to-date:

Alumni - \$81.2M

Foundations and other organizations granted - \$29.7M

Corporate support - \$22M

Friends of the University - \$21.4M

Campaign Cabinet and Development Committee Meeting Recap:

The Campaign Cabinet and Development Committee meeting was held on Tuesday, September 10, 2019. During the meeting, Mr. Manny Nungaray, Executive Director of Development & Campaign Operations presented on the progress of the BOLD Thinking Campaign, Faculty/Staff campaign rollout and the campaign impact to-date (see attachment). Mr. Nungaray asked members of the committee for feedback on the BOLD Celebration, which was held on April 4, 2019.

Among the members of the committee who were in attendance, all agreed and recommended to end the BOLD Thinking campaign on December 31, 2019, a year ahead of the original date of December 31, 2020. During this meeting, Mr. Nungaray reported the campaign was at \$152.1M, meeting and exceeding the goal of \$150M. Ending the campaign on December 31, 2019, would allow the Advancement Division including Development to work with President Lynn Mahoney on her vision and leadership for the next campaign. It was reported that a national search, conducted by Isaacson, Miller, is currently underway to hire a new Vice President for Advancement; ideally having someone in this position by March 2020.

Mr. Nungaray presented the rollout for the Faculty/Staff campaign ‘GatorGood’. The rollout will occur during the month of November with a series of activities (kick-off event) including solicitations (direct-mail and email blast). The ‘GatorGood’ will support the Basic Needs Initiative by providing food and housing for students in need. Gifts made through this campaign will also count as part of the BOLD Thinking campaign.

Ms. Venesia Thompson-Ramsay, Interim Vice President for Advancement and Ms. Andrea Rouah, Interim Associate Vice President for Development, discussed what’s next

after the campaign, aka the post-campaign. Included in the post-campaign will be stewardship activities by Development, a small campaign celebration for donors (preferably on campus) and an assessment of the BOLD Thinking campaign. Development will request for proposals from three firms to provide a post-campaign assessment report of the BOLD Thinking campaign. This assessment and report will provide deep analysis of the BOLD Thinking campaign, including interviews with external and internal constituents, evaluation of documents for the campaign, list of donors and record of solicitations, key metrics, etc.

Philanthropic Activity for Fiscal Year 2019-2020:

Our team of volunteers, university leaders, faculty and development staff have already secured more than \$13.9M or 77.2% of goal, in gifts and pledges to date for this new fiscal year that began July 1!

Highlights of recent gifts since our last meeting include:

- -\$10,200,000 from Anonymous Corporate Foundation for Scholarship support
- -\$437,500 from the Mimi and Peter Haas Fund for Haas Year 11 EDvance SF
- -\$351,309 from the Eustace-Kwan Family Foundation for President's Leadership Fellows Program
- -\$330,165 from Jumpstart for Young Children, Inc. for Jumpstart FY19-20
- -\$250,000 from the Mimi and Peter Haas Fund for Early Childhood Educator Success Fund
- -\$240,000 from Associated Students of SFSU for ASI Scholarship Fund

Going forward, the solicitation pipeline includes more than \$40M in proposals underway with potential donors.

**VIII. Public Affairs Committee:** The Office of Government and Community Relations (G&CR) has completed state budget advocacy efforts for the 2019/2020 budget year. The budget includes increases to the CSU general fund and specific programs. The base operational funding went up from the May Revise - \$361.4 million in on-going base operational funding for CSU, \$315.2 million in one-time funding. The full CSU funding request for 2019/2020 is \$456 million above the base.

