



SAN FRANCISCO STATE UNIVERSITY
FOUNDATION **annual report** 2015-16





\$49M-\$70M

growth of the Foundation's endowment in the last five years



1st

public university

in the country to limit direct investment
in public companies that are
fossil-fuel producers

\$14.2 million

in **distributions** provided to the
University since the Foundation was established





iiiii 2x iiiii

membership

on the Foundation's board of directors more than doubled between 2010 and 2016





The San Francisco State University Foundation believes in the potential within each student, faculty and staff member. Our commitment is to make the dream of higher education a reality and to support partnerships throughout the community which enhance learning and professional development.

FOUNDATION MEMBERS COMPRISE a powerful network of business and civic leaders who share their exceptional expertise on a vast range of topics, from sustainability to investment management, from marketing to government relations. We evangelize on behalf of the University and help raise funds to support scholarships and facilities, as well as an array of exciting programs that help create promising futures for students. We engage with alumni, parents, friends and businesses to secure and deepen support for SF State. We are devoted and active volunteers, and we are energized by the “BOLD. Thinking.” represented in SF State’s first comprehensive fundraising campaign, now underway.

THE SF STATE FOUNDATION directly manages the University’s growing endowment by determining acceptable risks in the portfolio, maximizing investment returns, minimizing investment expenses and improving endowment reporting and stewardship.

IN THE FOLLOWING REPORT you’ll learn about the Foundation’s fundraising and investment performance. But more importantly, you’ll gain a better understanding of the ways giving to SF State, through the Foundation, changes the lives of individuals who change the world.

Building Bright Futures

one career at a time

Everyone benefits when SF State's supporters step up to optimize learning: programs, students, employers and the community. Case in point: the Career Services and Professional Development Program, a College of Business signature program, which just a few years ago didn't exist despite the obvious and critical need for it.

"When the economic downturn took place, state universities saw their funds cut," explains Orlando Harris, the College of Business' executive director of business development and marketing. "One of the first areas to feel that impact was career services."

College of Business Dean Linda Oubré wanted to do something about that but didn't have the resources. Then an ally stepped in: Kathy Kwan of the Eustace-Kwan Family Foundation. After Dean Oubré told Kathy about her hopes for a career services program three years ago, the Eustace-Kwan Family Foundation committed the necessary planning funds. Once the fully fleshed-out plan was ready, the foundation provided \$1.2 million to execute the program.

Today, the College of Business' Career Services and Professional Development Program prepares students for the competitive job market by helping them strengthen their resumes, build communication and leadership skills, identify and secure internships and much more. In the process, businesses get the kind of high-quality, experienced job candidates they need to keep the Bay Area economy humming.

"Prior to launching the career services program we used to hear from the students that they just didn't know how to communicate their value," says College of Business Senior Director of Development Timothy Anderson. "Today, we're changing those mindsets and building self-assurance, so the students graduate confident they can get a job."

"I hope that every College of Business student will take advantage of these services to become outstanding employees in today's competitive business world."

Kathy Kwan, Eustace-Kwan Family Foundation





One of Career Services and Professional Development's flagship offerings is its Fellows Program, which gives selected students access to workshops, personal branding training and opportunities to network with successful alumni and area business leaders. Since launching with 25 students in 2014, the program has expanded substantially: In the fall of 2016, 150 students became fellows.

Fellows acquire exactly the skills that business leaders said they were looking for in a recent survey conducted by the National Association of Colleges and Employers, explains Director of Career Services and Professional Development Melanie Summers.

"Critical thinking, problem solving, teamwork, leadership — the fellows program develops them all," reports Melanie.

Sometimes the little things also make a big difference. Former fellow and recent SF State graduate Navya Malla credits the program with fostering in her a strong sense of professionalism and confidence. But the professional tip that helped land her a job with a Bay Area startup?

"The team stressed how important it was for us to always send our interviewers an email after the interview," she says. "I did that, and my current manager gave me a chance because of that thank you letter."

