



Finance Committee Meeting

Tuesday, May 13, 2025

11:00am to 12:30pm

via Zoom

Committee Members

Kal Salama, Chair
Ly Chau
Yessica Gonzalez Gudino
Tammie Ridgell
Janey Wang

Guests

Beacon Pointe:
Bill Thompson
Lance Allende
Anoshua Chaudhuri

UCorp Staff

Maggie Woo
Julie Vuong

Absent: Jamillah Moore

I. Call to Order by the Chair

- Meeting called to order by **Kal Salama** @ 11:03am

II. Finance Committee Meeting Minutes Approval

- April 22, 2025
Kal called for motion to approve minutes.
Janey moved the motion.
Yessica seconded. Minutes approved unanimously by the committee.

III. Beacon Pointe – April 2025 Portfolio Update and Review; Investment Vehicles Update, by Bill Thompson

Bill provided an overview of the portfolio's performance through April, which was volatile but ended with a recovery. The portfolio is broadly diversified across asset classes and geographies, which has helped mitigate volatility. Headwinds still to be expected but most volatility in rear view mirror, with elevated risk of stagflation.

- **Performance:** The portfolio was up 2.7% fiscal year-to-date. Long-term returns include 5.4% per year over the past 3 years and over 7% per year over the past 5 years.
- **Discussion/Questions:** Bill presented an updated ESG summary page. The committee members raised clarifying questions and recommended that the exclusions listed on the page be based on the organization's ESG policy criteria—such as industry sectors or revenue thresholds—rather than naming specific companies. This approach would ensure consistency, avoid confusion, and better reflect the intent of the investment policy.



Tammie informed the committee beginning in FY2025-2026, a student group will be invited to a committee meeting. The group, which expressed concerns related to human rights and university investments, previously engaged with the Foundation and the University President, and their focus will shift to UCorp. Anoshua provided additional context on the group's background and activities. Beacon Pointe offered to prepare educational materials in advance of the meeting and reiterated some points for the annual investment review process.

Committee members asked additional clarifying questions and had a brief discussion.

Following discussion, Anoshua left the meeting.

IV. Report on Corporation's Financial Status and Audit Update, by Maggie Woo

No new updates. Accounting is still closing April's financials, so results will be reported at the next meeting.

V. FY25-26 Budget Presentation

Tammie presented the proposed budget for FY 2025–26, highlighting revenue projections, expense assumptions, investment income, and reserve planning. The focus was on unrestricted funds, which are under the board's direct control. Revenue and expenses were projected based on historical and current program activity. The proposed budget reflects a \$212K deficit, but may improve depending on investment performance.

Revenue Highlights

- Grants & Contracts: UCorp primarily receives foundational grants, which are typically awarded by private foundations. Foundational grants are usually received upfront and recorded as revenue unless explicitly restricted by the donor for specific year.
- Program Revenue
 - Campus program fees are generated from fee-generating programs such as Sierra Nevada Field Campus and Math Circle. These revenues are projected based on current activity levels and expected participation.
 - The Student Center admin fee was removed from the budget because the center has been operating at a deficit since COVID, and UCorp has not been reimbursed. Tammie will be proposing a new model to Associated Students where UCorp manages vendors and donates net proceeds (after fees) to AS and AS covers all of the expense for maintaining the building, reducing future financial risk.
 - Follett's rent revenue and corresponding expenses have been removed from the budget to avoid overstating UCorp's income, as the arrangement should be net-zero. This adjustment ensures the financials more accurately reflect actual revenue contributing to UCorp's bottom line.



- Food Vendors & Rentals: the financial performance of the campus shops is projecting a deficit of approximately \$90,000 for FY 2025–26—an improvement from the prior year's \$123,000 budgeted loss. While the shops have made progress since COVID, achieving break-even will depend heavily on student enrollment and overall campus activity.
 - Revenue from Lot 25 comes from leasing the lot to construction companies, and UCorp collects a 15% fee from those arrangements.
 - 100% of revenue from the Sutro Lot goes to UCorp.
- Investment Income: projection based on a 5.6% five-year average return from the portfolio based on a smoothed approach and additional interest from LAIF and reserve cash.

Expense Highlights

- Salaries & Benefits: category includes increase due to minimum wage increase in July 2025. A 3% placeholder has been included to account for step increases for unionized staff. Additionally, a placeholder for an accounting position has been added to support operations as Tammie transitions fully into the Executive Director role.
- ADP: increased due to product implementation of additional HR-related tools to include modules for onboarding, benefits management, and overall HR system enhancements.
- University Support: At the university's request, added a \$60,000 increase to support commencement. Although UCorp receives an admin fee for commencement, those funds will effectively be redirected to support the event.
- Cost Allocation Expense: Increased due to higher campus service recharges, such as mail services, IT services.

Capital Projects and Working Capital

- Funds have been earmarked for ongoing site planning and safety assessments at the Sierra Nevada Field Campus, with UCorp potentially responsible for covering a portion of these costs.
- Operating Reserves: UCorp's operating reserves, which requires \$1.89 million to cover six months of operations, currently at \$1.7 million. Tammie recommended not funding the reserve from operations initially, but instead considering it at the end of the fiscal year if a surplus materializes, such as from investment gains.
- Capital Reserve: Will be fully restored to \$500K using funds from the University Club reimbursement.

Operating Reserve Analysis

- Currently at \$1.7M; policy requires \$1.89M. Tammie recommended deferring the \$99K adjustment unless a year-end surplus occurs.



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Insurance Review for FY 25-26

- UCorp's insurance costs are projected to increase by about 20% for FY 2025–26, rising from approximately \$90,000 to \$108,000, due to rising liability insurance rates across California. This includes general liability, crime, property insurance, and directors and officers (D&O) coverage, with a coverage limit of \$77 million for D&O.

Following the budget presentation, Bill and Lance left the meeting.

- **Discussion/Questions:** Committee members asked additional clarifying questions and had a brief discussion.

VI. Call for Adjournment

- **Kal:** adjourned meeting at 12:27pm.