G&CR has been tracking key legislation that would affect CSUs. Governor Newsom has signed and vetoed all of the bills from this cycle that went to his desk as October 15, 2019. The statuses of bills that G&CR has been tracking are as follows:

- AB 48 (O'Donnell and Glazer), Education Finance: School Facilities: Public Preschool, K-12, and College Health and Safety Bond Act of 2020 – Signed by Governor; CSU supports
- SB 206 (Skinner), Athletes Pay to Play Act – Signed by Governor; CSU opposes
- AB 369 (Weber), Support staff Merit Salary Adjustments – Moved to senate inactive file; two-year bill; CSU opposes
- AB 1460 (Weber), Grad Requirements: Ethnic Studies – In Senate Appropriations Committee held under submission; two-year bill; CSU opposes

- SB 24 (Leyva), Abortion by medication techniques/student health centers – Signed by Governor; CSU tracking

President Mahoney met with Mayor London Breed, where she identified four major education priorities she wants to collaborate with the Campus. They are:

Student pipeline from SFUSD to SFSU  
 Student pipeline from CCSF to SFSU  
 Teacher employment pipeline  
 Student workforce development

President Mahoney met with Mayor Willie Brown, Senator Scott Wiener, Assemblymember Phil Ting, and Assemblymember David Chiu during the month of October. G&CR has scheduled and confirmed meetings between President Mahoney and local and state legislators: Assemblymember Kevin Mullin (November 8), Assemblymember Marc Levine (November 12), Senator Jerry Hill (November 15), and Board President Norman Yee (November 15). G&CR has also scheduled and confirmed meetings between the President and other community leaders in San Francisco: Jim Wunderman, CEO of Bay Area Council (November 12); Josh Arce, Director of Workforce Development at the Office of Economic and Workforce Development (December 2); Travis Kiyota, Senior Vice President of Global Policy and Public Affairs at East West Bank (December 9).

- Jim Wunderman '84 will also be attending a College of Business event in March 2020.

G&CR has confirmed that Mayor Breed will be the Commencement 2020 speaker on May 22.

## **IX. Committee on Athletics:**

### **1. Fall Kick-Off**

- a. Committee on Athletics members attended the 2<sup>nd</sup> annual Gator Athletics Kick-Off on September 27<sup>th</sup>. The event brought together alumni, parents and friends of Gator Athletics which featured an address by President Mahoney, AD Shrieve Hawkins and updates all the coaches.
- b. The Kick-Off served as our fall get together and an additional meeting is scheduled to take place before the end of December.
- c. The Kick-Off also featured the first all-sports Gator Giving Day for Athletics. A whopping 89 gifts were registered for \$6100. This was a great accomplishment for the first effort at this type of coordinated all-sports fundraising effort. Women's Softball won the inter-department competition on most number of gifts with 34 gifts made for their sport; followed by Men's baseball with 14. 25 gifts were made for all-sports scholarships.

### **2. Fall Sports Update**

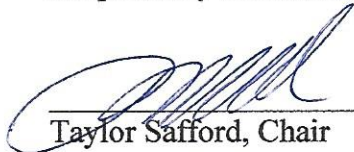
- a. Women's Volleyball was selected to win the North Division and have been playing in a manner to meet this expectation. The team recently held their annual Dig for the Cure game where money was raised for breast cancer awareness and research.



- b. Women's Soccer is having a mixed season. Head Coach Brittany Cameron has been working hard with a slew of new recruits to move the program in a positive direction. The Gator women meet Humboldt Saturday November 2 after a difficult road trip to southern California.
- c. Men's Soccer has been working very hard on the pitch and the results are showing. Recently, the team beat CSU San Bernardino, a nationally ranked DII team in San Bernardino. First year Head Coach Pedro Osorio is working with a team that brings back a number of its best defensive and offensive players with a group of new recruits.
- d. Men's Wrestling sent one its members to the U23 World Championships to compete on behalf of the Thai National Team. Coached by SF State Assistant Coach Ryan Loder, Justin Pichedwvatana seeks to make his mark in this competition and ultimately qualify to participate in the Olympic Games in summer 2020.
- e. The Men's and Women's Cross Country teams took 8<sup>th</sup> place at the CCAA Championships held in Humboldt on 10/26. Both teams had good showings against a very competitive field and will focus now on the regional championships held in Oregon on the November 9<sup>th</sup>.

X. **Adjournment:** No further items were discussed and the meeting was adjourned at 1:12 pm., without objection.

Respectfully submitted,

  
Taylor Safford, Chair

2-20-20

Date