Those kinds of results make Kathy Kwan very pleased that the Eustace-Kwan Family Foundation stepped in to help make the program possible. "The College of Business has far exceeded my expectations," says Kathy (whose parents, Benson and Helen Chang Kwan, both earned degrees from SF State in the 1960s). She notes that since College of Business leadership partnered with the Eustace-Kwan Family Foundation to pilot the fellows program more than 180 participants have developed and refined the "soft skills" associated with success: professionalism, leadership, collaboration, problem solving and communication.

"As a result of my experience with this exciting program, the Foundation has committed to help SF State further expand Career Services and Professional Development," she says. "Ultimately, I hope that every College of Business student will take advantage of these services to become outstanding employees in today's competitive business world." □

Socially Responsible Investing at SF State



At SF State, social justice and sustainability aren't just buzzwords. They're core values the University puts into practice every day, in the classroom and the community at large. So it's only natural for our work at the SF State Foundation to reflect those values, too. And it does, through SRI — socially responsible investing.

Socially responsible investing means weighing the environmental, social and governance impacts of specific investments when deciding what should be a part of an institution's overall portfolio. In the past, the Foundation has acted on its commitment to SRI by choosing not to invest directly in tobacco company stocks or companies or countries with known civil or human rights violations. More recently, we took a bold new step that put us at the forefront of SRI nationwide.

In June 2013, SF State became the first public university in the country to limit its direct investment in companies that are fossil fuel providers. The move came after a passionate group of students presented the idea of fossil fuel divestment to the Foundation and SF State President Les Wong, eventually leading to the divestment initiative, which continues to expand. In 2014, we decided to halt any direct investment in companies significantly involved in the production and use of tar sands, and we are now in the midst of a five-year plan to review all of our endowment investments in fossil fuel companies as well as comingled funds that might contain fossil fuel company stock.

Foundation President Robert J. Nava credits Immediate Past Foundation Chair John Gumas, Finance and Investment Committee Chair Kimberly Brandon and other volunteer leaders for guiding these divestment policies and working to establish a new "Green Fund" with strict environmental screening procedures (see sidebar). As a result, SF State has become a role model for other universities and institutions pursuing SRI, conducting a conference about divestment best practices, which attracted students and staff from nearly 300 universities, and sharing SF State's divestment success story at a number of state and national conferences.

"Part of our success stems from the process that we went through, from the students' involvement to how we engaged the board to think about SRI in their role as fiduciaries," explains Robert Nava, adding that the Foundation is also working on ROI projections with its partners at UBS Institutional Investing. So far, putting your money where your mouth is looks like a great investment. "We feel very confident that by investing in socially responsible companies and green funds the return on our investment will be equal to and may even exceed the return that we would get with a more traditional portfolio," he says. □



GREEN SCREENING

As part of its commitment to SRI, the SF State Foundation is developing a \$5 million “Green Fund” for donors interested in investing their long-term or endowed gifts in a carefully screened, socially responsible portfolio with an emphasis on environmental impact.

The Green Fund invests across U.S. and international equities and fixed income and alternative funds, including Breckenridge Sustainable Taxable Fixed Income Separately Managed Accounts (SMA), Parametric MSCI KLF 400 Index SMA, Parametric ACWI Ex-US ESG SMA, Trillium Asset Management Large Cap Core SMA, the Profit Social Equity Portfolio and Calvert Investments Mutual Funds.

These funds screen the companies they include by a variety of “positive” factors (biodiversity protection, reduced carbon emissions and fair workplace practices, for example) and “negative” factors (avoiding investment in tobacco and civilian firearms, countries or companies with human rights violations or tar sands and coal operations).

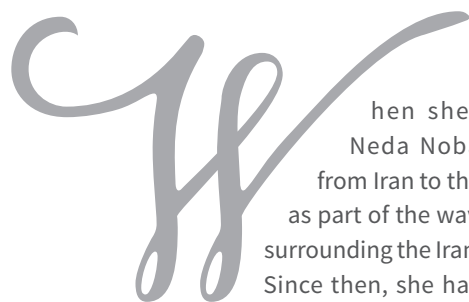
This screening, notes Foundation President Robert Nava, “makes a very compelling case to our alumni about SRI and gives them the option to invest their endowment funds in a way that supports their values and the University.”

A black and white photograph of a woman, Neda Nobari, smiling and looking off to the side. She is wearing a dark, patterned top. In the foreground, there are out-of-focus white flowers. The background is a textured wall with a decorative element in the upper right corner.

DONOR PROFILE

NEDA NOBARI

Neda hopes her giving sets an example for what philanthropy can be. **“It’s not just writing a check.”** she says.



When she was just 15, Neda Nobari emigrated from Iran to the United States as part of the wave of migration surrounding the Iranian Revolution. Since then, she has encountered her countrymen wherever she goes, including SF State, where she earned her B.S. in computer science; Sweden, where her family settled; and even the small New Hampshire town where she studied the diaspora as part of the master’s degree she completed at Dartmouth College in 2015. “We’re everywhere,” she says.

Fascinated by these scattered communities away from their shared place of origin, and with a renewed commitment to her cultural identity, Neda gave a \$5 million gift to SF State to create the Center for Iranian Diaspora Studies. The Center will connect these Iranian diaspora communities and, just as importantly, broaden the field of Iranian studies by focusing on understudied disciplines.

“The first generation of Iranian immigrants had three career options: doctor, lawyer or engineer,” Neda says, citing commonly pursued professions. “But our children have had more options.” Many, often armed with advanced degrees, have shown increased interest in the humanities, social sciences, art and film. “This Center is meant to provide a platform for these diversified areas of interest.”

Andrew Harris, dean of the College of Liberal & Creative Arts, where the Center will be housed, adds, “The potential of this center for interdisciplinary research, community engagement and learning from, about and with the state’s Iranian diaspora communities is remarkable. It will draw on the transnational and intergenerational

vibrancy of this complex movement of a people, exploring a story that is both richly Iranian and classically American as well. I am excited for what the Center can highlight about Iranian-American identity and for what it can add to our broader understanding of diasporas in general.”

Choosing SF State for the Center was easy for Neda. It’s not just her alma mater, it’s where she was “emancipated, liberated . . . I saw endless possibilities,” she recalls of her awakening to opportunities and ideas as a young woman before she went on to pursue her fashion career for 22 years. “It helped shape who I am today,” she says. It also shaped her support for public higher education and the access it provides to students, like herself at age 19, who cannot afford private schools.

Neda Nobari’s gift endowed a distinguished chair and a fund for activities such as fellowships and conferences. “If you give an endowment, it lasts forever,” she says of her choices in structuring the gift. Achieving “forever” requires sound financial management, and her confidence in the San Francisco State University Foundation is fueled by insight she gains as a member of the board of directors. “I have a firsthand view of how the money is managed — the care, the caution, the values, the accountability of the everyday working environment,” she says. “There are no questions on the table for me.”

Neda hopes her giving sets an example for what philanthropy can be. “It’s not just writing a check,” she says. Her gift is a deeply personal act, reflective of her journey and her vision to build community, inspire new donors and provide future generations of Iranian’s in diaspora with “a new lens through which they can examine their cultural identity.” □

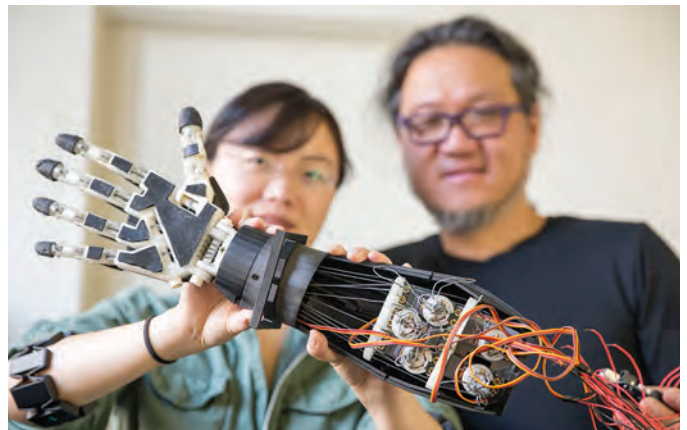
PHILANTHROPIC HIGHLIGHTS OF THE YEAR

“IT’S BEEN MORE THAN A PROGRAM TO ME. IT’S LIKE A FAMILY.”

Rosanna Fajardo, alumna of the Guardian Scholars Program (GSP), which helps 80 students a year transition successfully from foster care into college with a suite of wrap-around services. Philanthropic support accounts for 90% of the GSP budget.

“In the real world, to solve challenges, you need to break pre-existing dogmas and come up with new solutions.”

Associate Professor of Computer Science **Kazunori Okada** on collaborating with Assistant Professor of Engineering **Xiaorong Zhang**. In January, their advanced prosthetic arm design became the first project to receive funding from the Ken Fong Translational Research Fund, which supports interdisciplinary research.



“The new weight room has made it possible for each team and individual athlete to better their success, building not only their physical strength but also their confidence as San Francisco State Gators.”

Jacqueline Foley, scholar-athlete, cross country team captain and track & field team co-captain, on the new athletics training facility that opened this year thanks to significant support from

“My goal is to do preventative care because through better prevention and treatment, my community will have much more trust in the health care system.”

Destinee Lanns, biology major with a concentration in physiology and one of many students from underrepresented backgrounds who will benefit from an investment by Kaiser Permanente in curriculum development aimed at fostering career-readiness skills and diversifying the healthcare workforce.



“If you’re going to teach political science, or any of the social sciences, you don’t want to start with American government. The fundamental thing you’re dealing with is science.”



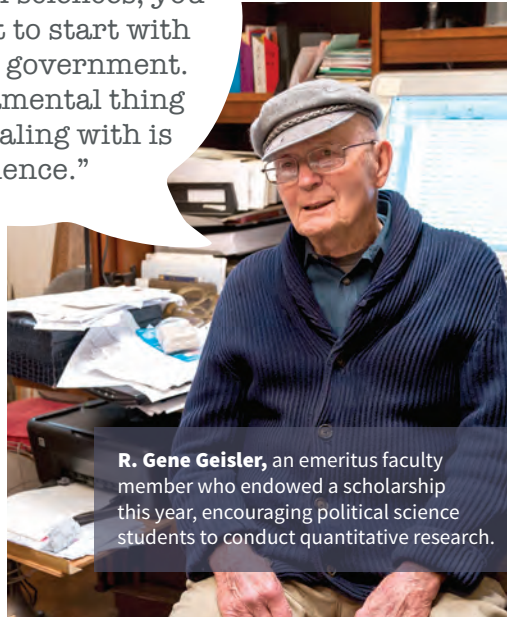
“THE WILLIE BROWN STUDENTS ARE HIGHLY MOTIVATED TO PURSUE A PROFESSION AND GIVE BACK TO THEIR COMMUNITIES, SO THE LIKELIHOOD OF THEIR GOING ON TO DO SOMETHING GOOD IN THE WORLD IS VERY, VERY HIGH.”

Raquel Pinderhughes, director of the Willie L. Brown, Jr. Fellows Program, which placed more students than ever in local government internships this year thanks to gifts totaling more than \$1 million to endow the program.



“Young people can learn that they can have a life in a creative profession ... and this will keep the love of live theatre vibrant.”

Toni Weingarten, a Bay Area native who attended a residential theatre camp held at SF State in the 1960s, on the motivation behind her planned gift to endow a scholarship in theatre arts for underserved students.



R. Gene Geisler, an emeritus faculty member who endowed a scholarship this year, encouraging political science students to conduct quantitative research.

“Causeways will offer a new educational model that can be scaled up and replicated at campuses that share SF State’s challenges as well as its driving aim: to graduate students with high-quality degrees that advance their personal and professional goals.”

Jennifer Summit, interim provost and vice president for Academic Affairs, referring to a pilot program funded by the W.K. Keck Foundation to create structured and integrated pathways that help undergraduates pursuing health-related degrees stay on track to graduation.



“Philanthropic support creates opportunities for our exceptional students and faculty to turn bold ideas into action, distinguishing SF State as the finest public comprehensive university in California.”

Les Wong, President,
San Francisco State University



“Because SF State students, alumni and programs are so deeply engaged in our communities, an investment in the University yields returns for all of us.”

David Serrano Sewell, B.A., '99, Chair,
SF State Foundation Board of Directors



“The steady growth of the Foundation’s endowment coupled with our expanded commitment to socially responsible investing represents a win-win for the SF State community.”

Venesia Thompson-Ramsay, Treasurer/Secretary,
SF State Foundation



Message from the Foundation President

WHEN A GROUP OF STUDENTS approached SF State President Les Wong and me a few years ago and started a conversation about socially responsible investing, we were impressed by their passion, knowledge and initiative. They had done their homework, they were eager to learn more and, most importantly, they were ready to act. This is not unusual among students at San Francisco State University, where members of the nation's most diverse student body among large universities are united in their desire to make a better world — for themselves, their families and their communities.

THE SF STATE FOUNDATION is in a unique position to help make this possible by connecting donors to programs they care deeply about — the very programs that propel students, faculty and the entire University forward. We know that giving is a very personal act, and one imbued with a sense of responsibility and hope, a sense of anticipation that an investment will bear fruit and change lives and communities for the better. We at the Foundation are proud to steward these investments carefully while remaining true to the University's commitments to social justice and sustainability.

UNDER THE LEADERSHIP of a highly skilled and insightful board of directors, drawn from our alumni, business and civic communities, the Foundation continues to advance its mission while promoting growth and keeping operating costs to a minimum. Our current goal is to reach an endowment of \$100 million by 2020. I am confident we have the team in place and the right momentum to succeed.

A handwritten signature in dark ink, reading "Robert J. Nava". The signature is fluid and cursive, with the first name "Robert" and last name "Nava" clearly legible.

Robert J. Nava
Foundation President

FINANCIALS 2015-2016

STATEMENT OF NET POSITION (BALANCE SHEET)

FISCAL YEAR ENDED JUNE 30, 2016	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 145,512	\$ 66,705
Investments, restricted	22,880,344	10,755,915
Receivables from related parties	61,269	64,547
TOTAL CURRENT ASSETS	\$ 23,087,124	\$ 10,887,167
Noncurrent Assets		
Investments, restricted	\$ 49,239,305	\$ 56,797,035
Investments held for University Corporation, SF State	—	81,731
TOTAL NONCURRENT ASSETS	\$ 49,239,305	\$ 56,878,766
TOTAL ASSETS	\$ 72,326,429	\$ 67,765,933
Deferred Outflows of Resources		
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 72,326,429	\$ 67,765,933
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 119,752	\$ 30,613
Payable to the University Corporation, SF State	—	81,731
TOTAL CURRENT LIABILITIES	\$ 119,752	\$ 112,344
Deferred Outflows of Resources		
Net Position		
Restricted for:		
Nonexpendable — endowments	\$ 43,746,989	\$ 45,238,810
Expendable — scholarships, fellowships, capital projects	27,749,527	21,564,852
Unrestricted — reserved for operations	351,419	350,000
Unrestricted	358,744	499,927
TOTAL NET POSITION	\$ 72,206,678	\$ 67,653,589
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 72,326,430	\$ 67,765,933

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(INCOME STATEMENT)

FISCAL YEAR ENDED JUNE 30, 2016	2016	2015
OPERATING REVENUES		
Administrative fees	\$ 1,363,592	\$ 1,420,331
Other revenues	1,000	5,031
TOTAL OPERATING REVENUES	\$ 1,364,592	\$ 1,425,362
Operating Expenses		
Management and general	\$ 817,342	\$ 1,256,434
TOTAL OPERATING EXPENSES	\$ 817,342	\$ 1,256,434
OPERATING INCOME	\$ 547,250	\$ 168,928
Nonoperating Revenues (Expenses)		
Contributions	\$ 6,804,388	\$ 1,791,571
Endowment management fees	(1,363,592)	(1,420,331)
Investment return, net	(448,209)	2,119,105
NET NONOPERATING REVENUES (EXPENSES)	\$ 4,992,587	\$ 2,490,345
INCOME BEFORE OTHER ADDITIONS AND TRANSFERS	\$ 5,539,837	\$ 2,659,273
Other Additions and Transfers		
Capital contributions	\$ —	\$ —
Additions to permanent endowments	655,881	1,546,961
Transfers to the University Corporation, SF State	(1,642,629)	(1,937,457)
Transfers to the University		
TOTAL OTHER ADDITIONS AND TRANSFERS	\$ (986,748)	\$ (390,496)
CHANGE IN NET POSITION	\$ 4,553,089	\$ 2,268,777
Return of Endowment Donation		
NET POSITION, BEGINNING OF THE YEAR	\$ 67,653,589	\$ 65,384,812
NET ASSETS, END OF THE YEAR	\$ 72,206,678	\$ 67,653,589

SF STATE **FOUNDATION BOARD** 2015-2016

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Advancement, SF State

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Retired Regional Business
Banking President, Wells Fargo

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President, Bay Properties, Inc.

Neda Nobari B.A., '84
Founder and President,
Neda Nobari Foundation

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Sports Anchor, KPIX CBS 5
Television

Laurie Pitman
Philanthropist

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Affairs, Dignity Health

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Policy Alliance

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Vice President/Chief Financial
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Finance, SF State

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Associate Professor
of Economics, SF State

Maureen Pasag
Associate Vice President for
Fiscal Affairs, SF State

Sue V. Rosser
Provost and Vice President for
Academic Affairs, SF State

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Lee Blitch
Community Leader

Don W. Scoble B.A., '61; M.A., '71
Community Leader

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Ted Griggs
Dennis O'Donnell
Mary Huss
Camilla Smith
Kimberly Brandon
Staff: Venesia Thompson-Ramsay

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Rogelio Manaois
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Marsha Rosenbaum
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Laurie Pitman
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Charlotte Ferretti
Trevor Getz
Mark Johnson
Alex MacBride
Robert Nava
Neda Nobari
David Simon
Staff: Anne Harris

BOARD **MEETINGS**

OCTOBER 2, 2015

DECEMBER 10, 2015

FEBRUARY 27, 2016

JUNE 23, 2016 (Annual Meeting)

Note: The Foundation president and Foundation board chair are ex-officio members of the other committees except for the Audit Committee.

SAN FRANCISCO
STATE UNIVERSITY



Timberland



ENVIRONMENTAL BENEFITS STATEMENT

post-consumer waste fiber vs. virgin fiber

San Francisco State University saved the following resources by using 730 pounds of Reincarnation Silk, made with 100% recycled fiber and 100% post-consumer waste and manufactured with electricity that is offset with Green-e® certified renewable energy certificates:

7

TREES

FULLY GROWN

3,413

WATER

GALLONS

3

ENERGY

MILLION BTUS

228

SOLID WASTE

POUNDS

629

GREENHOUSE GASES

POUNDS

Calculations based on research by Environmental Defense Fund and other members of the Paper Task Force.

BOLD. Thinking.

The Campaign for SAN FRANCISCO STATE



**SAN FRANCISCO
STATE UNIVERSITY**

University Advancement
1600 Holloway Avenue
San Francisco, CA 94132
sfsu.edu

